WFP Lebanon
Research, Assessment & Monitoring Unit

National FSSWG – Food Security and Markets Situation Analysis

FSSWG Meeting

19 July 2022
Decreasing trend (- 21 percent) in food imports continue in the first half of 2022

- A decrease of 21 percent is registered when comparing the first half of 2022 to 2021, 34 percent to 2020, and 39 percent to 2019;
- Import in June 2022 at nearly half the level of June 2021;
- Decrease in 2022 versus 2021 led by the following imports categories decreases:
  - 39 percent in live animals;
  - 39 percent in animal or vegetable fats;
  - 30 percent in cereals.

Source: Port of Beirut data, 2019-2022 as of July 18, 2022, subject to change as more data is released.
Food stocks availability levels in June 2022 similar to previous month

- Stock levels in June 2022 similar to previous month;
- Shops with more than 2 weeks of stock coverage at 79 percent;
- 3 percent of shops reported disruptions in receiving new orders in June 2022 (versus 4 percent in May, 6 percent in April and 33 percent in March);
- Disruptions remain at normal level following peak in March (after the start of the Ukraine conflict).
- 43 percent of shops reported electricity outages (both generator and EDL), down from 48 percent last month. 97 percent of those shops had contingency measures: own generator, UPS, etc.

Sources: WFP Retail Unit Shop Phone Survey – as of 18 July 2022
Supply chain delivery system levels similar to previous months

- Scarcity in products slightly increased in June 2022, due to bread & wheat flour availability issues;
- Delivery of products within one week affected mainly by fuel availability. Continue to register high levels, at 96 percent in June 2022;
- Suppliers delivering full ordered quantities remains high at 92 percent.

Sources: WFP Retail Unit Shop Phone Survey – as of 14 June 2022
Wheat & Bread Subsidy Latest Updates

- Parliamentary committees approved the World Bank USD 150 million loan for bread subsidization. The committees raised a number of questions on its terms, including the repayment terms and how Syrian Refugees would benefit from the loan as well;
- The loan was previously approved by the World Bank on May 6 and the current government before turning into caretaker function. The loan will need to be approved by the full parliament before being implemented. It is expected to be discussed in an upcoming full meeting of the parliament;
- Minister of Economy now expects the loan to allow bread subsidization for up to 9 months. Following a meeting with the Prime Minister, the Minister of Economy indicated that the loan will act as a buffer period for the removal of the bread subsidy after the 9 months, which will be replaced with the introduction of targeted assistance through the “ration card”, which would provide help to those actually in need;
- The Minister indicated the implementation of the loan is expected to start within a month. During that period, he indicated that the private sector has already placed orders for up to 45 thousand metric tons of wheat, and that wheat imports are expected to arrive this week and next week, covering the market demand of the Lebanese pita bread for up to 1.5 months;
- The head of the syndicate of bread producers indicated on July 18 that the latest shortages are due to some millers no operating after they ran out of wheat, while some bakeries were not provided with enough needed quantities of wheat flour before the start of the holiday period the past week. He indicated that the current wheat reserves continue to not be enough;
- Queues were reported on July 15, especially in the northern regions of the country, with a parallel market emerging.

Source: LBC News, L'Orient Today
Informal market rate around the 29,500 level

- Lebanese Lira (LBP) lost more than 92 percent of its values since start of crisis;
- Rapid depreciation registered in May 2022; LBP reached high of nearly USD/LBP 38,000 during the month;
- Central Bank continue intervention through circular 161;
- Circular 161 extended until end of July 2022;
- Central Bank foreign currency reserve dropped by more than USD 2.5 billion since beginning of 2022;
- Withdrawal limits on both LBP & USD increasing in recent period;
- Lollars cards (old USD bank deposits) not accepted anymore;
- “Sayrafa” platform slowly depreciating and currently trading at around USD/LBP 25,600.

Source: http://lebaneselira.org & https://lirarate.com – reported rates for black market and syndicate are the average of the buy and sell rates
Food SMEB cost continue to increase. Increase of 6 percent between May and June 2022 – Since October 2019 increase of 1,484%

- Food SMEB recorded a 6 percent increase between May and June, at LBP 843,000 per person;
- The cost of the revised food SMEB in June 2022 is nearly 16 times the cost of the basket back in October 2019 (1,484% increase).

