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Fighting Hunger Worldwide

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, and consumer price indices for 70 countries in the second quarter of 2013 (April to June)[1]. The **"Special Focus"** series features the impact of political instability in **Egypt**, and the effect of macro-economic imbalances in **Pakistan**.

Global Highlights

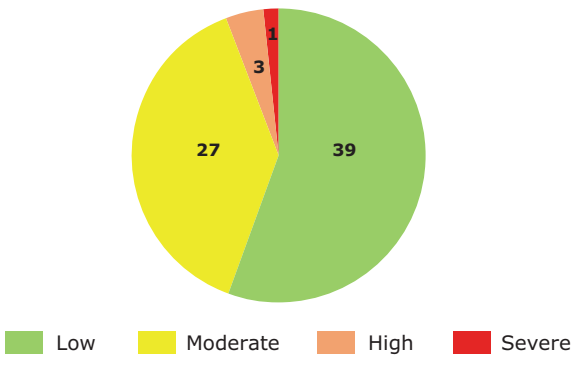
- The **global cereal price index increased by 9% on a year-on-year basis in the April-June 2013 quarter,** mostly driven by nominal price rises of maize and wheat (+7% and +17%, respectively).
- However, on a quarterly basis (Q2 vs. Q1 2013), **real global maize, wheat and rice prices[2] fell by 5%, 1%, and 2%,** respectively. The marked price drop for maize is driven by the improved global stock-to-use ratio of maize (+12% y/y).
- Yet maize prices are still 3% higher, while wheat and rice prices are 30% and 46% lower than during their respective peak period in 2008.

CHANGES IN REAL PRICES, ADJUSTED BY US CONSUMER PRICE INDEX (2005=100)

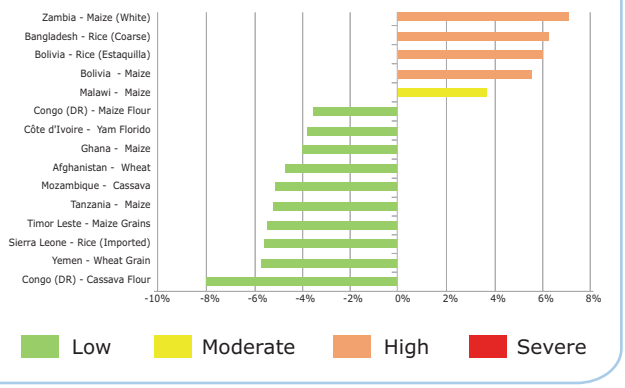
Quarterly Change	Maize	Wheat	Rice	*Note: Comparison to*
q2-2013 vs. q1-2013	-5%	-1%	-2%	*First quarter in 2013*
q2-2013 vs. q2-2012	5%	15%	-9%	*Same quarter in 2012*
q2-2013 vs. q1-2008		-30%		*Global wheat price peak in 2008*
q2-2013 vs. q2-2008	3%		-46%	*Global maize and rice price peak in 2008*

- Price trends for most domestic markets are similar to the global trend. The impact of domestic price changes on the food basket cost in the last quarter was *low* or *moderate* (<5%) in 66 out of 70 monitored countries. **Only four countries experienced *high* (5-10%) or *severe* (above 10%) price impacts, namely Bangladesh, the Kyrgyz Republic, Zambia (all *high*) and Bolivia (*severe*).** The highest effects are driven by prices of maize in Zambia (+7%) and Bolivia (+6%), as well as rice in Bangladesh and Bolivia (both +6%).
- **Egypt's** volatile socio-political situation has been accompanied by macro-economic instability, rising unemployment and poverty, and worsening food security for many vulnerable households.
- Several macro-economic factors are maintaining pressure on food and non-food prices in **Pakistan**. Food inflation in particular contributes to recent food insecurity.

Number of countries by impact of price changes on the cost of the basic food basket *(out of 70 countries monitored)*



Commodities having the most significant impact on the cost of the food basket (Q2-2013)



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 July 15th, 2013.
2. Prices are adjusted by the US Consumer Price Index.

Price trends and impacts by region

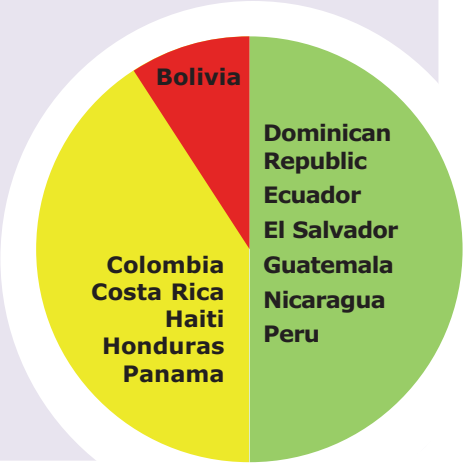
(Change from last quarter)

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 from April to June was* severe *in* **Bolivia** *and* moderate *in* ***Colombia, Costa Rica, Haiti, Honduras*** *and* ***Panama****.*

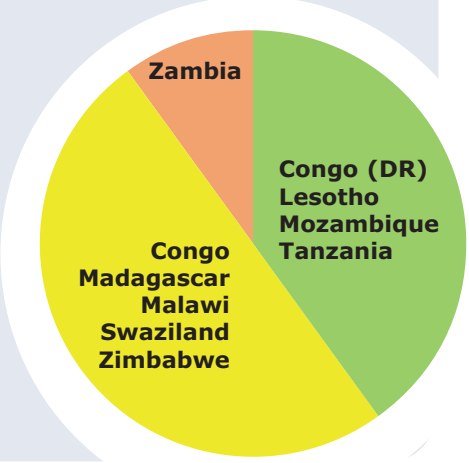
- **Staple commodity prices:** Overall, both nominal and seasonally adjusted prices of most major staples in the LAC region remained relatively stable or fell between Q2 and Q1-2013. Exceptions are the seasonally adjusted price increases for the **Bolivia** staples rice and maize (both +43%) and the nominal price increases for plantains in **Columbia** (+14%). Furthermore, seasonally adjusted rice and maize prices in **Haiti** have risen slightly (+9% and +7%, respectively) while sugar in **Peru** (-10%) and wheat flour in **Ecuador** (-9%) experienced the highest quarterly price drops of the monitored countries in the region.
- **Fuel prices:** While gasoline prices were stable in the **Dominican Republic** over the last quarter, they remained 10% higher than in June last year. In **Guatemala**, gasoline and diesel prices were lower by 6.5% and 7.8% respectively in May compared to the previous year at the same period.
- **Purchasing power:** In June 2013, the Consumer Price Index increased by 8.3%, 5.3% and 5.1% in **Nicaragua, Honduras** and **Costa Rica** respectively compared to June 2012. Nicaragua saw its inflation pulled by food prices with a yearly food price index increasing by 10.6% in May.



Southern Africa

Hotspots: *The impact of staple food price changes on the cost of the basic food basket from April to June was* high *in* ***Zambia****,* moderate *in* ***Congo, Madagascar, Malawi, Swaziland*** *and* ***Zimbabwe****.*

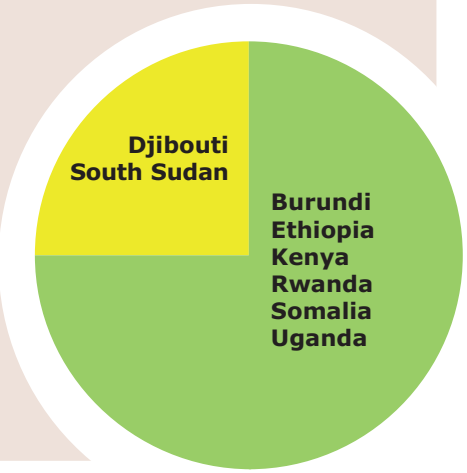
- **Staple commodity prices:** Maize real prices presented diversified trends in the region, with upsurges from the last quarter in many countries, and a couple of considerable dips. Specifically, seasonally adjusted prices went up in **Swaziland** (+6%), **Malawi** (+7%), **Zimbabwe** (+8%), and **Zambia** (+14%). Despite the trend of seasonal price reduction, nominal prices in Zambia are 39% above the same period of the last year as estimated beginning stocks and exports have contracted remarkably (respectively, -42% and -60%, y/y). The declines were reported in the **Democratic Republic of Congo** (-25%) and **Tanzania** (-20%). Compared to the 5-year baseline, outstanding current maize prices remain very high; particularly in Malawi (+162%), Tanzania (+51%), and Swaziland (+85%).
- **Fuel prices:** From April to May gasoline and diesel prices have increased in **Zimbabwe** by 7.5% and 5.6% respectively, whereas in **Malawi** by 2% and 3%. In June, yearly inflation for energy related commodities were at 15.4% in **Tanzania** and 9% in **Zambia**.
- **Purchasing power:** In **Malawi**, inflation is still very high but slowly decreasing over the quarter. In April yearly inflation was at 35.8% and at 27.9% in June. The same occurred in **Tanzania**, with an inflation of 9.4% in April down to 7.6% in June. The opposite trend was recorded in **Zambia**, with increasing inflation standing at 7.3% in June.



