

FOOD SECURITY IN MENA AMIDST THE RUSSIAN-UKRAINE CRISIS

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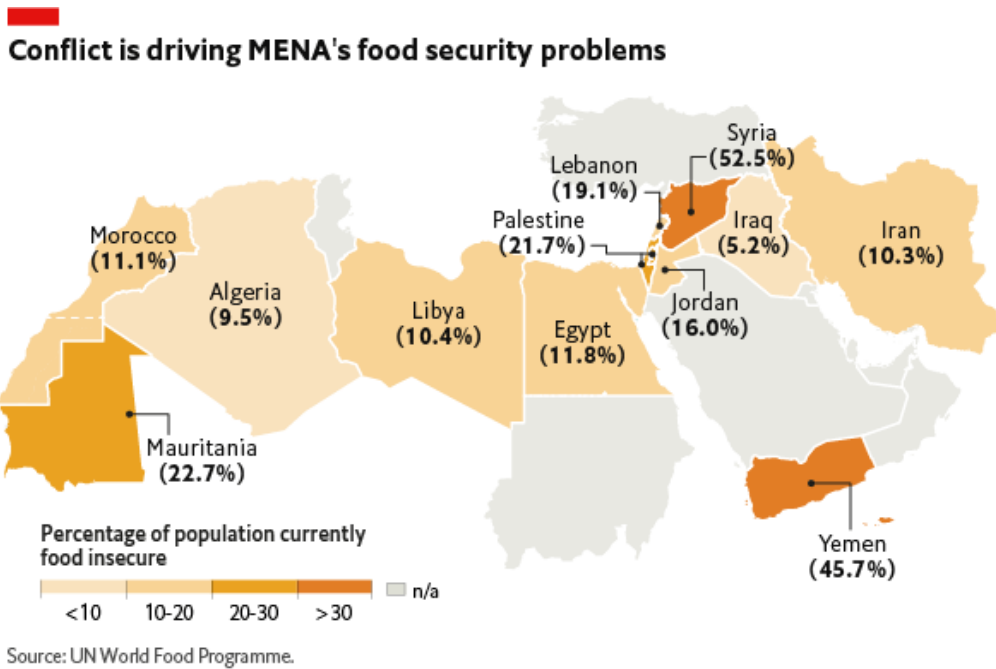
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*(Views expressed in the brief are those of the author, and do
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From the richest to the poorest countries, rising food prices continue to be the cause of much destruction, especially in the aftermath of Covid-19. In the backdrop of increasing population and urbanization growth, food security has become one of the most serious challenges for the Middle East and North Africa (MENA).

Since long, food has been used by the West as a weapon against the Arab world to further geopolitical goals. For instance, the grain embargo in 1980 against the Soviet Union had implications for the Middle Eastern countries in the forms of reduced availability of food aid and a rat race circling around international diplomacy and petrodollar recycling.



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Just as the world had almost come to terms with the effects of the coronavirus, the Russian-Ukraine conflict erupted in 2022. Events resulting from the war have conferred many challenges to global food security, since both countries have a prominent role in international food production and supply. Together they provide 19 percent of the world's barley, 14 percent of wheat (Russia being the largest exporter of wheat, Ukraine, the fifth largest) and 4 percent of maize, making it a cumulative total of more than one-third of global cereal exports.² Moreover, they account for more than 52 per cent of the world's sunflower oil export market and are the lead source of global fertilizer. On September 28, 2022, Qu Dongyu, Director General at the UN Food and Agriculture Organization (FAO), said that as the Ukraine-Russia conflict creates a crisis for countries who are struggling to access the food their populations need, and the international community needs to ensure that it "does not spill over into a food availability crisis."³

The current Russia-Ukraine face-off is creating shockwaves in the global food logistical network. Countries in the MENA region — one of the world's most food insecure areas — were already enmeshed in a toxic combination of conflict, climate change and coronavirus. At the start of the conflict, imports from Black Sea ports were halted which caused much distress in many of the MENA countries which are heavily dependent on wheat from Russia and Ukraine.

1 "Food security remains a major issue in MENA," *Economist*, November 3, 2021.

<https://www.eiu.com/n/food-security-remains-a-major-issue-in-mena/>

2 "Implementing Russia-Ukraine grain export deal needs to overcome sanctions, trust issues," *Xinhua*, July 25, 2022.

<https://english.news.cn/20220725/79a00331643141709141aaff8e323d8f/c.html>

3 "Join forces to prevent 'food availability crisis' urges FAO chief," *Un News*, September 28, 2022.

<https://news.un.org/en/story/2022/09/1128191>

According to the World Food Programme (WFP), the cost of a basic food basket marked an annual increase of 351 percent in Lebanon, followed by Syria, with 97 percent and Yemen with 81 percent. WFP has already been forced to reduce its food rations in Syria and Yemen. Further reductions risk pushing people towards starvation. Prices of local wheat and flour in Egypt have risen 23% and 44% respectively since the Russian invasion began. On October 3, 2022 Kristalina Georgieva, managing director of the International Monetary Fund, stated that more than 141 million people in the Arab world "are exposed to food insecurity".⁴

Ripple effects from the conflict in Ukraine have exacerbated food insecurity in Northwest Syria, which is home to more than 4.1 million people. The more than a decade-long conflict and the severe drought in 2021 have already impacted the harvest and as a result food needs have increased 8.3% for every \$1 increase in flour prices and 6.2% for every \$1 increase in wheat prices.⁵

Similarly in conflict-ridden Yemen, the repercussions of the war in Ukraine have further exacerbated food insecurity since the country imports 40 percent of its wheat from Ukraine and Russia. The prevalence of undernourishment exceeds 45%, and more than half of the population relies on some type of in-kind food assistance.⁶

In Lebanon whose grain silos were destroyed in the Beirut blast in 2020 (presently the current infrastructure can only hold about one month's supply of wheat), sources more than 50 per cent of its wheat from Russia.

