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A Watershed Moment for Enhancing MENA Food Resilience?

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After more than a year, the general rise in prices on international food and energy markets caused by the conflict in Ukraine continues to weigh significantly on the socioeconomic stability of the Middle East and North Africa (MENA) region. Due to the blockade of Black Sea ports and disruptions in international supply chains, food security challenges facing countries in the region have been exacerbated. All countries, regardless of wealth, rely on foreign supplies to satisfy large parts of their domestic needs. The countries of the MENA import more than 90 million metric tons of grains every year.¹ The challenge is even more crucial because grains make up more than one-third of the daily ration of the majority of the population in the MENA region. Deliveries of Ukrainian and Russian cereals accounted for more than one-third of the region's total food imports until 2021.²

In this context, the decline of Ukrainian agricultural products (e.g., cereals, oils, and fertilizers), combined with potential renewed tensions on Black Sea ports' shipments beginning from June 2023, could lead to an outbreak of hunger riots in marginalized urban and rural areas of the MENA during the summer. It is impossible to exclude the possibility of a new wave of unrest at the regional level. An increase in instability in this region, already affected by multiple conflicts and at the point of crystallization of particularly strong geopolitical tensions, would have direct repercussions on Europe's security. Two issues would be of particular concern to European countries: managing migratory flows in the Mediterranean and the associated impact on maritime security, because European countries are increasingly relying on supplies from their southern neighbors to phase out Russian imports.

Since spring 2022, most of the countries in the region, except for the rich Arab Gulf countries, have seen protests against the high cost of living. However, the deteriorating finances of the majority of middle-income countries only offer them limited leeway to contain the rise in inflation, in particular by subsidizing the price of basic foodstuffs. Even more concerning is the situation of communities affected by prolonged conflicts (55 million people, including 20 million internally displaced persons) that could be increasingly threatened by the risk of famine as the war in Ukraine continues to monopolize donors and international agencies' attention. The gloomy outlook for 2023 pledges for (re)thinking seriously about ways to strengthen regional food security in its various dimensions: availability, accessibility, stability, and utilization. There is an urgent need to develop comprehensive strategies to address the root causes of the chronic food insecurity that affects the societies of the MENA region and enhance both the agricultural sectors' productivity and the resilience of food chain supplies.

The Month of Ramadan: A Critical Test for MENA Food Stability

Following the invasion of Ukraine by Russian forces in February 2022, food prices had soared by more than 20 percent in a few days. In March 2022, as the quantities of cereals available on international markets were declining rapidly, prices increased by an additional 12.6 percent and remained high until the summer. The unfavorable climatic conditions that had affected certain regions of the world during 2021 had already reduced the volumes of cereals available on international markets, where prices were already relatively high (+27 percent in September 2021).³ Bans on food product exports decided by certain governments (e.g., Russia, Ukraine, India, Algeria, Kazakhstan, Argentina, and Hungary) in the aftermath of the invasion of Ukraine, combined with the suspension of commercial shipments from the Black Sea ports, completed the bottlenecks on the food markets.⁴

While the region was preparing to celebrate the Islamic holy month of Ramadan, which took place throughout April 2022, household food bills reached unprecedented high records.⁵ Although fasting is a central part of Ramadan, food consumption during this period also increases, as *iftar* meals ending the daily fasting play a crucial role in social practices in the MENA. Ramadan food expenses account for an average of more than 15 percent of annual food bills in the region.⁶ Food speculation, rising petrol and electricity prices, and the pernicious effects of subsidy policies made supply chain disruptions even worse. Some countries, like Tunisia, Egypt, and Algeria, which have witnessed food riots in the past, quickly released grains from their strategic reserves. Even a wealthy country like Kuwait has placed restrictions on the export of food, fearing shortages. Lebanon, where the socio-economic situation has steadily deteriorated since the end of 2018, has experienced months of shortages, aggravated by the government's inability to replenish its strategic reserves in the absence of the storage infrastructure destroyed in the August 2020 explosion at the port of Beirut.⁷

