



The Market Monitor

Trends and impacts of staple food prices in vulnerable countries

This bulletin examines trends in staple food and fuel prices, the cost of the basic food basket, terms of trade and consumer price indices for 69 countries in the fourth quarter of 2012 (October to December, Q4-2012)¹. This issue also highlights the impact of conflicts on food and fuel prices in two current hot-spot countries; Syria and Mali. In addition, Kyrgyzstan is featured, with a focus on the price transmission of the 2012 global summer heat and drought impacts.

Highlights

The **global cereal price index increased by 12.8 percent in Q4-2012 on a year-on-year basis (October-December quarter)**. This upward trend was fuelled by global wheat and maize prices, which increased by 27 and 18 percent respectively during Q4-2012 compared to the same quarter of last year, while rice decreased by only 3 percent. In Q4-2012, global maize and wheat prices have stabilized at their highest values reached in the previous quarter, when major exporting countries were hit by the extreme summer heat and droughts. When prices are adjusted for changes in the US Consumer Price Index, the Q4-2012 global maize price is close to its peak of Q3-2012 and above the spike of 2008. The Q4-2012 global wheat price is 18% less than its peak level of Q1-2008, while the global rice price has eased significantly compared to previous years.

REAL PRICE ADJUSTED FOR CHANGES IN US CONSUMER PRICE INDEX (2005 = 100)

Quarterly Change	Maize	Wheat	Rice	Note
q4-2012 vs. q1-2008	36%	-18%	6%	As compared to global wheat price peak in 2008
q4-2012 vs. q2-2008	16%	-3%	-42%	As compared to global maize price peak in 2008
q4-2012 vs. q4-2008	74%	44%	-7%	As compared to same quarter in 2008
q4-2012 vs. q4-2011	16%	25%	-5%	As compared to same quarter in 2011
q4-2012 vs. q3-2012	-3%	2%	0%	As compared to third quarter in 2012

Overall, the impact of domestic price changes on the food basket was low to moderate in most of the countries in Q4-2012. The impact of staple commodity price changes on the cost of the basic food basket (Figure 1) is severe (*above 10%*) in only 2 out of 69 countries (Syria and South Sudan), and high (between 5 and 10%) in 5 countries (Democratic Republic of Congo, Honduras, Kyrgyzstan, Sudan, and Zimbabwe). **The most severe effects are driven by wheat prices in Syria, maize prices in Honduras and Zimbabwe, and sorghum prices in Sudan and South Sudan** (Figure 2).

FIGURE 1. Number of countries by impact of price changes on the cost of the basic food basket (out of 69 countries monitored)

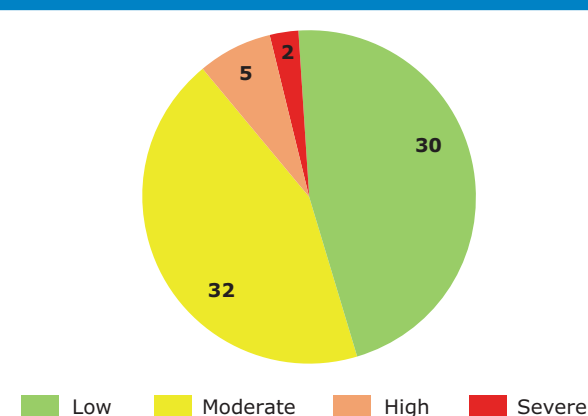
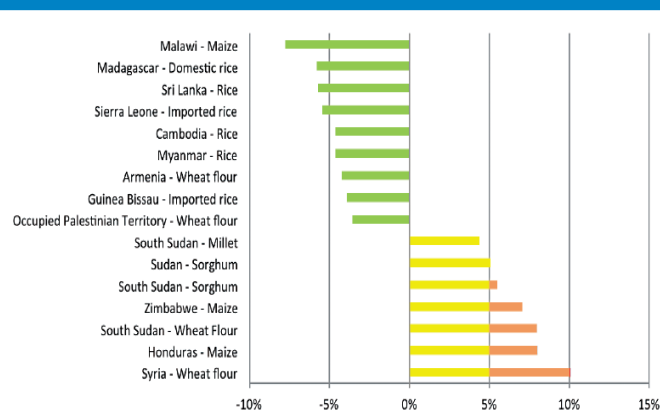


FIGURE 2. Commodities driving the most significant quarterly impacts on the cost of the basic food basket



1. Data were collected and collated by WFP country offices and are available at: <http://foodprices.vam.wfp.org>. Further data-sources are FAO Food Price Index, FAO/GIEWS Food Price Data and Analysis Tool and IMF Primary Commodity Prices as of January 17th, 2013.
2. The seasonally adjusted price change from last quarter is calculated as a percentage change from the previous quarter. The adjustment is made using real prices, calculated by dividing each monthly price by its 5-year (2003-2007) average and then quarterly averaged.

Price trends and impacts by region

(Change from last quarter)

Impact Codes Low (< 0%) Moderate (0-5%) High (5-10%) Severe (> 10%)

Latin America and Caribbean

Hotspots: The impact of staple food price changes on the cost of the basic food basket in October-December is high in **Honduras** and moderate in **Bolivia, Colombia, Costa Rica, Dominican Republic, Haiti** and **Nicaragua**.

• **Staple commodity prices:**

Compared to Q3-2012, seasonally adjusted prices of maize increased in several countries as opposed to rice in the region. International maize price pressure drove seasonally adjusted prices up in in **Honduras** (+31%), **Haiti** (+9%), **Bolivia** (+7%), and **Colombia** (+6%) from Q3-2012. In Honduras, nominal prices of maize declined by 9% from Q3-2012, partly due to near-to-average harvest expectations. Contrary to maize, all seasonally

adjusted prices of rice decreased during the quarter, though nominal prices of rice increased from last quarter in **Bolivia** and **Honduras** (+6%, each).

- **Fuel prices:** No major change in fuel prices was reported.
- **Purchasing power:** Inflation was moderate (below 5%) in all the countries within the region, except in **Haiti** (7.5%), **Nicaragua** (6.2%), and **Honduras** (5.4%).



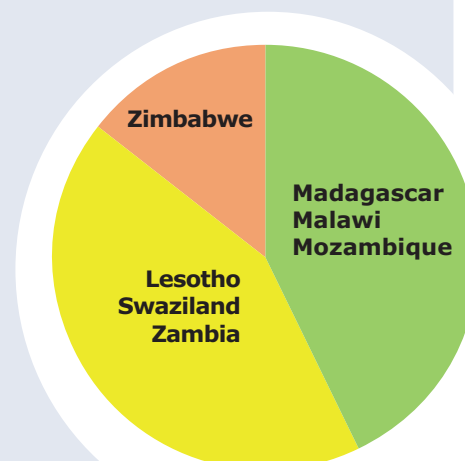
Southern Africa

Hotspots: The impact of staple food price changes on the cost of the basic food basket in October-December is high in **Zimbabwe** and moderate in **Lesotho, Swaziland** and **Zambia**.

- **Staple commodity prices:** In Q4-2012, seasonally adjusted prices have generally been stable or decreased from Q3-2012 due to a favourable maize production outlook in the region, except in **Zimbabwe** (+17%, s.a.). Seasonally adjusted prices of maize decreased by 15% in **Malawi**, from last quarter. Similarly, seasonally adjusted prices of rice decreased by 12% in **Madagascar** and 13% in **Mozambique**. However, nominal prices of maize have generally increased from last quarter, especially in **Mozambique** (+26%), **Zambia** (+20%) and

Zimbabwe (+15%), while in **Malawi**, nominal prices of maize were still 77% above Q4-2011.

- **Fuel prices:** Since the beginning of the quarter, petrol and diesel prices increased on average by 14% in **Malawi**.
- **Purchasing power:** Annual inflation remains very high in **Malawi**, at about 35% from December 2011.



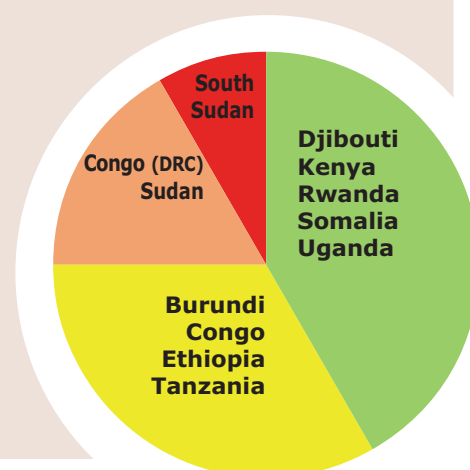
Central and Eastern Africa

Hotspots: The impact of staple food price changes on the cost of the basic food basket in October-December is severe in **South Sudan** and high in **Sudan** and the **Democratic Republic of Congo**.

• **Staple commodity prices:** In Q4-2012, seasonally adjusted prices of maize have generally increased from last quarter, except in **Rwanda** (-13%), **Uganda** (-10%) and **Kenya** (-3%). Favourable production prospects in **South Sudan** have eased food commodity prices. However, seasonally adjusted prices of millet and sorghum were significantly high (+63% and +21%, respectively) from last quarter (July-September). Similarly in **Sudan**, seasonally adjusted prices of sorghum increased by 8%, while millet decreased by 4%. Maize prices increased substantially from Q3-2012, with seasonally adjusted prices up by 22% in the

Democratic Republic of Congo, 12% in **Tanzania**, and 7% in **Burundi**.

- **Fuel prices:** Loss of oil revenues and currency devaluation drove electricity, gas and other fuels inflation up by 41% from December 2011 in **Sudan**. In the same period, transport costs in **South Sudan** increased by 8%.
- **Purchasing power:** In **Ethiopia**, food inflation has eased, with localized gains in purchasing power for pastoralists due to improved pasture conditions. In **Sudan** and **South Sudan** high food prices continue to deter households' purchasing power.



