



World Food  
Programme

# WFP RAM & Retail/Supply Chain Unit Lebanon

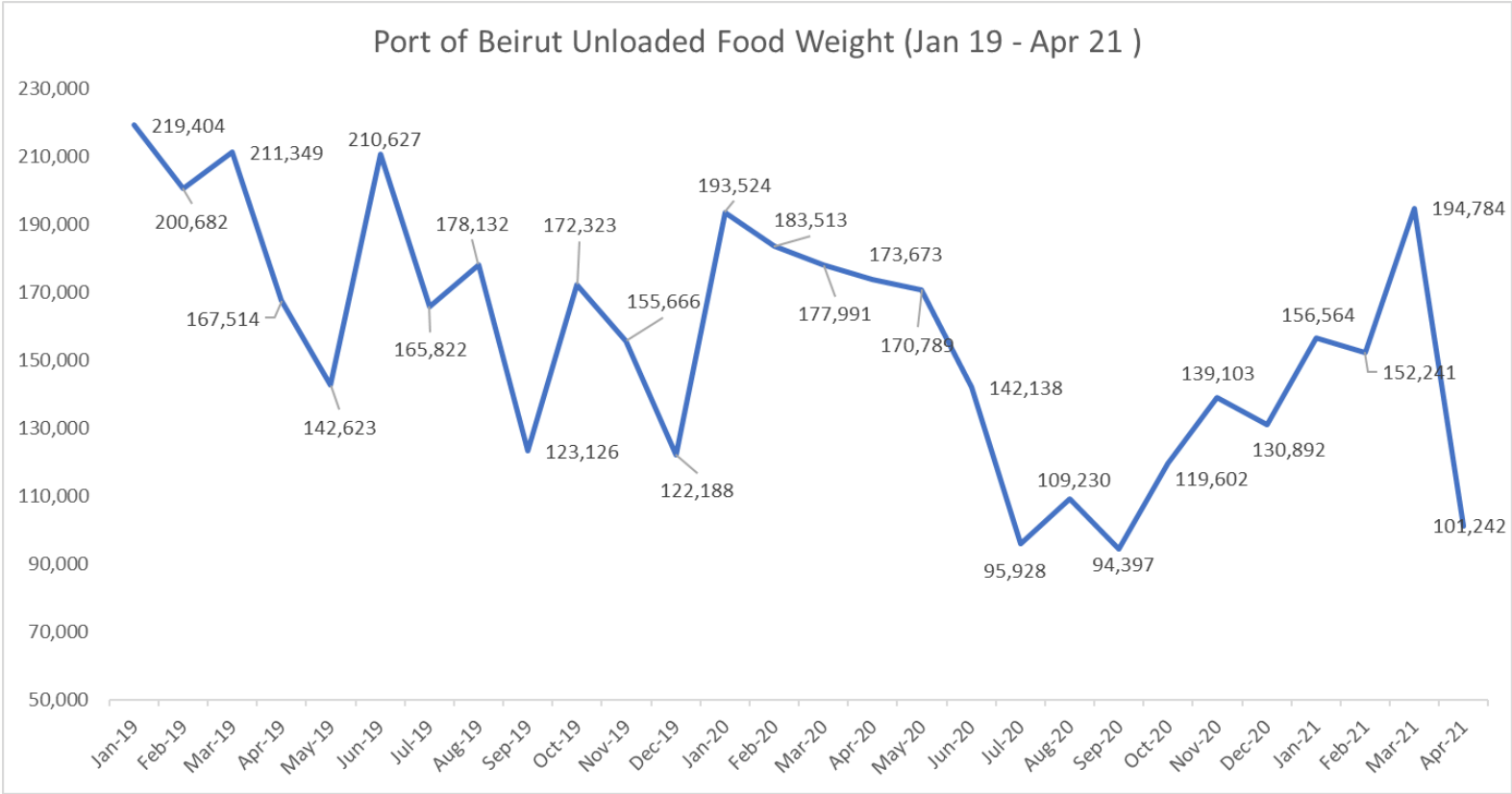
## National FSSWG – Food Security and Markets Situation Analysis

