



THE WHEAT AND BREAD CRISIS IN SYRIA AND ITS IMPACT ON THE POPULATION

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INTRODUCTION

The regime-controlled areas are facing a bread and wheat crisis as a result of an economic crisis that affects the living conditions in Syria. Several factors such as drought, corruption, and the re-

gime's loss of control over the governorates of eastern Syria have exacerbated this crisis in recent years with bread queues spreading throughout the areas under regime's control, resulting in increasing discontent and anger among citizens toward the regime and its failure to address the crisis.

Syria has been affected by a dire wheat crisis for more than a decade. This policy brief looks into the present situation, its military and economic causes, and possible future implications.

WHEAT CULTIVATION IN SYRIA

Wheat production in Syria increased from 2.3 million tons in 1990 to about 5 million tons in 2006, before declining to 3.7 million tons in 2009. This increase was mainly thanks to the expansion of wheat fields from 1.2 million hectares in 1990 to 1.9 million hectares in 2009 as well as irrigated areas, in addition to the use of new varieties of wheat and the provision of chemical fertilizers. Syria was able to meet the internal demand of wheat estimated at 3 million tons between 2005 and 2009 and began exporting large amounts of wheat between 2000 and 2008.¹

The governorates of Hama, Aleppo, Raqqqa and Deir ez-Zor are considered to be the most suitable and fertile areas for wheat production in Syria. The total area of wheat fields cover 65% of the four governorates, producing about 62% of the country's total output. Wheat production is lower in other regions such as the countryside in Damascus and coastal governorates, as

farmers prefer to cultivate other crops like citrus, and the climate is not suitable for wheat production.²

Wheat farmers depend on the Ministry of Agriculture to assist them with certain requirements such as subsidized prices; supply of seeds, fertilizers, pesticides and irrigation equipment. Farmers have also relied on ICARDA's Agricultural Research Centre in the countryside of Aleppo since 1977, which supported farmers through the improvement of seeds, farming methods, and pesticides; but the center was closed in 2012 due to war, which limited the support provided to local farmers³.

THE IMPACT OF DROUGHT AND GOVERNMENT POLICIES ON PRODUCTION

Before 2011, the annual domestic consumption of wheat had increased to about 3 million tons, and the per capita share had reached about 221 kg, which resulted in surplus to be exported. This increase was offset by a decrease in

¹ Ibrahim Saqar, Muhsen Jahjah, Manaf Asad, Tishreen University Journal for Research and Scientific Studies, "Wheat production and its implications for achieving food security in Syria" vol.34, No.1 2012

² Ibid

³ Abdel Karim al-Thalji, al-Jumhuriya, "Agricultural Research Returns to ICARDA", March 20, 2019



Humanitarian Relief in Aleppo.

production between 2006 and 2008 due to drought, but as the private sector continued buying Syrian wheat and exporting wheat-based products such as pasta, Syria's wheat reserves decreased⁴. After 2011, the reserves kept diminishing as more areas were freed from the regime's control.

Syria suffered one of the worst droughts between 2006 and 2010. Many studies argue that the drought, which mainly affected the rural areas in northern and eastern Syria, was among the causes of the Syrian uprising as the Syrian government remained ineffective and failed to implement policies aimed at supporting farmers or residents in the affected areas, resulting in a marginalization in these areas. This was evident in the decrease of wheat production, caused by

a decrease in rainfall rates in the four main governorates, from about 4.9 million tons in 2006 to 2.1 million tons in 2008, before increasing slightly to 3.7 million tons in 2009⁵.

According to some studies, the drought in Syria was not only due to climate, but also to bad government policies⁶. For example, poor government response to the outbreak of yellow fungus reduced wheat production in 2010 to about 3.5 million tons. Government's unjust decisions to reduce subsidies to farmers in terms of fertilizers and fuel, coupled with the drought and the failure to adopt a realistic and well-planned policy to protect water resources against excessive consumption, led to a decrease in the percentage of cultivated lands and thus to a decrease in production. The government's

⁴ See note 1

⁵ See note 1

⁶ Colin P. Kelley, Shahrzad Mohtadi, Mark A. Cane, Richard Seager, and Yochanan Kushnir, PNAS, "Climate change in the Fertile Crescent and implications of the recent Syrian drought" March 17, 2015

Decisions taken by the regime to address the wheat and bread crisis remained ineffective and affected the food security of the majority of Syrian people.

favoring of high-profit crops such as cotton and sugar beets, which require greater amounts of water, can be considered as the best example in this regard.

