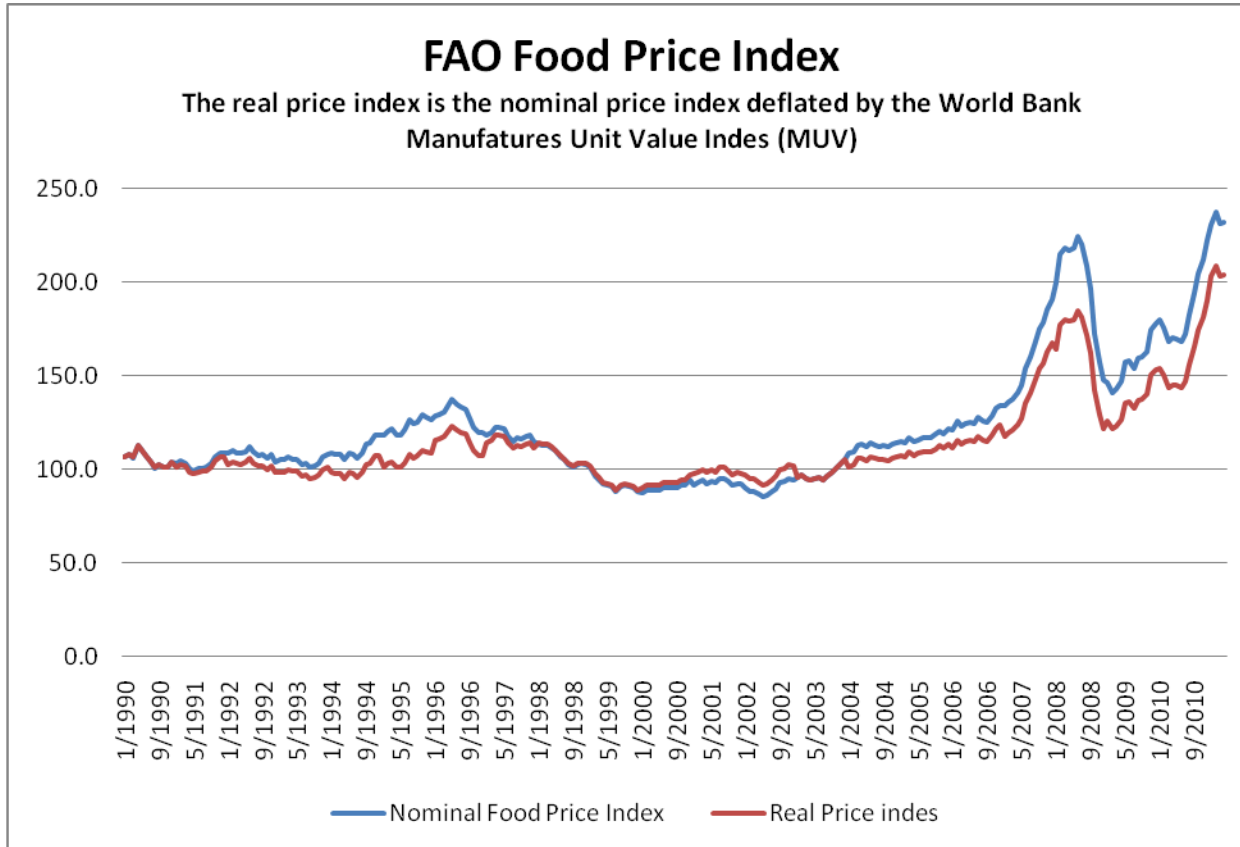
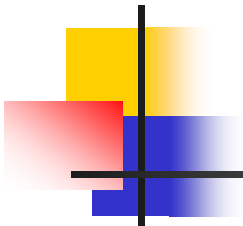