West Africa

Hotspots: The impact of staple food price changes on the cost of the basic food basket in October-December is moderate in **Chad, Gambia, Ghana, Guinea, Mauritania** and northern **Nigeria**, and low in the remaining countries monitored.

• **Staple commodity prices:** During the post-harvest season, prices of locally produced grains are trending downward in most countries of the region. As a result, the seasonally adjusted prices of Q4-2012 are easing when compared to the previous quarter. The exception is **Mali** where conflict is temporarily disrupting market access in the North of the country. The seasonally adjusted price of millet was up by 6% in the last quarter of 2012. Nominal prices are also high (millet, +56%, sorghum, +27%), compared to Q4-2011. Despite the seasonal effect of a relatively good harvest (above average) in the Sahel region, there are signs of pressure on markets in several countries. Substantial year-on-year nominal price increases were recorded in **Burkina Faso** (millet, +32%), **Niger** (millet, +12%, and sorghum, +13%), northern **Nigeria** (sorghum, +16%, millet, +16%, maize, +13%), and **Senegal**

(maize, +21%, and millet, +11%). In **Ghana**, seasonally adjusted prices of cassava increased (+14%), and almost all staple food monitored are noticeably above previous year levels (plantains, +61%, yams, +55%, rice, +14%, and maize, +12%).

- **Fuel prices:** In **Nigeria**, after the dramatic increase of fuel prices during 2012 (+49%) and subsequent protests; the gasoline price fell by 6% (January 2013), as compared to the previous month. The price of gasoline was up by 16% in **Liberia** from December 2011.
- **Purchasing power:** Despite local currency stabilization and deceleration of inflation in **Ghana**, year-on-year inflation is still relatively high at 9% in December 2012. In **Niger**, the terms of trade of cowpea producers dropped by 10% during the last quarter of 2012.



Middle East and Central Asia

Hotspots: The impact of staple food price changes on the cost of the basic food basket in October-December is severe in **Syria** and high in **Kyrgyzstan**.

- **Staple commodity prices:**

Nominal wheat prices increased from last quarter (July-September) in most countries of the region. The highest increase was recorded in **Syria** (+26%), where the conflict continues to disrupt food distribution channels. Wheat price increases were also recorded in **Georgia** (+15%) and **Tajikistan** (+12%) due to the transmission effects of the summer droughts that hit their major wheat import sources in the region. In **Kyrgyzstan**, wheat is 23% more expensive compared to last year, partly due to Kazakhstan's reduced wheat export capacity.

- **Fuel prices:** In December, gasoline prices were up by 5.4% compared to last year in the

- **occupied Palestinian territories.**

In **Tajikistan**, fuel prices remained at the same high levels as compared to last year.

- **Purchasing power:** Reduced wheat flour supply to bakeries and high transportation costs, have resulted in three-fold increases in the price of subsidized bread from October to December for some locations in **Syria**. High unemployment rates and currency depreciation continue to deteriorate households' purchasing power in **Egypt**. Wages for unskilled labour deteriorated in Yemen, affecting the purchasing power of casual labourers.



Asia

Hotspots: The impact of staple food price changes on the cost of the basic food basket in October-December is moderate in **Afghanistan, India, Nepal, Pakistan, Philippines** and **Timor-Leste**, and low in the remaining countries monitored.

- **Staple commodity prices:** In Q4-2012, nominal prices of rice and wheat have increased in most countries from Q3-2012, with some variations in seasonally adjusted prices. Nominal rice prices increased in **Afghanistan** (+13%), and **Sri Lanka** (+7%) from last quarter. Nominal prices of wheat have also increased from Q3-2012 in **Afghanistan** (+13%), **Bangladesh** (+10%), **India** (+9%), and **Nepal** (+7%). Similarly, seasonally adjusted prices of wheat also increased slightly in these countries, except in Sri Lanka where seasonally adjusted prices of rice and wheat

flour dropped from Q3-2012 (rice, -14%, and wheat flour, -19%).

- **Fuel prices:** No major change in fuel prices was reported.
- **Purchasing power:** Declining rice prices improved the purchasing power of casual and agricultural labourers in **Cambodia**.



Special Focus: Syria

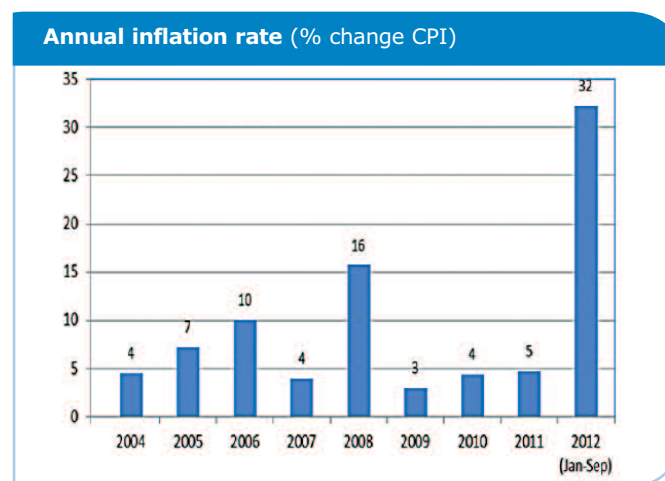
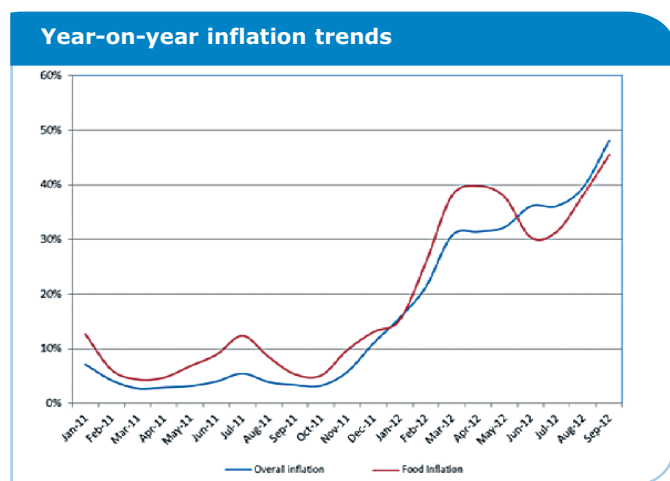
Syria crisis effects on local market dynamics

- This focus on Syria is an update of the Special Focus on Syria in June 2012 (Market Monitor No. 16).
- Overall the purchasing power of Syrians has deteriorated sharply. The average monthly inflation rate for 2012 was extremely high; at +32%. In comparison, Syria experienced a monthly inflation rate of +16% at the time of the 2008 global food price crisis.
- In addition to conflict related population displacement, food security is negatively impacted by a substantial loss of purchasing power, and market disruptions. Numerous distribution channels for wheat and bread (the major source of calories for households) have been badly disrupted.

Syrians' purchasing power has deteriorated alarmingly

As of September 2012, **both general and food inflation are alarmingly high at about 50%**, compared to average monthly inflation in 2011. The average monthly inflation in 2012 (January-September) is double the rate of the 2008 global food price crisis year at 32%. Inflation is mainly driven by food inflation.

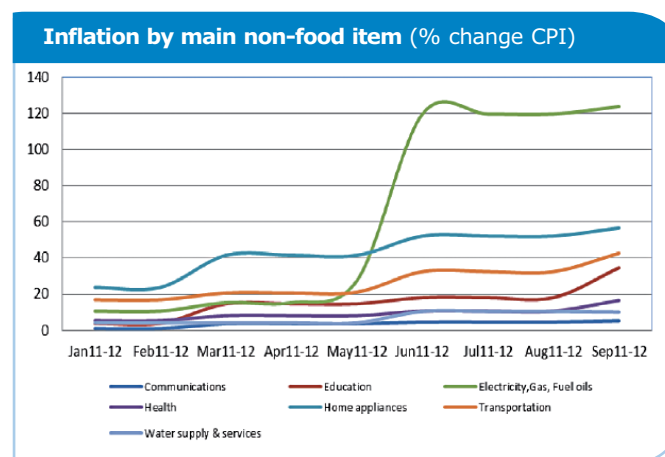
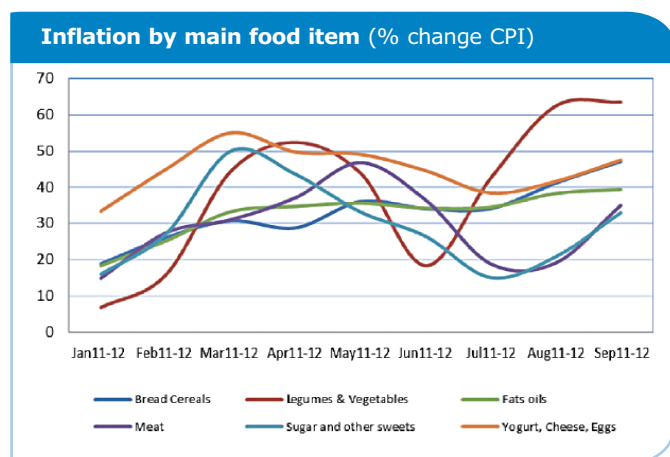
During January-September 2012, average monthly food inflation is high in all governorates, with the highest rates recorded in Aleppo and Homs (+36%), Al-Rakka, Deir-ez-Zor and Al-Hasak (+35%, respectively), due to the effects of the conflict, economic sanctions and trade restrictions from Turkey.