FSSWG Meeting

11 May 2021

SAVING  
LIVES  
CHANGING  
LIVES

# Port of Beirut Good Movement from January 2019 till April 2021 (in mt)

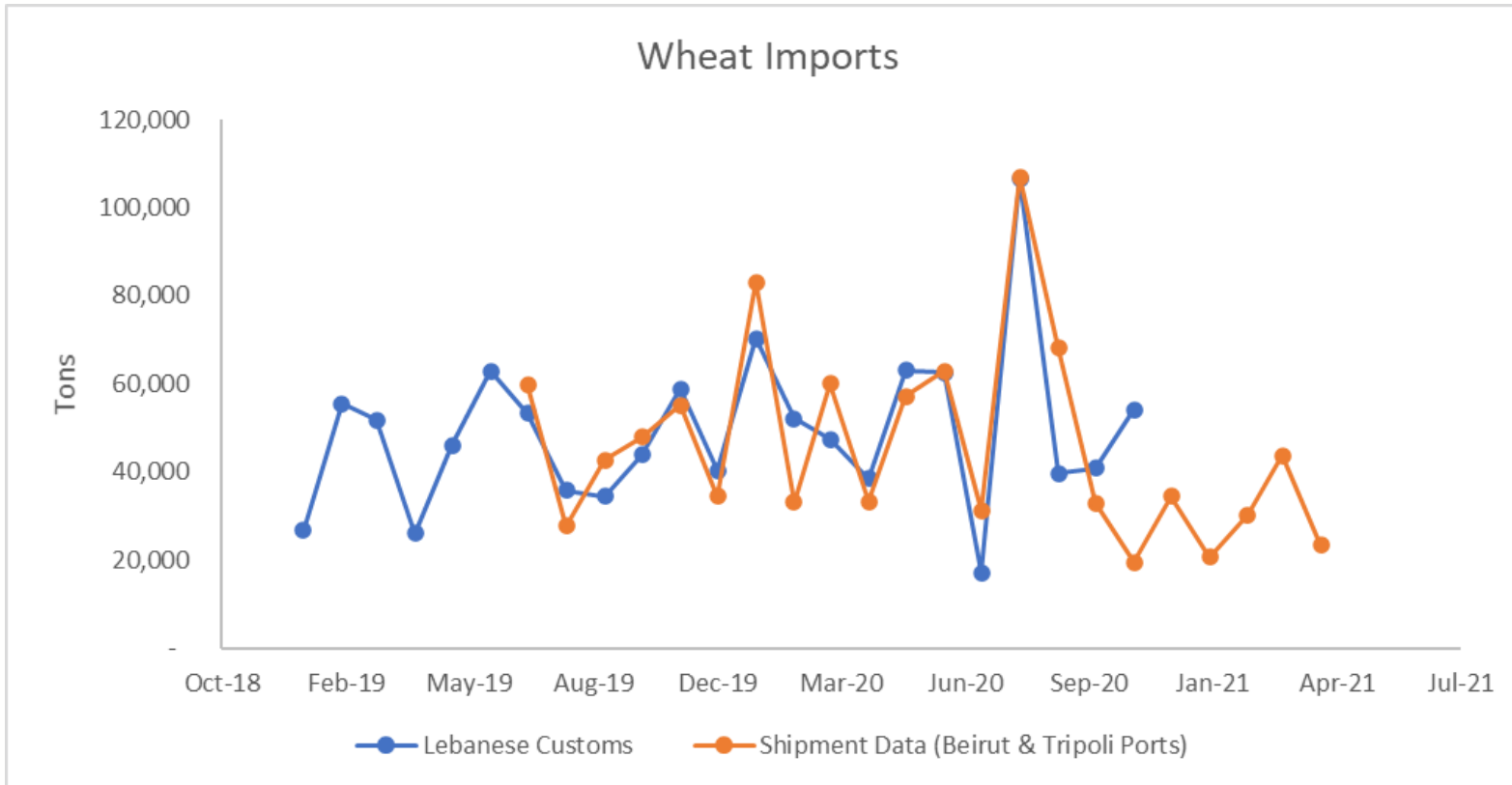


- A decrease of 19% is noticed when comparing August 2020 - April 2021 figures against the same period the previous year.
- A decrease of 17% is registered when comparing January to April 2021 figures to the same period in 2020.
- A decrease of 42% is registered when comparing Apr 2021 figures to Apr 2020 figures.
- **Subject to change for the April 2021 figures as more data is released!**

Source: Port of Beirut data, 2019-2021 as of May 10, 2021, subject to change.

