



GIEWS Update

Syrian Arab Republic

National cereal balance 2020/21 marketing year (July/June)

Highlights:

- Favourable weather, coupled with improved security conditions, led to an upturn in cereal production in 2020.
- Despite a well above-average wheat harvest, after accounting for anticipated Government imports and food assistance, an uncovered gap between total availability and utilization is expected during the 2020/21 marketing year (July/June).
- Ample domestic production of barley is likely to be sufficient to cover domestic feed and seed needs in the 2020/21 marketing year (July/June).

Unlike in almost every year since 2013, the annual joint FAO/WFP Crop and Food Security Assessment Mission (CFSAM) in the Syrian Arab Republic was not conducted in 2020 due to COVID-19-related restrictions on international and internal travel. To fill at least some of the information gaps created by the absence of the annual report and to guide humanitarian programming, this note presents the national wheat and barley balance sheet for the 2020/21 marketing year (July/June), prepared on the basis of the available information as of November 2020.

In the past years, the wheat and barley cereal balance sheet was prepared by the CFSAM team upon completion of the work in the field. Parameters determining the balance sheet items, including the level of production and available stocks, the number of animals to determine feed needs, etc. were audited, triangulated, and in some cases, calibrated by the CFSAM team based on its direct

observations in the country. For the 2020 exercise, production figures were taken directly from the Ministry of Agriculture and Agrarian Reform (MAAR), without any possibility of verification in situ.

Favourable weather conditions, coupled with improved security conditions, led to an upturn in cereal production. The 2020 cereal harvest is estimated at 5.2 million tonnes, over 20 percent more than in the previous year and about 77 percent above the five-year average. The harvest comprised about 2.8 million tonnes of wheat (an increase of 52 percent compared to the five-year average) and 2.3 million tonnes of barley (more than double the average).

The General Establishment for Cereal Processing and Trade (Hoboob) remains the exclusive institution in charge of purchasing locally produced wheat. For the 2019/20 agricultural season, the Government

allocated SYP 450 billion for domestic wheat purchases (wheat harvested by June 2020). The 2020 purchasing price for first grade wheat was originally set at SYP 225/kg with a bonus of SYP 25 for delivery included. Given the sharp currency depreciation, in an effort to attract more farmers, in May 2020, the Government increased the 2020 Hoboob purchasing price to SYP 400/kg¹ (equivalent to about USD 150/tonne using the exchange rate from June 2020). In the past, in order to sell to Hoboob, farmers had to purchase new hessian sacks and deliver them to the collection place. The purchasing price for the same grade in 2019 was SYP 185/kg, including a bonus of SYP 15/kg. In previous years, most grain purchased by Hoboob was classified in the second grade category, for which payment was slightly less.

National wheat balance sheet

The national wheat balance sheet relies on the following assumptions:

- As an official national estimate of population is not available, the balance sheet uses the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimate of 20.5 million people in 2020.
- According to MAAR estimates, about 2.8 million tonnes of wheat were harvested in 2020 in the whole country.
- Opening stocks of wheat at the beginning of July 2020 were estimated at 100 000 tonnes.
- Per capita wheat consumption is assumed at 180 kg/annum. In the 2019 exercise, per capita wheat consumption was assumed to be 170 kg/annum. However, declining economy, weakening exchange rate and limited employment opportunities have constrained the purchasing power of the population, translating into a higher consumption of relatively accessible carbohydrates and lower consumption of proteins

(meat, dairy) as well as fresh fruits and vegetables.

- Out of 11.65 million chickens, it is estimated that about 2.7 million are fed 100 gr of wheat/chick/day.
- At about 1.8 million hectares, the planned wheat area in the entire country for the 2021 harvest is forecast to be similar to that of 2019/20. On average, 220 kg of seeds are sown on 1 hectare.
- Harvest and storage losses represent 15 percent of production.
- Closing stocks of wheat by 30 June 2021 are estimated at 100 000 tonnes.
- The Government plans to import 1.3 million tonnes of wheat in the 2020/21 marketing year.
- The balance sheet does not assume any commercial imports although, as of end-November, there was no licensing requirement for traders to import wheat.

Table 1: National wheat balance sheet, 2020/21
(thousand tonnes)

Domestic availability (estimate)	2 900
Production	2 800
Opening stocks	100
Total utilization (forecast)	4 705
Food use	3 690
Feed use	99
Seed use	396
Losses (field and post-harvest)	420
Closing stocks	100
Imports (forecast)	1 553
Anticipated Government imports	1 300
Anticipated commercial imports	0
Food assistance (in grain equivalent)	253
Difference between utilization and total availability	- 252 (shortfall)

¹ [The Syrian Interim Government sets the purchase price of wheat in northern Syria \(nedaa-sy.com\)](http://nedaa-sy.com)

- In 2020/21, some 190 000 tonnes of white wheat flour will be received as in-kind food assistance by the World Food Programme (WFP). With an extraction rate of 75 percent, the amount corresponds to 253 000 tonnes of wheat in grain equivalent as food assistance. WFP has been procuring bulgur locally since 2016, and only imports white flour.

