



The Egyptian Cabinet
Information and Decision Support Center
(IDSC)



World Food
Programme

Egyptian Food Observatory

Food Monitoring and Evaluation System

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Introduction

Food problem tops the list of issues facing most countries- specially developing ones. Successive food crises, motivated concerned parties to examine causes of such crises and establish systems which help forecast any future crises to evade or mitigate its occurrence. Therefore, an interest grew for establishing the Egyptian Food Observatory which provides tools for monitoring and evaluating the situation of a set of agricultural crops and main food commodities essential to the Egyptian citizen. In addition, the Observatory develops early warning tools which predict future food crises whether it is triggered locally or consequent of global situation. The series of Observatory bulletins aim at:

1. Monitoring and following up the current situation through tracking the consumption pattern of the vulnerable households, market prices of the agricultural crops as well as commodities in the selected food basket.
2. Monitoring and following up local crises through tracking consumption, production, and market prices of the agricultural crops as well as commodities in the selected food basket.
3. Identifying the status of food security with special focus on the poor and most vulnerable groups to poverty risk. In addition, it connects the different dimensions of food security to production, consumption and prices through the proposed Observatory system.

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Executive Summary

- During the first ten months of 2011, total cost of the proposed main goods basket (annex 1) amounted to L.E 4602.3, with a monthly average of L.E 460.2.
- Regarding global prices, price increase becomes evident in a number of important commodities namely: garlic and poultry.
- Around two-fifths of the vulnerable households (44.4%) depend on other sources of income beside their current job, mainly assistances and philanthropic aid. The income of 85.0% of the vulnerable households does not cover their monthly needs.
- The vulnerable households resort to borrowing as primary means for covering their monthly needs, and assistances serve as the determinant element for securing food.
- More than two-thirds of the vulnerable households realized the price increase of fruits, tomatoes, potatoes, poultry, garlic, milk, and eggs.
- Around 16.7% of the vulnerable households do not have a ration card.
- Around 11.3% of the vulnerable households do not consume subsidized Baladi bread.

Summary of the 2nd Round Methodology

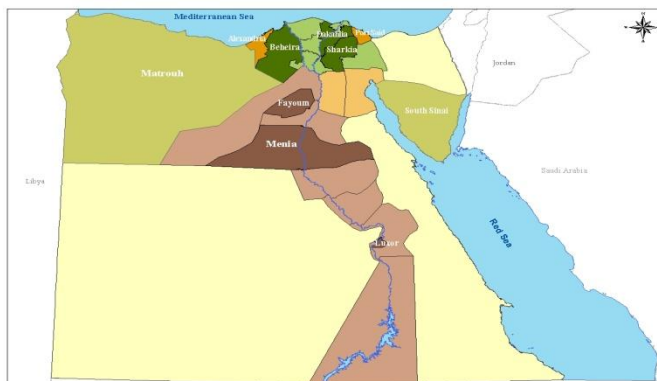
The bulletin is concerned with monitoring the cost of buying a basket of main food commodities based on the main measuring unit (kilo/liter/box), and variation of prices of such commodities between urban and rural areas. Additionally, it includes indicators of evaluating the status of vulnerable households in terms of: total expenditure, sufficiency of their income, consumption rate of such commodities, perception of price change of commodities in question, and the strategies for coping with the price hikes. The bulletin uses data derived from several sources including: commodities prices data in the urban areas collected by the Field Monitoring Network affiliated with the Information and Decision Support Center, commodities prices data in the rural areas collected through surveying rural markets in the villages of the selected governorates as part of the current round, survey data on assessing the status of the vulnerable households that had been conducted in the second week of October on a sample of the vulnerable Egyptian households (total of 540 households /54 from each governorate) distributed among governorates representing main regions as shown on the geographic information system (GIS).

Beware of the Hunger Revolution



Required Actions:

- Tightening control on markets rapidly and effectively, for both wholesale and retail trade, since poor families and the poorest are getting worse day by day.
- Ministry of Supply and Internal Trade should take effective action on the ground for improving the lives of the poor, since the increasingly high food prices disproportionately affect the poorest and vulnerable households due to the fact that the current ration cards system was not formulated to operate with specific targets.
- Government should draw-up a list of basic commodities according to the consumption pattern of the poor and consider the cost of these commodities to put an end to any exaggeration in their prices, which was applied by Malaysia to curb price hike and alleviate its impact on the poor.
- Ministry of Agriculture along with concerned ministries should start reviving the veal project to improve the Egyptian livestock production, and control the continuous price increase.



Frontier Governorates	Targeted Frontier Governorates
Lower Egypt governorates	Targeted Lower Egypt governorates
Upper Egypt governorates	Targeted Upper Egypt governorates
Urban governorates	Targeted Urban governorates

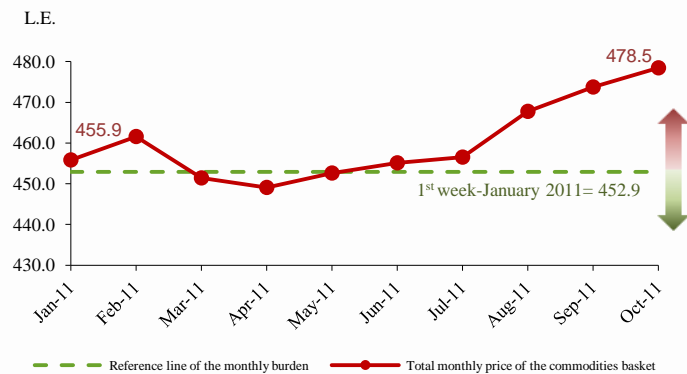
Price Indices of Food Commodities

1.1

Indicator of the Monthly Price Burden

- By calculating the monthly price burden which represents the main measuring unit of the selected commodities basket, it shows an increasingly successive monthly burden of the basket prices starting from June compared with its price at the first week of January-2011.
- The rate of increase in prices in October was 5.7% compared to the prices in the first week of January-2011, which represents an increase in the cash prices by L.E. 25.6 per basket. Accordingly, the monthly price burden reached its highest level during the current year in October.
- The increase rate in October prices compared to September came to 1.0%, whereas September prices have witnessed an increase compared with August by 1.3%, which indicates a slowing trend.
- Urban governorates still have the major share of such price increase with a notable price increase in Upper Egypt governorates in October, despite witnessing the lowest prices compared to the rest of regions.
- Reviewing macro economic indicators of the prices shows that the inflation general level reached 0.3% in October, while the Price Index of food and beverages showed a proxy stability, with a rate amounting to 11.1% during the first ten months of the current year.

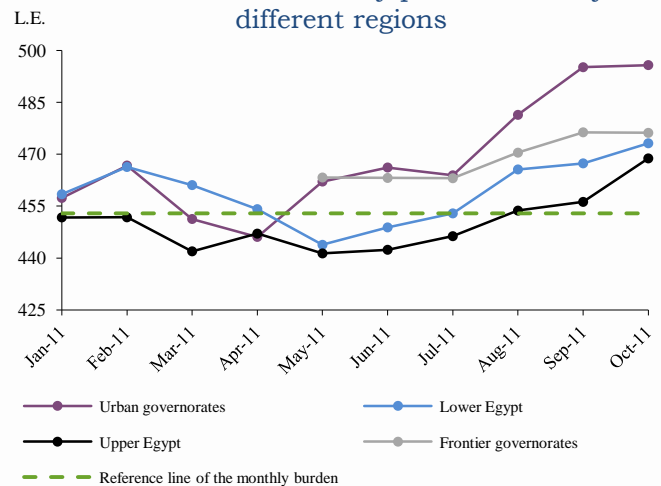
Figure (1)
Indicator of the monthly price burden¹



¹ Reference line of the monthly burden has been updated upon the completeness of prices data in different governorates.