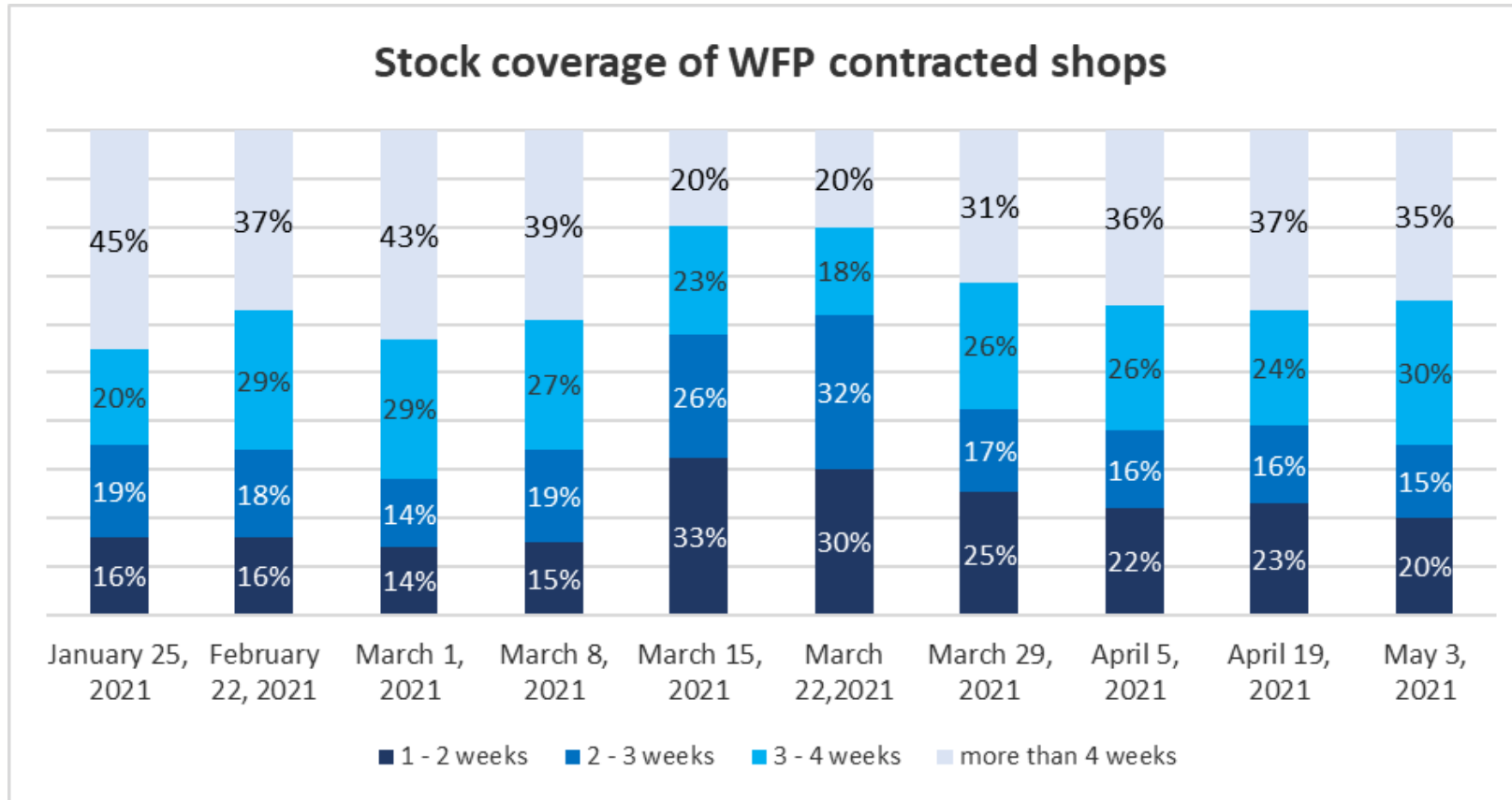


# Wheat Imports Evolution (in mt) – January 2019 to April 2021



- Customs data only updated till November 2020 due to a lack of newly released data .
- Based on WFP shipment data (see **orange** line), Lebanon imported through the Beirut & Tripoli Ports:
  - In 2020, 622,443 tons of wheat.
  - Between January and April 2021, 117,738 tons of wheat, 44% less than same period the previous year (209,288 tons).
  - In April 2021, 23,738 tons of wheat, 35 % less than the same month last year (38,445 tons).

# Stock coverage evolution of WFP contracted shops



- Additional improvements in stock coverage following market disruption events mid-March 2021.
- Shops with more than 2 weeks of stock coverage now at 80 percent, however still not completely back to previous numbers (85 percent during week of March 8)
- By sub offices:
  - Contracted shops located in the Beqaa region had the highest shop coverage above 2 weeks (98 percent), followed by BML & South contracted shops (95 percent). Contracted shops in the north had the lowest one (46 percent).
  - Shops in the BML & South region had the highest 4 weeks stock coverage (62 percent), followed by shops in the Beqaa region (30 percent) and shops in the north (12 percent).

Source: Retail Weekly Shop Phone Survey – as of 9 May 2021 (numbers based on 381 reachable shops, out of a total of 437 contracted shops)