Central and Eastern Africa

Hotspots: *The impact of staple food price changes on the cost of the basic food basket from April to June was* low *in all countries except* ***Djibouti*** *and* ***South Sudan****, where it was* moderate.

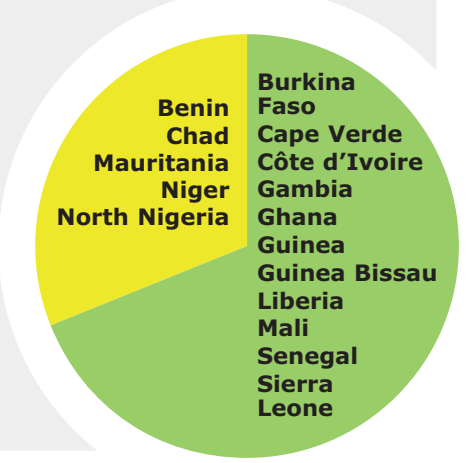
- **Staple commodity prices:** Seasonal adjusted prices have widely decreased from last quarter. Substantial rises were reported only for beans in **Burundi** and **Rwanda** (+12% and +11%, respectively), and for wheat flour in **Djibouti** (+5%). The nominal price of sorghum was below the level recorded in the same quarter of the last year in **Somalia** (-9%) and **South Sudan** (-18%). In **Ethiopia** and **Kenya** all the monitored prices were above their 5-year average. In particular, sorghum and maize prices have not returned to the levels prior the crisis in the Horn of Africa (+47% in ETH, and +46% in KEN), reflecting a similar drop in the stock-to-use ratios.
- **Fuel prices:** Gasoline and diesel prices in **Kenya** have decreased by 6% and 5.5% respectively in June compared to last year. Similarly, inflation of energy related items was at 14.2% in **Ethiopia** over the same period.
- **Purchasing power:** With highly volatile bread and cereals prices, yearly inflation in **South Sudan** has been varying up- and downwards in the last quarter, bouncing from 16% to -11.1% during the quarter. In **Rwanda** and **Kenya**, food inflation was at 6% and 6.5% respectively in June.



West Africa

Hotspots: *The impact of staple food price changes on the cost of the basic food basket from April to June was* moderate *in* ***Benin, Chad, Mauritania, Niger****, and* ***North Nigeria,*** *and* low *in the remaining countries.*

- **Staple commodity prices:** Seasonally adjusted prices were stable or decreasing from the first quarter in 2013 in most countries. The only exceptions were wheat and sorghum in **Mauritania** (+6% and +16%, respectively), and cassava in **Côte d'Ivoire** (+13%) and in **Benin** (+14%). The nominal price of local staples increased in **Mauritania** (sorghum, +11%), **Niger** (millet, +12%; and sorghum, +13%) and **North Nigeria** (millet, +11%). As compared to the 5-year average (2008-2012), prices have markedly risen in **Ghana** (cassava, +133%; yam, +71%; plantains, +99%; and rice, +44%), mostly as a result of substantial depreciation of the Ghanaian currency in the two-year period 2011/12.
- **Fuel prices:** Energy yearly inflation in June was at 18.9% in **Ghana**, 7.9% in **Nigeria**, and 4.6% in **Niger**, while in **Sierra Leone** it stood at 6.3% in May. In **Mali** gasoline at the end of the quarter was up by 5.7% from last year.
- **Purchasing power:** **Sierra Leone** showed the highest inflation with 11.5% and 10.9% in April and May respectively. Food prices remained high, with a yearly food inflation of 13.3% and 11.8% during the same months. In **Mali** the food inflation rate has decreased by 5.4% as compared to last year in June, making food access easier for many consumers. In **Ghana**, overall inflation has been continuously above the two-digits during the whole period, with a recorded 11.4% at the end of the quarter. Similarly, in **Nigeria**, the yearly inflation rate was 8.6% in June.



Middle East, North Africa and Central Asia

Hotspots: *The impact of staple food price changes on the cost of the basic food basket from April to June was* high *in the* ***Kyrgyz Republic****,* moderate *in* ***Armenia, Egypt, Georgia, Iraq, Jordan*** *and the* ***State of Palestine****.*

- **Staple commodity prices:** Between Q2 and Q1-2013, seasonally adjusted prices for wheat or wheat flour increased only in **Egypt** and **Sudan** (+9% and +11% respectively) as well as slightly in the **Kyrgyz Republic** (+6%), following the significant changes in the previous quarter across the region. The most significant quarterly price changes occurred in the **Kyrgyz Republic** for potatoes (+34%), as well as in the **State of Palestine** for olive oil (+15%). When compared to the baseline (2008-2012), striking increases could be noted in **Sudan** for sorghum (+75%) as well as wheat and millet (+67% each). As expected, also **Syria** observed severe price increases compared to the 2-year baseline for wheat (+154%) and sugar (+57%).
- **Fuel prices:** In **Syria**, diesel prices increased between April and May 2013 by a staggering 98%. In **Yemen**, after a monthly increase of 8% in May, gasoline prices decreased again by 7.4% in June. In the **State of Palestine** the price of gasoline decreased by 3.9% in April.
- **Purchasing power:** Yearly inflation increased in **Yemen** to 14% in April. Such inflation was pulled by food prices with a yearly variation reaching 16.4% in April, making food less accessible for vulnerable communities. With political tensions in Cairo, the same phenomenon occurs in **Egypt** with a yearly inflation of 9.8% and a food inflation reaching 11.2% in June.

Asia

Hotspots: *The impact of staple food price changes on the cost of the basic food basket from April to June was* high *in* ***Bangladesh*** *and* moderate *in* ***India, Indonesia, Nepal*** *and* ***Sri Lanka****.*