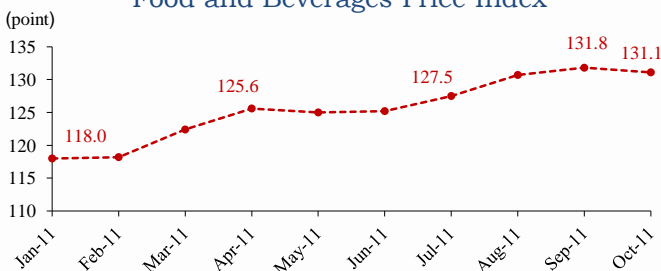
Source: Field Monitoring Network, Cabinet-Information and Decision Support Center.

Figure (2)
Indicator of the monthly price burden by different regions



Source: Field Monitoring Network, Cabinet's Information and Decision Support Center.

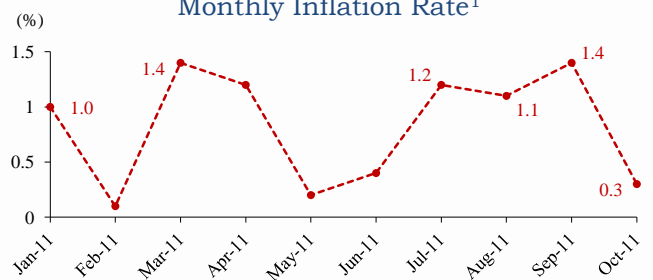
Figure (3)
Food and Beverages Price Index¹



¹Reference month (January 2010=100 points).

Source: Central Agency for Public Mobilization and Statistics, CAPMAS.

Figure (4)
Monthly Inflation Rate¹



¹Reference month (January 2010=100%).

Source: Central Agency for Public Mobilization and Statistics, CAPMAS.



1.2 Indicator of the Accumulated Price Burden

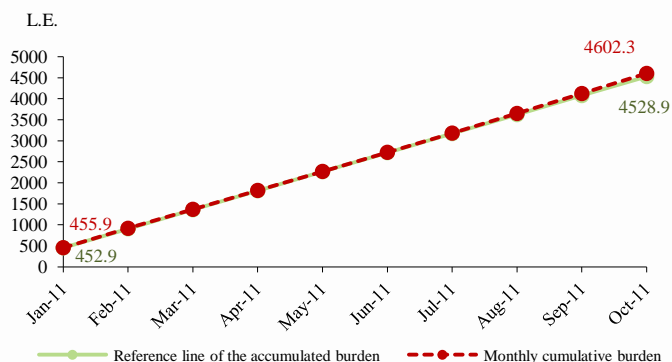
- ⊙ This paragraph reviews total expenses incurred by the Egyptian household for purchasing the basket once a month during the measuring period of ten months.
- ⊙ Indicator results show that total cost of the measured food commodities basket during the first ten months of 2011 have amounted to L.E. 4602.3.
- ⊙ By comparing the cost of such basket during the ten months with the cost in case it is fixed at the level of the first week of Januray-2011, it has been shown that total cost difference amounted to L.E. 73.4. This would cost the household an average of L.E. 7.3 each time purchase the basket.

1.3 Average Commodity Prices in the Regions

- ⊙ Shifting from the holistic view to the micro-level reveals an increase in most commodities of concern during September and October with a slight change among regions compared to last month.
- ⊙ Upper Egypt governorates witnessed sharper price increase compared to remaining regions coupled with price increases in more commodities, contrary to what happened in the last month.
- ⊙ Prices of most commodities in Lower Egypt have continued their successive increase.
- ⊙ Despite the witnessed decrease in the prices of some commodities in urban governorates, other commodities have witnessed high rates of price increase that resulted in an upward trend in the prices.
- ⊙ Price of commodities such as: rice, flour (except urban governorates), and yellow lentil (except lower Egypt) have continued to decrease since August.

Figure (5)

Indicator of the accumulated price burden



Source: Field Monitoring Network, Cabinet's Information and Decision Support Center.

Table (1)
Average prices of October -2011 and change rate compared to September prices of some food commodities

Goods	EGP/ Kg (%)			
	Urban	Lower	Upper	Frontier
Beef	62.4 (3.9) ↑	59.9 (2.4) ↑	54.5 (8.7) ↑	60.0 (0.0) —
Poultry ¹	15.3 (-0.2) ↓	15.4 (0.8) ↑	16.6 (-3.1) ↓	17.4 (0.8) ↑
Tilapia fish	13.5 (1.5) ↑	10.5 (-0.1) ↓	13.8 (0.1) ↑	13.7 (3.3) ↑
Eggplants	2.6 (16.5) ↑	2.1 (12.7) ↑	2.2 (29.2) ↑	3.1 (-5.4) ↓
Potatoes	3.4 (2.4) ↑	3.4 (4.3) ↑	3.3 (13.8) ↑	3.5 (-5.5) ↓
Onions	2.8 (15.7) ↑	2.2 (23.3) ↑	2.8 (20.5) ↑	3.6 (25.2) ↑
Tomatoes	2.9 (22.4) ↑	2.8 (16.9) ↑	2.8 (-3.6) ↓	3.4 (-17.8) ↓
Fava beans ²	7.8 (-3.6) ↓	7.8 (-0.9) ↓	8.1 (0.5) ↑	8.5 (-11.5) ↓
Yellow lentils ³	10.9 (-5.5) ↓	10.5 (9.8) ↑	9.3 (-1.0) ↓	9.1 (-0.3) ↓
Flour ³	4.8 (-0.5) ↓	4.7 (-2.9) ↓	3.9 (0.5) ↑	4.2 (-6.4) ↓
Rice ⁴	5.3 (-6.5) ↓	4.4 (-13.9) ↓	4.7 (-13.8) ↓	5.5 (-1.9) ↓
Macaroni ⁵	5.5 (-1.4) ↓	4.9 (1.8) ↑	4.5 (1.2) ↑	3.5 (19.2) ↑
sugar ⁶	6.4 (-0.5) ↓	6.2 (1.4) ↑	6.1 (2.5) ↑	6.2 (4.4) ↑
Corn oil ⁷	14.1 (-0.4) ↓	13.8 (1.1) ↑	13.8 (0.3) ↑	14.1 (10.8) ↑

¹ Poultry prices are defined as average local, and white live and frozen poultry.
² Unpacked bean ³ Packed ⁴ Include packed and bulk
⁵ Ordinary Packed ⁶ Packed by private sector ⁷ L.E./ liter

Source: Field Monitoring Network, Cabinet-Information and Decision Support Center.



1.3

Average Commodity Prices in the Regions - cont'

- Prices of Fava beans decreased during October compared to September (in all regions except Upper Egypt). Thus the trend of price increase changed in September compared to August.
- On the other hand, a striking price increase took place for some commodities, such as: beef, eggplants, and potatoes in all regions except frontier governorates, and onions in all regions. It is worth mentioning that most of these prices have been on the rise since August until October.

1.4

Price Variation Between Urban and Rural Areas

Comparing prices of food commodities monitored between urban and rural areas in the second week of October-2011 in a number of Egyptian governorates where prices in urban and rural areas had been monitored (Dakahleia, Sharkeya, El-Behera and Menia), a number of observations were noticed involving many inquiries related to the role of whole sale dealers and retailers in creating ungrounded variations in commodities' prices in the same governorate:

- The price per kg of Fava beans is higher in urban areas than in rural areas in all monitored governorates by L.E. 3.6 per kg on average.
- Price of yellow lentils is higher in Dakahleia, Sharkeya and El-Behera urban areas than in rural areas by L.E 3.8, L.E 1.2, and L.E 1.0 per kg, respectively.
- Average price of rice is higher in Sharkeya and Dakahleia urban areas compared to rural areas by L.E 2.6, and L.E 1.0 per kg, respectively.
- Tea price is notably higher in El-Behera, Sharkeya and Dakahleia rural areas compared to urban areas by L.E. 11.2, L.E 5.3 and L.E 2.6 per kg, respectively.
- Natural ghee price is higher in Dakahleia and Sharkeya urban areas compared to rural areas by L.E. 7.6, and L.E. 2.7 per kg, respectively, whereas its price is higher in Menia rural areas compared to urban areas by L.E 1.9 per kg.
- Tilapia and catfish price is higher in El-Behera rural areas than urban areas by L.E. 2.3 per kg, on average, whereas mugil cephalus price in urban areas compared to rural areas in the same governorate by L.E 2.8 per kg, on average.
- Meat prices notably vary between urban and rural areas specially in Sharkeya, Dakahleia, and Menia where the price of Kg of beef is higher in urban than rural areas by L.E. 14.0, L.E. 11.3, and L.E 6.0, respectively, and the price of a Kg of veal is higher in urban than rural areas by L.E. 15.0, L.E. 10.0, and L.E 6.0, respectively.
- Menia, El-Behera and Sharkeya witnessed higher poultry price on average in urban areas than rural areas by L.E. 4.1, L.E 2.8, and L.E 2.7 per kg, respectively.
- The price of a kg of macaroni is higher in urban areas than rural areas in Dakahleia and Sharkeya, by L.E 1.3, on average.
- Tomatoes price in rural areas is higher than in urban areas in Menia by L.E 1.0 per kg.
- Wheat flour price is higher in urban areas than rural areas in Dakahleia, Sharkeya, and El-Behera by L.E 1.5 per kg.



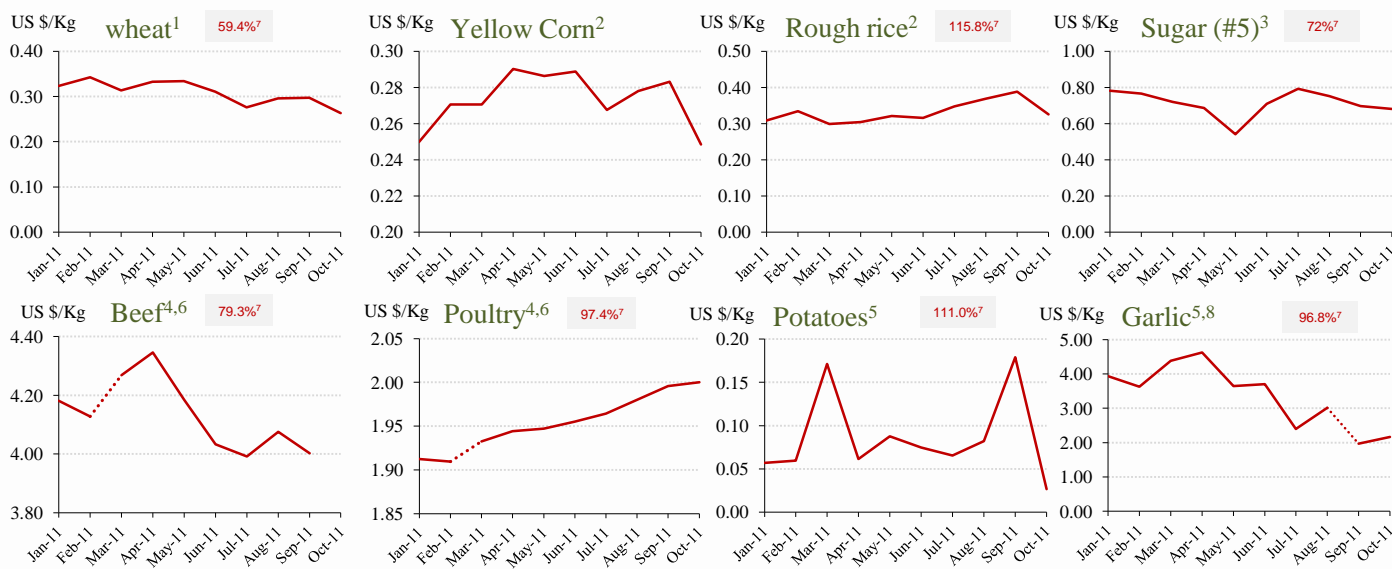
2.1

Global Prices of Selected Food Commodities

Reviewing global prices that have a direct impact on the Egyptian market either through imports or due to the alignment of local prices to global prices has revealed price increase in: garlic, and poultry. However, it is not expected to affect the local market significantly, as Egypt almost enjoys self-sufficiency of such commodities.

- Other commodities demonstrated price decrease in October compared to September.
- Since the most important price decrease was realized in imported commodities (wheat, yellow corn) or preferable to be imported (beef), it is economically visible to examine the possibility of reducing the gap between demand and supply of these commodities through imports, which helps to control the prices of the domestic market.

Figure (6)
Global price movements of selected food commodities



Self-sufficiency ratio (2010)

¹ source: Stock Exchange of Kansas City's Council of Commerce.

² source: Stock Exchange of Chicago's Council of Commerce.

³ source: New York Stock Exchange.

⁴ source: International Monetary Fund, <http://www.imf.org>.

⁵ Source: Website of U.S.A Department of Agriculture, <http://www.ams.usda.gov>.

⁶ Values of March had been estimated using moving averages because they are unavailable in the source.

⁷ Source: Ministry of Agriculture and Land Reclamation.

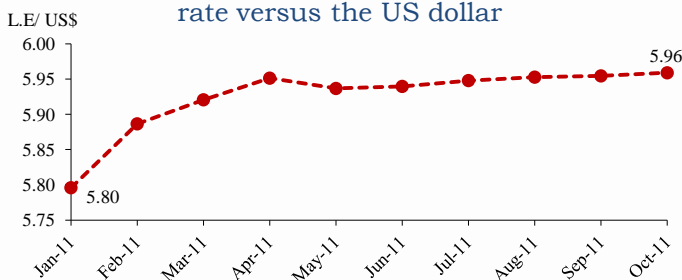
⁸ Values of September had been estimated using moving averages mediums because they are unavailable in the source.

2.2

Exchange Rate of the Egyptian Pound Versus the US Dollar

- In addition to the aforementioned concerns regarding price increase of some commodities in the global market, the trend of Egyptian Pound exchange rate against the US dollar appears to rise steadily, a matter that adds price burden by the Egyptian imports and consequently on the Egyptian citizen.
- The Egyptian Pound exchange rate versus the US dollar increased by 2.8% during the past ten months.

Figure (7)
Development of the Egyptian Pound's exchange rate versus the US dollar



Source: The Central Bank of Egypt



Section **Three**

Assessment Indicators of the Vulnerable Households

3.1 Demographic Characteristics of the Surveyed Households

- ★ Proportion of the poor is around 21.6¹% during 2008/ 2009.
- ★ The proportion of households in the poorest villages is estimated to range between 14% - 15%² of total households in Egypt.

¹Source: Egypt Human Development Report, 2010
²Number of households in the poorest villages was extracted from Egypt Human Development Report-2010, and the total households from the final census results, 2006.

- ★ Total sample size is 540 households (2412 persons) equally divided over 10 governorates.
- ★ Female headed households constitute 21.7% of total household in the sample.

- Two thirds of the sample (66.1%) are in the 30 years or less age group.
- Around 29% of the total sample (6+ years old) are not enrolled in education, enrollment rates increase concurrently with the young age. This indicates an improved awareness of the vulnerable households regarding importance of education.
- Around 30.4% of the total sample (6+ years old) who have ever gone to school, had dropped out from basic education (before preparatory). Drop out rates concurrently increase with the progress in age. In this regard, drop out rates came to 0.4% among individuals in the age group (6-10) years compared with 21.4% among individuals in the age group (11-20) years and with individuals in the age group (41-50) years which amounted to 60.7%.
- Around 28.5% of total heads of households are unemployed.
- Around 13.9% work as farmers (not property holders), 11.3% work as janitors, office boys/carriers/building workers.
- Around 7.7% of female heads of households are sellers, whereas 17.3% of male heads of households are farmers (not property holders).