Main staple food items, energy sources and transportation are the main drivers of inflation

Compared to 2011, inflation is common to all commodities, though **food inflation is driven mainly by the most consumed food items**. Since July 2012, average monthly inflation rates of bread/cereals, dry legumes/vegetables, vegetable oils and dairy products (yoghurt and cheese) range from 37% to 56%, followed by meat (+24%) and sugar (+23%) and since July 2012. **Non-food inflation is driven by electricity, gas, fuel oils, home appliances**

and transportation. The average monthly inflation rate of electricity, gas and fuel oils is strikingly high, above 100% when compared to the same period in 2011. **The sharp increases in fuel prices and transportation costs are due to reduced availability of fuel, difficulties in transportation and insecurity**. Such increases are fuelling food production, processing and distribution costs and hence food prices on local markets.



There are signs of wheat flour and bread availability problems

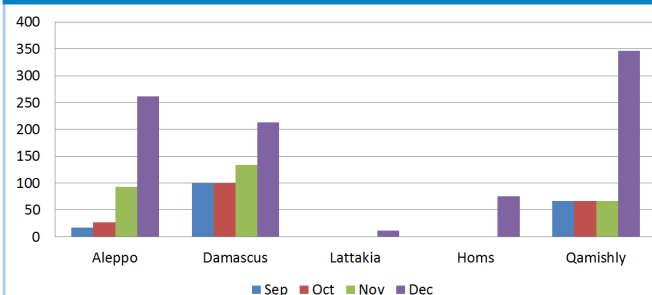
Wheat flour and bread, the main source of calories for Syrian households; have become much more expensive during the last quarter of 2012. WFP weekly price data indicate that average monthly price increase of subsidized bread sold at shop window is as high as 77% in Aleppo and 56% in Qamishly during the last quarter of 2012. The price of subsidized bread sold at bakery window has also increased in Aleppo and Tartous, 17% and 10% respectively, on average per month. **The spread between bakery and shop level prices of**

bread has widened over the last three months in several locations due to reduced wheat flour supply to bakeries, increased transaction costs (distance, insecurity, transport costs and time) in getting bread from bakeries to shops and demand pressure on subsidized bread sold at shop level. The sharp reduction in milling capacities (by about 75%) in Aleppo, is affecting the supply of wheat flour and bread in all Syria and particularly in eastern governorates of Lattakia, Idleb and Tartous.

Average monthly price change in Q4-2012 (%)

	Bread (bakery)	Bread (shop)	Wheat flour
Aleppo	17	77	30
Damascus	0	17	11
Lattakia	7	10	6
Qamishly	0	56	24
Tartous	10	10	7

Price spread between bread sold at shop window vs. bakery window (% , Sept-Dec. 2012)



Special Focus: Mali

How is the market reacting to a good harvest and renewed conflict in Mali?

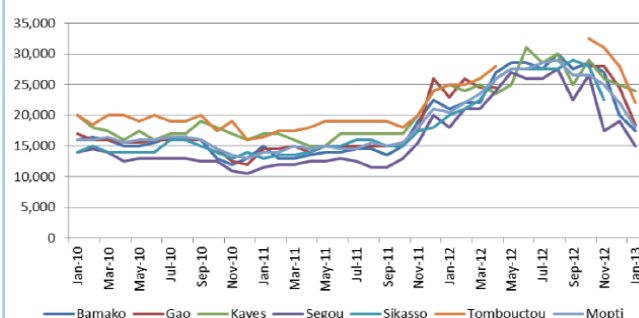
- With recent military strikes, physical and economic access to markets is expected to be further limited in the North, with potential upward pressure on food commodity prices there.
- Coarse grain price levels in Q4-2012 remain above average in Mali, especially in the conflict affected northern Mali, which is a food deficit area. Coarse grain prices have nonetheless eased in the aftermath of the recent above-average harvest in Mali, after reaching very high levels during the 2012 lean season.

The 2011/12 cereal price hikes eased with the end-2012 harvest in Mali...

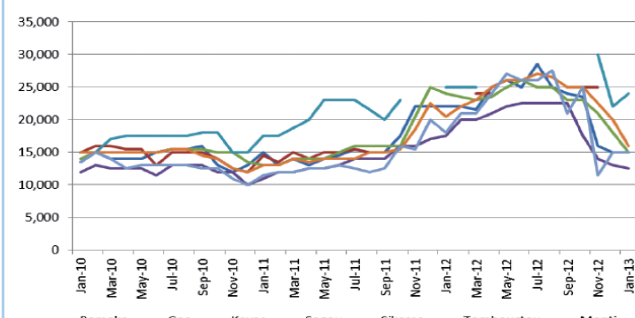
Mali is usually near to self-sufficiency in coarse grains supplies. However, the country suffered a drought in 2011 which affected local cereal production and led to a **spike in prices in 2011-2012**. From late 2011 onwards, coarse grain prices increased sharply by 80-100% above average in many markets during the lean season (June-September 2012). **In late 2012 and early 2013 cereal prices eased due to good**

harvest following the good seasonal rains in 2012. CILSS estimates that 2012/13 local grain production is 36% above the five year average³. As a result, grain prices have trended downward with the arrival of new crops on the markets. As of early January 2013 – before military operations resumed – grain prices had been returning to historic levels in most markets in Mali.

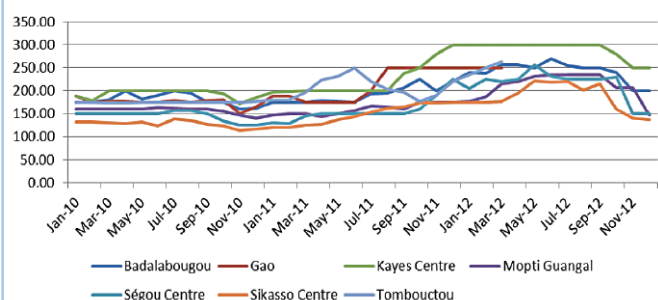
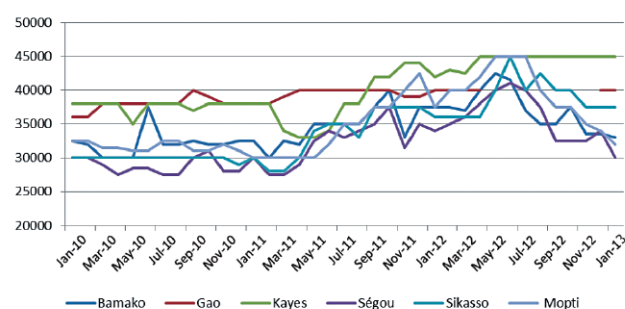
Nominal millet wholesale prices (XOF/100kg)



Nominal sorghum wholesale prices (XOF/100kg)



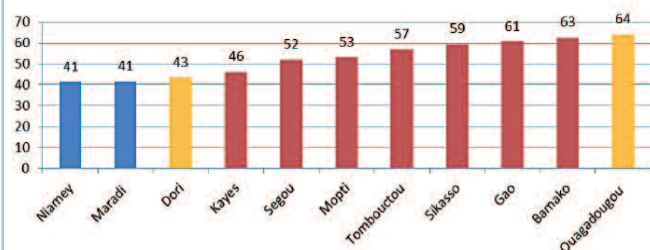
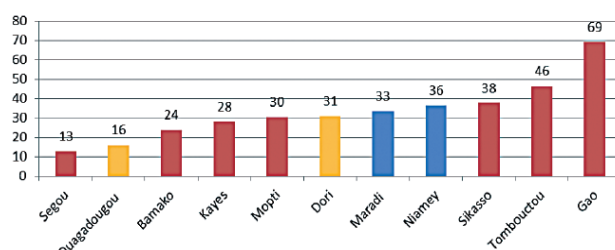
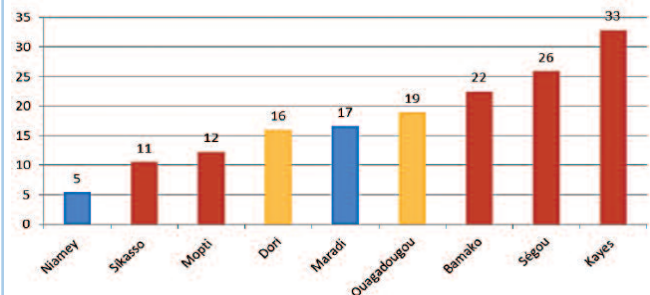
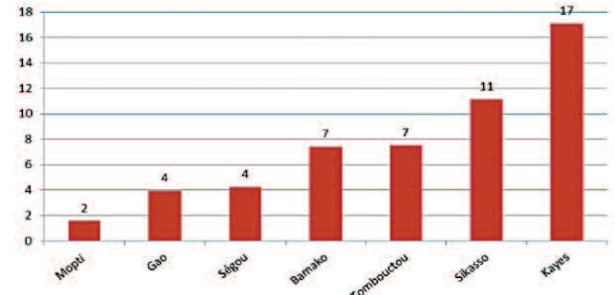
3. CILSS (November 2012) Proceedings of the PREGEC meeting, Niamey. www.cilss.bf

Nominal maize retail prices (XOF/kg)**Nominal local rice wholesale prices (XOF/100kg)**

... But Q4-2012 cereal prices remain above average in northern Mali and high risk remains due to the resumption of military operations

Despite the seasonal decline in grain price levels in Q4-2012, price increases from their 5-year averages are higher in Mali; particularly in conflict affected northern Mali. Compared to the 5-year (2007-2011) average, millet prices increased more in Mali than in the sub-region, except in Ouagadougou, with the highest increases recorded in northern Mali (Gao +61%, Bamako +63%). Sorghum prices also increased more in northern Mali (Gao +69% and Tombouctou +46%) than other regions in Mali, Burkina and Niger. Maize prices remain substantially higher than their 5-

year averages on consumption markets of Bamako (+22%), Segou (+26%) and Kayes (+36%). Rice price increases from their 5-year averages are lower, compared to Millet, Sorghum and Maize. The highest increases of local rice prices are observed in Sikasso (+11%) and Kayes (+17%). Meanwhile, price increases of imported rice are more pronounced in Tombouctou (+19%), Bamako (+10%) and Gao (+8%). As of January 2013, the increases have further narrowed down due to continued decreases in grain prices towards historical levels.