Global Perspective on Food Prices and ESA Activities

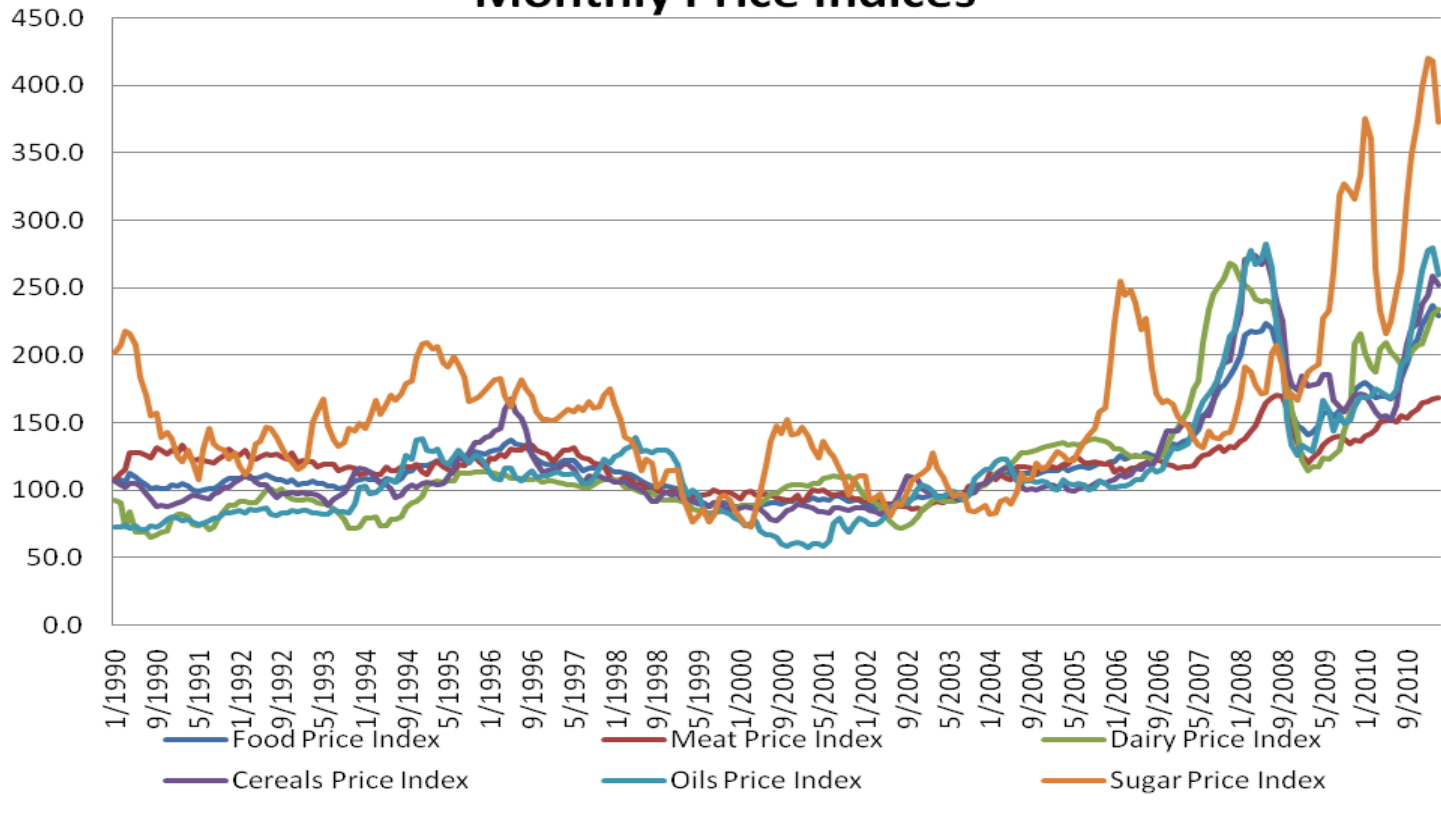
18 May 2011

Food Price Indices



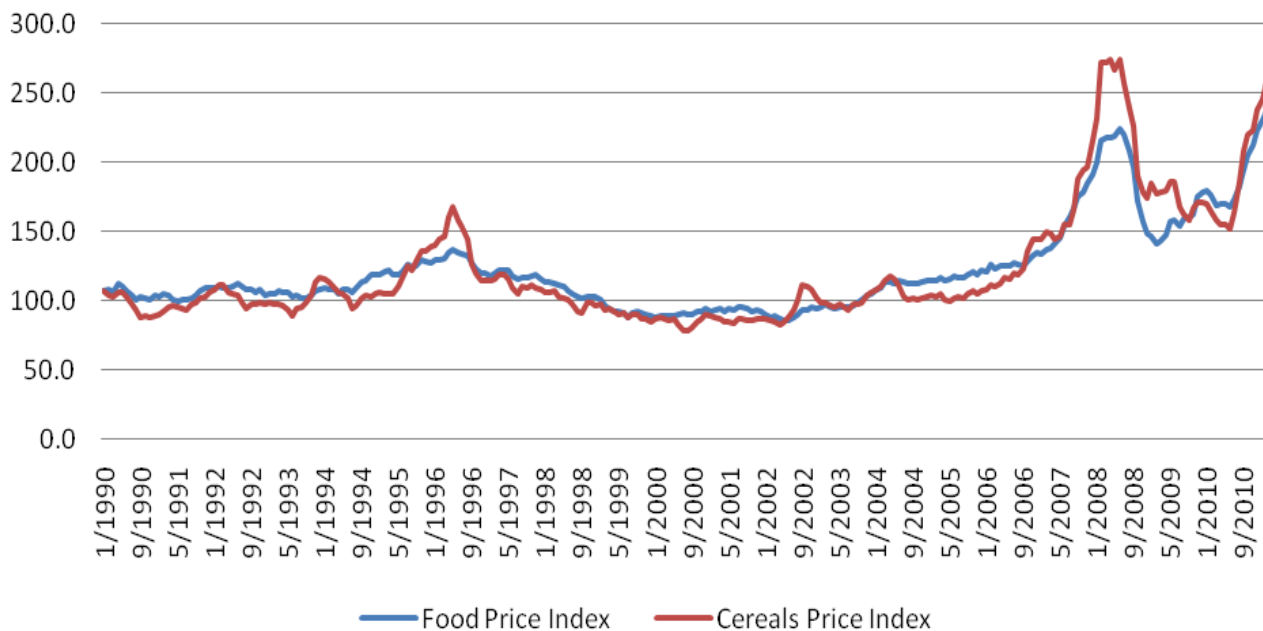


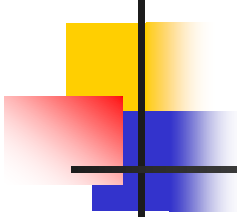
Monthly Price Indices



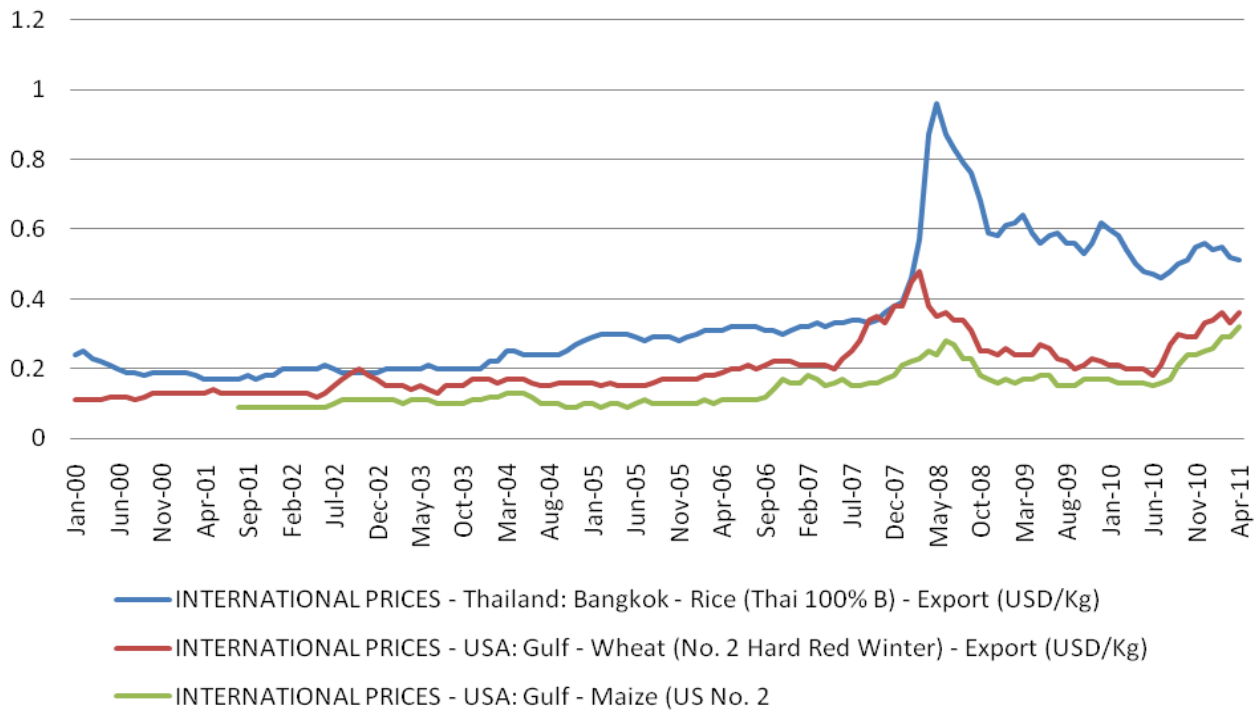


Monthly Price Indices

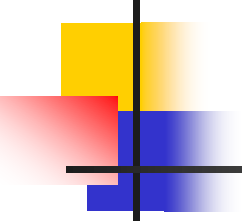




International prices of rice, wheat and maize



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- **High and volatile food prices are likely to continue in the future due to:**
 - **a steady increase in demand**
 - **Income increase – emerging economies**
 - **Population growth – developing countries**
 - **Urbanization and consumption preferences**
 - **Biofuel**
 - **Uncertain and variable food supply**
 - **Natural resource constraints (land and water)**
 - **Climate change**
 - **High cost of fuel**
 - **Policy and market distortions**
 - **Food supply lagging behind demand is the fundamental problem**
 - **Food security**
 - **Macroeconomic and political stability**

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- **The Agricultural Development Economics Division (ESA) undertakes different thematic studies on food demand, supply and prices**