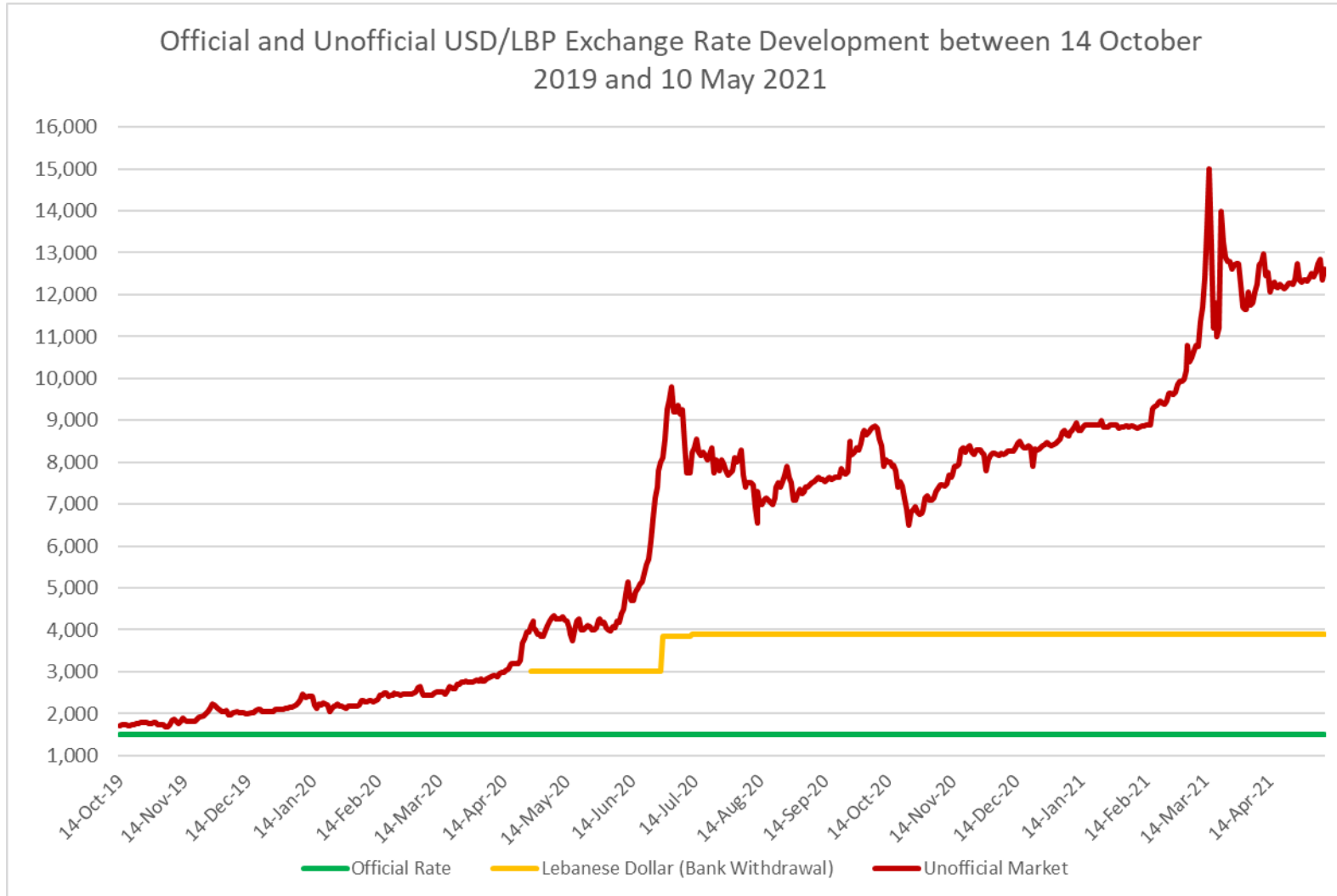
# Subsidized Products Availability – Products Volume– Suppliers Orders Delivery

➤ Based on the first week of May contracted shops assessment survey results from WFP contracted shops:

Reported	First week of March 2021	Week of April 5, 2021	Week of May 3, 2021
Scarcity in certain Products	68%	60%	51%
Expecting to receive new orders within one week	94%	83%	95%
Suppliers delivering full ordered quantities	62%	45%	50%
Scarcity in subsidized items (at rate of LBP 3,900)	38%	85%	89%
Availability of subsidized products	79%	72%	67%
Suppliers accepting new subsidized products orders	64%	42%	40%
Receiving full ordered subsidized products quantities	1%	1%	1%

Sources: Retail Weekly Shop Phone Survey – as of 9 May 2021 (numbers based on 381 reachable shops, out of a total of 437 contracted shops)