Millet wholesale prices changes Q4-2012 compared to 5-y average (2007-2011, %)**Sorghum wholesale prices changes Q4-2012 compared to 5-y average (2007-2011, %)****Maize retail prices changes Q4-2012 compared to 5-y average (2007-2011, %)****Local rice wholesale prices changes Q4-2012 compared to 5-y average (2007-2011, %)**

The on-going conflict in northern Mali is expected to affect cereal trade flows from the surplus production areas of the south and from secondary sources of

imported goods such as Algeria and Mauritania. Localized cereal price increases were noted as the military intervention began in the north.

Case Study: Kyrgyzstan

Effects of the tighter global grain market

The previous version of the Market Monitor highlighted Kyrgyzstan as a country potentially highly exposed to the impacts of a tight global grain market, in the aftermath of the extreme summer heat and droughts in 2012, occurring in major grain producing countries. This current issue of the Market Monitor summarizes how Kyrgyzstan has actually been affected.



- Kyrgyzstan wheat imports dropped by 28%, largely affected by poor production performance in Kazakhstan (-54%).
- Domestic wheat flour prices increased significantly in Q4-2012, even though international price pressure on local markets is not fully transmitted so far.
- Households' food consumption deteriorated, in line with wheat price increases, particularly in Osh and Jalalabad provinces.

Dependency on wheat imports from Kazakhstan

Kyrgyzstan is vulnerable to global supply downturns, mainly because of its wheat import dependency. Actually, over a third of the wheat used in country (37%⁴) is imported. Wheat is crucial for households' food security, accounting for about 40% of individuals' overall energy consumption. It is predominantly imported from Kazakhstan, where production and the stock-to-use ratio are estimated to have declined by about 54% and 52%, respectively from 2011/12, due to the 2012 summer heat and droughts. Similarly in

Kyrgyzstan, wheat stock-to-use ratio decreased by 44% from 2011/12.

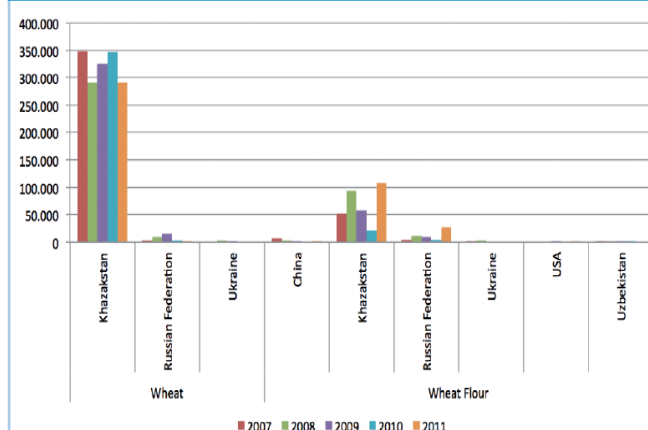
Wheat and wheat flour are imported by railway from Kazakhstan, either passing through the northern border, specifically Bishkek, or via Uzbekistan into Jalalabad and Osh oblasts. Internal flows from Bishkek to Osh, Naryn and Ysyk-Kol by trucks are costly because of high transportation costs fuelled by the mountainous terrain and higher fuel prices in southern provinces (Osh, Jalalabad and Batken).

Wheat production and supply performance

	Kyrgyzstan		Kazakhstan	
Change in	2011/12 from 2011/10	2012/13 from 2011/12	2011/12 from 2011/10	2012/13 from 2011/12
Production	6%	-31%	136%	-54%
Exports			144%	-41%
Imports	60%	-28%		
Stock-to-Use Ratio	33%	-44%	86%	-52%

Source: FAO, Cereal Balance Sheet and USDA/WASDE, January 2013.

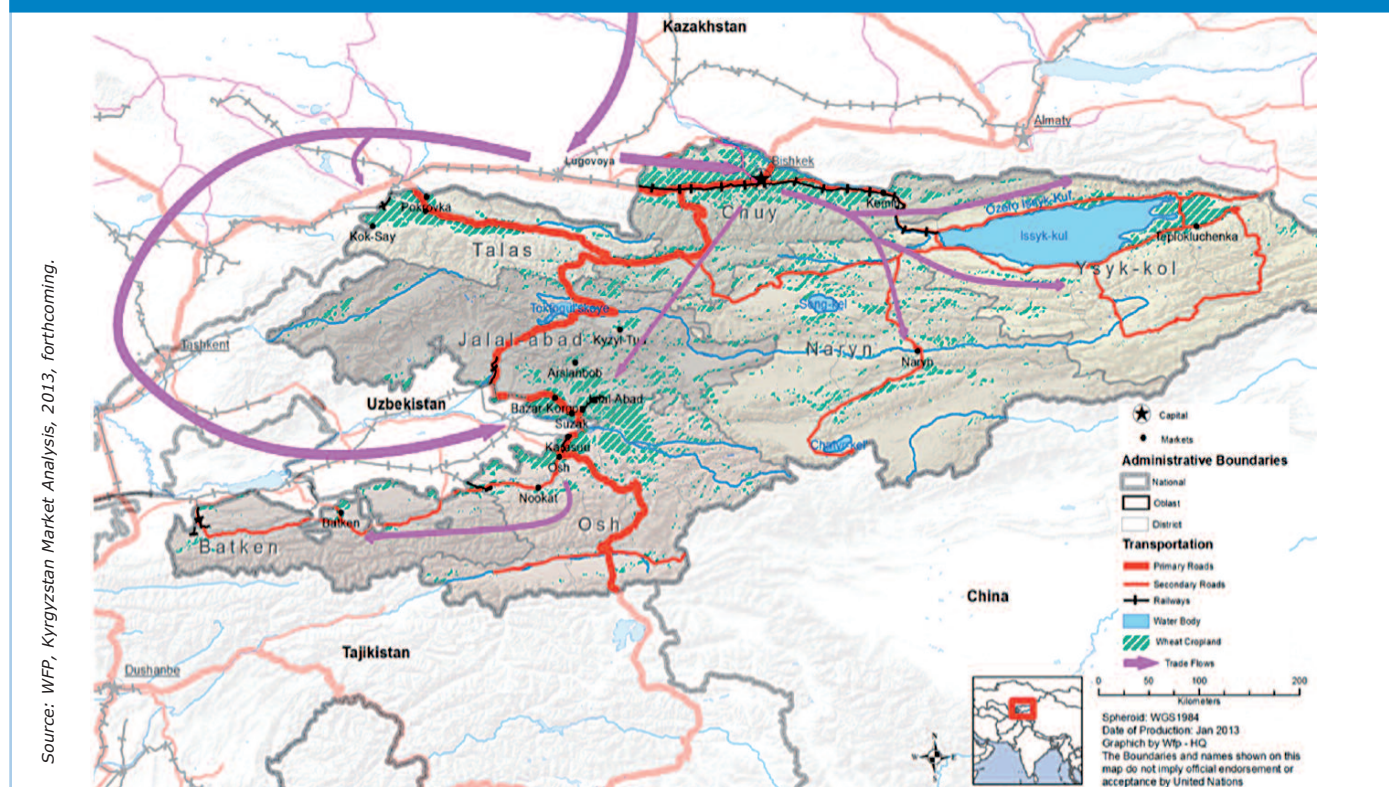
Major wheat and wheat flour imports by country (in MT)



Source: UN Comtrade.

4. Based on the 5-year average (2008/09 – 2012/13), source FAO, Cereal Balance Sheet.

Kyrgyzstan - wheat flows

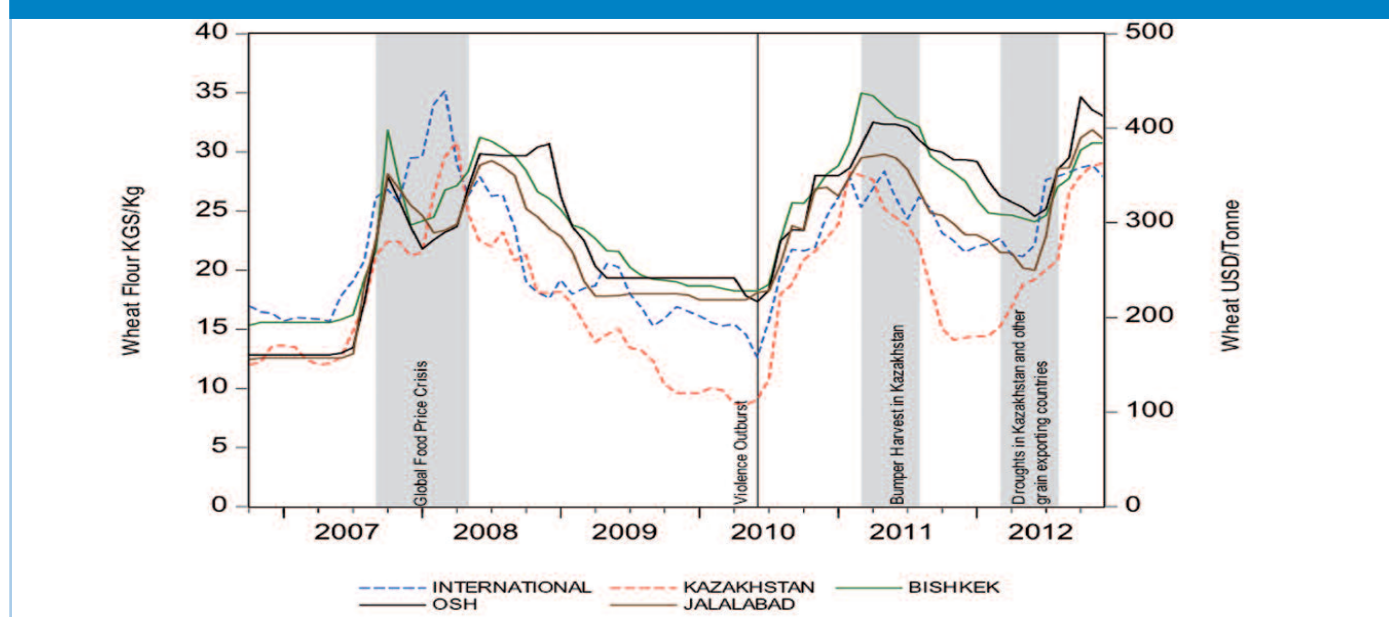


Drivers of wheat prices in Kyrgyzstan

Besides the impact of the 2010 social unrest on Osh and Jalalabad markets, wheat price fluctuations are largely explained by international price dynamics since 2007. Wheat prices follow the same pattern in most markets within the country, with peaks during the

global food price crises in 2007-08 and 2010, and a dip following the bumper harvest in Kazakhstan in 2011. Since 2012, wheat prices ticked up sharply, following the poor production performance in Kazakhstan.

