

Challenges and Perspectives for Azerbaijan's Food Security

Ahmad Humbatov

Topics of discussion

Global hunger and food insecurity. Drivers of the global food crisis. Policies to achieve food security. Food security challenges in Azerbaijan. Policy recommendations for improving Azerbaijan's food security.

This document summarizes a roundtable discussion with Assistant Representative to Azerbaijan of the Food and Agriculture Organization, Bariz Mehdiyev, which took place on 19 December 2022 at ADA University under the auspices of the Institute for Development and Diplomacy (IDD). The event was hosted by the Head of IDD's Energy and Sustainable Development Program, Ahmad Humbatov. A list of participants is provided at the end of the document.

This IDD roundtable discussion started with an overview of food security around the world and discussed the key drivers of the current food crisis. The primary focus, though, was on food security in the context of Azerbaijan. In particular, participants exchanged views on current food production capabilities in Azerbaijan as well as on the country's import dependency for certain agricultural products. Participants then discussed potential measures and interventions for improving Azerbaijan's food security. This document concludes with a set of recommendations for policymakers that were mentioned during the event.

Food Security Around the World

During his presentation, Mehdiyev mentioned that generally there are three major drivers of food crises: disruptions of supply chains, degrading natural resources, and climate change and extreme weather events. Today, all three factors are contributing to the

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global food problem. Thus, economic and logistical disruptions following the pandemic and production losses triggered a rise in food prices to historical highs. The conflict over Ukraine has diminished grain production as well as the availability of vegetable oils and fertilizers, which has in turn further driven up energy prices. Degrading natural resources, including biodiversity loss and water scarcity, as well as extreme weather events, including droughts and floods, has further deteriorated the global food security.

Mehdiyev also provided statistics on the global food situation. After decreasing for decades, the number of hungry people has remained stable during the second decade of the twenty-first century. It started to increase dramatically in 2019, with global crises threatening food systems.

After remaining relatively unchanged since 2015, the prevalence of undernourishment (SDG Indicator 2.1.1) jumped from 8.0 in 2019 to around 9.3 percent in 2020 and continued to rise in 2021—although at a slower pace—to around 9.8 percent. It is estimated that between 702 and 828 million people in the world (corresponding to 8.9 and 10.5 percent of the world population, respectively) faced hunger in 2021.

The most recent available figures suggests that the number of people unable to afford a healthy diet around the world rose by 112 million to almost 3.1 billion, reflecting the impact of rising consumer food prices during the pandemic. In the first half of 2022, this resulted in further food price increases. At the same time, more frequent and severe extreme climate events are disrupting supply chains, especially in low-income countries. The ongoing conflict over Ukraine is also disrupting supply chains and further affecting the price of grains, fertilizer, and energy.

Food Security in Azerbaijan

Azerbaijan has 4,8 million hectares of agricultural land (1,4 million hectares of which are irrigated). This comprises over 50 percent of the country's total territory, of which 39.6 percent is arable. Its main export products are fresh vegetables and fruits, vegetable and animal fat, confectionery products, tea, processed vegetables and fruits, beverages, tobacco products, and cotton. The government supports the agricultural sector through grants, tax exemptions, subsidies for machinery, pesticides, and fertilizers.

Azerbaijan's farm sector is the country's leading employer and the foundation of its non-oil and gas economy. The country has a strong comparative advantage in exporting fresh fruit and vegetables. However, an underdeveloped agro-food supply chain and low agricultural productivity remain key challenges, with the latter being an especially acute one. While the agriculture sector employs 37 percent of the country's population, it accounts for only 7 percent of Azerbaijan's GDP. Improvements in farming techniques can help to stimulate efficiency and growth as well as promote

food security. Insufficient access to quality inputs, especially seeds and seedlings, is a key constraint to improving crop productivity.

Another important challenge is a lack of proper data on agriculture-related activities. Thus, a bulk of Azerbaijan's agricultural activities remain in the shadows. The country has more than 1,3 million agro-producers (mainly small-scale farms), while only 600,000 of these have been officially registered in the e-agriculture system. Similarly, limited data can be found on water use. In cases where data is available, its quality can often be unreliable. A lack of (proper and reliable) data create challenges in monitoring the agriculture sector, let alone overcoming its challenges. (Note that several previous IDD analytic policy briefs have addressed aspects of these data issues.)

In addition, there is limited coordination among the major stakeholders dealing with agriculture and food-related affairs. Sometimes mandates are not clear, thus creating challenges in addressing certain problems in the sector and effectuating comprehensive strategic planning. Better communication and coordination should be arranged in this regard.