Table (2)
Break down of the sample, enrollment and drop out rates by age groups (%)

Age Groups	Age Distribution	Enrollment Rate ¹	Drop out Rate ²
10 and less	25.7	93.5	0.4
(11-20)	23.9	92.4	21.4
(21-30)	16.5	80.7	36.0
(31-40)	12.4	58.4	50.6
(41-50)	10.7	41.6	60.7
(51-60)	6.3	37.5	82.5
(61-70)	3.0	12.3	66.7
71+	1.6	23.7	100.0
Total	100	71.0	30.4

¹Enrollment rates had been calculated for individuals who are 6+.
²Drop out rates had been calculated for individuals who are 6+ and stopped education whereby did not complete preparatory schooling.
 Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.

Table (3)
Proportional break down of heads of households by employment and gender (%)

Employment status	Male	Female	Total
Unemployed	14.2	80.3	28.5
Farmer (not holding property)	17.3	1.7	13.9
Seller	8.0	7.7	8.0
Construction worker	6.9	0.0	5.4
Truck driver	5.4	0.0	4.3
Carrier	4.7	0.0	3.7
Janitor or office boy	2.8	0.0	2.2
Fisher	2.8	0.0	2.2
Painting worker	2.6	0.0	2.0
Carriage driver	0.7	0.0	0.6
Other	34.5	10.3	29.3
Total	100	100	100

Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.



3.2 Income and Expenditure

3.2.1 Expenditure

★ Average monthly expenditure of the vulnerable households amounted to L.E. 665 reflecting a daily expenditure of around L.E. 5 per person.

3.2.2 Sources of Income & Its Sufficiency

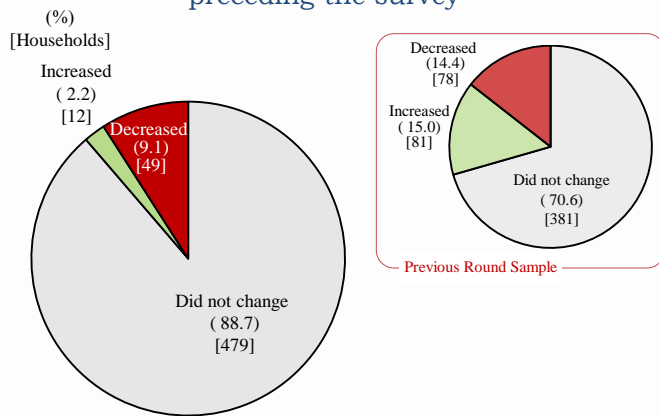
- Compared to the month prior to the survey, 88.7% of the households reported that their income remained unchanged whereas 9.1% reported a decrease.
- This result in addition to the results of the previous section, which raised the price increase of most of the commodities, explains that many of the sampled households experienced a growing sense of price hike.

★ (44.4%) of the sampled households reported that they have additional source of income besides their current job.

- Governmental assistance/ Social solidarity pension constituted 28.4% of the additional sources of income.
- Charitable assistance constituted one third of the additional sources of income: 12.5% philanthropy community assistance, and 16.6% family assistance.
- This result highlights the importance of formal or civil philanthropy work in supporting the social solidarity network which secures what the government does not provide to poor households in Egypt.

★ Results revealed an increased percentage of recipients of charitable assistance from the philanthropy community as an additional source of income in the following governorates: North Sinai (25%), Sharkeya (23.8%), and Alexandria (21.6%). However, Luxor and El-Behera Governorates experienced low percentages amounting to 3.3% and 4.7%, respectively.

Figure (8)
Proportional break down of households according to income change compared to the month preceding the survey



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October, September 2011.

Figure (9)
Proportional break down of the sources of households' additional income besides current job



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October, September 2011.

★ Percentage of recipients of governmental assistance/ social solidarity pension is highest in El-Behera governorate (53.5%) and lowest in Sharkeya (9.5%) and Alexandria (10.8%).



Percentage of vulnerable households who reported that their monthly income is insufficient for meeting their monthly needs increased from 78.9% in September to 85% in October.

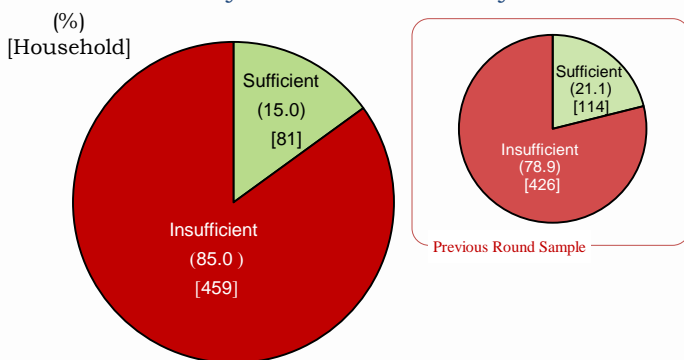
- All the sampled households in El-Behera governorate reported that their monthly income is insufficient for their monthly needs, followed by Fayoum (98.1%), Dakahleia (94.4%), and Port Said (88.9%).
- Matrouh governorate recorded the lowest percentage (66.7%), then Alexandria (70.4%)

3. 2. 3. Coping Strategies Approach

- Vulnerable households adopt several means for coping with price hike which provide relevant information about the possibility of securing the minimum food needs.
- Results reveal that 7.2% of the households, whose monthly income is insufficient for covering monthly needs receive financial or food items assistance from family members, whereas 2% of these households get other assistance from the philanthropy community.
- 26.1% of the households, whose monthly income is insufficient for covering monthly needs rationalize their consumption to minimize their expenditures.
- Borrowing and purchase on credit top the list by (59.1%) which make us, but with reservation, correlate this phenomenon with spread of crimes specially those that are not committed by dangerous criminals.

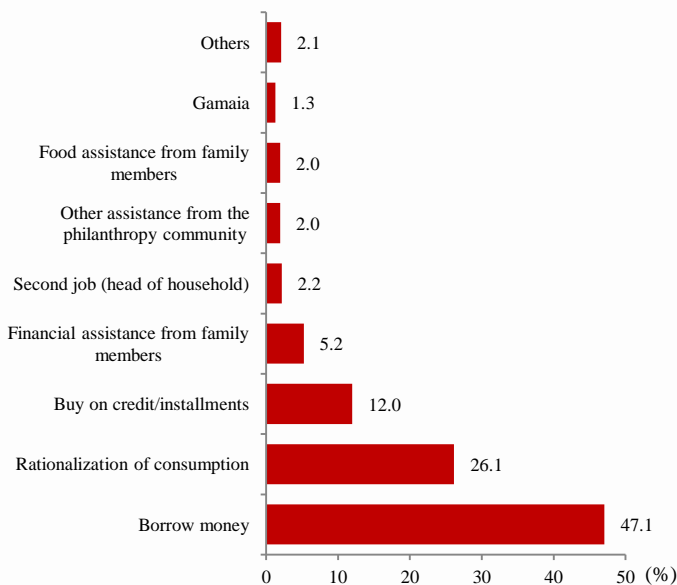
- Borrowing is the most commonly used means for covering monthly needs of the households whose income is insufficient in the following governorates: Menia (60.9% of those households), Luxor (59.1%), South Sinai (52.4%), El-Behera, Port Said (50.0%).
- Most of the households whose income is insufficient resort to rationalization of consumption in the following governorates: Sharkeya (53.2%), Dakahleyia (41.2%), Fayoum (35.8%).

Figure (10)
 Households break down according to income sufficiency to meet the monthly needs



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October, September 2011.

Figure (11)
 Means used by the households whose income is insufficient for the monthly needs



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.

- "Decreasing the normal amount of food" topped the list of the means adopted by households for facing commodity price rise (51.0%), followed by being obliged to buy the commodity (41.2%). This situation applied to the different commodity groups¹.

¹ It includes meat, poultry and fish, vegetable and fruit, legumes, grain, flour and bread, oil, ghee and butter, egg, cheese and dairy products in addition to other commodities.