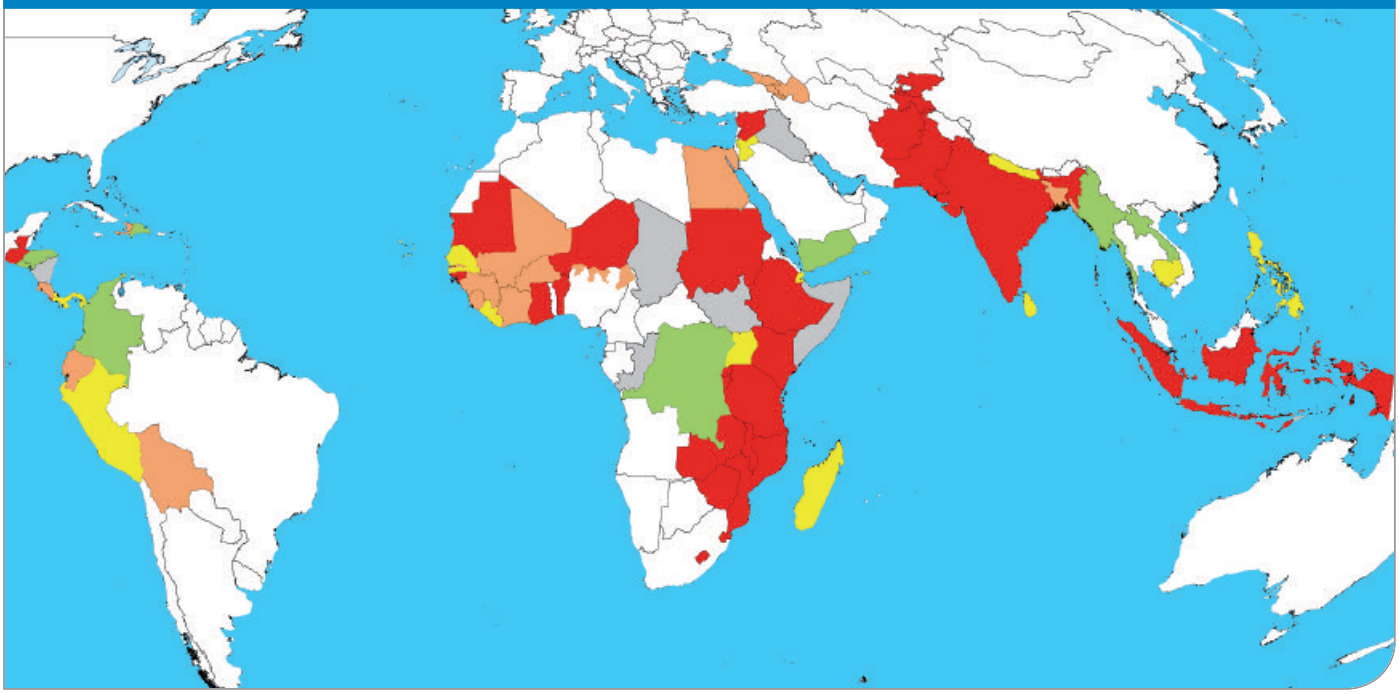
- **Staple commodity prices:** Generally, most of the monitored commodities showed stable or falling seasonally adjusted price trends between the first two quarters 2013, except in **Bangladesh**, where rice and wheat flour seasonal adjusted prices increased slightly by 9% and 7% respectively.
- **Fuel prices:** Though no monthly diesel price changes occurred during Q2-2013 in **Nepal**, yearly price changes are significant ranging between 6.5% in June and 11.2% in April and May. Following a significant monthly drop in gasoline prices in May in **Pakistan** (-4.6%), prices rebounded in June (+2.7%). This is also reflected in Pakistan's yearly price changes for May and June (-5.4% vs. +5.8% respectively).
- **Purchasing power:** Most countries in Asia reported yearly increases of the consumer price index in the range of 5-10%. Relatively high were the annual CPI changes in June for **India** (+9.8%), **Nepal** (+9.6%) and **Bangladesh** (+8.1%). Low annual price changes occurred in both the **Philippines** (+2.8% in June) and **Cambodia** (+2.9% in May).

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

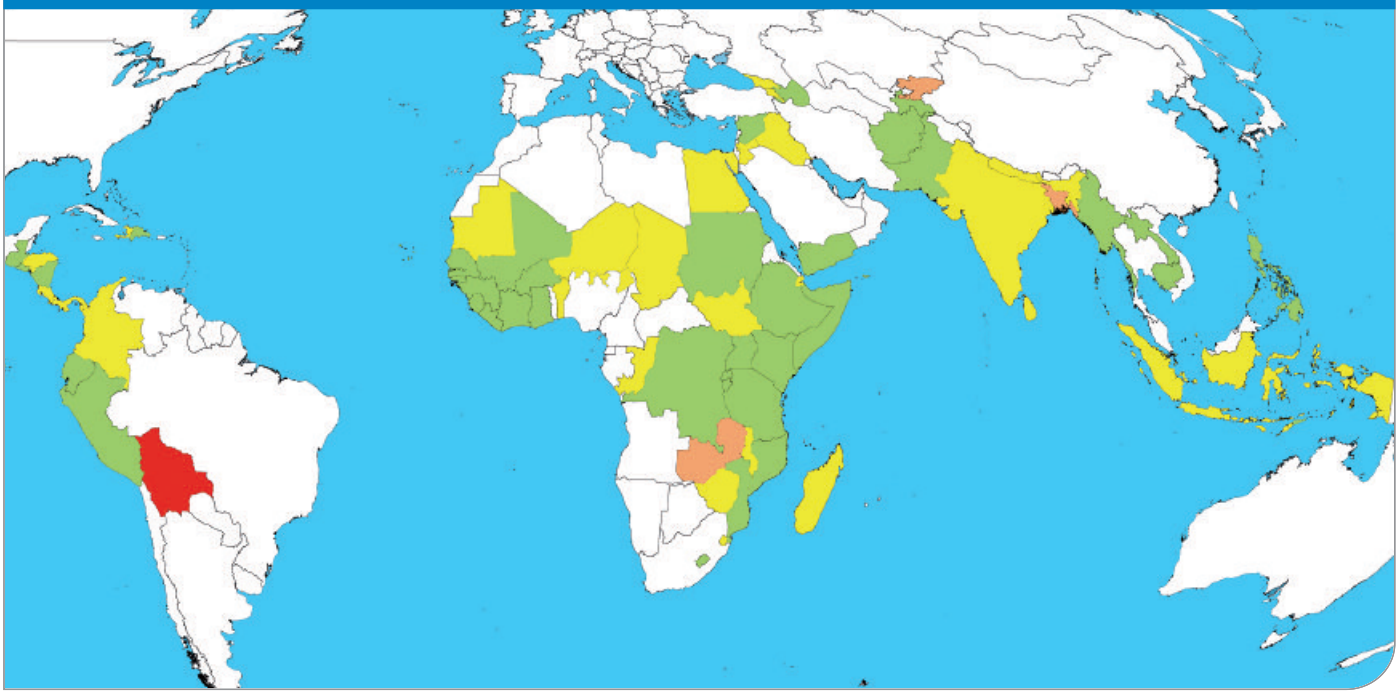
Impact Codes

- Low (< 0%)
- Moderate (0-5%)
- High (5-10%)
- Severe (> 10%)
- Monitored but without baseline

Q2-2013 (April to June) vs. **Q2-Baseline** (Average April to June 2008-2012)



Q2-2013 (April to June) vs. **Q1-2013** (January to March)



Note: *The map at the top is based on the table on pages 11-15 (Column L). The map at the bottom is based on the table on pages 12-15 (Column K).*

Map produced by: VAM - Food Security Analysis (OSZAF).
Source: WFP; Base Map: UNCS.

Special Focus: Egypt

How are people's lives affected by political transition?

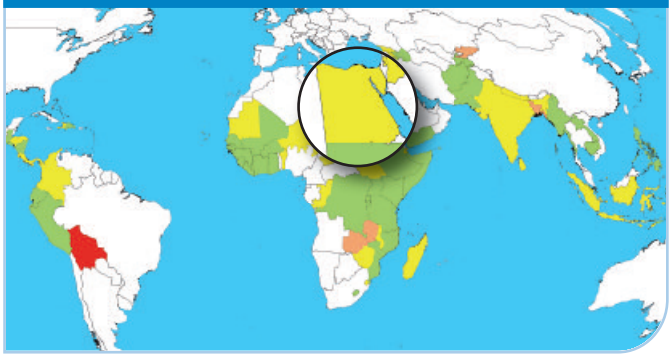
- Since January 2011, macro-economic instability is being fuelled by a volatile socio-political situation in Egypt.
- Rising unemployment and poverty are worsening food insecurity at a time when the subsidy system is under pressure.

A sluggish macroeconomic performance along with political instability

Since the beginning of 2011, Egypt is facing political instability. President Mubarak stepped down in February 2011 after massive demonstrations. A new constitution was drafted and President Morsi was elected in June 2012. Continued economic disruption and civil unrest led to another regime change on July 3, 2013.

The overall economic situation is undermined by poorly performing macro-economic indicators. Real GDP growth is forecasted to remain low at 2.2% in 2013, similar to the previous three years[3]. Current fiscal deficit is estimated at 11.8%, up from 8.8% in 2011/12[4]. Public debt is projected to reach 92% of GDP, an increase of 11.9% from 2010[5]. The balance of trade has been deteriorating since 2003/04, with a deficit of USD 31.7 billion in 2011/12 (-17% from 2010/11)[6]. Since 2010, foreign-exchange reserves[7] have shrunk severely from USD 32.5 billion to USD 11.2 billion (-65.7%)[8] and net direct investment flows have almost collapsed (-80%)[9].