THE CAUSES OF THE CURRENT CRISIS

The current crisis has several causes, but the most important factors can be summarized as the inability of the regime to manage wheat crops and to deal with the difficulties faced by farmers that pushed them to abandon cultivating wheat, which are explained in detail below:

a. Loss of control over areas where wheat is produced

Wheat cultivation is concentrated in four governorates, namely Hasakah, Aleppo, Deir ez-Zor and Raqqa. The Syrian Democratic Forces and the Syrian branch of the Kurdistan Workers' Party control the entire Hasakah governorate, except for residential areas inside the cities of Hasakah, Qamishli and Tell Tamer; in addition to most of Deir ez-Zor governorate north of the Euphrates and large parts of Raqqa and Aleppo governorates. On the other hand, the Syrian National

Army forces control the northern parts of the governorates of Hasakah and Raqqa, and most of the countryside north of Aleppo. Therefore, the Assad regime finds itself unable to benefit from the areas rich in wheat.

However, this is not a recent situation, as the Assad regime has been unable to recapture these areas since the beginning of the conflict. Additionally, the fact that these non-state actors can capitalize on wheat production in these areas is not only thanks to their territorial control, but also to their economic policies that benefit farmers. Indeed, the forces controlling these areas, the Syrian Democratic Forces and the Interim Government/Syrian National Army, attracted local farmers and bought their crops at higher⁷ prices than the Assad regime. In 2020, the regime government set the purchase price of wheat from farmers to 225 SYP/kg in March before raising it to 425 SYP in May. However, even though the YPG/SDF initially set the price to 225 SYP/kg as well, it raised it to 315 and then to 490 SYP, but distributed 100 SYP as promotion. On the other hand, the Interim Government, which is

⁷ Enab Baladi, "Three Prices to Buy Wheat from Syrian Farmers", April, 4, 2020



Wheat harvest in Damascus.

affiliated with the National Coalition, set the price of wheat to 200 dollars/ton, or about 400 SYP/kg, before it reached 600 SYP/kg due to the exchange rate of dollar, which resulted in the highest price compared to that of the regime and of the YPG/SDF regions. The farmers benefited more from selling wheat to the Interim Government, which increased selling and transferring activities to Idlib from areas under National Army control. Turkey was in favor of this situation and provided support through its Turkish Grain Board (TMO)⁸. In this context, the inability of the regime government to purchase at a higher price prompted farmers to sell their crops to the YPG/SDF areas or to the Interim Government.

The regime found itself in a precarious situation with respect to obtaining or producing wheat, which was exacerbated further by the YPG/SDF decision in June 2020 to prohibit the sale or transfer of wheat outside the areas under its control. However, the YPG/SDF later reached⁹ an agreement with the regime to sell about 50 thousand tons of its wheat.

The race to increase prices to attract farmers also continued in 2021. In the early summer of 2021, the regime's Ministry of Agriculture set the price of wheat to 900 SYP/kg (about 30 cents) to attract farmers, but the YPG/SDF set it to 1,150 SYP/kg, which is about 7 cents more¹⁰. The interim govern-

⁸ Bir Gun, "209 tonnes of Grains Bought from War-Torn Syria", June 19, 2021

⁹ North Press, "The Autonomous Administration Reveals Negotiations with the Syrian Government to Export Surplus Wheat", July, 15, 2020

¹⁰ Enab Baladi, "250 Pounds Higher than the Price of the Regime, Autonomous Administration Sets the Price of Wheat", May, 15, 2021

As the crisis may continue next year, the West needs to develop plans to provide direct aid to Syrian people without engaging with the regime.

ment also set the price to 325 dollars/ton, or about 0.32/kg, which is slightly higher compared to that of the regime¹¹. It is expected that the YPG/SDF and the Interim Government will raise prices, which will make the regime unable to purchase wheat to meet the local demand once again.

b. High production costs

Wheat cultivation requires a well-organized agricultural plan that includes sowing, use of fertilizers, and harvesting. With the fall in SYP exchange rates to record lows, the costs of cultivation rose significantly, affecting wheat production. In March 2020, the regime's government announced a significant increase in fertilizer prices, justifying it with the increase in production and transportation costs¹². The price of phosphate fertilizer increased by more than 100% to reach 304,000 SYP (about 100 US dollars)/ton, while the price of Urea fertilizer increased by 45% to 250,000 SYP/ton. Later, the government decided to reduce the price of phosphate fertilizer to 237,000 SYP, and the price of urea fertilizer

to 193,000 SYP¹³. While the regime's government argued that the costs of production would rise, it was clear that the prices were raised to satisfy the Russian company Stroytransgas, the largest investor to all three fertilizer factories in Syria since mid-2019¹⁴, instead of helping farmers in dire conditions who need fertilizers, especially considering the fact that they were using organic fertilizers instead of imported ones, leading to low yields of wheat.