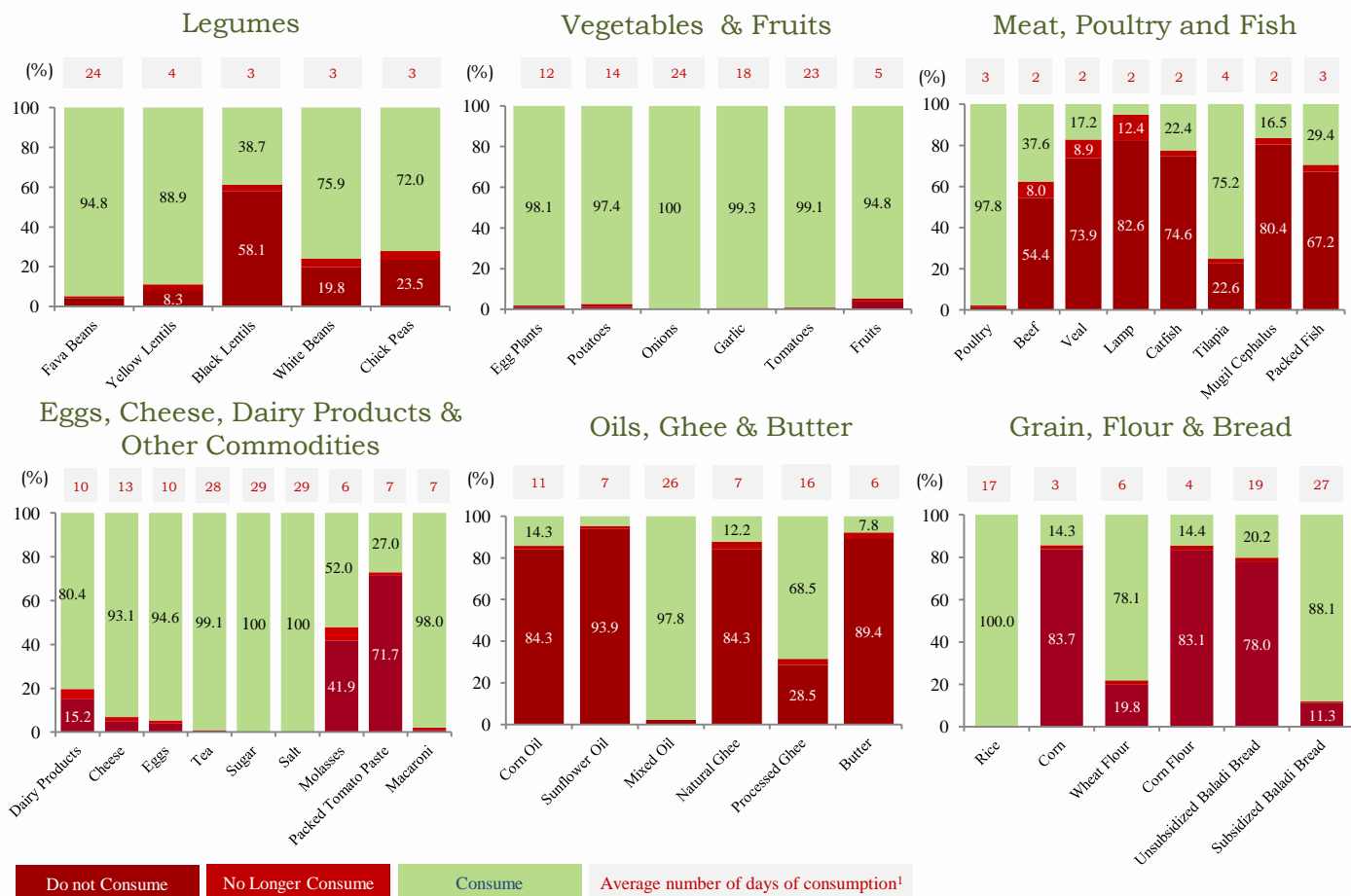
**3.3 Vulnerable Households
Consumption of Food Commodities**

- It is very important for decision makers, and development or assistance oriented civil society organizations to get acquainted with consumption pattern of the vulnerable households as they are most probably exposed to the risk of food insecurity.
- Results that can be summarized from the matrix of consumption pattern reveal that vegetables, sugar, salt, rice, tea, Fava beans, and mixed oil are the commodities most frequently consumed by the majority of the vulnerable households throughout the month.
- More than three quarters of the vulnerable households consume yellow lentils, white beans, macaroni, fruit, tilapia and poultry once per week.
- These households rarely purchase meat,

- fish (except tilapia), sunflower oil, corn oil, natural ghee, and butter.
- The vulnerable households try to maintain buying eggs, cheese and milk three times per week in order to ensure sufficient protein consumption.
- 11.3% of the vulnerable households do not consume subsidized Baladi bread. This raises the question about who are the actual beneficiary of bread subsidy.

2nd round sample emphasizes the similarity in the consumption pattern of the poor to a large extent, both in terms of food items most commonly used or consumption rates, which makes targeting them directly, through the provision of those goods in the ration cards, highly feasible economically and socially.

Figure (12)
Break down of the vulnerable households by pattern of consumption from the food commodities basket



¹Average number of days per monthly consumption is calculated for households that consume the commodity.

Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.



3.4 Vulnerable Households Realization of the Change in Food Commodities' Prices

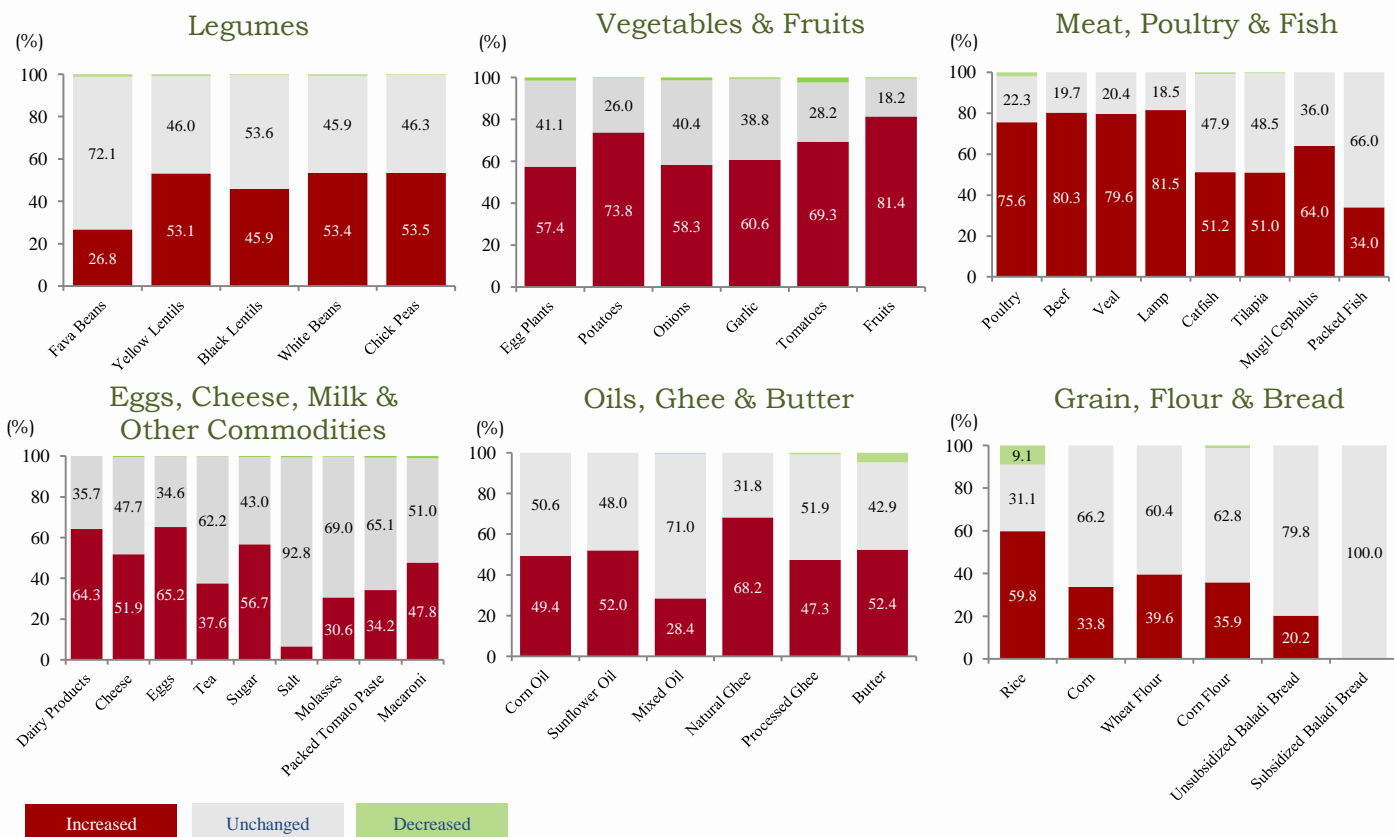
- Regarding households' realization of changes in prices of the consumed commodities, the vulnerable households have an overall sense of increased prices of most of the food commodities between August and September.
- Most of those households (over three quarters) demonstrated their recognition of the increased prices of fruits, poultry, and potatoes.
- Two thirds believe that prices of garlic, dairy products, tomatoes, and eggs rose during the same period.
- However, prices of salt, Fava beans, unsubsidized baladi bread and mixed oil remained unchanged according to the vulnerable households point of view.