 - **Global perspective studies unit**
 - Food demand and supply projections
 - Food production (net of food used for biofuels) must increase by 70 percent by 2050
 - Food security implications of climate change, biofuel production
 - **Economics of sustainable agriculture – climate change**
 - Incorporating poverty reduction concerns into global environmental agreements
 - Identifying conflicts and complementarities between biodiversity conservation and development



- **Food security analysis and policy**

- **Analysis along four key dimensions:
availability, access, stability and utilisation**

- Monitoring African Food and Agricultural Policies (MAFAP) – An FAO and OECD initiative supported by the Bill and Melinda Gates Foundation – 10 African countries
- The Integrated Food Security Phase Classification (IPC) - a standardised tool for classifying food security
- Vulnerability and resilience analysis
- National Food Policy Capacity Strengthening Programme – initiated to enhance national capacity to implement the National Food Policy and Plan of Action

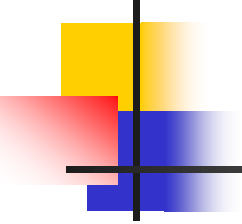


- **Smallholders and rural poverty**

- **The Rural Income Generating Activities (RIGA)**—
database and research papers on key policy
research issues

- **Markets, prices and trade**

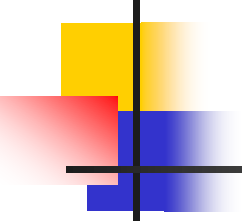
- Price transmission
- Policy and structural constraints to food
markets and trade

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- **ESA's major publications have highlighted the food supply and demand as well as food security problems**
 - **The State of Food and Agriculture (SOFA)**
 - SOFA 2010 - 2011 – Women in agriculture: Closing the gender gap for development
 - Women comprise, on average, 43 percent of the agricultural labour force in developing countries
 - Female farmers produce less than male farmers, but not because they are less-efficient farmers but because of difference in input use
 - SOFA 2009 – Livestock on the balance
 - Decisive action is required if increasing demand is to be met in ways that are environmentally sustainable and contribute to poverty alleviation and improved human health.
 - SOFA 2008 – Biofuels: Prospects, risks and opportunities
 - Demand for agricultural feedstocks for liquid biofuels will be a significant factor for agricultural markets over the next decade and perhaps beyond
 - SOFA 2011-12 – Agricultural investment (under preparation)