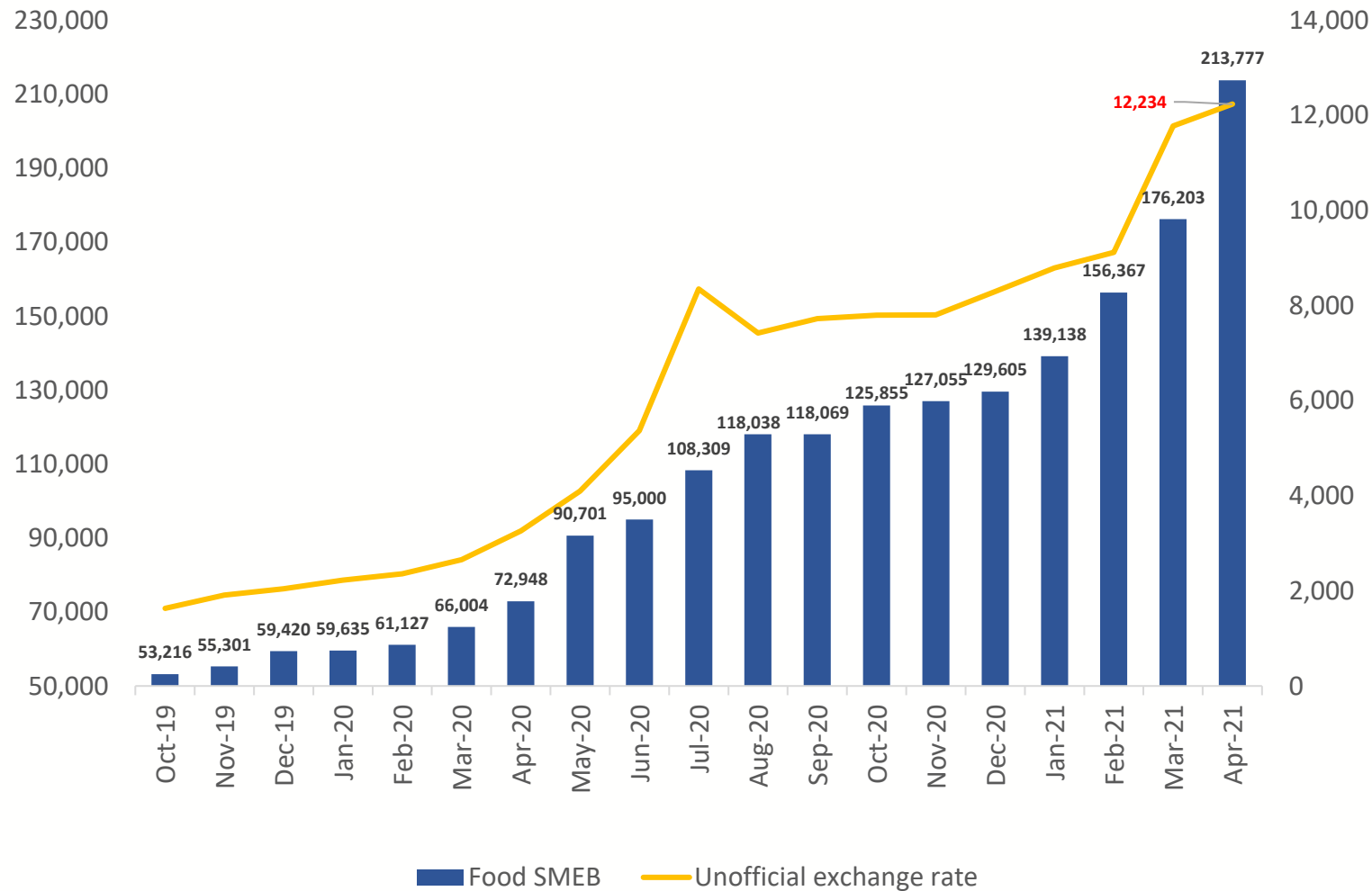
# Daily (official and unofficial) exchange rate development between mid October 2019 and May 10, 2021



- Black market rate (red line) mostly trading between LBP 12,000 and 13,000 since beginning of April 2021
- Rate for withdrawal from non-fresh money dollar account in LBP currently set at LBP 3,900. Circular allowing such withdrawals extended till September 30, 2021 (yellow line).
- The Central Bank rolled out the new currency exchange platform “Sayrafa” in a training session on April 20.
- In a series of circulars issued on May 10, the central bank provided directives to both banks and licensed exchange houses on the platform mechanism.
- Circular mentions that rate will depend on market supply and demand forces, and that all individuals will be allowed to use the platform.
- Exact launch date still pending.

Source: <http://lebaneselira.org> & <https://lirarate.com> – reported rates for black market and syndicate are the average of the buy and sell rates – [MTV News](#)

# Change of Monthly revised food SMEB price in LPB (national average)



- Revised Food SMEB recorded a 21% increase between March and April 2021, at LBP 213,777.
- The cost of the revised food SMEB in April 2021 is higher than August 2020, the date the basket was initially set, by 81%.
- The cost of the revised food SMEB in April 2021 is four times the cost of the basket back in October 2019 (302% increase).

Source: WFP price data, 2020, & 2021 as of 10 May 2021, 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 Evolution of Food SMEB components