- Port Said, El-Behera, Sharkeya, and El-Fayom ranked as top among the governorates whose residences (vulnerable households) recognize price increase of commodities.
- Most of the households realized price increase of the dairy products in all of the observed governorates except Alexandria.
- The vulnerable households in Luxor, El-Behera, Fayoum and Dakahleyia are the most households realizing rice price increase compared with households in other surveyed governorates.

Price hike in general has been extensively felt by the poor, however this feeling intensified towards vegetables and fruits.

Figure (13)

Break down of the vulnerable households according to their opinion regarding price change of food commodities between August – Septmeber 2011



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.



3.5 Adequacy of Food Commodities Prices to the Vulnerable Households

- Prices of fruits, vegetables, legumes (except Fava beans), oil, ghee and butter (except mixed oil) are still inadequate for the vulnerable households, in the 2nd week of October.
- Prices of rice, sugar, milk and eggs are inadequate for more than four fifth of the vulnerable households.
- Prices of meat, poultry followed by fish are inadequate for the majority of the vulnerable households.
- Prices of tea, packed tomato paste, and molasses are adequate for about half of these households.

Prices of the subsidized bread and salt are the most adequate for the vulnerable households in Egypt.

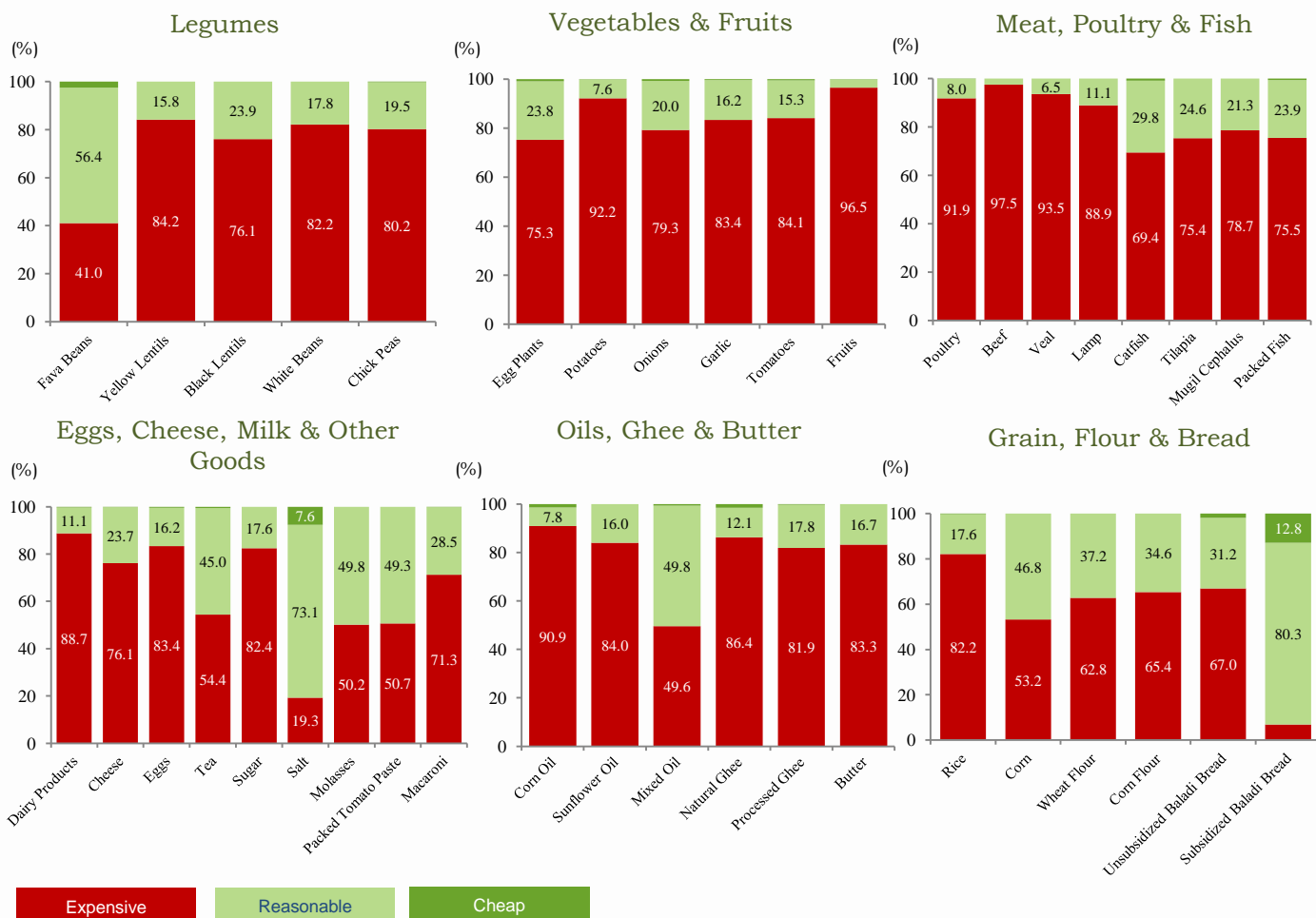
Bread..Freedom..Social justice

Red line

When will the poor find adequate prices for food commodities in Egypt?

Figure (14)

Break down of the vulnerable households according to their opinion on price adequacy of food commodities



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.



3.6 Ration Cards

- 83.3% of the vulnerable households have ration cards.
- 99.3% of the vulnerable households that have ration cards use them for obtaining the subsidized rationed commodities.

☆ Dakahleia governorate is highest (in the surveyed sample) in terms of the number of vulnerable households owning ration cards (96.3% of the sampled households in the governorate), followed by Fayoum Governorate (94.4%) and South Sinai (90.7%).

☆ The lowest percentage is in Alexandria Governorate (48.1%).

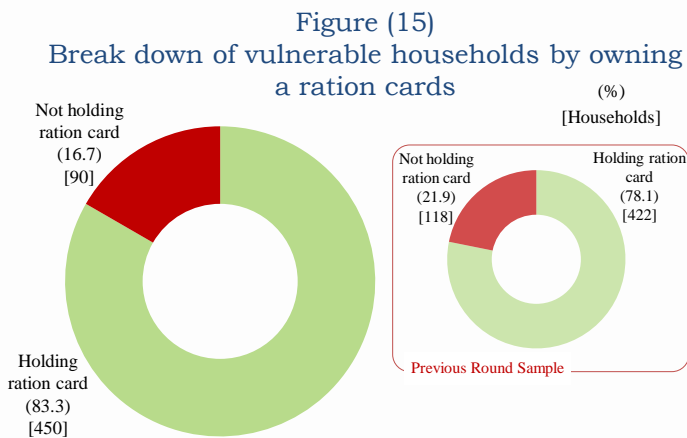
Oil is the most ration commodity that covers the vulnerable household needs whereby 24.6% of the households owning ration cards reported receiving oil quantity that is sufficient to meet their consumption.