Under the auspices of the United Nations (UN), and with the help of Turkey, Ukraine and Russia were able to reach an agreement in July 2022 that allowed the shipping of more than 23 million tons of grains and other items. More than 55 percent of those products were exported to the Global South, with a number of MENA countries among them.⁸ Russia and Ukraine agreed to extend the Black Sea grain deal for 60 days on 13 March 2023, avoiding new strains on international food markets. It is therefore easy to understand that with the start of Ramadan 2023, the capitals of the MENA region, as well as the UN agencies providing food assistance, welcomed with relief the announcement of this ex-

ension. According to the UN, more than 38 million people in Yemen, Syria, and Iraq are food insecure. Furthermore, the UN World Food Programme estimated that more than one-half of the Lebanese population and 90 percent of the Syrian refugees in that country were in need of humanitarian assistance in 2022, while more than 375,000 persons were in need of humanitarian assistance in the West Bank and the Gaza Strip.⁹ The rise in the price of cereals and crude oil has increased the operational costs of UN agencies, limiting the volume of food aid distributed in the field.¹⁰

Ending the Regional Inflation “Curse”?

The sharp increase in the prices of food staple commodities that followed the invasion of Ukraine, combined with energy price escalation, has placed certain countries in the MENA in a particularly difficult situation. Even the rich Arab Gulf countries, which have benefited from the rise in hydrocarbon prices, have not been spared by inflation and its repercussions on household purchasing power. The economic recovery after the COVID-19 pandemic has been uneven, and regional countries' public finances have been hurt by economic stimulus packages, measures to help workers and strengthen safety nets, healthcare costs, and debt relief. The agricultural and food services sectors were severely impacted by the pandemic: in 2020–21, the overall agricultural production decreased by 3 percent, with considerable losses in high-value product exports (e.g., fruits, vegetables, oils, etc.).¹¹ The loss of these export revenues and the cessation of tourism have drastically reduced these countries' currency reserves, weakening the value of national currencies on international markets.

In addition, an estimated 17 million jobs were lost during the second quarter of 2020, disproportionately by women, youth, and informal workers who compose the majority of the labor force in the region's agricultural sector.¹² More importantly, border closings limited farmers' access to the necessary inputs (e.g., seeds, fertilizers, etc.), decreasing crop yields for subsequent years. Therefore, when the war broke out, food staples' prices were already high in the MENA. Inflation was steadily climbing, further exacerbated by the inflation trap phenomenon, traditionally faced by middle-income countries. It also accelerated capital flight abroad and discouraged foreign direct investment. Inflationary spirals that hit certain countries in the region, such as Lebanon, Egypt, Turkey, and Tunisia, contribute to the devaluation of national currencies, making the price of imports and debt service more expensive and limiting governments' access to international funding and financial markets. A creeping impoverishment of the middle classes and an increase in poverty

among the most vulnerable strata of the regional population are noticeable. According to UN data, 20 percent of the regional population is undernourished, while more than 7.5 percent of the MENA population was living with less than \$2.15 a day in 2018 (compared to 1.8 percent in 2010).¹³

While the emergency measures put in place to contain inflation and avoid shortages have made it possible to curb the deterioration in household purchasing power, they have put considerable pressure on public finances, which are unsustainable in the medium term. The very degraded finances of middle-income countries leave them with no other option than to appeal again to international and regional donors. Since 2020, the majority of countries in the region have benefited from International Monetary Fund loans and World Bank aid. Most often, these loans and aid packages are conditional on the implementation of structural reforms, such as the dismantling of subsidy mechanisms. Although these reforms will help these countries in the long run, they will come at a high cost to the people in the short and medium terms. The temptation for the governments of the region is therefore great to postpone these reforms and to turn in the short term to other partners, such as China or the Arab Gulf countries.

