

## Annex 10

# A framework for analysing the food security impacts of a crisis

The table below suggests the likely effects of a **production shortfall** on different population sub-groups. Structured interviews with policy makers and analysts, large and small traders, local officials, representatives of producers' associations and individual households (farmers, herders, and urban consumers) should be designed to test and refine the hypotheses presented.

A table like this can be created to develop and test hypotheses relevant to whatever type of crisis is being addressed.

Main Group	Primary Impact	Information needs and analysis
<b>Surplus Producers</b>	Potentially an increase in unit and total value of marketable surplus	Estimation of basic food production; assessment of marketable supply from surplus areas. Localization with respect to proximate cereal deficit areas, and relative level of income in deficit areas (i.e. is there effective demand for cereals for surplus areas?).
<b>Deficit producers/ rural poor</b>	Increase in quantity and unit cost of food to be purchased, especially later in the marketing year. Can be combined with a decrease in non-food agricultural incomes. Many of the rural poor have debts, to be reimbursed in kind at harvest time.	Estimation of basic food production, annual household food requirements, and gap, expressed in months of consumption. By main agro-ecological or social group, assessment of coping capacity in terms of: current level of indebtedness, alternative income, savings, substitution to other food sources, migration, sales of assets.
<b>Small traders</b>	Potential exposure to default on outstanding loans to small producers who suffered total crop failure. Larger capital requirements (higher unit prices). May extend credit to some households for hungry season food purchases.	Degree of integration of farming households into the market economy. Relative level of competition among small traders. Capacity by small traders to retail food flowing from surplus to deficit areas.

<p><b>Large traders/ importers</b></p>	<p>Large potential profit on sales from surplus to deficit areas (<b>spatial</b> arbitrage). This may involve cross-border trade. Potential profits to be made from large-scale <b>temporal</b> arbitrage (buying at harvest time, storing, and selling later in the marketing year).</p>	<p>Extent of wholesale market efficiency and integration. Transaction costs in food marketing. Marketing, transport and storage capacity. Impact of national trade policies on marketing activities. Effectiveness of formal and informal barriers to domestic or cross-border trade.</p>
<p><b>Urban "rich"</b></p>	<p>Increase in prices of basic foods to be purchased. If capital is available, can purchase at harvest time food stocks for household consumption. Can purchase livestock to be grown out or fattened for later resale. Less disposable income may be available to hire domestics or casual labourers, or for gifts/ alms giving.</p>	<p>Distribution of household incomes in urban areas. Share of food in household budgets of upper income households.</p>
<p><b>Urban poor</b></p>	<p>Increase in unit and total cost of food to be purchased over the year. Wages or earnings may not be directly affected, but expenditures for food to rise.</p>	<p>Distribution of household incomes in urban areas. Share of food in household budget for low income and poor households. Indicators of informal employment and income generating activities. Estimates of food gap and assistance requirements.</p>
<p><b>Chronically destitute</b></p>	<p>Increase in the unit and total opportunity cost of food given to the very poor. Expected decrease in gifts of food and other goods to the chronically destitute.</p>	<p>Assessment of the total caseload (i.e. numbers supported by food aid, NGO donations, public or private charitable activities), and of the expected decrease in private charitable contributions due to the combination of lower incomes and higher food prices. In an especially bad year, a number of the most marginal farming households may become almost entirely destitute (loss of last remaining assets, very heavy indebtedness or mortgage of small land holding, etc.). They may then join the ranks of the chronically destitute -at least for the marketing year.</p>