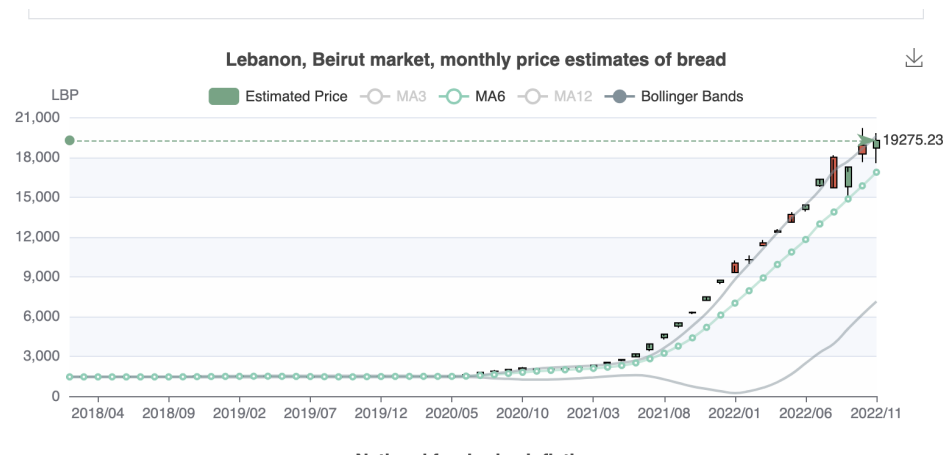


Macroeconomic Downturn in Lebanon

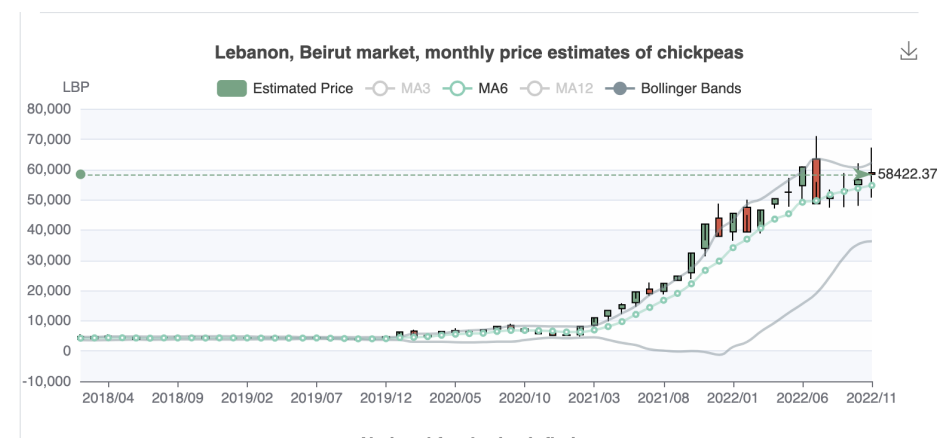
Lebanon's economic crisis has been long in the making, rooted by irresponsible fiscal spending by successive governments after the civil war. Poor governance mechanisms, fractured supply chains, and unemployment has plummeted incomes and skyrocketed prices. 82% of the Lebanese population now lives in poverty. This article will contextualize the rising food prices in Lebanon, not as a singular issue, but rather as one that reflects economic and political downturns that have been years in the making.