Wheat and wheat flour price trends



Source: WFP, Kyrgyzstan Market Analysis, 2013, forthcoming.

Comparing the last quarter of 2012 with the same period in 2011, wheat prices increased by 98% in Kazakhstan. Although this escalation is not fully transmitted to domestic prices in Kyrgyzstan, the impact is significant in Jalalabad, Naryn and Osh,

where nominal prices of wheat flour shot up by 32%, 25%, and 14%, respectively, in line with the global wheat price increase (+27%) over the same period. Similar patterns are also observed when prices are adjusted by inflation.

Wheat flour and wheat price changes

NOMINAL

	Batken	Bishkek	Jalalabad	Naryn	Osh	Kazakhstan	International
2012-Q4 vs	10,5%	10,2%	16,8%	14,8%	30,5%	30,1%	4,0%
2012-Q4 vs	15,4%	13,1%	28,5%	29,1%	11,4%	49,4%	55,9%
2012-Q4 vs	64,7%	61,4%	74,5%	73,7%	74,4%	190,9%	73,2%
2012-Q4 vs	16,2%	13,9%	21,6%	28,1%	27,4%	31,9%	25,4%
2012-Q4 vs	9,0%	8,3%	31,5%	24,9%	14,1%	97,7%	27,2%

REAL

	Batken	Bishkek	Jalalabad	Naryn	Osh
2012-Q4 vs	12,1%	12,1%	18,5%	16,6%	32,5%
2012-Q4 vs	15,2%	12,8%	28,2%	28,8%	11,2%
2012-Q4 vs	63,2%	59,9%	72,9%	72,1%	72,8%
2012-Q4 vs	17,5%	15,2%	23,0%	29,5%	28,9%
2012-Q4 vs	7,8%	7,1%	30,1%	23,6%	12,9%

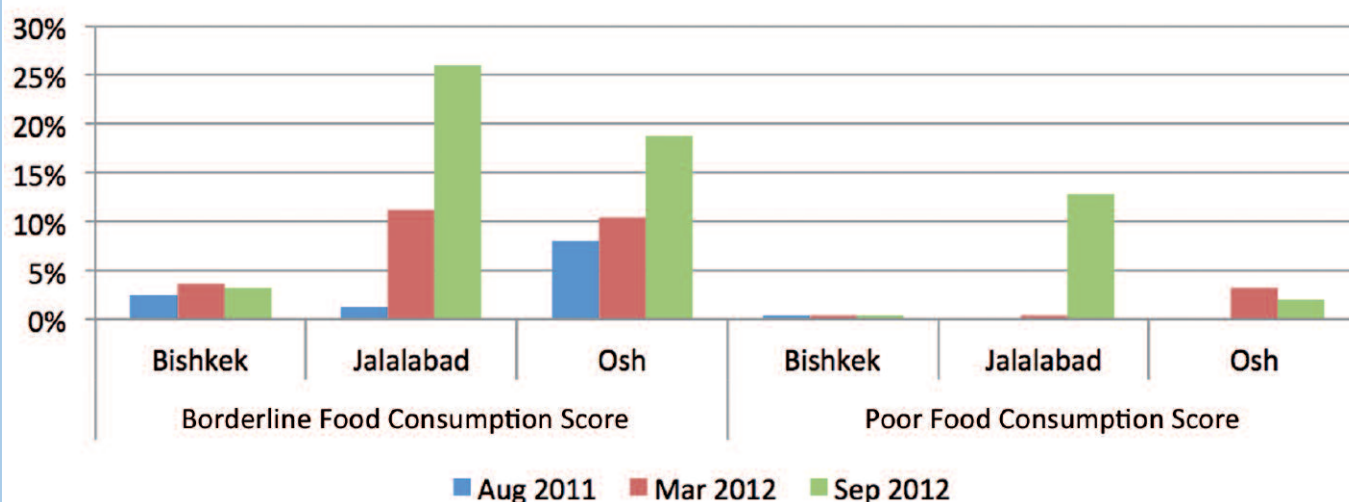
Source: Domestic Prices from National Statistical Committee of the Kyrgyz Republic (Wheat Flour, 1st grade); International Prices from APK-Inform Agency (Milling Wheat, Export) and IMF (Hard Red Winter No. 1, FOB Gulf of Mexico).

Impact on households' food consumption

During the second-half of 2012, Kyrgyzstan households' food security is challenged by the impact of real wheat flour price increases on the cost of the basic food basket. In September 2012, WFP's food security monitoring information indicates a sharp increase in the percentage of households with poor food consumption scores, particularly in Jalalabad and Osh oblasts, where the highest wheat flour price increases are reported. About 13% of the households

monitored in Jalalabad were found with a poor food consumption score in September from less than 5% in March 2012. In addition, some 26% more were at the hedge of falling into the poor food consumption score category. In Osh oblast, 19% of the monitored households are classified in the borderline food consumption score group, an increase of 81% from March 2012.

Food consumption categories (percentage of monitored households)

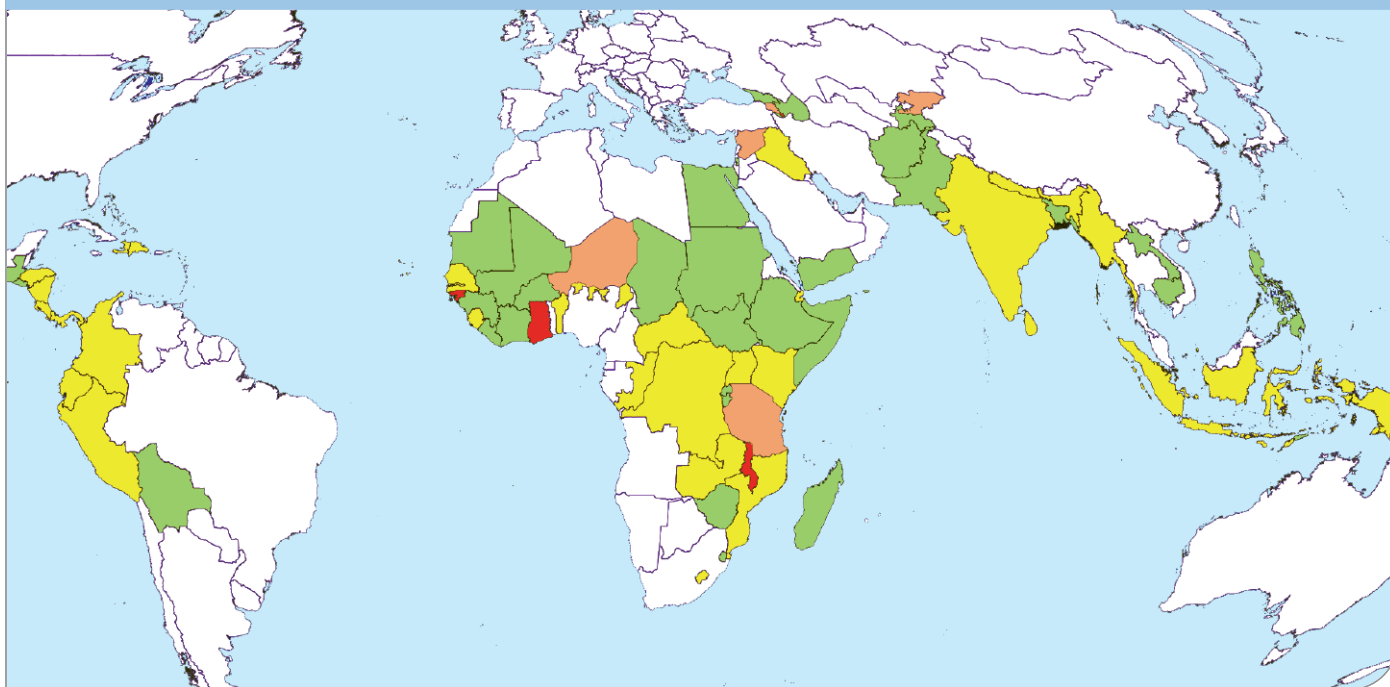


Source: WFP, Kyrgyz Republic Household Food Security Assessment, September 2012.