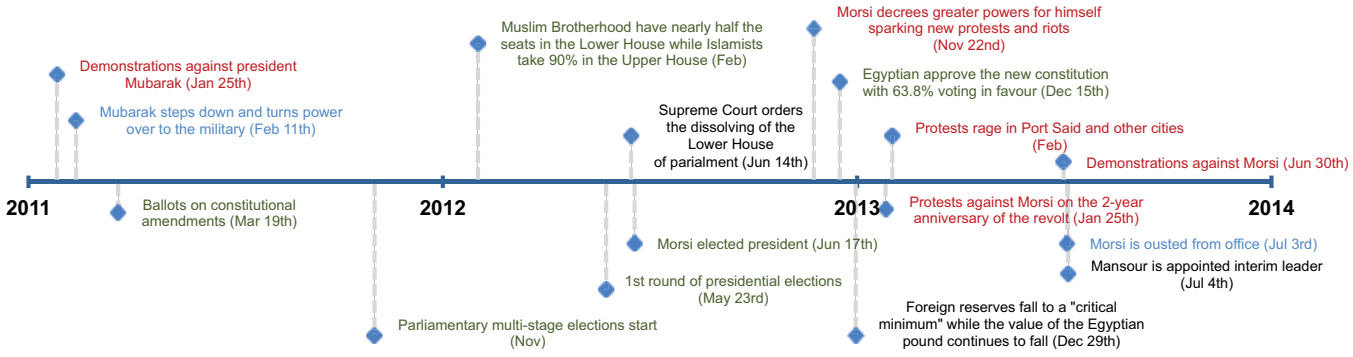
Impact of price changes on Egyptian food basket
(April to June 2013 vs. previous quarter)



Impact Codes

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

Timeline of Egyptian Crisis

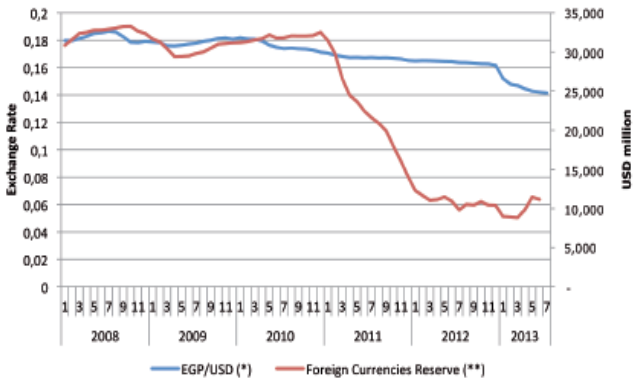


Source: http://news.uk.msn.com/world/egypt-crisis-timeline-of-key-events

3. Economic Intelligence Unit.
4. Egypt Ministry of Finance. Actual budget data for first 11 months, fiscal year July-June.
5. Economic Intelligence Unit.
6. Central Bank of Egypt.
7. Excluding SDR and Gold.
8. *Ibidem*. Comparison period: December 2010-June 2012.
9. Economic Intelligence Unit; based on calendar year.

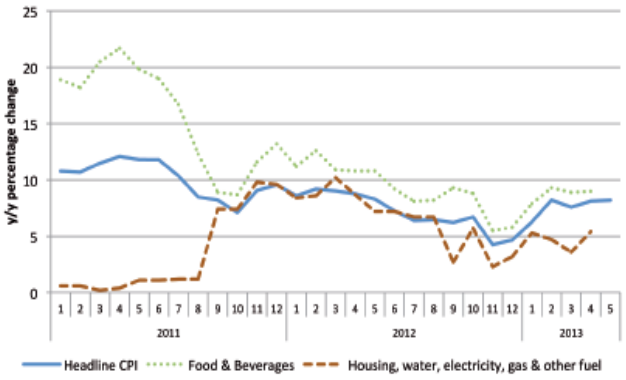
Poor economic performance and plummeting foreign reserves are fuelling the depreciation of the Egyptian Pound and inflation. In January 2013, the exchange rate (against US Dollar) depreciated by 5.9% following the partial foreign currency auction. Comparing the recent exchange rates against the 2008/10 average, the local currency depreciated by 5.6% in February 2011 when the regime changed, and by 20.6% in July 2013, when political uncertainties escalated. Currently, Egypt is undertaking bilateral and multilateral loan negotiations to relieve its tightening foreign reserves. Since last fall, the declining trend of year-on-year inflation has reversed, with both headline and food inflation up above 8% or 9% respectively in April/May 2013.

Exchange Rate and Foreign Reserves



Source: Oanda website (*) and Central Bank of Egypt (**).

Inflation



Source: Central Bank of Egypt.

Drawbacks for food security

The steep decline in foreign reserves by almost 2/3 is a clear indication of a reduced import capacity. Egypt is currently world largest wheat importer, with an estimate of 8.5 billion metric tons, about 6% of world wheat imports in 2012/13[10]. The share of imported wheat is estimated at about 46% of domestic consumption in 2012/13[11]. Wheat supplies mainly the public distribution system to provide subsidized *baladi* bread. The current wheat stock-to-use ratio is almost half the 2011/12 level, down from 36% in 2011/12 to 20% forecasted in 2013/14. Besides food, energy (electricity, gas and fuel) is also subsidised. Energy needs are expected to peak in summer, causing power cuts and fuel shortages at a time of limited import capacity.

The sluggish economic performance has slowed down domestic demand. Both private and public consumption (as a share of GDP) declined by 35% and 26% respectively from 2011. Meanwhile, real wage rates remained almost unchanged during the last two years (-1% in 2011, and +1.8% in 2012)[12].

In the first quarter of 2013, about 3.6 million persons were estimated unemployed (i.e. 13.2% of the labour force), with a higher rate in urban areas (15.7% vs. 11.3% in rural areas). Compared to Q1-2010, there is an additional 1.2 million unemployed. Youth unemployment (15-29 years) is currently at 81.9%[13].

A recent WFP study[14] shows that 25.2% of the population lived below the poverty line in 2011, an increase from 21.6% in 2009. The Egyptian Food Observatory also reports an increasing monthly price burden for basic food commodities since January 2011[15], with close to 77% of the poorest households monitored not having enough income to cover monthly food needs in March 2013.

With a worsening economic situation and continued political uncertainties, poverty and food insecurity are likely to rise further.

10. United States Department of Agriculture, Foreign Agricultural Service.
11. *Ibidem*.
12. Economic Intelligence Unit.
13. Central Agency for Public Mobilization and Statistics.
14. WFP, '*The Status of Poverty and Food Security in Egypt: Analysis and Policy Recommendations*', Preliminary Summary Report, 2013.
15. EFO, Issue no. 11, January-March 2013.

Special Focus: Pakistan

Does macro-economic stability matter for household food security?

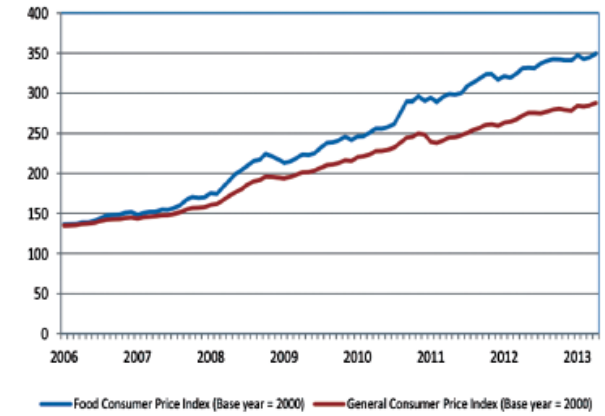
- Several factors are maintaining pressure on food and non-food prices: depreciation of the Pakistani Rupee, deterioration of the trade balance and the widening fiscal deficit, long-lasting effects of floods, and localized droughts.
- Particularly food inflation is deteriorating households' purchasing power and has contributed significantly to food insecurity over the last few years.