Enhancing Food Security Systems’ Resilience Key for the Region’s Future

Considering the significant risks that weigh on the food security of MENA countries in the medium term, strengthening their resilience in this area must be a priority for European and NATO allies. The region is characterized by a particularly dynamic demographic growth (the population has grown by 18 percent between 2010 and 2021), which will increasingly weigh on the region’s limited natural resources (water resources and arable lands) and the ability of economies to grow.¹⁴ The agricultural sector is important to the regions’ economies and societies. Agricultural exports are an important source of foreign currencies, and they contribute to the survival of rural populations, especially for small landlords and landless workers.¹⁵ Due to their low productivity, they only contribute marginally to the regional gross domestic product (GDP) (13 percent on average).¹⁶ The agricultural sectors of the region experience a particularly low and decreasing productivity, partly due to the structural weaknesses of the farming structures and the uneven distribution of land. In many countries, agricultural planning has led to unsustainable surface and ground water abstraction and severe deterioration in soil quality, aggravated by the effects of climate change (e.g., drought, rising temperatures, drop in precipitation, etc.).

In the face of increasing challenges, only agricultural structures capable of accessing finance and technology will be able to meet the challenges of climate change. Israel has been at the forefront of this area in the Middle East, and some Gulf countries, such as Saudi Arabia, the United Arab Emirates (UAE), and Kuwait, are starting to develop smart farm models and expand their strategic storage infrastructure.¹⁷ Excluding for these “exceptions,” most rural communities in the region are condemned to growing poverty, which leads to a growing number of rural people moving to urban areas. These migratory flows contribute to the development of anarchic urbanization, which exerts increasing pressure on infrastructure and an ever-greater drain on water resources and reduction of available superficies for agriculture.¹⁸

COP 28: Toward a More Sustainable Agrifood Governance for the MENA?

Food security and resilience issues will be at the heart of the next UN Climate Change Conference, COP 28, to be hosted by the UAE, signaling the strategic dimension of these challenges for the countries of the region. To meet the double challenge of population growth and climate change, regional governments must adopt policies and instruments that will allow them to secure their supplies while minimizing their exposure to price fluctuations on international markets; these policies include diversification of supply sources, long-term supply contracts, and development of storage infrastructures.

In the medium term, strengthening the resilience of MENA countries’ food systems implies profound reforms of agricultural policies to increase productivity by developing better governance of aquifer resources, favoring horticultural crops that are more adapted to the environment, and developing proper skills among cultivators. Development of intraregional cooperation in economic, commercial, and technological matters is key to strengthening food resilience in the region. Furthermore, the support of UN agencies, such as the Food and Agriculture Organization and the World Food Programme, is also crucial for the development of sustainable agricultural models in the MENA.

Stabilization and reconstruction of Ukraine will present significant challenges in the medium term, but stability and prosperity in the MENA must remain priorities for Europe. Europe has developed advanced expertise and instruments in a wide array of domains, including climate effects mitigation, interregional cooperation mechanisms, and governance reforms, that can benefit the region in their quest toward more sustainable food and agricultural systems. Finally, the political support of the United States is essential for the resolution

of conflicts in the region. Without this, players in the region will increasingly turn to China, whose economic, technological, and political influence has grown steadily during the past decade.