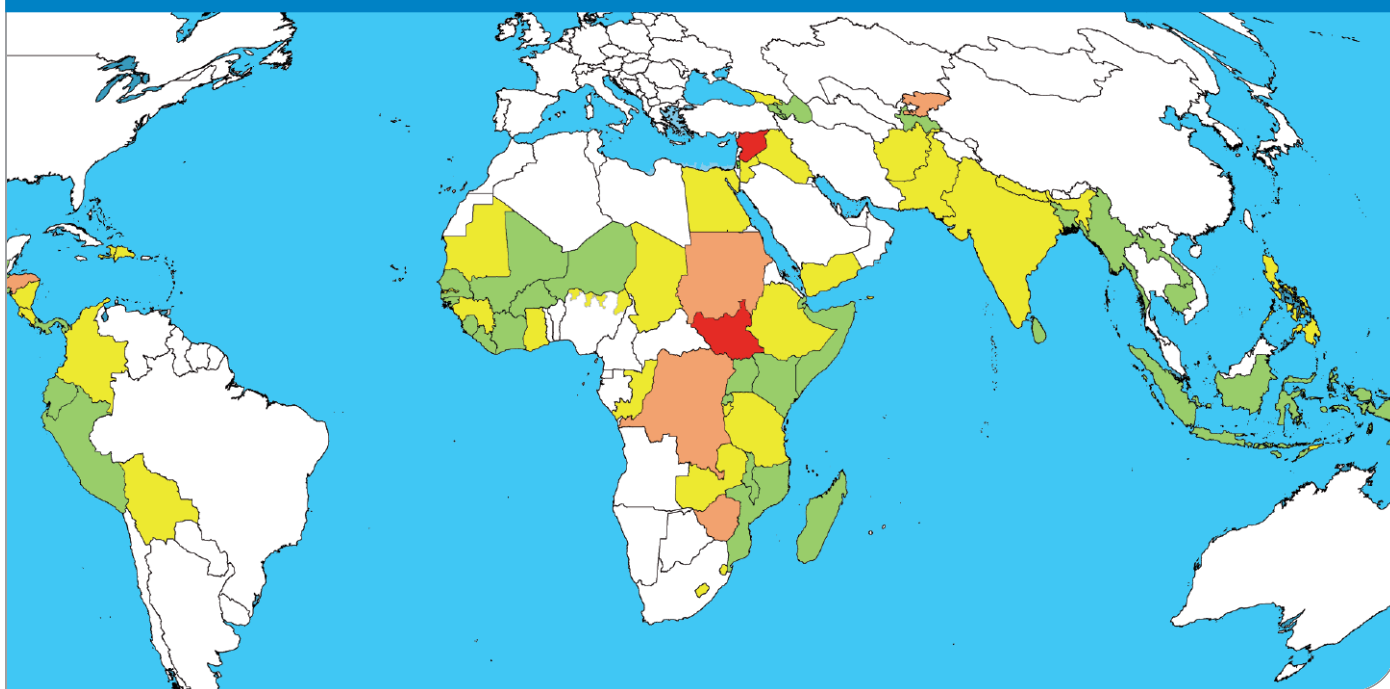
Impact of staple commodity price changes on the cost of the basic food basket

Impact Codes ■ Low (< 0%) ■ Moderate (0-5%) ■ High (5-10%) ■ Severe (> 10%)

Q3-2012 (July to September 2012)



Q4-2012 (October to December 2012)



Note: Map based on table pages 15-19 (Column J).
Map produced by: VAM - Food Security Analysis (ODXF).
Source: WFP; Base Map: UNCS.

The boundaries and names shown and the designations used in this map do not imply official endorsement or acceptance by the United Nations.

Country summaries

Consumer price indices (CPI), terms of trade (ToT) and fuel prices

Southern Africa					
Summary		CPI		Fuel prices	
		Month on month	Year on year	Month on month	Year on year
Malawi	Malawi has been having double-digit inflation rates for the whole of 2012, values that were unseen in the previous 5 years (including during the 2008-2009 crisis). Inflation has been rising continuously all year, reaching 34.6% in December. The sudden devaluation of the local currency in May 2012 has further disrupted the economy and rendered recovery difficult. Fuel shortage has been an additional constraint. Although the situation is normalising, prices of petrol and diesel still increased between October and December by 12.5% and 14.5%, respectively.	5.5% Dec.	34.6% Dec.	14.5% Oct.-Dec. (Diesel)	N/A

Central and Eastern Africa					
Summary		CPI		Fuel prices	
		Month on month	Year on year	Month on month	Year on year
Ethiopia	Overall inflation is gradually getting back to normal, down from its mid-2011 high of 40% to 13% in December 2012. Food inflation follows the same trend, standing at 12% from December 2011. Diesel prices on the other hand recorded an annual decrease of 5.5%. In Jijiga, the terms of trade of small livestock-to-cereal improved in favour of farmers over the last quarter. Currently, a goat costs 98 Kg of grain compared to 122 Kg in September and 130 Kg in December last year. In Gode however, the terms of trade are still in favour of the livestock owners, since livestock prices increased and grain prices dropped. Currently, a sheep buys 211 Kg of grain instead of 88 Kg in December last year, and a goat buys 156 Kg instead of 97 Kg.	-0.7% Dec.	13% Dec.	0% Dec. (Diesel)	-5.5% Dec. (Diesel)
South Sudan	In 2011 and 2012, the South Sudanese economy has been strongly affected by the disruptions in oil production, while the food commodity markets also suffered from poor domestic production in 2011, leading to soaring cereal prices. A slightly better than average harvest in 2012 has allowed food prices to drop – although they still remain much higher than their pre-crisis levels. In December, inflation slowed down to 25%. The terms of trade have improved for pastoralists and agro-pastoralists as compared to mid-2012, but they are still worse off than a year ago.	-10.6% Dec.	25.2% Dec.	-10.1% Dec. (Transport)	8.1% Dec. (Transport)
Sudan	Following the secession of South Sudan and the loss of oil revenue, and despite an attempt to stabilise the economy through currency devaluation in June, inflation rates in Sudan have been rising gradually all year. Inflation reached record levels during the last quarter of the year, with a 45% average increase between October and December. Both fuel and food inflations have been following this trend, reaching respectively 41% and 46% in December 2012. Sorghum and millet have partly recovered from the mid-year's lean season price peak, and the better-than-average harvest expected this year (currently on-going) brings the prospects of further price drops in the coming months. However, nominal prices of those two staples in December were still respectively 43% and 30% higher than the year before. Between November and December, the terms of trade of goat-to-sorghum have been stable in Blue Nile and North Darfur States, while they evolved in favour of herders in South Darfur and South Kordofan (thanks to the good pasture conditions and the availability of cereals on the market). On the other hand, they evolved in favour of grain producers in West Darfur.	1.6% Dec.	44.4% Dec.	1.3% Dec. (Electricity, gas and other fuels)	40.9% Dec. (Electricity, gas and other fuels)

West Africa

Summary		CPI		Fuel prices	
		Month on month	Year on year	Month on month	Year on year
Liberia	The continued rise in palm oil prices against stable or reduced imported rice prices since the beginning of the last quarter in 2012, has improved the purchasing power of palm oil producers in most parts of the country. Voinjama and Foya markets in Lofa County, recorded the highest improvement (respectively, 51% and 35%) between November and December 2012.	0.5% <i>Dec.</i>	7.7% <i>Dec.</i>	-8.3% <i>Dec.</i> (Gasoline)	15.7% <i>Dec.</i> (Gasoline)
Niger	Terms of trade are decreasing for pastoralists and cowpea farmers against millet in December 2012. With increasing millet prices, pastoralists in Abalak are exchanging 109 Kg of millet for a male adult goat compared to 121 Kg of millet in November 2012. Cowpea farmers are exchanging 104 Kg of millet for a 100 Kg cowpea bag compared to 108 in November.	0.4% <i>Dec.</i>	0.7% <i>Dec.</i>	0% <i>Dec.</i> (Gasoline)	-14% <i>Dec.</i> (Gasoline)
Nigeria	Inflation remains high due to high food prices, at 12% in December from 12.3% in November. In 2012, the hike in the pump price of fuel from 65 Naira to 141 Naira per litre provoked unprecedented mass protests across the country, forcing the government to reduce the price to 97 Naira. In December 2012, the Nigerian National Petroleum Corporation gave the assurance that the Federal Government would not increase the price of fuel in 2013. The Government has made budgetary provision for fuel subsidy in the 2013 budget, which was recently passed by the National Assembly.	0.8% <i>Dec.</i>	12% <i>Dec.</i>	0% <i>Dec.</i> (Gasoline)	49% <i>Dec.</i> (Gasoline)
Senegal	The strong surge in prices due to the high demand linked to the celebration of Tabaski in October has faded. The price of small ruminants decreased from October to November 2012, 30% and 17% for sheep and goats, respectively. As a result, the terms of trade of small ruminants with cereals has decreased. Compared to November 2011, the terms of trade of casual labor-to-imported rice have improved due to a decrease in imported rice prices. Dockers and maids have experienced the highest increase in terms of trade compared to November 2011 (respectively, +21% and +17%).	0.2% <i>Dec.</i>	2% <i>Dec.</i>	N/A	N/A

Middle East and Central Asia

Summary		CPI		Fuel prices	
		Month on month	Year on year	Month on month	Year on year
Egypt	Households' purchasing continues to be pressured by high unemployment rates, low economic growth and currency depreciation. The Egyptian pound depreciated by 7% between December 2012 and mid-January 2013. Consumer prices are expected to increase further with the enforcement of tax increases expected in the coming weeks.	0.2% <i>Dec.</i>	4.7% <i>Dec.</i>	N/A	N/A