If the entire production harvested in both Government and non-Government-held areas was sold to Hoboob and would be available for consumption across the country in both Government and non-Government-held areas, and, after accounting for anticipated imports and food assistance, there would be an uncovered shortfall of about 250 000 tonnes of wheat. (Food assistance by other organizations would reduce the uncovered shortfall).

Scenario analysis: partial availability

Although Hoboob remains the exclusive institution in charge of purchasing locally produced wheat, in the previous years, and in some locations, non-governmental entities and private traders were purchasing grain at the same price as Hoboob, but collecting it on farms and scenario analysis: partial availability not requiring the use of new sacks. This year, however, reports indicate that non-Government buyers set the purchase price of wheat in their areas of control at USD 220/tonne of durum wheat and USD 210/tonne of soft wheat. Those purchasing prices were denominated in US dollar and thus unaffected by the further depreciation in the exchange rate, thus possibly limiting the amount of wheat purchased by Hoboob.

The control of the different territories of the country has fluctuated since the onset of the conflict in 2011. As of mid-2020, Syrian Government forces were in control of southern, central and western parts of the country, corresponding to about two-thirds of the country's area. The rest of the country is controlled by the opposition forces.

Given the price differential offered by non-Hoboob buyers, it is very likely that only production harvested in Government-held areas would be available for consumption in those areas. About 70 percent of the production comes from areas out of Government control as of August 2020. Since the main wheat producing area in the country is in the north and northeast governorates (Hassakeh, Raqqqa and north Aleppo) under Kurdish and other authorities' control, the rest of the country is wheat deficit, consuming more wheat than producing. Therefore, assuming that:

- About 16 million people out of 20.5 million estimated by OCHA in 2020 reside in areas under Government control.
- The Government (through Hoboob) would receive about 30 percent of the total production corresponding to 840 000 tonnes.
- Out of 11.65 million chickens, about 2.7 million are fed with wheat, of which about 85 percent are in Government held areas. It is estimated that about 2.3 million are fed 100 gr of wheat/chick/day.
- The planned wheat area for the 2021 harvest in the areas under Government control is about 720 000 hectares.

In the scenario analysis, taking into account decreased production (840 000 tonnes), food use (2.88 million tonnes), feed use (84 000 tonnes), seed use (158 000 tonnes), losses (126 000 tonnes) after accounting for anticipated imports and food assistance, the uncovered shortfall is 855 000 tonnes of wheat, (Food assistance by other organizations would reduce the uncovered shortfall).

News reports from late October 2020 indicate that the Government has purchased about 690 000 tonnes of wheat for the 2020/21 marketing year (July/June), including 225 000 tonnes purchased in Hassakeh.² For strategic reasons, Hoboob does not publicly provide information on the amount of grains currently in stock. However, it is possible that the uncovered shortfall is bigger.

² <https://www.middleeastmonitor.com/20201029-syria-pm-local-wheat-stock-sufficient-for-only-2-months/>.

National barley balance sheet

The national barley balance sheet relies on the following assumptions:

- According to MAAR, 2.254 million tonnes of barley were harvested in 2020.
- Opening stocks at the beginning of July 2020 were estimated at 310 000 tonnes.
- Combined sheep and goat population is estimated at 12 million (a slight increase from 11.6 million in 2019 supported by improved security and favourable pasture conditions) and cattle population at 593 000 (the same as in 2019). An average feed requirement of 0.25 kg of barley grain/sheep/day as part of a feed ration of 1 kg/animal/day of total feed, including bran, browse and crop residues. An average feed requirement of 3.5 kg of barley grain/bovine/day.
- At about 1.5 million hectares, the planned barley area for the 2021 harvest is forecast to be similar to that of 2019/20, using seed rates of 170 kg/hectare.
- Harvest and storage losses represent 15 percent of production.
- Closing stocks by 30 June 2021 are estimated at 118 000 tonnes.
- There is no plan to import barley during the marketing year 2020/21, by the Government, private entities or UN agencies.

Table 2: National barley balance sheet, 2020/21
(thousand tonnes)

Domestic Availability (estimate)	2 564
Production	2 254
Opening stocks	310
Total utilization (forecast)	2 546
Food use	0
Feed use	1 853
Seed use	255
Losses (field and post-harvest)	338
Closing stocks	118
Imports (forecast)	1 553
Anticipated Government imports	0
Anticipated commercial imports	0
Food assistance (in grain equivalent)	0
Difference between utilization and total availability	0

With no imports and food assistance anticipated, there is a no difference between utilization and total availability, and domestic barley availability covers the utilization.

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