ENDNOTES

1. According to the World Trade Integrated System database, the six Gulf Cooperation Council (GCC) countries—Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Bahrain, and Oman—import between 50 and 90 percent of their domestic grain demand from various countries, including Ukraine, Russia, France, the United States, Canada, Australia, and Brazil. India is a key supplier of rice to the region. Among the Arab Gulf countries, only Saudi Arabia produces significant amounts of cereals. It is worth noting that Iran is one of the largest wheat producers in the region as is Egypt. Despite its significant production, Egypt, like Algeria and Morocco, imports between 35 and 60 percent of their domestic consumption. For countries like Tunisia, Jordan, Lebanon, and Iraq, imports account for 70–85 percent of their domestic requirements. See “Middle East & North Africa Trade,” World Integrated Trade Solution, accessed 21 April 2023.
2. According to the United Nations Comtrade database, Ukraine and Russia collectively exported around 28.3 million metric tons of grains to the MENA region in 2020, including wheat, corn, barley, and other grains. Before the war, 18 and 31 percent of Ukrainian wheat exports were directed to the Middle East and North Africa, respectively, versus 34 and 27 percent of Russian exports. Black Sea ports are the main export bases for Ukrainian (98 percent of total agricultural production) and, to a lesser extent, Russian agricultural products. See Caitlin Welsh and Emma Dodd, “Rebuilding Ukraine’s Agriculture Sector: Emerging Priorities,” Center for Strategic and International Studies, 13 September 2022. Thanks to the Black Sea Grain Initiative, from March 2022 to January 2023, 2.5 million tons (Mt) of Ukrainian products (e.g., grain, oilseeds, and sunflower oil) have been shipped to Turkey, 0.8 Mt to Egypt; 0.7 Mt to Israel; and 0.5 Mt to Tunisia. Russian products (e.g., grain and oilseeds) were mainly shipped to Egypt (6.1 Mt); Turkey (5.3 Mt); Iran (2.7 Mt); KSA (2.4 Mt); Algeria (1.6 Mt); Libya (1.5 Mt); Sudan (1.1 Mt); and Israel (1 Mt). See Susannah Savage, Meredith Lee Hill, and Sarah Anne Aarup, “Who’s Feeding the World?: We Are, Say Both Ukraine and Russia, as War Rages On,” *Politico*, 20 February 2023.
3. Heavy rainfall during winter 2021 reduced planting by one-third in China and reduced crop yields in Europe; severe droughts also impacted production in Morocco and in certain regions of Algeria during the summer 2021. If the increase of Southern Cone (southern South American) countries’ export capacity partly compensated for the loss of Ukrainian products on the international markets, the decline of Ukrainian and Russian fertilizer exports, as well as increased shipping costs, will also impact 2023 crops yields in this part of the world. See Joseph Glauber et al., “Can Agricultural Exports from Southern Cone Countries Make up for Global Supply Disruptions Arising from the Russia-Ukraine War?,” *IFPRI* (blog), 14 November 2022.
4. On 13 March 2022, Algerian authorities banned the reexport of products such as sugar, pasta, oil, semolina, and all wheat derivatives, while introducing incentives for farmers to increase to the state’s strategic stocks of cereals. Algeria produces wheat (around 3.2 million tons/yearly) that is not sufficient to satisfy its domestic demand; in addition, Algeria exports food to neighboring Tunisia, Morocco, and Libya. During 2022, wheat imports from Russia increased by 290 percent (1.3 million tons versus 330,000 tons in 2021) along with soybean, sunflower, and rapeseed oils imports. Algeria produces around 3.2 million tons of wheat per year. See “Algeria Nearly Quadruples Russian Wheat Imports to 1.3 mln t in 2022—Agropoint,” *Interfax*, 2 February 2023.
5. Between March to December 2022, food inflation increased by 29 percent in the MENA region, with a particularly strong peak from March to May 2022. See “Eating Expenses: Consumers in Countries with Lower Incomes Spend More on Food and Are Most Affected when Those Prices Rise,” International Monetary Fund, March 2022; and Roberta Gatti et al., *Altered Destinies: The Long-Term Effects of Rising Prices and Food Insec-*

urity in the Middle East and North Africa (Washington, DC: World Bank Group, 2023), 30–31.