Recent inflation is driven by food inflation

Since 2007-08, the consumer price index is led by its food component which represents on average 45% of household expenditure in Pakistan. Price increases of a handful of commodities drive food inflation, namely milk, meat, wheat flour, fresh fruits and fresh vegetables. These commodities account for more than 50% of food inflation since 2007-08. In June 2013, food inflation rose by 8.1% from last year, against 4.4% for non-food inflation[16]. Substantial annual increases were recorded particularly for tomatoes (+125%), onions (+88%), fresh vegetables (+30%) and wheat flour (+20%). Government incentives on procurement prices of wheat, rice, cotton and sugar cane, and transmission effects of high global food prices contributed to this food inflation.

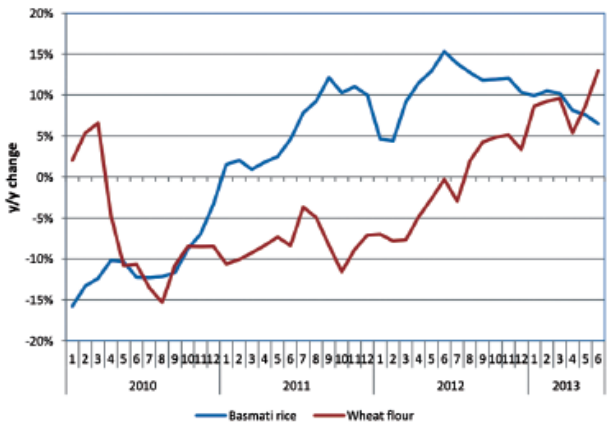
In real terms, both wheat flour and basmati rice prices have increased significantly in recent years. A number of factors have influenced these increases. Despite a slight improvement in wheat production in 2012/13, the estimate of the wheat stock-to-use ratio is 27% lower in 2013/14[17]. In November 2012, the government increased the wheat procurement price by 14.3%. High fuel prices and energy shortages have also contributed to food price increases. The increase in the real price of basmati rice is due to a significant drop in rice production (-27%) caused by the severe flood that hit Pakistan in 2010. In July 2013 the real price of wheat flour was 15% higher than in July 2012. While the July 2013 real price of basmati rice is 7.5% higher compared to July 2012, the year-on-year price differences have been narrowing since mid-2012.

Consumer price indices (general and food CPI)



Source: FAOSTAT

Changes in real price of wheat flour and basmati rice (y/y in %)



Source: WFP

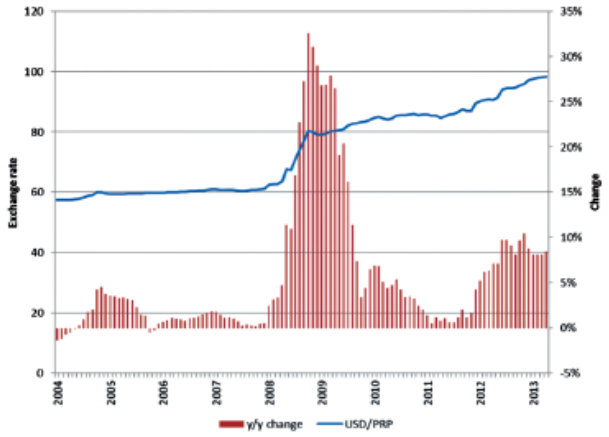
16. Pakistan Bureau of Statistics, Monthly review on price indices, June 2013.
17. United States Department of Agriculture, Foreign Agricultural Service.

Overall inflation is also caused by macro-economic imbalances

There is a non-food dimension to general inflation, which is caused by macro-economic imbalances. For the last three years, the fiscal deficit stood at 6% of the GDP. Both a substantial increase in government subsidies for food production, as well as increased government expenditures on security contributed significantly to the high fiscal deficits. The government's overall import capacity is weakened by a sharp decline in foreign exchange reserves. During the last decade (2002-2012), the terms of trade between exports and imports deteriorated by 44%, reflecting a major deterioration of the trade balance. As of May 2013, foreign reserves stood at USD 11.5 billion, following two consecutive years of substantial reduction (-24.9% from 2011-12, and -37.1% from 2010-11)[18]. The current level of foreign reserves is just over two months of imports[19]. Since April 2008, the Pakistani Rupee has depreciated by 54.7% against the US Dollar.

With the steep currency depreciation, imported inflation is transmitted to the economy mainly through fuel products and construction materials. Fuel represents about 40% of total import values in Pakistan. Compared to July 2012, prices of fuel products have increased significantly (petrol, +20.7%; kerosene, +13.3%, and diesel, +10.4%). In July 2013, cement price also increased by 13.1%, compared to July 2012[20].

Evolution of the exchange rate (USD/PRP)

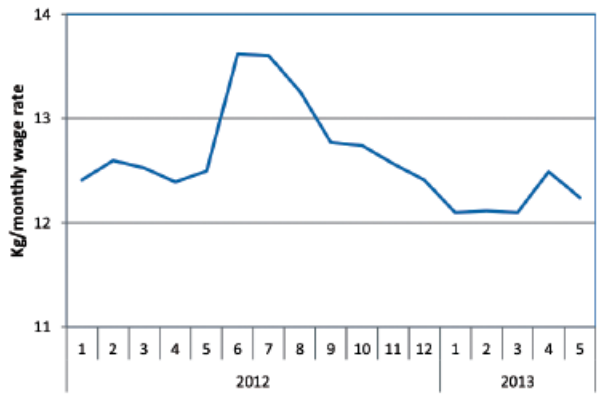


Source: State Bank of Pakistan

Impact on household food security

Over the last few years, adverse economic and climatic conditions (floods and localized droughts) have been deteriorating household food security. Recent studies show an increase in food insecurity in Pakistan. A 2011 National Nutrition Survey[21] found that 58% of Pakistani households were food insecure, whereas a 2009 study on food security reported 49% of the population as food insecure[22]. More recently, a WFP study conducted in eleven districts[23] estimated the proportion of households with deficient caloric intake at 54%.

Terms of trade (kg wheat flour/ monthly casual labour wage rate)



Source: WFP

The worsening of the food security situation is also reflected in the deterioration of households' purchasing power. The increase of the casual labour wage rate has not compensated price increases of cereals during the last twelve months. Compared to a year ago, the wage rate has increased by 10% while the real price of wheat flour (the main caloric contributor) has gone up by 15% in July 2013.

The government is taking actions to mitigate the hardship faced by households. In early July, Pakistan and the IMF reached a staff-level agreement on a bailout package to improve medium-term growth, help restore fiscal stability and rebalance public finances and the trade account. The government has decided to enforce price controls on essential commodities by law. These efforts are expected to lead to higher growth, create jobs and reduce inflation.

18. State Bank of Pakistan.
19. Economic Intelligence Unit, July 2013.
20. Pakistan Bureau of Statistics.
21. Agha Khan University and Ministry of Health '*National Nutrition Survey 2011*'.
22. Food Insecurity in Pakistan, WFP, SDPI and SDC, 2009.
23. WFP, '*The Feasibility of Using Cash and Voucher Assistance to Support Household Food Security, A Study in Eleven districts of Sindh, Balochistan and KPK Provinces of Pakistan*', June 2013, draft.