Corruption and nepotism also played an important role in the failure of the Ministry of Agriculture's plan to support farmers with fertilizers. Many farmers complained about a severe shortage of fertilizers and pesticides provided by agricultural directorates, accusing officials of corruption. In addition, the oil crisis in the regime-controlled areas added to the difficulties experienced in wheat production, as the rise in diesel prices constituted an additional burden on farmers who require fuel to operate wells, harvesting machines and other kinds of equipment, despite the government's

¹¹ Syria TV, "The Syrian Interim Government sets the purchase price for the wheat crop for 2021", June, 5, 2021

¹² Russia Today, "Damascus approves an increase in the price of fertilizers", March, 3, 2020

¹³ Snack Syrian, "The Government Changed its Decision and Reduced the Prices of Fertilizers", April, 27, 2020

¹⁴ Financial Times, "Moscow Collects its Spoils of War in Assad's Syria", September, 1, 2020

statements about fuel subsidies for farmers.

c. Drought

The past years, especially 2020 and 2021, recorded highest levels of drought and scarcity of rainfall in Syria, particularly in the northern and eastern regions. Minister of Agriculture Hassan Qatana stated that rainfall rates in Syria saw record-lows, accompanied by a 50-70% rise in temperatures. Qatana added that drought reached unprecedented levels and affected all Syrian governorates, and that the percentage of irrigated lands had almost halved, which would lead to a decrease in production in 2021¹⁵. FAO data show that delayed rainfalls in late 2020 in addition to irregular precipitation in early 2021 affected the growth and productivity of wheat¹⁶. Low levels of water in the Euphrates and the inability to run wells using diesel fuel also contributed to the decline in irrigated lands. The decrease in rainfall also affected parts of southern Turkey bordering Syria, and consequently the agriculture in the region. In addition to drought, the crop fires in

north Syria have caused grave damage to wheat production in the past two years, caused sometimes by hostilities such as regime shelling on south Idlib and al-Ghab Plain and the exchange of artillery shells between the Syrian National Army and SDF in north east Syria, as well as by natural causes.¹⁷

CHALLENGES OF IMPORTING WHEAT FOR THE REGIME

As the domestic production remained at 1.2 million tons, the regime decided to import wheat to meet the demand of about 2.5 million tons. This means that the regime will have to import at least 1.7 million tons this year. As wheat prices have risen globally in the past two years due to the COVID-19 pandemic, it is expected that Syria will have to pay 340 dollars/ton for wheat, totaling 600 million dollars, to meet its demands: a huge number considering Syrian cash reserves and the regime's financial capabilities.

The government has put out several tenders over the past year and the beginning of this year for the purchase of wheat to produce bread, and

Drought, loss of territorial control and the inability to secure wheat also contributed to the crisis, coupled with the government's ineffectiveness.

¹⁵ Sham FM, "Minister of Agriculture Interviewed by Sham FM", May 21, 2021

¹⁶ FAO, *Country Summary: Syria*, May 4, 2021

¹⁷ Mehmet Burak Karacaoglu and Ahmet Karaahmet, Anadolu Agency, "Syrian regime sets wheat fields on fire in Idlib", June 1, 2021



Bread crisis deepens in regions under Assad control in Syria.

several Syrian and Russian companies submitted tenders. But such methods are unsustainable and face a number of obstacles. For example, last year, six Russian companies cancelled their contracts with the Syrian government after prices soared globally due to the COVID-19 pandemic¹⁸. A foreign trade official in the Syrian Grain Board said that the delays in sending financial credits and high prices pushed the companies to withdraw from the deals. The government is also pinning hope on lesser-known companies, most of them Lebanese, to purchase wheat, as there are sanctions on businessmen linked to the regime. This means that these deals will be subject to many factors including Lebanese exchange rates, the economic crisis, and even the explosion of the port in Beirut in August 2020. Russia,

the main exporter of wheat to Syria, decided to stop exporting grains temporarily in April 2020¹⁹ and imposed higher taxes on exports due to the COVID-19 pandemic²⁰. Russia resumed its exports of wheat to Syria last summer, and the regime government offered other tenders to Russian companies for the purchase of wheat.