Food SMEB Components (SMEB per Individual Weights)	Price		m-o-m variation	
		Apr-21	Mar-21	Oct-19
Apples (1.5Kg)	LBP	6,914	10%	315%
Bread* (7.02KG)	LBP	18,058	-2%	106%
Brown Bulgur* (1.95KG)	LBP	20,041	25%	658%
Cabbage (2.7KG)	LBP	3,038	-5%	20%
Carrots (0.6KG)	LBP	2,406	-11%	260%
Chickpeas* (0.9KG)	LBP	11,203	25%	371%
Eggs* (0.45KG)	LBP	5,577	7%	450%
Lentils* (0.75KG)	LBP	8,795	23%	498%
Pasta* (1.8KG)	LBP	21,625	23%	356%
Potatoes (2.1KG)	LBP	8,347	63%	377%
Powder Milk* (0.6KG)	LBP	29,570	42%	660%
Egyptian Rice* (2.4KG)	LBP	22,164	26%	622%
Salt (0.12KG)	LBP	300	17%	380%
Sardine* (0.45KG)	LBP	17,240	17%	412%
Sugar* (0.6KG)	LBP	4,536	27%	894%
Sunflower Oil* (0.51L)	LBP	10,592	26%	1169%
Tea* (0.12KG)	LBP	8,659	5%	436%
Tomato Paste* (0.6KG)	LBP	9,645	21%	271%
White Beans* (0.3KG)	LBP	5,068	27%	527%

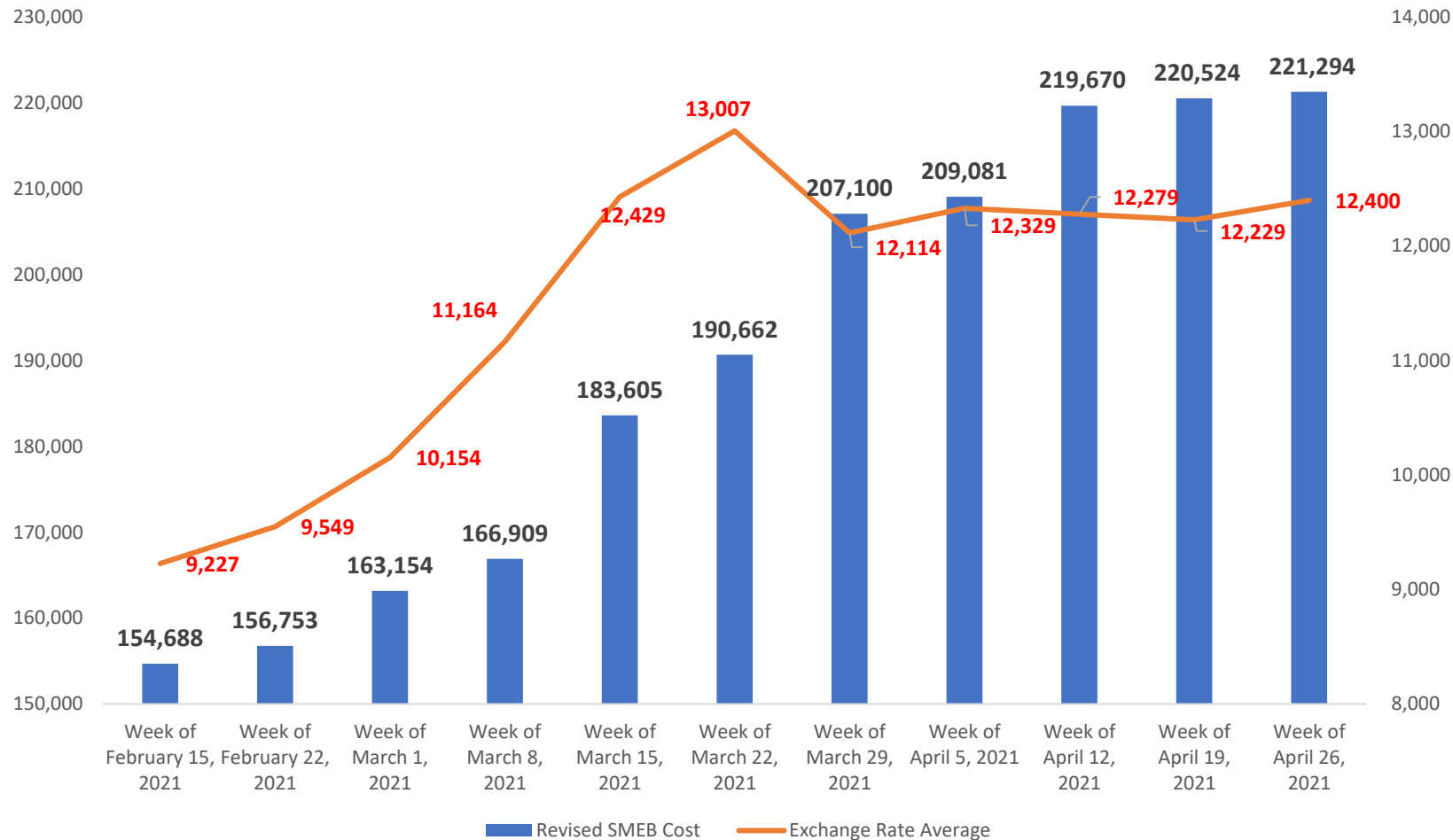
- Potatoes registered the highest price increase between March and April 2021 (63 percent), followed by powder milk (42 percent), white beans (27 percent), and rice & sunflower oil (26 percent).
- Sunflower oil registered the highest price increase since October 2019 (1,169 percent), followed by sugar (894 percent), powder milk (660 percent) and brown bulgur (658).