Consumer Price Index and Fuel Prices

Region	Country	Monthly and Yearly Changes in Q2 2013 (*=June, **=May, ***=April)							
		Month-on-Month				Year-on-Year			
		General CPI	Food CPI	Gasoline	Diesel	General CPI	Food CPI	Gasoline	Diesel
Latin America and Caribbean	Bolivia	0,31% *	0,32% *			4,81% *	4,97% *		
	Colombia	0,23% *	0,50% *	0,28% *	0,21% *	2,16% *	1,34% *		
	Costa Rica	0,02% *	-6,00% **			5,14% *	3,32% **		
	Dominican Republic	-0,19% **	-0,81% **	0,00% *		4,94% **	6,00% **	9,96% *	
	Ecuador	-0,14% *	-0,64% *			2,68% *	1,67% *		
	El Salvador	-0,15% **				0,15% **			
	Guatemala	0,62% *	0,31% **	0,31% **	-2,55% **	4,79% *	-6,52% **	-6,52% **	-7,84% **
	Haiti	0,34% ***							
	Honduras	0,43% *	0,68% *	0,85% *		5,26% *	5,59% *	2,15% *	
	Nicaragua	0,18% *	1,56% **			8,29% *	10,61% **		
	Panama	0,50% *	0,60% *	-0,10% *		4,10% *	6,10% *	3,80% *	
	Peru	0,24% *	0,27% *	0,32% *		2,68% *	3,79% *	4,16% *	
Southern Africa	Lesotho	-0,10% **	0,30% **			4,60% **	6,10% **		
	Madagascar	0,20% **	0,00% **			5,20% **	3,30% **		
	Malawi	-3,10% *	0,49% *	2,00% **	3,00% **	27,90% *			
	Namibia	-0,20% *	-0,50% *			6,20% *	7,53% *		
	Tanzania	-0,50% *	-0,70% *			7,60% *	7,60% *		
	Zambia	0,40% *	0,40% *		0,22% *	7,30% *	7,10% *		
	Zimbabwe	-0,13% *		7,50% **	5,60% **	1,87% *	3,54% *		
Central and Eastern Africa	Ethiopia	0,70% *	0,33% *			7,40% *	3,62% *		
	Kenya	0,05% *	0,18% *	-3,40% *	-1,13% *	4,91% *	6,50% *	-5,99% *	-5,53% *
	Rwanda	-0,41% *	-0,45% *			4,33% *	5,96% *		
	South Sudan	-0,40% *	2,20% *			-11,10% *	-15,50% *		
	Uganda	-0,70% *	-2,57% *			3,40% *	-1,39% *		
West Africa	Benin		1,40% ***						
	Burkina Faso	0,09% **	1,50% **			1,03% **	2,30% **		
	Cape Verde	0,00% **	0,00% *			1,50% **	0,58% **		
	Côte d'Ivoire	-0,27% **	-1,00% **			3,50% **	3,00% **		
	Ghana	2,60% *	2,00% *			11,40% *	6,30% *		
	Mali	0,60% *	0,90% *	0,00% *		-1,30% *	-5,40% *	5,70% *	
	Mauritania	0,30% **				3,46% **	3,40% **		
	Niger	1,60% *	3,40% *			2,50% *	4,00% *		
	Nigeria	0,55% *	0,68% *			8,59% *	9,53% *		
	Senegal	-0,49% *	-1,30% *			0,69% *	-1,40% *		
	Sierra Leone	0,53% **	0,15% **			10,86% **	11,80% **		
Middle East, North Africa and Central Asia	Armenia	-0,10% *	-0,20% *			6,50% *	2,05% *		
	Egypt	0,90% *	2,04% *			9,77% *	12,65% *		
	Georgia	-0,60% *	-1,80% *			0,54% *	1,80% *		
	Iraq	-1,32% **	-4,63% **				-2,99% **		
	Jordan	0,75% *	0,58% *			5,84% *	4,43% *		
	Kyrgyz Republic	-0,20% *	-0,60% *		-0,94% *	0,50% *	1,01% *		
	Palestine, State of	0,37% *	-0,51% *			2,70% *	2,08% *		
	Syria				97,84% **				
	Tajikistan	-0,09% **	0,10% **	0,41% **		-0,29% **	-0,69% **	0,20% **	
	Yemen		1,05% ***	-7,41% *	0,33% *				
Asia	Afghanistan	-0,34% **	-0,95% **	-0,97% *		6,86% **		2,39% *	
	Bangladesh	0,62% *	0,95% *			8,05% *	8,27% *		
	Cambodia	0,72% **	-1,00% *	2,84% **	3,92% **	2,86% **	4,96% **	-0,15% **	
	India	1,70% *	2,36% *			9,77% *	11,72% *		
	Indonesia	1,03% *	1,17% *			5,89% *	11,11% **		
	Lao PDR	0,57% **	2,27% **			5,65% **	12,99% **		
	Nepal	0,88% *	1,83% *	0,00% *	0,00% *	9,64% *	7,75% *	2,50% *	6,45% *
	Pakistan	0,70% *	1,05% *	2,68% *	-0,92% *	5,90% *	8,05% *	5,81% *	2,35% *
	Philippines	0,60% *	0,42% *			2,77% *	2,37% *		
	Sri Lanka	1,50% *	3,20% *			6,80% *	7,30% *		
	Timor-Leste	0,30% **	0,60% **						

Magnitude of quarterly price changes and their impacts on the cost of the food basket, by country and commodity

Change	Price trend	Impact
< 0%	Decreasing	Low
0-5%	Stable	Moderate
5-10%	Slightly increasing	High
> 10%	Increasing	Severe

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 baseline (% change)	Price trend of commodity	Cumulative impact of changes on cost of food basket		# of years in baseline (2008-2012) [* see footnote]
										from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M
Latin America and Caribbean	Bolivia	Wheat Flour	19	+12	+3	+35	+21	+16	→	+12	+8	5
		Rice	14	+33	+43	+46	+48	+16	↑			5
		Maize	13	+28	+43	+42	+46	+20	↑			5
	Colombia	Rice	12	+3	N/A	-15	-12	N/A	→	+1	-1	*
		Wheat Flour	8	+1	+1	-2	+2	-17	→			5
		Plantains	5	+14	N/A	+7	-9	N/A	↑			*
	Costa Rica	Rice	17	+2	+1	+4	+2	+28	→	0	+5	5
		Wheat Flour	10	-4	-5	+2	+3	+6	↓			5
	Dominican Republic	Rice	17	-2	-4	-6	-5	-10	↓	-1	-1	5
		Meat (Chicken)	5	+1	+1	-4	0	+7	→			5
	Ecuador	Rice	19	0	-2	+6	+6	+17	↓	-2	+5	5
		Wheat Flour	13	0	-9	+8	+3	+10	↓			4
	El Salvador	Maize	25	+7	-5	-11	-17	-21	↓	-2	-7	5
		Wheat Flour	9	0	-5	+43	+43	+11	↓			5
		Beans (Red)	6	-5	-8	-41	-42	-51	↓			5
		Sorghum	6	+11	+3	-7	-7	-2	→			5
	Guatemala	Tortilla (Maize)	36	+1	-2	+5	+5	+35	↓	-2	+17	5
		Sugar	14	0	-6	-1	-1	+16	↓			4
		Bread	11	+1	-2	+5	+6	+22	↓			5
	Haiti	Rice	23	+2	+9	+20	+14	+11	↗	+3	+6	5
		Wheat Flour	12	+5	+4	+16	+7	+10	→			5
		Maize	9	+13	+7	+37	+36	+22	↗			5
	Honduras	Maize	26	+13	+1	+24	+30	+7	→	0	-1	5
		Beans (Red)	5	+7	+3	-31	-29	-47	→			5
		Rice	5	-1	0	+6	+6	-2	→			5
	Nicaragua	Rice	17	0	N/A	N/A	N/A	N/A	→	-1	N/A	*
		Beans (Red)	7	-14	N/A	N/A	N/A	N/A	↓			*
	Panama	Rice	24	0	0	+2	+1	+8	→	0	+3	5
		Maize	7	-3	-2	-9	-7	+17	↓			5
	Peru	Rice	21	0	-3	0	-1	-2	↓	-2	+1	5
		Wheat Flour	14	0	-1	+2	+3	+5	↓			5
		Potatoes	8	-4	-2	+2	-1	+12	↓			5
		Sugar	8	-7	-10	-25	-23	-8	↓			5

(*) Calculations based on nominal prices. For details, see 'Approach' on page 16.