6. See Aya Yousef, *The Economic Impact of Ramadan on the Food Sector: Time of Less Productivity or Business Opportunity?* (London: HLB, n.d.).
7. “They Killed Us from the Inside”: *An Investigation into the August 4 Beirut Blast* (New York: Human Rights Watch, 2021).
8. The term *Global South* refers broadly to the regions of Latin America, Asia, Africa, and Oceania.
9. See Alia Zaki and Yasmin Abulassal, “Germany Helps WFP Avert Suspension of Food Assistance to Palestinian Families,” *World Food Programme*, 22 December 2022.
10. Between January and October 2022, WFP reported an increase in operating costs by \$28 million.
11. See Dina Atef Mandour, *Covid-19 and Food Security Challenges in the MENA Region*, Working Paper No. 156 (Giza, Egypt: Economic Research Forum, 2021). According to the Food and Agriculture Organization, “Food makes up more than 20 percent of exports for six countries, Lebanon, Mauritania, Palestine, Morocco, Egypt and Jordan, mainly from a limited number of high value perishable products such as fruits, vegetables, fish and meat.” *Near East and North Africa Regional Overview of Food Security and Nutrition 2020: Enhancing Resilience of Food Systems in the Arab States* (Cairo, Egypt: Food and Agriculture Organization of the United Nations, 2021), 42. In addition, according to United Nations Economic and Social Commission for West Asia calculations, agriculture and food processing exports were expected to decline by 8 percent in 2020. See *The Impact of COVID-19 on the Arab Region: An Opportunity to Build Better Back*, Policy Brief (New York: United Nations Sustainable Development Group, 2020).
12. According to the International Labour Organization’s estimations and UN sources: “Women make up 62 percent of the informal labour force, working in agriculture and other sectors with no job security or health insurance.” *The Impact of COVID-19 on the Arab Region*, 15; see also Caroline Krafft, Ragui Assaad, Mohamed Ali Marouani, *The Impact of COVID-19 on Middle Eastern and North African Labor Markets: Employment Recovering, but Income Losses Persisting*, ERF Policy Brief No. 73 (Giza, Egypt: Economic Research Forum, 2022).
13. “Poverty Headcount Ratio at \$2.15 a Day (2017 PPP) (% of population)—Middle East & North Africa,” World Bank, accessed 20 April 2023.
14. See “Population Growth (Annual %)—Middle East & North Africa,” World Bank, accessed 20 April 2023. On the total land area of the region, only one-third is agricultural land (cropland and pastures), while only 5 percent is arable. The rest is either desert or urban areas. In addition, most of the region is considered below the scarcity line (1,000 m³ per capita per annum of renewable water resources). See *OECD-FAO Agricultural Outlook, 2018–2027* (Paris, France: Organisation for Economic Cooperation and Economic Development, 2018), https://doi.org/10.1787/agr_outlook-2018-en.
15. Agricultural activities are the main source of livelihood for 70 percent of rural populations in the MENA region who, despite their continuous decline since the late 1970s, still constitute 34 percent of the total population in 2021 (compared to 42 percent in 2000). See *2018 Near East and North Africa Regional Overview of Food Security and Nutrition* (Cairo, Egypt: Food and Agriculture Organisation, 2019), and “Rural Population (% of Total Population)—Middle East & North Africa,” World Bank, accessed 21 April 2023.
16. The agricultural sector accounts for between 4 and 36.6 percent of the regional GDP growth, and it is a large source of income (and currencies) to Algeria, Morocco, Tunisia, Yemen, and Iran (between 10 and 15 percent). Horticultural production in Lebanon and Jordan are also significant sources of incomes. The agricultural sector is almost nonexistent in the GCC countries, with the exception of Saudi Arabia. *OECD-FAO Agricultural Outlook, 2018–2027*.
17. See *Agri-tech and Food Security in the GCC: Covid-19 Response Report* (London: Oxford Business Group, 2022).
18. Urban population is growing rapidly in the MENA region: “in the Mashreq—from 88.5 million in 2015 to 121.6 million in 2030, in the Maghreb—from 64.1 million in 2015 to 82.6 million in 2030, in the GCC—from 43.3 million in 2015 to 54.6 million in 2030.” See *The Arab Cities Resilience Report* (New York: United Nations Development Programme, 2018).