GIEWS Country Brief
Iraq

Reference Date: 15-May-2020

FOOD SECURITY SNAPSHOT
- Above-average cereal crop production forecast for 2020
- Cereal import requirements forecast at average level as country builds stocks
- About 920 000 people estimated severely food insecure, while 1.7 million vulnerable to food insecurity

Favourable weather conditions for crop development
The 2020 winter cereal harvest started in April in the southern parts of the country and the bulk will be collected in May and early June.

Conditions for crop development have been generally favourable across the country with timely and well-distributed rains. The northern cereal-producing belt of Kirkuk, Nineveh and Al Suleymaniah governorates experienced an early autumn dryness until late November 2019, but abundant precipitation starting from December significantly improved soil moisture content. In April 2020, a localized infestation of desert locusts was reported and control operations were implemented in Al-Muthanna, Al-Najaf and Thi Qar governorates in the south, where cereal production is minor due to the environmental conditions.

The 2020 cereal production is forecast at an above-average level of 6.5 million tonnes, slightly below the 2019 near-record level of 6.8 million tonnes. The comparison with the average is likely to be inaccurate as in 2018 the security situation prevented the complete production estimates in Nineveh, Salah-Alden and Anbar governorates, Hawija district in Kirkuk Governorate and some villages in Diyala Governorate.

Purchasing prices of the Grain Board of Iraq for the wheat crop have remained unchanged since 2017, when they sharply declined compared to the previous years following lower international oil prices. In 2020, prices ranged from IQD 420 000 (equivalent to USD 350) to IQD 560 000 (USD 467) per tonne, depending on the quality of the grain. Despite the pressure on the national budget, reports indicate that farmers are paid in cash upon presenting a letter from the Ministry of Trade confirming the quantity and amount due. As of 9 May 2020, the State grain buyer purchased 542 000 tonnes of wheat. The wheat purchased...
is then used in the Public Distribution System (PDS), which distributes subsidized basic food rations to the population.

**Average import requirements forecast**

Cereal import requirements in the 2020/21 marketing year (July/June) are forecast at 4.2 million tonnes, including 2.7 million tonnes of wheat (imported mostly as flour) and 1.3 million tonnes of rice. The total cereal import requirements, despite the expectations of an above-average 2020 domestic harvest, are forecast to be near average, a level similar to the previous year, as the Government tries to rebuild stocks that have been recently depleted by the COVID-19-related stockpiling by consumers.

**About 920 000 people severely food insecure, 1.7 million vulnerable to food insecurity**

The country’s economy is being affected by the recent decline in global oil prices which is putting a pressure on the national budget. The 2020 budget was prepared with the assumption of USD 56 per barrel of crude oil price. Oil revenues account for 90 percent of total State revenues. According to the Ministry of Oil, in April 2020, Iraqi oil sold for an average of USD 13.80, down from USD 28.44 in March and USD 51.37 in February. Resentment over poor public services and lack of employment opportunities continue to impact political stability, which coupled with fiscal deficits, will likely threaten the overall food security situation.

According to the 2020 Humanitarian Needs Overview (HNO) released in November 2019, the estimated number of people in need of humanitarian assistance decreased from 6.7 million in 2019 to 4.1 million. More than half of them are concentrated in the governorates of Nineveh and Anbar. The number of severely food insecure people is estimated at about 920 000, while 1.7 million are vulnerable to food insecurity, mostly IDPs and returnees, with the majority concentrated in the governorates of Diyala, Nineveh, Salah Al-Din, Anbar and Kirkuk.

Despite increased stockpiling by households facing the COVID-19 pandemic, the WFP’s Cash-Based Transfer Food Basket increased on average by 5 percent between March and April 2020, mainly supported by increased flour prices. However, some governorates have observed higher prices of some commodities, particularly in the central part of the country.
COVID-19 and measures adopted by the Government

Since February 2020, both Federal Iraq and the Kurdistan Region have enforced movement restrictions and curfews to curtail transmission of the disease. Measures were slightly relaxed at the end of April to allow movement from 06:00 to 18:00 hours.

In early April 2020, the Higher Committee for Health and National Safety, established to coordinate national efforts to combat COVID-19, decided to:

- Establish a committee to assess current and future market needs in terms of food, medical supplies and agricultural produce, with a mandate to promote Iraqi products.
- Facilitate the transit of lorries and refrigerated trucks carrying food, agricultural products, medical and veterinary materials between provinces and within cities.
- Monitor the prices of essential goods to ensure that they remain stable and to take measures against speculators, according to law.
- Facilitate the transport of agricultural harvesters and livestock between provinces.
- Establish a committee to report on support mechanisms for workers in the private sector during COVID-19.
- Establish a committee to report on the financial impact on citizens and to suggest options to provide financial support to affected groups, especially those on low income.

The farmers do not face any obstacles in accessing their fields and herds. The domestic production of perishable produce, such as potatoes, cucumbers, tomatoes and eggs, remains high with no export opportunities. The Ministry of Agriculture requested that existing import regulations are enforced in order to boost demand for domestic production.

The Government plans to assist approximately 2 million families (approximately 12 million individuals) through the Minha Programme which will provide each individual impacted by the curfew with a temporary monthly grant of IQD 30 000. The programme started dispersing funds in the first week of May and is administered via a telephone application.

Payment of land rental fees for agricultural tenants was postponed. The Central Bank announced a moratorium on interest and principal payments to small and medium enterprises.

Disclaimer: The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.