



## GIEWS Country Brief The Lebanese Republic

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### FOOD SECURITY SNAPSHOT

- **Harvesting of 2023 winter cereal crops to start by mid-June**
- **Protracted crisis continue to hamper economy, including agriculture**
- **Slightly below-average import requirement forecast in 2022/23**
- **Food security worsens as economic challenges persist**

### Harvesting of 2023 winter cereal crops to start by mid-June

The 2023 winter cereal crops, the largest share of which is wheat grown in Beqaa Valley, will be harvested between mid-June and mid-July. Cumulative rainfall amounts have been below the long-term average through most of the 2022/23 crop year. Although below-average rainfall amounts did not significantly affect winter cereal crops due to application of supplementary irrigation, they constrained the availability of water for irrigation for spring planted crops as well as to satisfy livestock watering needs.

As domestic cereal production is constrained by landscape and climatic conditions, it remains relatively stable year-on-year. Total 2023 cereal production is estimated at about 134 000 tonnes, about 5 percent below the five-year average and close to the 2022 and 2021 harvests that were already affected by the ongoing economic crisis.

### Protracted crisis continue to hamper economy, including agriculture

Farmers, like the rest of the economy, continue to cope with the impacts of the protracted financial and economic crisis. Agricultural inputs, including seeds, fuel, fertilizers, plant protection materials and feed, are available on markets in adequate quantities, but their access continues to be constrained by high prices. Up to 2019, credit was mainly provided by input distributors, now it is almost non-existent.

### Lebanon

Crop Calendar

(\*major foodcrop)

Sorghum

Wheat\*



Sowing

Growing

Harvesting

### Lebanon

#### Cereal Production

	2018-2022	2022	2023	change
	average			2023/2022
				percent
000 tonnes				
Wheat	106	100	100	0.0
Barley	30	30	30	0.0
Maize	3	3	3	0.0
Others	1	1	1	0.0
<b>Total</b>	<b>140</b>	<b>134</b>	<b>134</b>	<b>0.0</b>

Note: Percentage change calculated from unrounded data.

Since the start of the financial crisis in autumn 2019, farmers have been concerned that farm gate prices were very low and not covering production costs. Although there are cases of substituting imported agricultural inputs with domestic ones, such as using smaller amounts of imported chemical fertilizers and relying more on manure from cows, goat and chicken or using domestically produced seeds, most of the agricultural inputs are still imported. Prices of imported inputs are denominated in United State dollars, using exchange rate on the parallel market, while prices of agricultural outputs are denominated in Lebanese pounds which do not take into account the depreciation of the Lebanese pound vis-à-vis the United States dollar on the parallel market, resulting in significant discrepancies.

Concerns about high input costs escalated in April 2023, when potato farmers in Akkar Governorate decided to stop harvesting their spring crop, amidst high production costs and low farm gate prices, further depressed by ample availability of potatoes on the domestic market. In the framework of the 1998 Executive Programme to Support Trade Exchange, potatoes are allowed to be imported duty free from Egypt during the months of February and March, not to overlap with the local harvest that, in Akkar Governorate, usually takes place from April to early June. Reports indicate that a shipment of potatoes, although authorized to depart Egypt in late March 2023, arrived in Lebanon in early April 2023. Imported potatoes were sold for LBP 10 000/km on the local market, while farm gate prices in Akkar Governorate were LBP 12 000 to LBP 14 000/km, insufficient to cover the cost of production estimated at LBP 25 000/km. High prices of fuel often prevent farmers from marketing their production beyond the farm gate price.

Similarly to agricultural products imported via official channels, farmers also bring up the issue of goods imported informally from neighbouring countries, competing with domestic production and depressing farm gate prices.

In [the FAO/Data in Emergency Monitoring \(DIEM\)](#) survey of agricultural households carried out in October and November 2022, the high cost of agricultural inputs and lack of labour were reported as the main crop and livestock production difficulties. The most cited sale challenges by both crop and livestock producers were high transport costs, low sale prices and low demand.