STEPS TAKEN BY THE REGIME TO RESOLVE THE CRISIS

The regime resorted to importing wheat in addition to trying to rationalize consumption, but bad policies and ineffective measures directly affected country's food and citizen security. The rise in food prices and the dire economic situation led many families to replace certain types of food with bread due to its cheaper price, which created a de-

¹⁸ Zaman al-Wasel, "Regime Official: Russian Companies Withdraw from Contracts to Export Wheat to Syria", December 4, 2020"

¹⁹ Russia Today, "Russia Suspends Exporting Grains", April 4, 2020

²⁰ Reuters, "Russia plans to raise wheat export tax from March 1", January 15, 2021

pendence on bread, and thus a noticeable increase in the consumption thereof. However, the regime chose to raise the price of bread by about 150% i.e. from 15 SYP in 2011 to 50 SYP in 2018, and then 100 SYP in 2020. The regime also chose to include bread to the smart card—a card for families issued by the government—used to purchase materials such as diesel, gasoline and other items at a cheaper price and managed by the Takamul Company, which is owned by Asma al-Assad's cousin²¹. Additionally, the Ministry of Internal Trade announced last year that it would reduce the number of loaves that can be purchased with the smart card to about 3 loaves per citizen. On the other hand, rampant corruption across all state institutions caused bread to be sold in the black market at higher prices, sometimes reaching 1000-1500 SYP, or about 50 cents.

With the start of the COVID-19 crisis, the Ministry of Internal Trade issued a decision that had two consequences for the citizens. As the ministry prohibited bakeries from

selling bread and instead commissioned roaming bread-trucks, people in neighborhoods complained about these trucks, as they were affiliated with local militias loyal to the regime, selling bread whenever and at whatever price they wanted. Social media was filled with videos showing citizens running after bread trucks or quarrels that end in a fight between citizens and sellers in the commissioned trucks, as well as countless complaints about malfunctions in the smart card and about the policy on how citizens to benefit from the card are chosen.

The regime also tried to focus on growing wheat in the areas under its control. The Minister of Agriculture, Hassan Qatana, made several statements calling on citizens to cultivate wheat in great amounts, and called the 2020 season the "Year of Wheat." The Ministry of Agriculture also provided support to farmers in several governorates to grow wheat, but drought and the inability to buy diesel for wells failed the ministry's plan.

²¹ Syria Direct, "Smart cards for rationing: how the Syrian government is outsmarting accountability", February 17, 2020"

The regime found itself in a precarious situation with respect to obtaining or producing wheat, which was exacerbated further by the PYD/YPG's decision to prohibit the sale or transfer of wheat.

CONCLUSION

The wheat and bread crisis represents a difficult challenge for the food security in Syria, at a time when about 90% of the Syrian people fell below the poverty line with the devaluation of the Syrian pound and the rise of unemployment. Climatic factors such as drought and desertification have played a major role in this crisis since 2006, but after ten years of war the situation has worsened due to the absence of a well-organized plan to combat drought or help local farmers.

The crisis experienced in the current season will extend to the next year, especially to fall and winter seasons. Importing wheat will also represent an additional challenge to the regime's weak budget and scarce financial revenues, coupled with the global increase in prices. On the other hand, the Syrian Democratic Forces used wheat and oil as a pressure card in its dealings with the regime, but the drought and the needs of the population in northeast Syria will weaken this card as well, especially with the cessation of humanitarian aid delivered to the areas under SDF control

through the crossing al-Yarubiyah with the end of the UN mandate in 2020.²²

Additionally, the regime may try to raise the prices of bread to try to solve the crisis. However, any step to raise the price of bread or reduce its consumption will lead to an increase in popular anger against the regime in its areas of control and even its supporters. Bread was considered to be the red line for many families but now it's threatened in an unprecedented way, which may lead some to protest in front of bakeries while waiting in long queues. The consequences of this crisis will be dire for the citizens, and while Syria may not experience famine as a country, the majority of the citizens will nonetheless be unable to buy basic food items like wheat if the prices are increased.

While sanctions do not play a major role in securing wheat, as the US government excludes the import of food and medicine from sanctions, it is the responsibility of the international community to develop plans to provide assistance to the Syrians in the event that the regime is unable to secure wheat. However, any

²² Natasha Hall, Center for Strategic and International Studies, "The Implications of the UN Cross-Border Vote in Syria", June 4, 2021

attempt to provide support to civilians in regime-controlled areas must be based on due diligence, in order to avoid financing the Syrian regime or its affiliates, which has been a key challenge and a mistake made by humanitarian organizations and the UN since 2011.

Western countries or the international community can also negotiate with Russia

to provide direct aid such as flour and wheat to the regime in exchange for amending and extending the scope of the Security Council resolution on the entry of humanitarian aid across the border, bound to expire on 10 July. The crisis may also lead to a new wave of refugees to neighboring countries or the European Union, which will exacerbate difficulties in neighboring countries that are already suffering from harsh economic conditions.

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