Finally, Azerbaijan needs more food and agriculture-sector specialists. An insufficient number of qualified local food experts impedes the development of this sector. More specialists are required for planning, developing, and maintaining agricultural operations in the country. The announced launch of new university programs in the country, including one that will be part of the Italy-Azerbaijan University, could help overcome this need.

Problems, Challenges, Opportunities

According to the Food Waste Index Report 2021, households in Azerbaijan generate 93 kilograms of food waste per capita per year.

Land fragmentation: 70 percent of agricultural lands consist of small land users—landscape management for better ecosystem services.

Insufficient capacity of producers, and weak web of producers' networks and organization.

- Poor coordination among the sector's stakeholders.
- Insufficient and inaccurate data (statistics) on agriculture-related activities.
- Insufficient post-harvest facilities for small farmers.
- Insufficient number of qualified local agro-specialists.
- The conflict over Ukraine is resulting in high input costs as well as high food costs.
- Decrease in demand from the main export market (i.e., Russia).
- Water scarcity due to climate change and land degradation.
- Lack of certification for quality food exports.

Azerbaijan's Food Security Strategic Policies and Programs

- Strategic road maps for the economy and its 11 sectors (all told, 12 strategic road maps).
- State program for the socio-economic development of the regions for 2019-2023.
- Azerbaijan 2030: National Priorities for Socio-Economic Development.
- National socio-economic development strategy for 2022-2026.

Key Points for Future Action

- Diversify the sources of wheat and fertilizer imports and improve food supply chains to mitigate food supply disruption risks and price hikes.
- Develop a strategy for reducing losses and waste management in the production and post-production stages of agricultural production.
- Improve data (statistics) collection on food and water use.
- Improve productivity and digitalization in the food use industry.
- Register all farmers and food producers in the country.
- Improve the management of eco-system services.
- Prevent the depletion of natural resources and increase sustainable production capacities.
- Strengthen cooperatives and expand community planning activities; increase opportunities for the improvement of capacities of small producers.
- Better coordination and strategic planning.
- Specialization according to opportunities in world markets; increase advisory and financial support for key areas.
- Promote education in agriculture-related disciplines and raise salaries in the sector.
- Agro-eco tourism: turn rural areas into more attractive settlements through digital integration.

Institute for Development and Diplomacy
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List of Participants

No:	Name, Surname	Position, Organization
1	Ahmad Humbatov	Head of the Energy and Sustainable Development Program, Institute for Development and Diplomacy, ADA University
2	Inara Mammadova	Coordinator, Institute for Development and Diplomacy
3	Sevinj Sarukhanova	Environment expert (former GIZ head of ecology department)
4	Sezen Karimova	Organization and coordination of training department, Azerbaijan's Ministry of Labor and Social Protection of Population
5	Chingiz Mammadov	Senior Programme Adviser/Programme Analyst, United Nations Development Programme, Azerbaijan
6	Hurshid Rustamov	Economist, UN RCO
7	Shargiya Afandizade	Head of Food Legumes Program, Junior Researcher of Plant Breeding Department, Agricultural Research Institute
8	Humay Nuri	Executive of Food Legumes Program, Researcher of Plant Breeding Department, Agricultural Research Institute
9	Fidan Ahmadova	Phytopathology department specialist, Scientific Research Institute of Agrarian Plant Protection and Technical Plants of the Ministry of Agriculture of the Republic of Azerbaijan
10	Sevil Gambarova	Specialist of the department of information provision, public relations and application of scientific results, Scientific Research Institute of Agrarian Plant Protection and Technical Plants of the Ministry of Agriculture of the Republic of Azerbaijan
11	Irada Huseynli	Food Safety Agency of the Republic of Azerbaijan
12	Namig Gadirov	Project and Programs Department, Leading consultant of Cooperation with International Organizations and Financial Institutions Division, Agency for Agro Credit and Development, Ministry of Agriculture of the Republic of Azerbaijan
13	Sedet Hajiyeva	Head of Department, Center for Agrarian Presentations
14	Blake Dawgert	Economic and Commercial Officer at the U.S. Embassy in Azerbaijan
15	Anar Hatamov	Azerbaijan State Agricultural University
16	Gulchin Rzali	Student, ADA University
17	Vendula Zborilova	Student, ADA University
18	Anna Heyman	Student, ADA University
19	Matej Cvach	Student, ADA University
20	Gauthier Bilski Perdereau	Student, ADA University