\* Commodities that have certain brands benefiting from the current LBP 3,900 subsidization. Bread benefits from the wheat subsidy at the official rate.

Source: WFP price data, 2020, & 2021 as of 10 May 2021, 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.



# Change of Weekly revised food SMEB price in 2021 (national average) versus exchange rate weekly average



- Revised Food SMEB weekly price recorded a 43% increase between mid February and last week of April, based on preliminary data from WFP retail database.
- An increase of 6 percent registered at the beginning of Ramadan, during the week of April 12<sup>th</sup>
- Basket price stabilised around LBP 220,000 since mid-April 2021.

Source: WFP retail price database, 2020, & 2021 as of 10 May 2021, 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. Further revisions to the previously published prices might take place in the future. March - April weekly data based on around 60 percent of shops data.

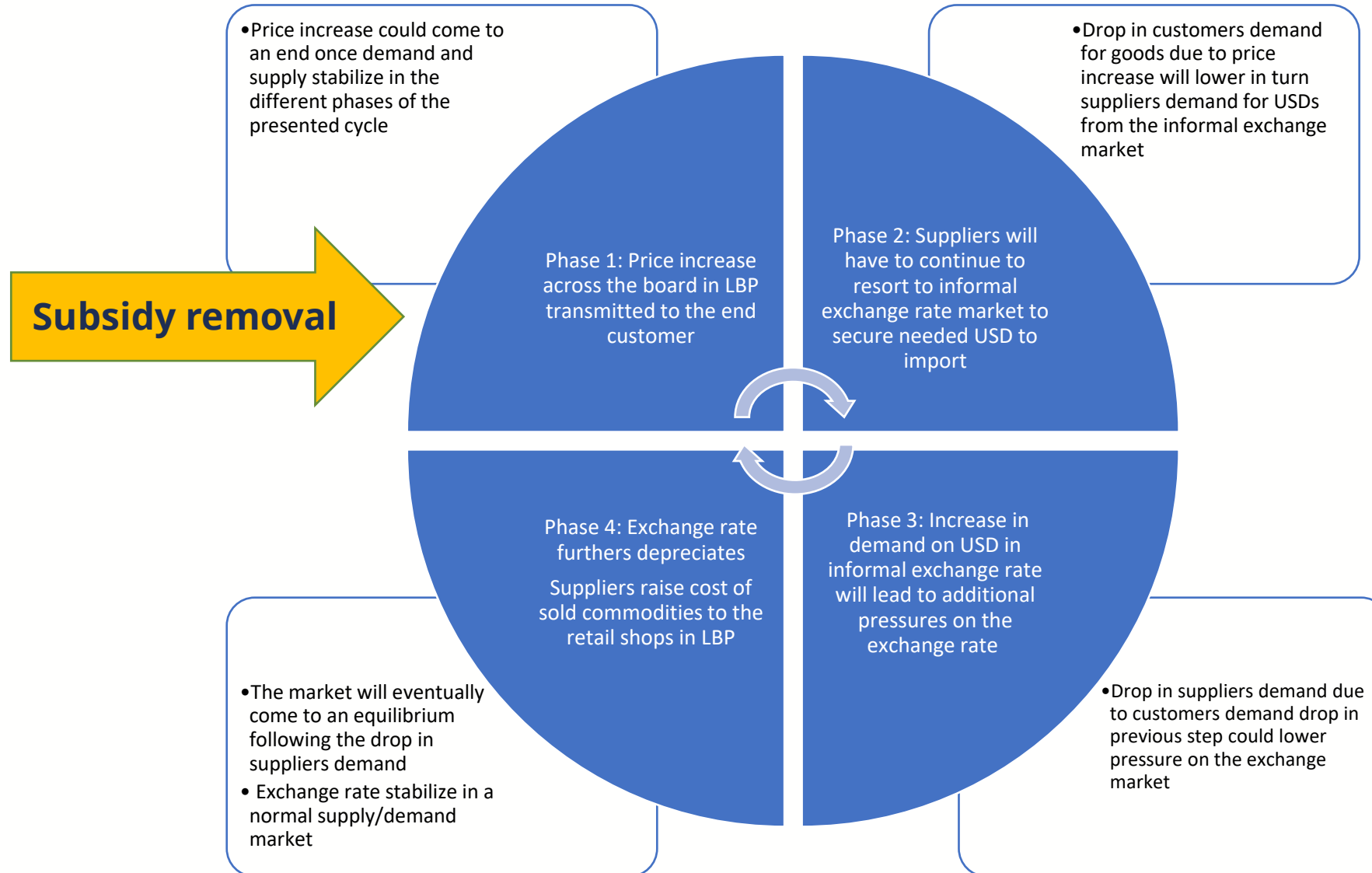
# Subsidies Removal Latest Updates as of beginning of May 2021