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 baseline (% change)	Price trend of commodity	Cumulative impact of changes on cost of food basket		# of years in baseline (2008-2012) [* see footnote]
										from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M
Southern Africa	Congo	Cassava	32	0	N/A	N/A	N/A	N/A	→	0	N/A	*
		Wheat Flour	18	0	N/A	N/A	N/A	N/A	→			*
		Oil	11	+1	N/A	N/A	N/A	N/A	→			*
		Rice	6	-4	N/A	N/A	N/A	N/A	↓			*
	Congo (DR)	Cassava Flour	53	-13	-15	-3	-9	-8	↓	-12	-6	4
		Maize Meal	14	-21	-25	-25	-24	-13	↓			4
		Oil	5	-12	-16	-27	-24	-4	↓			4
	Lesotho	Maize Meal	56	+1	-2	+7	+7	+25	↓	-1	+16	3
		Wheat Flour	14	+2	+2	+8	+8	+12	→			3
	Madagascar	Rice	49	-2	+5	+7	+7	+7	↗	+2	+3	5
	Malawi	Maize	53	-17	+7	+83	+119	+162	↗	+4	+86	5
		Cassava Root	6	+7	N/A	+99	+86	N/A	↗			*
	Mozambique	Cassava	32	-9	-16	+16	+15	+30	↓	-5	+17	3
		Maize Grain	20	-25	+1	+15	+27	+33	→			5
		Wheat Flour	9	+4	N/A	+5	+7	-4	→			*
		Rice	8	-2	-3	+2	+2	+13	↓			5
	Swaziland	Maize Meal	25	+1	+6	-1	0	+85	↗	+3	+25	4
		Wheat Flour	16	0	N/A	+16	+17	N/A	→			*
		Sugar	11	+6	N/A	+13	+14	N/A	↗			*
		Rice	8	+3	+7	-3	-4	+50	↗			4
	Tanzania	Maize	26	-24	-20	-6	+13	+51	↓	-7	+15	5
		Rice	10	-20	-20	-21	-22	+21	↓			5
	Zambia	Maize (White)	51	-3	+14	+31	+39	+26	↑	+9	+13	5
		Cassava Flour	13	+13	N/A	-13	-7	N/A	↑			*
	Zimbabwe	Maize Grain	41	-6	+8	N/A	N/A	+29	↗	+3	+12	2
Central and Eastern Africa	Burundi	Sweet Potatoes	17	-9	-17	-22	-26	0	↓	-2	+14	5
		Beans	16	+15	+12	+30	+30	+44	↑			5
		Cassava Flour	13	+1	-1	-5	-3	+17	↓			5
		Maize Grain	13	-13	-4	-2	+3	+40	↓			5
	Djibouti	Wheat Flour	34	+5	+5	+11	+8	+9	↗	0	+3	5
		Sugar	11	-10	N/A	-17	-15	N/A	↓			*
		Oil	10	-7	N/A	-7	-8	N/A	↓			*
	Ethiopia	Maize	21	+7	-10	+3	+4	+35	↓	-4	+16	5
		Sorghum	12	+8	-8	+18	+16	+47	↓			5
		Wheat Grain	12	+6	-9	+1	-1	+29	↓			5
	Kenya	Maize	35	0	-7	+5	+8	+46	↓	-4	+21	5
		Bread	9	-1	-4	-2	-6	+18	↓			5
		Milk	7	-11	-14	-3	-11	+27	↓			5
		Oil	6	-4	-5	-5	-3	+23	↓			5
	Rwanda	Potatoes	12	+16	-3	+18	-7	+32	↓	-3	+18	5
		Beans	11	+22	+11	+32	+14	+32	↑			5
		Cassava Flour	11	+5	0	+21	+16	+32	→			5
		Sweet Potatoes	11	-4	-8	+13	+21	+49	↓			5
		Sorghum	8	-16	-27	-31	-33	+7	↓			5
		Maize Meal	5	-3	-11	-4	+6	+27	↓			5
	Somalia	Sorghum	29	-3	N/A	-9	-9	N/A	↓	-1	N/A	*
		Rice (Imported)	9	-1	N/A	-11	-10	N/A	↓			*
	South Sudan	Sorghum	26	+2	N/A	-4	-18	N/A	→	+1	N/A	*
	Uganda	Cassava Flour	13	-16	-20	+8	+7	+16	↓	-4	+4	3
		Maize Meal	9	-2	-16	-12	-10	+11	↓			3
		Beans	5	+8	N/A	-8	-5	-1	↗			*
		Millet	5	0	N/A	-14	-5	+10	→			*

(*) Calculations based on nominal prices. For details, see 'Approach' on page 16.

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 baseline (% change)	Price trend of commodity	Cumulative impact of changes on cost of food basket		# of years in baseline (2008-2012) [* see footnote]
										from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M
West Africa	Benin	Maize	19	+19	+5	+18	+19	+14	↗	+3	+10	5
		Cassava	16	+14	+14	+34	+32	+34	↑			5
		Rice (Imported)	13	0	-1	0	0	+10	↓			5
		Sorghum	5	+4	-5	+4	0	+12	↓			5
	Burkina Faso	Sorghum	26	+3	-4	-17	-18	+14	↓	-3	+9	5
		Millet	22	+3	-5	-16	-19	+19	↓			5
		Maize	16	+2	-4	-16	-16	+9	↓			5
	Cape Verde	Rice	19	-3	-5	-3	-3	+10	↓	-1	+3	5
		Wheat Flour	13	+1	-1	+5	+7	+7	↓			5
	Chad	Sorghum	18	-4	N/A	N/A	N/A	N/A	↓	0	N/A	*
		Millet	15	+4	N/A	N/A	N/A	N/A	→			*
		Maize	5	+3	N/A	N/A	N/A	N/A	→			*
	Côte d'Ivoire	Rice (Imported)	20	0	-1	-15	-13	-3	↓	-3	+8	5
		Yam	20	-7	-19	+13	+20	+50	↓			5
		Cassava	12	-2	+13	-11	-9	-19	↑			5
		Oil	9	-9	-7	-1	-2	+6	↓			2
	Gambia	Rice (Imported)	21	+2	+4	+15	+13	+26	→	-3	+9	5
		Millet	19	-18	-18	+22	+15	+16	↓			5
	Ghana	Cassava	21	+5	-10	+41	+58	+133	↓	-9	+51	5
		Maize	21	-3	-19	-34	-31	+8	↓			5
		Yam	11	+13	-11	-3	+18	+71	↓			5
		Plantains	10	+28	-15	+28	+26	+99	↓			5
		Rice	8	+5	-1	+11	+12	+44	↓			5
	Guinea	Rice	37	+15	-8	-2	-5	+18	↓	-4	+8	5
		Oil	6	-3	-12	+8	+2	+18	↓			3
	Guinea Bissau	Rice (Imported)	35	0	-8	+20	+27	+45	↓	-3	+17	5
		Millet	8	+6	-3	0	-15	+7	↓			5
		Sugar	5	0	-4	0	+1	+11	↓			5
	Liberia	Rice (Imported)	32	-6	N/A	-9	-13	N/A	↓	-5	+3	*
		Cassava	21	-2	N/A	-3	-8	N/A	↓			*
		Oil	15	-21	-20	+3	-1	+23	↓			4
	Mali	Rice	21	0	-5	-12	-15	+2	↓	-4	+5	5
		Millet	20	-2	-8	-23	-25	+18	↓			5
		Sorghum	13	+2	-5	-29	-30	+9	↓			5
		Maize	9	0	-5	-26	-26	+3	↓			5
	Mauritania	Wheat	30	+5	+6	+3	0	+21	↗	+2	+12	5
		Sugar	12	-1	+2	-6	-10	+15	→			5
		Rice (Imported)	11	0	-3	+5	+13	+20	↓			5
		Oil	7	0	-5	-6	-9	+9	↓			5
		Sorghum	7	+11	+16	-5	-16	+10	↑			5
	Niger	Millet	39	+12	0	-1	+4	+35	→	0	+17	4
		Sorghum	11	+13	+2	+4	+7	+30	→			4
		Rice (Imported)	7	0	-3	-2	-2	+5	↓			4
	North Nigeria	Sorghum	13	+10	-1	+5	+12	+22	↓	0	+8	3
		Millet	11	+13	+2	+6	+11	+32	→			3
		Maize	8	+10	0	+7	+10	+16	→			3
	Senegal	Rice (Imported)	30	-5	-2	-8	-9	-6	↓	-1	+2	5
		Maize (Imported)	10	0	-3	0	+2	+20	↓			5
		Millet	8	+6	0	+5	+11	+18	→			5
	Sierra Leone	Rice (Imported)	40	-8	-14	-12	-10	+1	↓	-7	+9	4
		Cassava Flour	9	+3	-15	-19	-13	+38	↓			4
		Oil	9	N/A	N/A	+2	+11	+28	N/A			*
		Peanuts	6	N/A	N/A	-8	-2	+47	N/A			*