Source: WFP price data, 2019 till 2022, as of 18 July 2022, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021 onwards. Further revisions to the previously published prices might take place in the future.
Price increase continue across nearly all components of the food SMEB between May and June 2022 - Sunflower Oil (4,096%) registering the highest price increase since October 2019

<table>
<thead>
<tr>
<th>Food SMEB Components (SMEB per Individual Weights)</th>
<th>Price</th>
<th>m-o-m variation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Jun-22</td>
</tr>
<tr>
<td>Apples (1.5Kg)</td>
<td>LBP</td>
<td>27,000</td>
</tr>
<tr>
<td>Bread (7.02KG)</td>
<td>LBP</td>
<td>107,462</td>
</tr>
<tr>
<td>Brown Bulgur (1.95KG)</td>
<td>LBP</td>
<td>54,239</td>
</tr>
<tr>
<td>Cabbage (2.7KG)</td>
<td>LBP</td>
<td>48,951</td>
</tr>
<tr>
<td>Carrots (0.6KG)</td>
<td>LBP</td>
<td>10,878</td>
</tr>
<tr>
<td>Chickpeas (0.9KG)</td>
<td>LBP</td>
<td>41,329</td>
</tr>
<tr>
<td>Eggs (0.45KG)</td>
<td>LBP</td>
<td>20,603</td>
</tr>
<tr>
<td>Lentils (0.75KG)</td>
<td>LBP</td>
<td>36,062</td>
</tr>
<tr>
<td>Pasta (1.8KG)</td>
<td>LBP</td>
<td>78,548</td>
</tr>
<tr>
<td>Potatoes (2.1KG)</td>
<td>LBP</td>
<td>26,420</td>
</tr>
<tr>
<td>Powder Milk (0.6KG)</td>
<td>LBP</td>
<td>110,790</td>
</tr>
<tr>
<td>Egyptian Rice (2.4KG)</td>
<td>LBP</td>
<td>64,190</td>
</tr>
<tr>
<td>Salt (0.12KG)</td>
<td>LBP</td>
<td>690</td>
</tr>
<tr>
<td>Sardine (0.45KG)</td>
<td>LBP</td>
<td>77,803</td>
</tr>
<tr>
<td>Sugar (0.6KG)</td>
<td>LBP</td>
<td>16,250</td>
</tr>
<tr>
<td>Sunflower Oil (0.51L)</td>
<td>LBP</td>
<td>41,569</td>
</tr>
<tr>
<td>Tea (0.12KG)</td>
<td>LBP</td>
<td>34,773</td>
</tr>
<tr>
<td>Tomato Paste (0.6KG)</td>
<td>LBP</td>
<td>31,077</td>
</tr>
<tr>
<td>White Beans (0.3KG)</td>
<td>LBP</td>
<td>14,429</td>
</tr>
</tbody>
</table>

Source: WFP price data, 2019 till 2022, as of 18 July 2022, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021 onwards. Further revisions to the previously published prices might take place in the future.

- Cabbage, Tomato Paste and bread registering the highest price increase on a monthly basis between June and May 2022;
- Since start of crisis, sunflower oil continue to register the highest price increase percentage;
Weekly Preliminary Costs of Food Basket stable around the LBP 850,000 – 860,000 level

➢ Food SMEB recorded a 21 percent increase between week of May 2 and May 23;

➢ A 5 percent decrease between week of May 23 and week of June 6 (following drop in informal market rate), however cost increased back up to around LBP 860,000 per person;

➢ Further slight drop in FAO price index in June 2022, however cereal index resume increasing.

Source: WFP price data, 2020, & 2021 as of 18 July 2022, subject to changes. The weights of the commodities used in the calculation of the price of the basket was further updated in the calculation of the basket cost from February 2021 onwards. Further revisions to the previously published prices might take place in the future.
Gasoline prices dropping again as international oil prices decrease

- After skyrocketing in June, gasoline prices decreasing recently, affected by international oil price decrease mainly;
- Central Bank continue to provide USD for import of gasoline only through Sayrafa platform;
- Since start of March alone, gasoline increased by 73 percent, diesel by 104 percent, and cooking gas by 17 percent;

<table>
<thead>
<tr>
<th>Date</th>
<th>Gasoline 95 Oct</th>
<th>Diesel</th>
<th>Cooking Gas</th>
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<tbody>
<tr>
<td>January 2021</td>
<td>26,000</td>
<td>18,400</td>
<td>22,200</td>
</tr>
<tr>
<td>July 15, 2022</td>
<td>627,000</td>
<td>675,000</td>
<td>323,800</td>
</tr>
<tr>
<td>Price increase</td>
<td>601,000</td>
<td>656,600</td>
<td>300,800</td>
</tr>
</tbody>
</table>

| Price increase | 2,312 | 3,568 | 1,355 |

Thanks!
Questions?

WFP Lebanon
RAM Unit