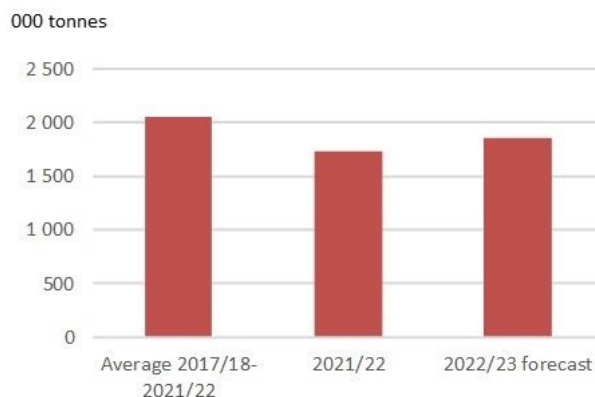
### Slightly below-average cereal import requirement forecast

Domestic cereal production covers, on average, less than 20 percent of the consumption needs and the country relies heavily on imports. In the 2022/23 marketing year (July/June), cereal import requirements, mainly common wheat for human consumption and maize to feed livestock and poultry, are forecast at 1.9 million tonnes, about 10 percent below average.

Wheat has traditionally been sourced mostly from the Black Sea Region to take advantage of geographical proximity and low shipping costs. Between 2017 and 2021, average wheat imports from Ukraine and the Russian Federation were about 55 and

## Lebanon

### Cereals Imports



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

30 percent, respectively, of the total imports. According to data from the [Lebanese Customs Administration](#), in 2022 the country imported about 552 000 tonnes of wheat grain, almost 27 percent less than in 2021, but still 3 percent more than in 2019, at the start of the financial crisis. The year-on-year decline in 2022 is likely to be attributable to the challenging financial situation and the lack of foreign currency, amidst elevated global agricultural commodity prices. Despite the closure of Ukrainian Black Sea ports between March and July 2022, three-quarters of the wheat imported in 2022 were sourced from Ukraine (about 424 000 tonnes). About 52 000 tonnes originated from the Russian Federation, while 76 000 tonnes were jointly supplied from Romania, the Republic of Moldova and Bulgaria. Lack of storage capacity, following the explosion in August 2020 in Beirut that destroyed the main silo, requires more expensive small shipments.

Under the [Wheat Supply Emergency Response Project](#), funded by a loan agreement with the World Bank worth USD 150 million to finance immediate wheat imports to avoid the disruption in supply over the short-term, slightly over 62 000 tonnes, out of the planned 250 000 tonnes, were imported by the first decade of May 2023.

## Food security worsens as economic challenges persist

Since March 2023, the year-on-year general inflation rate exceeded 260 percent, with the April 2023 reading at a new record level of 269 percent. After a brief respite in 2022 when inflation declined from its previous peak of 240 percent recorded in January 2022 to 120 percent in December 2022 and January 2023, annual inflation surged again on the back of exchange rate fluctuations and nearly complete depletion of foreign exchange reserves.

Having declined from the record level of 483 percent in January 2022 to 138 percent in January 2023, the food price inflation reached over 350 percent in March and April 2023, further eroding purchasing power across all segments of the population, with a particularly detrimental impact on most vulnerable households.

The economy contracted by 21.4 percent in 2020, by 7 percent in 2021 and it is estimated to have contracted by 5.4 percent in 2022. As a prerequisite to any support, the International Monetary Fund (IMF) requires closing the gap among various exchange rates currently in use in the country depending on the type of transaction. In February 2023, the official exchange rate of LBP 1 507/USD 1, in place since 1997, was adjusted to LBP 15 000/USD 1. On the parallel market, currency appreciated and declined from a peak of LBP 136 000/USD 1 in March 2023 to LBP 94 000/USD 1, remaining stable since early May 2023.

Although most real transactions were not carried out at the LBP 1 507/USD 1 exchange rate due to unavailability of hard currency, its adjustment is likely to have an impact on the availability of basic goods in the country.

The Integrated Food Security Phase Classification (IPC), between January and April 2023 projected 2.3 million people (42 percent of the population analysed), including 1.5 million Lebanese residents and 800 000 Syrian refugees, to face IPC Phase 3 (Crisis) or worse conditions, including 354 000 in IPC Phase 4 (Emergency). The situation is mainly due to the multifaceted crisis that the country is facing. This represents a significant deterioration compared to the September–December 2022 period, when the first IPC analysis was carried out in the country and it indicated that the population in IPC Phase 3 (Crisis) or worse was estimated at about 2 million (37 percent of the population analysed).

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*This brief was prepared using the following data/tools:*

FAO/GIEWS Country Cereal Balance Sheet (CCBS) <https://www.fao.org/giews/data-tools/en/>.

FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool <https://fpma.fao.org/>.

FAO/GIEWS Earth Observation for Crop Monitoring <https://www.fao.org/giews/earthobservation/>.

Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>.