Sugar and rice, on the other hand, are the most rationed commodities, which quantities are insufficient, as households are obliged to buy additional quantities from the market.

2nd round warns about a sharp rise in the proportion of the vulnerable households that do not receive sufficient quantity of rice, oil, and sugar in the ration card compared to what was revealed by the results of the previous round.

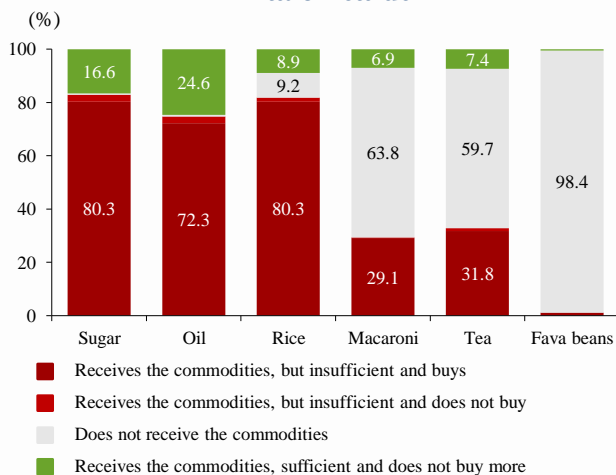
☆ Percentage of the vulnerable households which receive insufficient quantity of sugar through the ration card & are obliged to buy additional quantities are high in Matrouh (95.1%) and Luxor (91.1%) compared to other governorates as well as compared to the national level.

16.7% of the vulnerable households do not hold ration cards, which supports the results of the previous round, and calls for a comprehensive review of the beneficiaries from ration cards to ensure effective targeting of the poor and at risk of poverty.



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October, September 2011.

Figure (16)
Sufficiency of the subsidized commodities on the ration cards



Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, October 2011.

☆ South Sinai Governorate experienced highest percentage of the vulnerable households which receive insufficient quantities of rice on the ration card and are compelled to purchase additional quantities (91.8%), followed by El-Behera (91.3%).



Section

Four Civil Society Role in Fighting Poverty & Food Shortage



We are an enterprise, not an individual initiative, specialized in fighting hunger through diversity and innovation by creating effective programs addressing hunger problems.

Mission and Vision

Feeding programs

We believe that every Egyptian citizen has the right to live a decent life through accessing an adequate, balanced food via our co-operation with individuals, public and private sectors; and civil society in raising awareness of the hunger problem.

EFB Achievements

o EFB regularly provides sufficient nutrition, on a monthly basis, to thousands of needy families across the country – 150,000 families.

o EFB works in collaboration with hundreds of charity organizations, in compliance with its policies and procedures, for their development through training and sharing experiences and expertise (1600 organizations).

o During the holy month of Ramadan, EFB accesses more than 750.5 thousand families and provides them with the meal for breaking their fast.

o Through a Cooperation Protocol with all Egypt's hotels, an awareness program was organized and 17.2 million meals are distributed monthly to the nearest needy places to the hotels.



o The "Oath of Kheir" Program is designed for individuals who want to help a family or a number of families on a monthly basis by providing the basic nutritional needs "Zad Pack" starting at LE 150 for a family of 3 people, up to L.E 250 for a family of 5 people. It is also possible to donate LE 75 to one person: an elderly man/ woman or to a sick person



o In collaboration with hundreds of charity organizations certified by the bank, a Ramadan Gift is provided to the deprived families, and those who are difficult to reach in all Egyptian governorates. The Ramadan Gift comprises of (rice, pasta, white beans, peas, Fava beans, oil, tea, sugar, tomato paste, salt, dried dates, packed meat).



o Monthly donations from companies to cover cases unable to earn a living in various places all over Egypt that are thoroughly studied. A team of researchers from the bank identifies the number of households in these villages and estimates the financial needs to cover all cases. Participation in this program is for a limited period of time and can be renewed.



o The donor purchases a coupon worth LE 700 or LE 1100. The bank is authorized to perform the act of sacrifice on his behalf, and the meat is distributed among the cases registered at the EFB. In addition to this, 50% of the meat is packed with vegetables (white beans, spinach, black eyed peas, green peas, and potatoes) and is distributed all year round.

- ➔ Provides food aid to children in some of the poorest areas to encourage enrolment in schools and increase attendance rates especially for girls and vulnerable, working and street children.
- ➔ Enriches some goods on the ration cards rice, oil, with minerals and vitamins.

- ➔ WFP provides technical support to the Government's food-based social protection schemes (food subsidy, and school meals).
- ➔ WFP is also helping the Government implement a project to enrich flour used in making baladi bread, with iron and folic acid to curb rising rates of iron-deficiency anaemia.





Section

Five

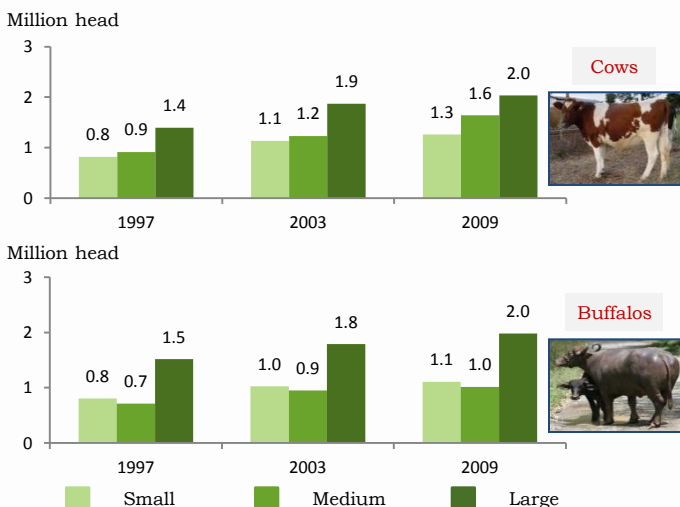
Egyptian Veal Project

5.1 About the Project¹

- The idea of the project started in the eighties in Menia governorate, when the slaughter of buffalo calves weighing less than 200 kg stopped. The project launched officially in 1986 through the issuance of Ministerial Decree No. 517 of 1986 to prevent the slaughter of male buffalo calves weighing less than 200 kg.
- The objective of this project was to increase the productivity of buffalo calves 10 times its weight during the second five-year plan of the project. It was targeted to increase the number of animals that are fattened to 500 thousand head per year. Egypt was able to export meat during the first Gulf War in 1991.
- The project achieved remarkable success until 1993 when the Ministry of Supply refused to continue receiving calves from breeders arguing that meat is piled in the refrigerators.

Figure (17)

Number of livestock in 1997, 2003, 2009

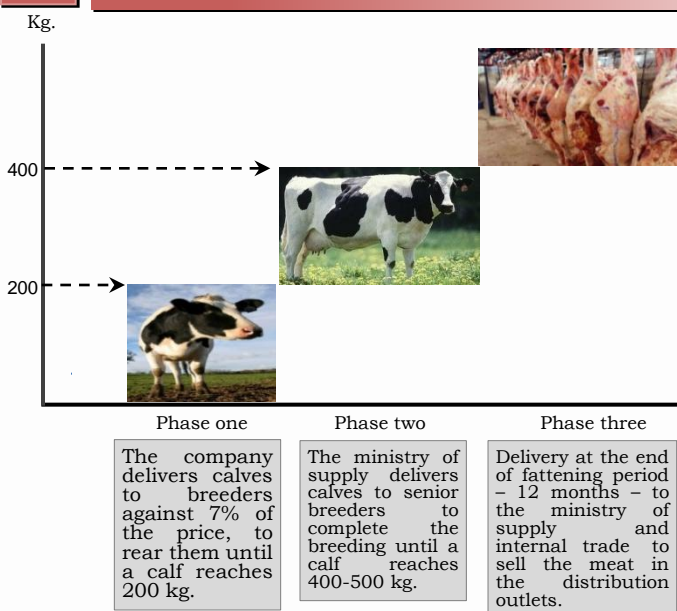


Source: Central Agency for Public Mobilization & Statistics.