- Ministerial consultations ongoing to draft both subsidies removal and financial support plans.
- Latest media sources indicate that financial support card plan will cover 750,000 families. Initial media sources indicated amount between LBP 1 million and 3 million per family. Latest one indicated Up to USD 137 to be provided per family (exact amount vary with family size).
- Caretaker Prime Minister indicated that the government will be “obliged” to dip into the central bank’s mandatory foreign currency reserves to finance the proposed cash card, which he said would cost around \$1.2 billion.
- Latest draft plan also indicate following modification to current mechanism:
  - Decrease of combustible fuel subsidy to 15 percent (from 90 percent currently). This would lead to an increase of up to 378 percent in prices.
  - **Food/agriculture/industrial basket subsidy (at the rate of LBP 3,900)** to be completely removed.
  - Wheat Subsidy to continue at a 100 percent rate (around 150 million per year).
  - Medicine subsidy to continue for chronic decrease and high cost medicine (decrease current bill by half from USD 1.29 billions per year).
- Opposition already appeared against the plan to use remaining reserves to fund the financial support card, including from prominent figures in the parliament, where any final decision will be taken.
- Delays in approval of current subsidies application, as well as payment terms. Food syndicate indicated a delayed amount of USD 10 to 20 millions. Other categories importers indicated the same.
- Central Bank issued new direction for subsidies imports. Any subsidies application has to be approved by the Central Bank first before proceeding with the whole process moving forward. Previously importers would place orders and receive shipments before receiving central bank approval.

# Subsidies continued & General Markets/Policies Latest Updates

- Subsidies cost USD 6.24 billion between April 2020 and 2021, out of which USD 960 million for food/agricultural/industrial basket.
- Basket of items subsidized at LBP 3,900 contains around 90 items currently. For the food commodities, this is only for specific brands under each commodity which will be affected by subsidy removal. Other commodity brands prices will remain constant, as long as exchange rate remains stable. Prices also will be affected by transportation cost increase (estimated at around 8 percent).
- Syndicate of poultry indicated that relevant authorities informed them that there will be delays in subsidization approvals. Poultry farmers benefited from subsidization of fodder and veterinary medicines at the rate of LBP 3,900. Medical equipment importers also notified of the end of the subsidization mechanism.
- Central bank announced that its studying a payment mechanism for frozen accounts in general, up to USD 25,000, to be paid in instalments. Bank indicated that this will depend on legal coverage, however not clear from where the funds will be secured to do so.
- Advance expense of USD 200 million to buy fuel oil for electricity generation previously approved by parliament put on hold by Constitutional Council last week. Blackout possibility across Lebanon. Plants to start shutting down as of May 18<sup>th</sup>. Electricity company already rationing remaining supplies.
- Ministry of Economy & trade (MoET) publishing a weekly price & weight bulletin for bread packages. Price depends on point of sale. Latest prices are as follows:
  - The large package (980 grams) has been set at LBP 2,500 if sold at bakeries and LBP 2,750 if sold at retail shops.
  - The medium package (405 grams) has been set at LBP 1,500 if sold at bakeries and LBP 1,750 if sold at retail shops.

# Subsidies Removal (potential) Effect on Exchange Rate and Prices



# Latest Combustible Fuel Price Inflation & News

Date	Gasoline 95 Oct	Diesel	Cooking Gas
December 2020	24,300	16,200	18,600
May 5, 2021	39,100	26,700	24,500
<b>Price increase</b>	<b>14,800</b>	<b>10,500</b>	<b>5,900</b>
% increase	61	65	32

- Fuel shortage could potentially lead to crisis. Petrol stations rationing remaining supplies.
- Shortage due to delays in approving payments by the Central Bank. Shipments already at sea awaiting approval to offload.
- Current consumption is 5.5 millions litres for each of gasoline and diesel per day – expected to decrease if subsidies removed.
- Gasoline price has increased by 61 percent, diesel by 65 percent, and cooking gas by 32 percent, between beginning of December 2020 and beginning of May 2021.

A woman wearing a blue WFP uniform and cap is seen from behind, working in a market stall. She is surrounded by various fresh produce, including large crates of red tomatoes, bunches of yellow bananas, and green beans. The background shows other people and market stalls under a covered structure.

# Thanks! Questions?

WFP Lebanon

RAM & Retail/Supply Chain Unit

# WFP RAM 2020 Key Products

VASyR 2020 (UNHCR/UNICEF/WFP)

Markets Update: January, February, April, May, June, August, December, March 2021 (upcoming)

mVAM Assessments (with the World Bank): July/August, September/October, November/December

Web Survey: Round 1, Round 2

Review of the SMEB (2020) (Joint work)

MEB for Syrian Refugees in Lebanon Study

Beirut Port Explosion: Impact on Key Economic and Food Security Indicator

Basic Needs Outcome Monitoring: February, July, December (soon)