



GIEWS Country Brief Lebanon

Reference Date: 02-December-2020

FOOD SECURITY SNAPSHOT

- Favourable weather conditions for cereal establishment, but expensive inputs hamper agricultural activities
- Average import requirement estimated in 2020
- COVID-19 outbreak aggravated country's challenging situation caused by economic and financial crisis

Favourable weather conditions, but expensive inputs hamper agricultural activities

Sowing of the 2021 winter cereal crops is nearing completion. The first substantial rainfall of the season was recorded in November and eased concerns over early season drought. Seeds, fertilizers and plant protection material remain available, albeit at high prices. As most agricultural inputs are imported, the continuing currency depreciation on the parallel market increases their cost in the local currency. Most farmers lack the adequate liquidity to purchase inputs and the financial crisis has severely constrained access to seasonal credit, which was used extensively until the 2018/19 agricultural season. In July 2020, in agreement with the Banque du Liban (BdL), the Government allowed traders of raw materials (including feed and agricultural inputs) to finance imports using a subsidized exchange rate of LPB 3 900/US dollar (vs. LPB 8 000/US dollar in the parallel market in mid-July). However, the administrative process is reportedly causing delays in placing orders as traders need to get approval from the Ministry of Agriculture and the Ministry of Economy and Trade before the BdL can release the US dollar transfers at a subsidized rate. The official exchange rate remains pegged at LBP 1 508/US dollar since 1997.

Overall, despite ample and well distributed rainfall, expensive inputs constrained agricultural production in the 2019/20 season as farmers turned into low input production. In 2020, the total cereal production is estimated at about 134 000 tonnes, similar to the 2019 weather-stricken harvest and almost 20 percent below the five-year average.

Average cereal import requirement estimated

Domestic cereal production covers, on average, less than 20 percent of the consumption needs and the country depends heavily on imports. In the 2020/21 marketing year (July/June), the cereal import requirements, mainly common wheat for human consumption and maize to feed livestock and poultry, are

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Crop Calendar

(*major foodcrop)

Barley

Wheat*



Sowing

Growing

Harvesting

Source: FAO/GIEWS.

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Cereal Production

	2015-2019	2019	2020	change
	average			estimate
000 tonnes				
Wheat	130	100	100	0.0
Barley	31	32	30	-6.3
Maize	3	3	3	0.0
Others	1	1	1	0.0
Total	165	136	134	-1.5

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

forecast at an about average level of 2 million tonnes, similar to the previous year. Wheat is sourced mostly from the Black Sea region.

Discussions are underway on rebuilding the port facilities in Beirut after an explosion in August 2020 destroyed parts of the port including the bulk terminal and the main grain silo, neighbourhoods in the vicinity and caused human and material damage in the greater Beirut area. The total capacity of the port silos in Beirut was 120 000 tonnes. It was estimated that, at the time of the blast, there were between 10 000 and 15 000 tonnes of wheat stored in the silos, sufficient to cover the milling needs for five to ten days. In addition, between 40 000 and 56 000 tonnes of maize, imported by private traders, were also estimated to be in the silos. As the bulk receiving terminal remains out of commission, incoming vessels are unloaded in the Port of Tripoli and trucked in land for storage and, finally, for milling, mostly to the Beirut area. Container unloading, including for bagged cereals, remains unaffected.

COVID-19 outbreak aggravated country's challenging situation caused by economic and financial crisis

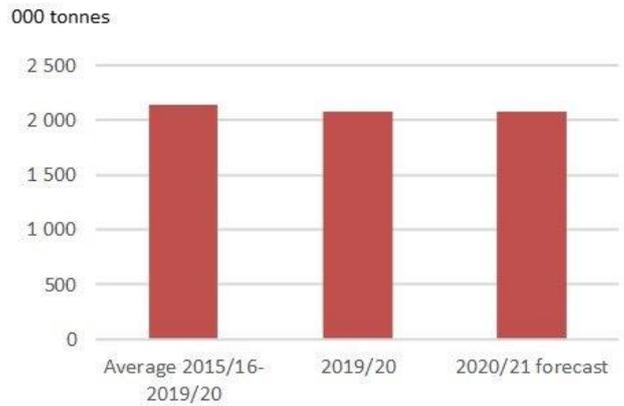
The already worrisome economic conditions, with increasing unemployment, poverty and skyrocketing inflation rates, have further worsened due to the COVID-19 pandemic and the measures introduced to contain the spread of the disease. According to the World Bank, the real Gross Domestic Product growth is projected to sharply decelerate to -19.2 percent in 2020, on the back of a -6.7 percent contraction in 2019, constraining employment opportunities and livelihood options. The unemployment rate, officially estimated at 11.4 percent in 2019, has risen and is now reckoned to be at over 40 percent of the workforce. More than 60 percent of the country's young people are unemployed. In October 2020 (latest information available), the year on year general inflation reached 137 percent, while the food price inflation recorded an annual increase of over 440 percent. The cost of living is increasing as a result of the currency depreciation on the parallel market and the limited availability of hard currency at the official rate which makes imports more expensive. In August 2020, the United Nations Economic and Social Commission for Western Asia estimated that more than 55 percent of the population live in poverty and struggle for necessities, up from 28 percent in 2019.

As of September 2020 (latest information available), about 880 000 Syrian refugees remain officially registered with the United Nations High Commissioner for Refugees (UNHCR) in the country. As many refugees rely on casual labour opportunities, their livelihoods and food security situation has deteriorated amidst the crisis. According to the Lebanon Crisis Response Plan, food insecurity has significantly increased among Syrian refugees, with 46 percent of the population now food insecure compared to the 29 percent in 2019. Similarly, extreme poverty increased from 51 percent in 2018 to 88 percent in 2020. Among the Lebanese population, extreme poverty increased from 8 percent in 2019 to 23 percent in 2020.

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Lebanon

Cereals Imports



Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.