¹Source: Meat Issue in Egypt; Causes And Suggested Solutions, Hassan Hecal, 2009.

²Source: This information has been derived through extensive study of articles, analysis & opinions that dealt with the veal project especially & livestock generally.

5.2 Project Phases



Source: Meat Issue in Egypt; Causes And Suggested Solutions, Hassan Hecal, 2009.

5.3 Causes Behind Project Stumble²

- Involvement of many parties in the project work-plan whether within a single ministry or among different ministries, which led to conflicting decisions and procedures.
- The project mainly relied on delivery of shares of subsidized feed, which has been the main incentive. By stopping this subsidized system the project lost one of its most important advantages.
- For most of the contracts, loans are linked to agricultural holdings, which led to the exclusion of a large number of small farmers from the project.
- Delays in funding and disbursement in times that do not coincide with dates of contracts, which led to bottlenecks in programs deliveries and overlapping of the different seasons.
- Egyptian government neglected support to farmer and the small breeders, as farmer is primarily responsible for livestock development.



5.4 Project Revival Means¹

- ⊙ The strategy for reviving the veal project is a comprehensive one, which including: legislation, funding, mass media, & the role & the awareness of the society. Thus it requires concerted efforts from the government, the private sector, & the civil society.

5.4.1 Legislation

- ⊙ The Egyptian government should enact a legislation preventing the slaughter of females & young veal until they reach a weight of 400 kg. This legislation should be complemented with means & mechanisms for putting tight control on the slaughter houses to abide by the law.

5.4.2 Material Support

- ⊙ The Egyptian government should start supporting veal breeders based on its responsibility for the protection of the local product.
- ⊙ The state should encourage small & medium-sized veal breeding projects, provide loans to small breeders through the Agricultural Credit Bank, provide livestock newborns & feed, and use area near agricultural land in livestock breeding.
- ⊙ Provision of finance to youth & graduates for breeding livestock, especially veal, helping them in marketing their products & providing strains.
- ⊙ Removal of fees imposed by local administrations on veal farms.

5.4.3 Mass Media

- ⊙ The media should play an important role in raising awareness about veal breeding process, fattening & protection, through programs targeting breeders across the local channels.

5.4.4 Scientific Research

- ⊙ The government should encourage scientific research in the field of improving the veal project & the study of international leading & successful experience to take its advantage.

5.5 Egyptian Livestock Development Mechanisms¹

- ⊙ The strategy for reviving the veal project is a part of a general framework to develop the livestock in Egypt, such strategy includes many mechanisms, most importance of which are:

5.5.1 Legislation

- ⊙ Enacting a legislation to curb the increase in feed prices and prohibit exports.

5.5.2 Procedures

- ⊙ Imposing duties on Egyptian feeds export to reduce the dependence on expensive imported feed.
- ⊙ Restoring mechanisms whereby temporary contracted veterinarians are recruited to ensure the availability of medical supervision.
- ⊙ Introducing new strains especially from France for establishing high-tech centers for animal production, especially veal.
- ⊙ Reducing interest rates on breeding loans from 16% to 6% to encourage breeders.
- ⊙ Expanding the use of coarse feed and agricultural residues treatment technology to increase its nutritional value.

5.5.3 Regional & International Cooperation

- ⊙ Establishing a regional forum for animal health in the Arab States & Africa, encouraging trade between the countries of the region in live animals, & developing veterinary quarantine centers.
- ⊙ Providing an enabling environment for Arab and foreign investments to establish farms that require huge investments.
- ⊙ It is proposed to establish an Egyptian-Sudanese company whose activities should not be confined to importing meat but also to improve livestock production especially in Darfur and to transport it through El-Arbean Trail.

¹Source: This information has been derived through extensive study of articles, analysis & opinions that dealt with the veal project especially & livestock generally.



Annex (1)

The Methodology of Developing the Price Monthly and Accumulated Burden Indicator

First

Methodology of the Survey on the Vulnerable Households

In each round the survey targets 10 governorates including two urban, three Lower Egypt and three Upper Egyptian governorates (north and central Upper Egypt), in addition to two frontier governorates in the Eastern and Western regions. The ten governorates are changed in each round in order to demonstrate the scale of differences nationwide. In each governorate, one urban and one rural areas are targeted except urban governorates where two urban areas are targeted. In addition, informal or poor areas are targeted where the most needy households are identified within each target area.

Second

The Methodology of the Rural Prices Observatory

The Rural Prices Observatory addresses prices of the commodities' basket according to the weekly market in the villages visited during the round of the Survey on the most needy households in all governorates except urban ones.

Third

Methodology of the Indices of Monthly and Cumulative Burdens

Index of the Monthly Price Burden

Index of the "Monthly Price Burden" reflects differences between the prices of basic food commodities basket in each one of the months subject to observation, as well as their prices based on a specific reference time point. Development of the index depended on selecting a basket of commodities representing the main food groups (26 commodities) which, the Egyptian household uses in its meals. This basket would include one measuring unit from each one of the selected commodities that contains:

1. Meat, poultry and fish group including a kilo of: beef, veal, lamb, poultry, catfish, and tilapia
2. Vegetables group including a kilo of: eggplants, potatoes, onions, garlic and tomatoes.
3. Legumes group including a kilo of: Fava beans, yellow lentils and black lentils.
4. Grain and flour group including a kilo of rice and wheat flour.
5. Butter, oil and ghee group including: corn oil (liter), sunflower oil (liter), natural ghee (kg) and processed ghee (kg).
6. Eggs, dairy products, cheese and others group including: eggs (package of 30), dairy (Liter), macaroni (kg), tea (kg) and sugar (kg).

In order to measure the monthly price burden of the commodities basket, first, the monthly average of the unit price of each commodity should be calculated using the weekly prices collected by the Field Monitoring Network based on the equation:

$$X_{jk} = \sum_{i=1}^{n_j} x_{ijk} / n_j$$

Since:

X_{jk} : is average monthly price of the commodity K in month j.
 x_{ijk} : is the unit price (L.E.) of the commodity k in week i of the month j.
 n_j : is the number of weeks in the month j.

Then total monthly prices of the commodities basket is calculated (26 commodities) in each of the months subject to measuring by using the equation:

$$X_j = \sum_{k=1}^{26} X_{jk}$$

Since:

X_j : is total monthly average of the price (L.E.) for the commodities basket in month j.

This total is then compared during each of the months of measuring against the reference price of this given basket which had been selected to be its price in the first week of January 2011¹ which is calculated using the equation:

$$Y = \sum_{k=1}^{26} x_{11k}$$

Since:

Y: is the reference line for measuring the monthly burden of prices.
 x_{11k} : is the unit price of commodity k (in Egyptian Pounds) in the first week of January 2011.

Index of the Price Cumulative Burden

In order to measure the cumulative burden of prices of the same group of commodities, the cumulative sum of prices of this basket is calculated as of the beginning of January 2011 until the month or time point subject to measuring. This reflects total amount paid by the Egyptian household for the selected basket as of January 2011 until the month subject to measuring assuming buying the basket once a month:

$$Z_j = \sum_{j=1}^n x_j$$

Since:

Z_j : is the cumulative sum of what the household paid for the commodities basket in month j.

This actual cumulative sum is then compared with the cumulative sum of the prices of the same basket of commodities which could have been achieved in case it stabilized at the selected reference point, i.e first week of January 2011. It is calculated using the following equation:

$$W_j = X_{11} * n$$

Since:

W_j : is the cumulative sum of what the household would have paid in the commodities basket in month j in case prices stabilized on the same level of the first week of January 2011.

X_{11} : is total monthly average price (L.E.) of the commodities basket in the first week of January 2011.

n: is the number of months between month j and January 2011.

¹The first week of January 2011 had been selected instead of the average prices of the month in order to evade consequent impacts of the January 25th Revolution.



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