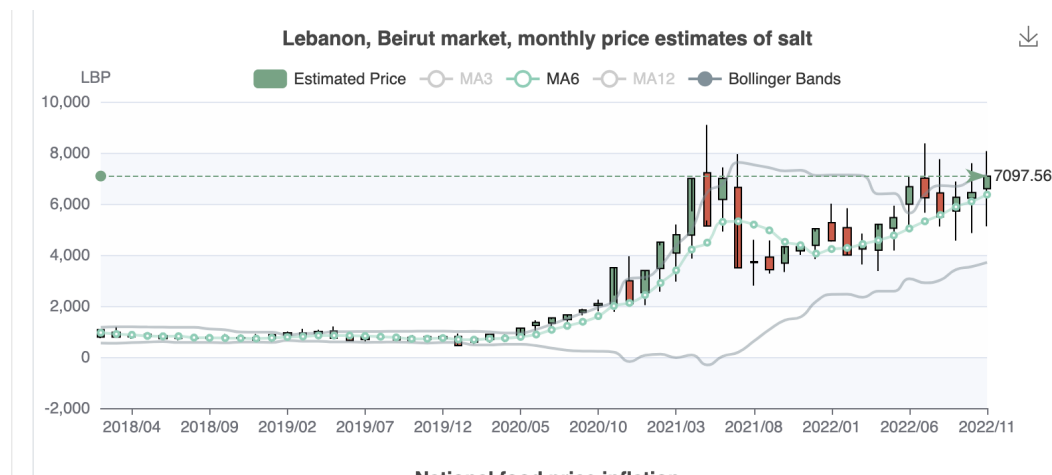
The Current Food Crisis: Prices and Daily Life

The [graphs](#) below depict fluctuations in staple food items in Lebanese households such as chickpeas, bread, and salt in the capital, Beirut. Steep increases in prices as well as price volatility has contributed to unprecedented levels of food insecurity and overall reduction in caloric intake.



[Price of Bread in Lebanon 2018-2022. Note steep increase in price starting 08/2021





Subsidies

With prices of bare minimum items soaring, products like meat, once an integral part of daily diets, are getting cut from the plate. Estimates suggest that meat consumption rates are drastically plummeting, [at rates](#) between 65-82%. Specifically, as the price of red meat plummets disproportionately to white meat, consumers are [substituting red meat](#) for poultry products or opting for exclusively plant based diets.

he Lebanese army stopped offering meat in meals given to soldiers while on duty because the military “is suffering from difficult economic conditions,” the state-run National News Agency reported.

Causes: Fractured Supply Chains and Production Costs

Lebanon depends heavily on global markets to source food; everything from wheat to processed foods.

Fiscal mismanagement and the effects of global inflation have decked the value of the Lebanese lira (currency), making it more expensive to buy goods on the global markets. Most recent estimates suggest that the value of the Lebanese lira against the US dollar has seen a 90% decrease. Geopolitics have also certainly played a role. With Lebanon dependent on Ukraine for 80% of its supply of wheat, basic food items have become both scarce and more expensive.

Input costs have also soared. [Petrol prices are up](#) by 25% and daily power cuts limit business operations. With prices of gas cylinders—also an import—up, households and businesses are forced to switch to [wood stoves](#); the more affordable yet less efficient alternative.

The Agriculture Industry

Lebanon's agriculture industry has long been on the backburner. With lack of capital and financial investments into the industry, few dams necessary for freshwater collection, and heightened emphasis on other sectors such as banking, Lebanon's agricultural industry has suffered neglect. In spite of Lebanon's abundant arable land and [available fresh water](#), only 60% of viable land is [cultivated annually](#). With markets for key agricultural inputs such as seed and fertilizers being dominated by few large companies, mirroring an "[oligopolistic](#) structure," quality of products are diminished while prices remain high. With fewer, and more complacent, players in the market, incentive to create better products is diminished. While rising prices on the global markets tells a portion of the story, inefficiencies in domestic farming practices is also partly to blame for a weakened and vulnerable food supply chain in Lebanon.

Interventions: Policy and Grassroots

While the state system remains weak, aid organizations, both local and global, have launched efforts to increase food access throughout the country.

- Local farmers markets
- Initiatives teaching communities to grow produce on their land
- Lack of government oversight
- <https://www.thenationalnews.com/mena/lebanon/2023/01/24/lebanons-restaurants-charge-in-scarce-dollars-as-pound-sinks-to-new-low/> dollarization of economy to increase imports
- 2021- world bank program- vouchers for key inputs like fertilizer as well as livestock sustenance like feed - 300 dollar vouchers