

ACTION NEA-00

INFO	LOG-00	CA-00	INL-00	USNW-00	DS-00	EB-00	EUR-00
	E-00	UTED-00	IO-00	L-00	M-00	NSCE-00	OMB-00
	PA-00	PER-00	PM-00	P-00	D-00	SP-00	SSO-00
	SS-00	TEST-00	R-00	PMB-00	DSCC-00	PRM-00	G-00
	SAS-00	SWCI-00	/000W				

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FM CPA BAGHDAD

TO SECSTATE WASHDC IMMEDIATE 1031

INFO SECDEF WASHINGTON DC IMMEDIATE

WHITE HOUSE NSC WASHDC IMMEDIATE

CJCS WASHINGTON DC IMMEDIATE

CDR USCENTCOM MACDILL AFB FL IMMEDIATE

DEPT OF AGRICULTURE WASHDC IMMEDIATE

USMISSION USUN NEW YORK IMMEDIATE

AMEMBASSY KUWAIT IMMEDIATE

IRAQ COLLECTIVE IMMEDIATE

UN SECURITY COUNCIL COLLECTIVE IMMEDIATE

UNCLAS BAGHDAD 000531

SENSITIVE

FOR SECRETARY POWELL FROM THE ADMINISTRATOR

E.O. 12958: N/A

TAGS: EAID, ETRD, PGOV, PTER, ASEC, IZ

SUBJECT: CPA 1197: IRAQ -- FOOD SECURITY UPDATE

1. (U) AS A FOLLOW-UP TO THE BRIEF DISCUSSION AT TODAY'S MEETING, I ASKED OUR TEAM TO PROVIDE AN UPDATE ON THE FOOD SITUATION. IT IS BELOW AND IT SHOWS THAT WHILE IT IS A PROBLEM, WE BELIEVE WE CAN SOLVE IT.
2. (SBU) SUMMARY. IRAQ WILL MEET ITS JUNE FLOUR RATION REQUIREMENTS; HOWEVER THE SECURITY SITUATION CONTINUES TO AFFECT INLAND TRANSPORTATION. WE ARE PROCURING FLOUR TO AUGMENT INCOMING WHEAT SHIPMENTS AS WELL AS WORKING TO PROVIDE TRUCK DRIVERS WITH FINANCIAL INCENTIVES AND INCREASED CONVOY SECURITY. END SUMMARY.
3. (SBU) WE HAVE ENOUGH WHEAT AT OR WITHIN IRAQ'S BORDERS TO MEET THIS MONTH'S REQUIREMENTS. HOWEVER, MANY TRUCKERS ARE REFUSING TO DRIVE ON KEY SUPPLY ROUTES BECAUSE OF SECURITY CONDITIONS. THE HIGHWAY FROM THE PORT OF UMM QASR HAS BEEN MOST SERIOUSLY AFFECTED. AS A RESULT, STOCK LEVELS IN SILOS HAVE FALLEN FROM 50 DAYS IN APRIL TO 15 DAYS IN MAY. THERE MAY BE LIMITED SPOT SHORTAGES/DELAYS IN DISTRIBUTING FINISHED FLOUR DUE TO TRUCKING DELAYS.

4. (SBU) ADDITIONAL PROCUREMENT BY CPA OF 100,000 METRIC TONS OF FLOUR COMBINED WITH SCHEDULED ARRIVALS OF WHEAT SUPPLIED BY WFP WILL ENSURE THAT JUNE FLOUR REQUIREMENTS ARE MORE THAN SATISFIED, BARRING NO FURTHER DETERIORATION OF SECURITY. CPA HAS ALREADY SIGNED THE CONTRACT FOR FLOUR AND EXPECTS THE LETTER OF CREDIT TO BE ISSUED TODAY.

5. (SBU) TRUCK NUMBERS FROM UMM QASR ARE GRADUALLY INCREASING AS A RESULT OF INCREASED FINANCIAL INCENTIVES AND ADDITIONAL SECURITY MEASURES. CPA IS WORKING TO PROVIDE ARMED FPS GUARDS ON EVERY SECOND MOT TRUCK, AS WELL AS OFFERING "DANGER PAY" BONUSES TO ENCOURAGE DRIVERS TO TRAVEL ROUTES CONSIDERED HIGH-RISK. WE ARE RECONFIGURING DYNCORP CONVOY ESCORTS TO PROVIDE MORE SECURITY ALONG DANGEROUS ROUTES LEADING NORTH FROM UMM QASR. WE ARE ALSO NEGOTIATING WITH PRIVATE TRUCKING FIRMS AND THE MINISTRY OF TRANSPORTATION TO IDENTIFY ADDITIONAL RESOURCES.

6. (SBU) TWO WHEAT SHIPS CONTAINING 90,000 METRIC TONS OF OFF WHEAT ARE WAITING TO DISCHARGE AT UMM QASR, AND CPA IS WORKING TO PROCURE AN ADDITIONAL 50,000 METRIC TONS OF FLOUR FOR IMMEDIATE DELIVERY.

7. (SBU) MAY WHEAT REQUIREMENTS AND SUPPLY:

231,210 MTS IMPORTED WHEAT MAY REQUIREMENT

110,980 MTS ALREADY DISTRIBUTED AS OF MAY 22
61,870 MTS IMPORTED WHEAT IN IRAQI SILOS

58,360 MTS REMAINING MAY REQUIREMENT

80,000 MTS ARRIVING VIA AQABA
25,000 MTS ARRIVING VIA UMM QASR

46,440 EXPECTED EXCESS STOCK END OF MAY

8. (SBU) JUNE WHEAT REQUIREMENTS AND SUPPLY:

231,210 MTS OF IMPORTED WHEAT IS REQUIRED FOR JUNE

36,000 MTS OF WFP WHEAT VIA TARTOUS IN EARLY JUNE
70,000 MTS OF WFP WHEAT VIA TURKEY IN EARLY JUNE
125,000 MTS OF WHEAT EQUIVALENT FROM FLOUR PROCUREMENT (SEE
NOTE BELOW)

231,000 METRIC TONS EXPECTED, SATISFYING JUNE
REQUIREMENTS. THIS FIGURE DOES NOT INCLUDE ADDITIONAL
WHEAT ARRIVING THROUGH UMM QASR OR THE EXPECTED EXCESS

STOCK AT THE END OF MAY.

NOTE: THE 100,000 METRIC TONS OF CPA-PROCURED FLOUR EQUATES
TO 125,000 METRIC TONS OF WHEAT.

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