Summary		CPI		Fuel prices	
		Month on month	Year on year	Month on month	Year on year
Tajikistan	Fuel prices remain as high as in 2011, when they reached record high levels. However, it is expected that fuel prices could decrease following an agreement between Tajikistan and Russia on the provision of one million tons of duty free fuel, during the first quarter of 2013.	0.1% <i>Dec.</i>	6.4% <i>Dec.</i>	0.8% <i>Dec.</i> (Diesel)	-0.5% <i>Dec.</i> (Diesel)
Yemen	In December 2012, the ToT between a daily unskilled labour wage and wheat flour (17.4 Kg/day), dropped by 25.6% compared to October (23.4 Kg/day) and by 7% compared to November (18.7 Kg/day). This is mostly due to the fact that from October to December 2012, wage rates for unskilled labour dropped by 27%. In the same period (October-December), the ToT between sheep and wheat flour deteriorated by 31.2%, despite a slight increase of 4% between November and December which was driven by a decrease in the price of wheat. The highest ToT of the month was recorded in Sa'ada (308 Kg/Sheep) and the lowest in Sana'a (179 Kg/Sheep).	N/A	5.5% <i>Nov.</i>	0% <i>Dec.</i> (Diesel)	0% <i>Dec.</i> (Diesel)

Asia

Summary		CPI		Fuel prices	
		Month on month	Year on year	Month on month	Year on year
Afghanistan	The labour-to-wheat ToT deteriorated slightly as opposed to a stable sheep-to-wheat ToT due to the increasing sheep prices. The average wage labour-to-wheat ToT in December 2012 was 15.1 Kg of wheat against one day labour wage, i.e. 2.7% less compared to previous month and 5.3% less compared to December 2011. The average sheep-to-wheat ToT in December 2012 was 282 Kg of wheat against one year life female sheep, stable on a month-on-month basis and 8.8% up from previous year.	0.7% <i>Dec.</i>	5.8% <i>Dec.</i>	-1.9% <i>Dec.</i> (Gasoline)	-3.8% <i>Dec.</i> (Gasoline)
Cambodia	In December 2012, in both rural and urban areas, the upward trend in the terms of trade was driven by declining rice prices and improved unskilled wages. In rural areas, daily wage rates of unskilled labourers against the retail price of the lowest quality rice was 8.1 Kg/day, up by 7.5% from November. In urban areas, the ToT increased by 8.6% to 7.8 Kg/day in December. The average wage of unskilled labour (agricultural and non-agricultural activities) in rural areas was 15,687 Riel/day (+1.1% from November). In urban areas, unskilled labour increased by 7.5% to 15,275 Riel/day in December.	-0.2% <i>Dec.</i>	1.6% <i>Dec.</i>	0% <i>Dec.</i> (Gasoline)	0.2% <i>Dec.</i> (Gasoline)
Pakistan	A slight deterioration was observed in the daily wage-to-wheat flour terms of trade, from 12.76 Kg in October to 12.59 in November. Compared to mid-2012, the ToT has gone down from 13.7 Kg to 12.6 Kg, driven by increased wheat flour prices, while income has remained unchanged for marginal earners. The highest ToT was observed in Lahore (14.4 Kg/daily wage) and the lowest in Multan (10.70 Kg/daily wage).	-0.4% <i>Dec.</i>	-6.9% <i>Dec.</i>	2.3% <i>Nov.</i> (Gasoline)	N/A

Magnitude of quarterly price changes and contribution to the cost of the food basket, by country and commodity

Colour code



Impact (columns J-K)

Low (<0%)
Moderate (0-5%)
High (5-10%)
Severe (>10%)

Price trend (columns L-M)

Decreasing (<0%)
Stable (0-5%)
Slightly increasing (5-10%)
Increasing (>10%)

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from 5-year average (% change)	Contribution to the cost of the food basket (%)		Price trend	Main trend (single arrow = main staple only; double arrow = all staples)
									Cumulative impact of the quarter	Cumulative impact from 5-year average		
A	B	C	D	E	F	G	H	I	J	K	L	M
Latin America and Caribbean	Bolivia	Wheat flour	19	0	0	-5	-4	30			→	→
		Rice	14	6	-2	7	8	20	1	13	↓	
		Maize	13	15	7	-5	-12	31			↗	
	Colombia	Maize	13	11	6	85	64	128			↗	↗
		Rice	12	-3	N/A	39	38	N/A	0	19	↓	
		Wheat flour	8	-5	-11	-14	-15	24			↓	
	Costa Rica	Rice	17	0	-2	2	3	105	0	22	↓	↓
		Maize	3	13	2	-10	-7	124			→	
	Dominican Republic	Rice	17	-1	-1	2	-1	24	0	4	↓	↓
	Ecuador	Rice	19	-1	-4	11	12	57	-1	17	↓	↓
		Wheat flour	13	6	1	10	10	49			→	
	El Salvador	Maize	25	-16	-1	-25	-28	13			↓	↓↓
		Beans	4	-16	-29	-29	-28	-8	-2	4	↓	
		Rice	4	-2	-7	0	0	30			↓	
	Guatemala	Maize	36	-16	-2	-11	-15	53	-1	19	↓	↓
	Haiti	Imported rice	23	5	-1	4	3	56			↓	↓
		Wheat flour	12	4	-7	-3	-3	45	0	22	↓	
		Domestic maize	9	9	9	14	12	40			↗	
	Honduras	Maize	26	-9	31	6	2	24	8	13	↑	↑
		Rice	5	6	-10	7	4	134			↓	
	Nicaragua	Maize	23	4	N/A	-15	-14	N/A	0	14	→	→
		Rice	17	1	-7	12	13	85			↓	
	Panama	Rice	24	0	-2	3	2	35	-2	12	↓	↓↓
		Maize	7	0	-18	-27	-23	48			↓	
	Peru	Rice	21	0	-3	0	0	1			↓	↓
		Wheat	14	1	-1	1	1	26			↓	
		Potatoes	8	6	7	4	5	44			↗	
		Maize	7	-8	-6	24	26	95			↓	

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from 5-year average (% change)	Contribution to the cost of the food basket (%)		Price trend	Main trend (single arrow = main staple only; double arrow = all staples)
									Cumulative impact of the quarter	Cumulative impact from 5-year average		
A	B	C	D	E	F	G	H	I	J	K	L	M
Southern Africa	Lesotho	Maize	56	3	N/A	25	27	N/A	2	N/A	→	→→
		Wheat flour	14	2	N/A	2	1	N/A			→	
	Madagascar	Domestic rice	49	9	-12	-4	0	6	-6	3	↓	↓
	Malawi	Maize	53	9	-15	78	77	186	-8	99	↓	↓
	Mozambique	Maize	20	26	0	40	33	119	-1	33	→	→
		Rice	8	-8	-13	-12	-12	110			↓	
	Swaziland	Maize meal	25	4	N/A	37	38	N/A	1	N/A	→	→→
		Rice	8	3	N/A	-2	3	N/A			→	
	Zambia	Maize	51	20	1	15	5	53	0	27	→	→
	Zimbabwe	Maize	41	15	17	3	3	541	7	222	↑	↑
Central and Eastern Africa	Burundi	Sweet potatoes	17	5	2	66	49	195	1	81	→	→
		Beans	16	20	-5	23	16	91			↓	
		Cassava flour	13	3	3	15	20	149			→	
		Maize	13	16	7	28	21	106			↗	
	Congo	Cassava	32	2	N/A	22	21	N/A	0	5	→	→
		Wheat flour	18	-1	-1	24	6	29			↓	
	Congo (DRC)	Cassava products	53	3	N/A	46	43	N/A	5	52	→	→
		Maize	14	15	22	35	37	374			↑	
	Djibouti	Wheat flour	34	-1	N/A	-5	-4	N/A	-1	N/A	↓	↓↓
		Rice	17	-1	N/A	-5	-5	N/A			↓	
	Ethiopia	Maize	21	-5	0	3	2	251	0	98	→	→
		Wheat	12	-4	-9	-13	-10	179			↓	
		Sorghum	12	9	7	17	17	202			↗	
	Kenya	Maize	35	-12	-3	-9	-6	144	-1	50	↓	↓
	Rwanda	Beans	11	6	-11	16	15	73	-2	12	↓	↓↓
		Maize	5	-2	-13	5	12	86			↓	
	Somalia	Sorghum	29	-3	N/A	N/A	N/A	N/A	-1	N/A	↓	↓
		Imported rice	9	2	N/A	N/A	N/A	N/A			→	

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from 5-year average (% change)	Contribution to the cost of the food basket (%)		Price trend	Main trend (single arrow = main staple only; double arrow = all staples)
									Cumulative impact of the quarter	Cumulative impact from 5-year average		
A	B	C	D	E	F	G	H	I	J	K	L	M
Central and Eastern Africa	South Sudan	Sorghum	26	21	21	N/A	N/A	430	18	161	↑	↑↑
		Wheat Flour	15	53	N/A	N/A	N/A	N/A			↑	
		Millet	7	61	63	N/A	N/A	709			↑	
	Sudan	Sorghum	60	-6	8	43	50	331	5	228	↗	↗
		Millet	9	-9	-4	30	42	323			↓	
	Tanzania	Maize	26	26	12	70	54	217	3	74	↑	↑
		Rice	10	12	1	16	17	174			→	
	Uganda	Cassava flour	13	-4	-8	11	12	122	-2	31	↓	↓↓
		Maize flour	9	-12	-10	11	13	115			↓	
		Beans	5	-4	-9	9	9	90			↓	
West Africa	Burkina Faso	Sorghum	26	-16	-2	-6	8	65	-2	45	↓	↓
		Millet	22	-12	0	4	32	90			→	
		Maize	16	-21	-9	-18	-7	53			↓	
	Cape Verde	Rice	19	0	2	3	4	59	-1	27	→	→
		Wheat flour	13	-1	-10	2	3	23			↓	
		Maize	12	0	0	2	2	103			→	
	Chad	Sorghum	18	-14	13	4	2	53	3	21	↑	↑
		Millet	15	-13	4	4	1	49			→	
		Maize	5	-20	-3	-11	-10	51			↓	
		Imported rice	3	5	1	8	1	39			→	
	Côte d'Ivoire	Imported rice	20	-3	-8	-16	-11	30	-3	10	↓	↓↓
		Palm oil	9	6	-12	18	12	18			↓	
		Maize	7	-14	-8	9	7	27			↓	
	Gambia	Rice	21	4	5	7	8	48	1	17	↗	↗
		Millet	19	3	-1	8	15	37			↓	
	Ghana	Cassava	21	6	14	108	90	310	1	162	↑	↑
		Maize	12	-19	-8	8	12	261			↓	
		Yams	11	-19	4	63	55	304			→	
		Plantains	10	-36	-21	57	61	210			↓	
		Local rice	8	2	2	17	14	143			→	