Jordan, a net importer of food has also been severely affected by the recent supply crisis due to the Ukrainian- Russian crisis. On October 4, 2022 the Organization of Petroleum Exporting Countries (OPEC), Fund for International Development announced it was providing Jordan with a US\$100 million loan for an Emergency Food Security Project. The statement also said that Previously, on September 25, 2022 the Agriculture Ministers of Jordan, Lebanon, Iraq and Syria met in Amman to discuss the food security issue and back a bid by the host to hold a regional Food Security Observatory to draw up policies and offer solutions regarding this issue.

4 "More than 140 million in Arab world exposed to food insecurity - IMF's Georgieva," *Reuters*, October 3, 2022.

<https://www.reuters.com/world/more-than-140-million-arab-world-exposed-food-insecurity-imfs-georgieva-2022-10-03/>

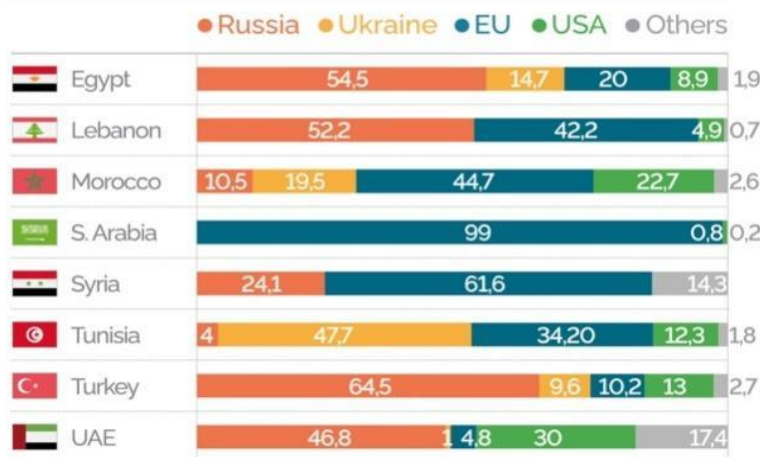
5 "Repercussions of Ukraine crisis on food security in Syria," *Whole of Syria Food Security Sector*, April, 2022. https://fscluster.org/sites/default/files/documents/fss_sitrep1_repercussions_of_ukraine_crisis_on_food_security_in_syria.pdf

6 "Suite of Food Security Indicators," *FAO*. <https://www.fao.org/faostat/en/#data/FS>

Similarly, Algeria, another major importer of wheat, has enough grain reserves to last until the end of 2022 and is now readmitting French wheat imports, suspended after a conflict over France's colonial role, to avert food crisis. Egypt, which is often the world's largest importer, bought 80% of its wheat from Russia and Ukraine in 2021. Even though wheat reserves and the upcoming local harvest in Egypt are enough to provide subsidized bread for a few months, Egyptian officials are already expecting to pay up to an additional \$950 million in the current budget due to higher prices which could see an erosion of strategic reserves.⁷ Morocco, which has been facing its worst drought in thirty years, is also set to hike grain imports. While the UN-backed deal signed between Russia and Ukraine in July 2022 to resume grain exports via the Black Sea ports provided much needed relief to MENA countries such as Egypt, Morocco and Lebanon, the shortage continues.

Where does the MENA region buy its wheat from?

Wheat imports by origin, in percentage (2019)



Source: Observatory of Economic Complexity

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The war has also generated fear that much of the international aid, which is critical life support for many in the Arab world, will be diverted to Ukraine where more than 3.7 million people are war refugees.⁸ This actuality threatens to destroy both household and government budgets alike and raises the prospects of protests.

The MENA region's high dependence on food imports means that in order to manage food insecurity, countries have to manage economic risks related to fluctuating food prices. Firstly,

⁷ "Rising wheat and oil prices will hit budget in Egypt, ministers say," *Enterprise*, March 7, 2022. <https://enterprise.press/stories/2022/03/07/rising-wheat-and-oil-prices-will-hit-budget-in-egypt-ministers-say-66389/>

⁸ "Ukraine Refugee Situation," *UNHCR*. <https://data.unhcr.org/en/situations/ukraine>

governments can reduce commodity price volatility, stabilize their budgets, and add predictability to the cost of food imports by using instruments designed for commodities' markets and hedging.

Secondly, domestic agriculture and food can be engines of economic growth, creating jobs for entrants to the labor market. The countries of the MENA region can regain their ancient leadership in agricultural innovation by investing in cutting-edge practices and technologies responsive to a changing climate, such as hydroponics, conservation agriculture, and the safe use of treated water. Leading agricultural practices such as genetically modified crops, desert agriculture, seawater farming, growing crops in vertical stacks, urban farming, and precision agriculture which uses data and technology to increase yields can also be implemented.

Thirdly, countries in the MENA region can make use of digital technology in the agri-food sector and develop novel financial models to leverage private investment in agriculture if public spending and other policies on it are revisited by governments.

All in all, in the backdrop of the global food supply chain crisis, dedicated efforts need to be made to secure and preserve production and marketing activities so as to ensure that there is no impediment in the global supply chains. This will in turn provide a security cover for all inter-connected logistical systems and infrastructure globally. Furthermore, before any steps to secure domestic food supply are taken, governments must be cognizant of the impacts such actions will have on international markets. In tandem with this, there should be greater transparency and information on global market conditions so that informed decisions can be made.