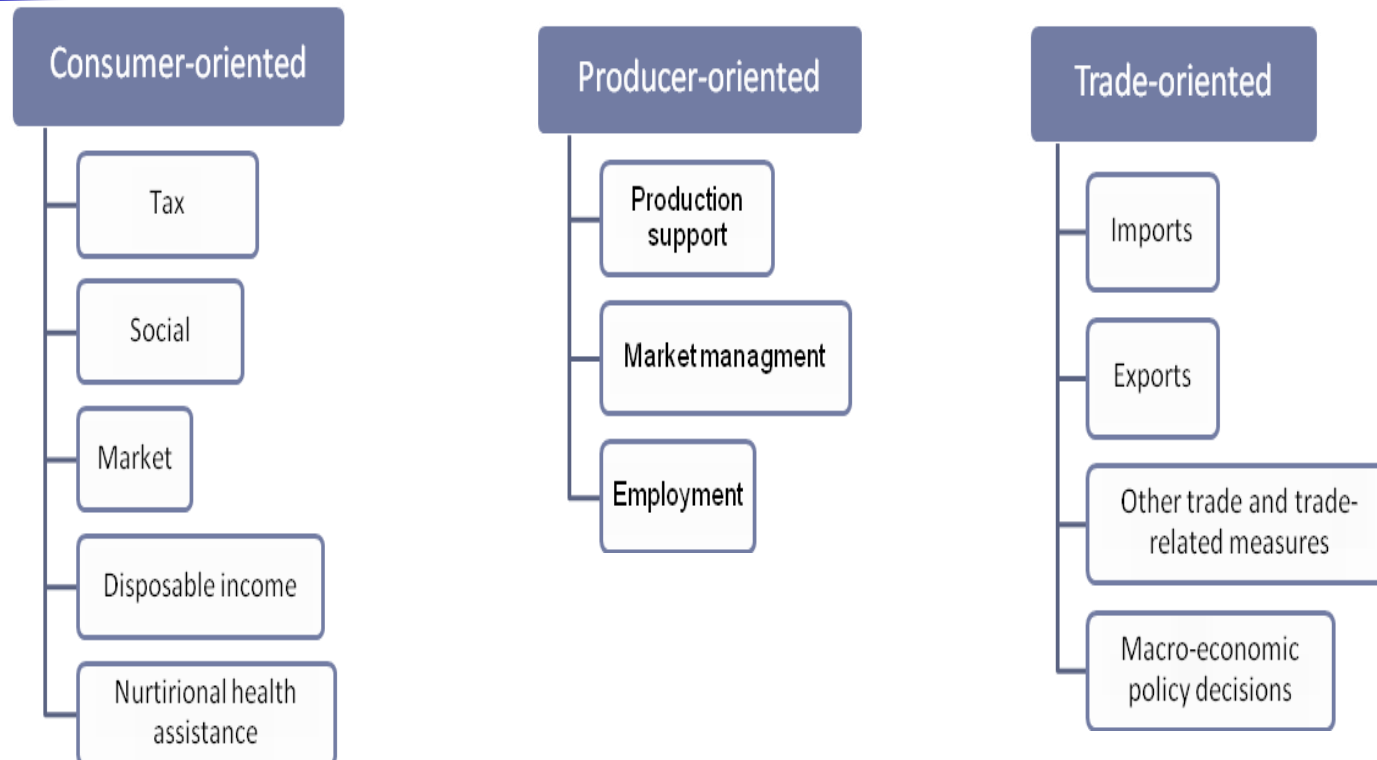
- **The State of Food Insecurity in the World (SOFI)**

- SOFI 2010 – Addressing food insecurity in protracted crisis
 - 22 countries identified as being in protracted crisis (17 from Africa, 4 from Asia and 1 from LAC)
 - Worldwide 937 million people undernourished
- SOFI 2009 – Economic crisis: impacts and lessons learned
 - 1.02 billion people undernourished
 - Number increased because of high food prices and global economic downturn
- SOFI 2008 – High food prices and food security: threats and opportunities
 - 923 million people undernourished
- SOFI 2011 – under preparation – food price volatility and food security

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- **The Food and Agriculture Policy Decision Analysis (FAPDA) is an initiative for monitoring and analyzing policy response to the 2007/08 high food prices**
 - Led by FAO's Policy and Programme Development Support (TCS), Trade and Markets (EST) Divisions and the FAO Regional Office of Latin America and Caribbean (RLC).
 - Started in 2008 within the framework of the Initiative on Soaring Food Prices (ISFP).
 - Initial phase started with a survey of 81 countries on short-term policy responses and a publication:
 - *Country Responses to the Food Security Crisis Nature and Preliminary Implications of the Policies Pursued*
 - **Among most commonly applied measures were:**
 - **Reducing tariffs and custom fees – 43 out of 81 countries**
 - **Restricting or banning export – 25 out 81 countries**

In 2009, FAPDA activities were expanded medium and long-term food and agricultural policies

Classified policy decisions into three main categories



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- **Covered 77 countries: 13 in Asia, 30 in Latin America and the Caribbean, 7 in North Africa/Middle East and 27 in Sub Saharan Africa.**
 - A publication 'Food and agricultural policy trends after the 2008 food security crisis: renewed attention to agricultural development' is under preparation
 - Policy decisions related to food and agriculture have been gathered and then consolidated on web-based tool to allow more effective recording and analysis with the aim of making this information available to the public