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from 5-year average (% change)	Contribution to the cost of the food basket (%)		Price trend	Main trend (single arrow = main staple only; double arrow = all staples)
									Cumulative impact of the quarter	Cumulative impact from 5-year average		
A	B	C	D	E	F	G	H	I	J	K	L	M
West Africa	Guinea	Local rice	37	-2	3	-19	-13	120	1	51	→	→
		Palm oil	6	12	6	41	34	116			↗	
	Guinea Bissau	Imported rice	35	0	-11	50	41	113	-7	39	↓	↓
		Maize	8	-13	-13	0	0	-13			↓	
		Millet	8	0	-22	20	20	-25			↓	
		Wheat	4	0	N/A	0	0	67			→	
	Liberia	Rice	32	3	-11	7	11	81	-3	39	↓	↓
		Cassava	21	1	N/A	11	8	N/A			→	
		Palm oil	15	15	4	22	14	89			→	
	Mali	Imported rice	21	-2	-2	-6	-5	26	-3	44	↓	↓
		Millet	20	4	6	34	56	126			↗	
		Sorghum	13	-7	-21	1	27	62			↓	
		Maize	9	-13	-12	-6	8	64			↓	
	Mauritania	Wheat	30	-3	N/A	-3	-2	N/A	0	3	↓	↓
		Imported rice	11	2	3	8	7	31			→	
	Niger	Millet	39	-24	-3	3	12	70	-1	39	↓	↓
		Sorghum	11	-20	1	2	13	68			→	
		Imported rice	7	-1	-1	0	0	48			↓	
		Maize	1	-11	0	5	6	55			→	
	North Nigeria	Sorghum	13	-16	1	4	16	70	0	26	→	→
		Millet	11	-18	-2	4	16	71			↓	
		Rice	8	-5	7	3	5	47			↗	
		Maize	8	-15	-2	5	13	65			↓	
	Senegal	Imported rice	30	-2	-4	-9	-6	27	-1	17	↓	↓
		Maize	10	-1	-1	20	21	65			↓	
		Millet	8	-8	2	5	11	34			→	
	Sierra Leone	Imported rice	40	-14	N/A	-16	-16	N/A	-5	N/A	↓	↓
		Palm oil	9	2	N/A	-2	-2	N/A			→	

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									Cumulative impact of the quarter	Cumulative impact from 5-year average		
A	B	C	D	E	F	G	H	I	J	K	L	M
Middle East, Central Asia and Eastern Europe	Armenia	Wheat flour	40	3	-11	25	28	33	-4	13	↓	↓
	Azerbaijan	Wheat flour	57	1	-6	-1	-1	82	-3	47	↓	↓
	Egypt	Wheat flour	35	4	N/A	2	5	N/A	0	N/A	→	→
		Rice	12	-11	N/A	-19	-22	N/A			↓	
	Georgia	Wheat flour	41	15	7	12	0	51	3	21	↗	↗
	Iraq	Wheat flour	25	-1	N/A	N/A	N/A	N/A			↓	
		Rice	8	2	N/A	N/A	N/A	N/A	0	N/A	→	↓
		Bread	8	3	N/A	N/A	N/A	N/A			→	
	Jordan	Bread	38	0	N/A	0	0	N/A	0	N/A	→	→
		Rice	8	-1	N/A	21	16	N/A			↓	
	Kyrgyzstan	Wheat	40	1	N/A	10	23	N/A			→	
		Milk	12	26	N/A	14	19	N/A	5	N/A	↑	→
		Potatoes	8	16	N/A	45	29	N/A			↑	
	Occupied Palestinian Territory	Wheat flour	40	1	-9	14	4	21			↓	
		Rice	7	-1	-4	-10	-12	22	-4	11	↓	↓↓
		Olive oil	5	1	-4	-6	-6	25			↓	
	Syria	Wheat flour	39	26	N/A	127	90	N/A	11	N/A	↑	↑↑
		Sugar	13	10	N/A	43	39	N/A			↑	
	Tajikistan	Wheat	54	12	-5	4	3	151	-3	82	↓	↓
	Yemen	Wheat	38	7	N/A	-17	-20	N/A	3	N/A	↗	↗
Asia	Afghanistan	Wheat	58	13	4	6	4	84	2	57	→	→→
		Rice	22	13	1	43	35	38			→	
	Bangladesh	Boro-HYV-Coarse	70	4	-5	-11	-14	30	-3	25	↓	↓
		Atta-Packet	9	10	7	15	15	39			↗	
	Cambodia	Rice	65	-4	-7	-7	-14	82	-5	53	↓	↓
	India	Rice	31	4	2	19	19	104	2	48	→	→→
		Wheat	22	9	4	23	21	70			→	
	Indonesia	Rice	50	1	-5	7	7	121	-2	61	↓	↓
	Lao PDR	Rice	64	-1	N/A	-13	-16	N/A	-1	N/A	↓	↓
	Myanmar	Rice	55	-8	N/A	N/A	N/A	N/A	-5	N/A	↓	↓
	Nepal	Rice	32	1	5	7	4	71	2	32	↗	↗↗
		Wheat flour	15	7	5	9	8	59			↗	
	Pakistan	Wheat flour	37	5	-1	12	12	129	0	60	↓	↓
		Rice	6	4	3	19	20	202			→	
	Philippines	Rice	48	-2	1	0	0	59	1	28	→	→
	Sri Lanka	Rice	41	7	-14	10	6	48	-8	34	↓	↓↓
		Wheat flour	14	5	-19	23	20	104			↓	
	Timor-Leste	Rice	32	3	N/A	24	5	N/A	2	N/A	→	→
		Maize	26	5	N/A	12	5	N/A			↗	



Approach

This bulletin provides information on price changes for the most commonly consumed staples and their potential impacts on the cost of the basic food basket. Staples contribute 40 – 80 percent of energy intake for the most vulnerable population groups in developing countries. Therefore, even a small increase in staple food prices has a high impact on overall food consumption, especially when the food basket is composed of very few food items. The analysis is based on quarterly price indices⁵ of the main caloric contributors to household food consumption (table pages 15-19):

- i) Nominal price change from last quarter calculated as a percentage change from the precedent quarter. Nominal prices change is calculated by dividing the average quarterly price by the average of the previous quarter. The change between the two quarters is reported in column E.
- ii) Seasonally adjusted price change from last quarter calculated as a percentage change from the previous quarter. Real prices are calculated by dividing each monthly price by its 5-year (2003-2007) average and then quarterly averaged. The 5-year average is called long-term seasonal average. The change between the two quarters is reported in column F.
- iii) Monthly (year-on-year) price change calculated as a percentage change from 12 months earlier. Column G reflects the percentage change of the most recent monthly price data available in the quarter compared with the same month of the previous year.
- iv) Quarterly price change from the last quarter calculated as the yearly percentage changes of the latest month available in the quarter (Column H). This average percentage change indicates whether the price has changed from the recent quarter compared to the same quarter of the previous year.
- v) Quarterly price change from the 5-year baseline period, calculated as the quarterly average of monthly percentage change from the corresponding 2003-2007 average prices (Column I). This estimate indicates whether there is a structural shift of the current price from its long-term seasonal pattern⁶.

The percentage changes of these quarterly price indices indicate the extent to which recent price changes can be considered normal or abnormal as compared to the quarter before. Column D displays the caloric contribution of each food item to households' total energy intake.

Assuming that the caloric contribution is a proxy of the relative importance of the food item in the food basket⁷, the likely impact of the last quarter average price change on the cost of the food basket is captured in column J (i.e. the percentage price change in column F weighted by the caloric contribution of the food item in column D). The long-term likely impact is presented in column K (i.e. the percentage price change in column I weighted by the caloric contribution of the food item in column D). The likely impact of price changes is considered low when the estimated cumulative percentage impact on the cost of the food basket is below 0 percent (Column J). Between 0 and 5 percent it is considered moderate. Between 5 and 10% the likely impact on the cost of the food basket is considered high and severe above 10 percent. Households with diverse calorie sources are likely to be less affected by price rises than households with a single calorie source, unless significant price increases are witnessed for each major caloric contributor of the food basket.

While this approach can be used for early warning, results should be interpreted with caution as they do not capture the impact of the long-term trend in food prices. Furthermore, the approach measures only direct impacts while an indirect impact is not accounted for. For instance, substitution and income effects due to price changes are disregarded. Similarly, it does not provide insights into the causes of the price increases. Finally, this approach does not account for the severity of the likely impact which may differ between households due to different incomes and food baskets by wealth or livelihoods groups and coping capacity.

5. Prices are calculated as indices, using reference years, i.e. last year to capture 12-month percentage changes and last 5 years to capture percentage changes from the long term patterns.

6. Prices normally vary throughout a year due to seasonal patterns of the production cycle. Accounting for seasonality helps differentiating between normal seasonal price variations with additional changes which can be considered abnormal, depending on the magnitude of those changes.

7. Caloric contributions are based on FAO 2005-2007 estimates. Comparing FAO estimates of calorie contribution of each food item with a study by Reardon (1993) for selected countries in Africa, it appears in rural areas that the majority of households get most of their calorie intake from a few food items. The national patterns will likely reflect the rural patterns, assuming most of households leave in rural and semi-urban areas in the developing countries.

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Spanish and German
Governments provide financial
support for the preparation
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