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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 baseline (% change)	Price trend of commodity	Cumulative impact of changes on cost of food basket		# of years in baseline (2008-2012) [* see footnote]
										from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M
Middle East, North African and Central Asia	Armenia	Wheat Flour	40	+4	N/A	+23	+25	+19	→	+2	+8	*
		Milk	8	+4	N/A	+8	+1	N/A	→			*
		Sugar	8	-1	N/A	-7	-7	N/A	↓			*
		Potatoes	5	-3	N/A	+6	-37	N/A	↓			*
	Azerbaijan	Wheat Flour	57	+2	-2	+6	+5	+16	↓	-1	+8	5
		Potatoes	6	+8	+5	-3	-4	-16	↗			5
	Egypt	Wheat Flour	35	+4	+9	+2	+9	+19	↗	+3	+7	2
		Sugar	7	-1	+2	-15	-8	-1	→			2
	Georgia	Wheat Flour	41	+2	0	+3	+8	+9	→	0	+7	5
		Milk	10	-7	-2	+43	+34	+33	↓			5
	Iraq	Wheat Flour	25	-2	N/A	-1	-1	N/A	↓	0	N/A	*
		Bread	8	+4	N/A	+7	+7	N/A	→			*
		Rice	8	+2	N/A	+8	+6	N/A	→			*
	Jordan	Bread	38	0	0	+3	+3	+3	→	0	+3	2
		Sugar	15	-1	N/A	N/A	N/A	N/A	↓			*
		Rice	8	+1	+3	+36	+36	+23	→			2
	Kyrgyz Republic	Wheat	40	+6	+6	+27	+25	+26	↗	+5	+15	2
		Milk	12	-14	-2	+2	-5	+5	↓			2
		Sugar	9	+1	+3	-12	-10	-8	→			2
		Potatoes	8	+20	+34	+60	+74	+63	↑			2
	Palestine, State of	Wheat Flour	40	-1	0	+15	+16	+11	→	+1	+1	4
		Sugar	10	-5	N/A	-22	-17	-16	↓			*
		Rice (Imported)	7	-1	+4	-10	-9	-21	→			4
		Oil	5	-2	+15	-2	-2	+1	↑			4
	Sudan	Sorghum	26	+5	-11	-13	-2	+75	↓	-2	+34	5
		Wheat	15	+11	+11	+26	+26	+67	↑			5
		Millet	7	+2	-11	-11	-3	+67	↓			5
	Syria	Wheat Flour	39	-7	N/A	+103	+109	+154	↓	-2	+67	*
		Sugar	13	+5	N/A	+42	+37	+57	↗			*
	Tajikistan	Wheat Flour	54	-1	-4	+33	+32	+37	↓	-4	+23	5
		Sugar	7	+1	-2	-10	-9	+18	↓			5
		Oil	6	-6	-9	-13	-12	+5	↓			5
		Maize	5	0	-14	-9	-8	+22	↓			5
	Yemen	Wheat Grain	38	-6	-15	-1	-12	-15	↓	-8	-6	4
		Sugar	12	-6	N/A	-17	-15	N/A	↓			*
		Oil	8	-11	N/A	-6	-19	N/A	↓			*
		Rice (Imported)	6	-16	N/A	-10	-24	N/A	↓			*

(*) Calculations based on nominal prices. For details, see 'Approach' on page 16.

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 baseline (% change)	Price trend of commodity	Cumulative impact of changes on cost of food basket		# of years in baseline (2008-2012) [* see footnote]
										from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M
Asia	Afghanistan	Wheat	58	0	-8	+18	+18	+5	↓	-6	+11	5
		Rice	22	-3	-6	+36	+36	+37	↓			5
	Bangladesh	Rice	70	+4	+9	+10	+9	+6	↗	+7	+5	5
		Wheat Flour	6	+4	+7	+13	+9	+19	↗			5
	Cambodia	Rice	65	+2	-4	+5	0	+2	↓	-3	+1	5
	India	Rice	31	+2	0	+20	+20	+38	→	0	+21	5
		Wheat	22	-1	+2	+20	+22	+30	→			5
		Sugar	7	-3	-6	+9	+10	+31	↓			5
	Indonesia	Rice	50	-1	0	+4	+4	+35	→	0	+20	5
		Sugar	6	0	-1	+5	+8	+32	↓			5
		Wheat	6	0	0	0	0	+2	→			5
	Lao PDR	Rice	64	+1	-2	-18	-11	-11	↓	-1	-7	3
	Myanmar	Rice	55	-2	-5	-15	-6	-2	↓	-3	-1	5
	Nepal	Rice	32	+3	N/A	N/A	N/A	N/A	→	0	+3	*
		Wheat	15	-1	-4	+10	+15	+21	↓			5
	Pakistan	Wheat Flour	37	-3	-7	+14	+13	+27	↓	-3	+13	5
		Sugar	11	0	N/A	N/A	N/A	N/A	→			*
		Oil	6	0	N/A	N/A	N/A	N/A	→			*
		Rice	6	+3	-4	+13	+12	+44	↓			5
	Philippines	Rice	48	0	-1	-2	-2	+2	↓	-1	+2	3
		Meat (Pork)	7	+2	-1	+8	+7	+9	↓			5
	Sri Lanka	Rice	41	-2	+2	+2	+3	-6	→	+1	+2	5
		Wheat Flour	14	0	-2	+11	+16	+30	↓			5
	Timor-Leste	Rice (Imported)	32	-10	N/A	+2	+4	N/A	↓	-9	N/A	*
		Maize Grain	26	-21	N/A	-15	-1	N/A	↓			*
		Cassava Root	5	-9	N/A	+7	+7	N/A	↓			*

(*) Calculations based on nominal prices. For details, see 'Approach' on page 16.



Approach

This bulletin provides information on price changes for staple food items and their impact on the cost of the basic food basket. For the most vulnerable population groups in developing countries, food expenditures represent generally more than 50% of total household expenditures, and staples contribute 40-80% of energy intake. Therefore, any change in staple food prices has a high impact on overall food consumption, especially when the food basket is composed of very few food items. In other words, households with diverse calorie sources are likely to be less affected by price rises than households with limited calorie sources, unless significant price increases are witnessed for each major caloric contributor of the food basket. Column D displays the **contribution of each food item to households' total energy intake.**

The analysis is based on quarterly price indices[24] of the main food items (contributing to minimum 5% of caloric intake according to FAO's country-specific Food Consumption Patterns[25]):

i) **"Change from last quarter"** (column E) is calculated as a percentage change of quarterly averaged nominal prices from the previous quarter.

ii) **"Seasonally adjusted quarterly change"** (column F) is calculated as a percentage change of quarterly averaged real prices from the previous quarter. Real prices are calculated by dividing each monthly nominal price by its corresponding baseline average price* (a.k.a. long-term seasonal averages).

iii) **"Monthly change from last year"** (column G) is calculated as a percentage change of the latest available monthly nominal price of the quarter from the same month in the previous year.

iv) **"Quarterly change from last year"** (column H) is calculated as a percentage change of the quarterly averaged nominal prices.

v) **"Quarterly price change from baseline"** (column I) is calculated as the quarterly average of the three relevant months' percentage changes from their corresponding baseline average prices*. This estimate indicates whether there is a structural shift of the current price from its long-term seasonal pattern[26].

* To take into account the new situation of global structural changes resulting in volatile food prices, the baseline period has been changed (as of Q2-2013) to a moving period covering the previous 5 years of the same quarter (e.g. Q2-2008 to Q2-2012). However, available data for the baseline period does not always cover the whole 5-year baseline period. Indicators depending on the baseline prices (columns F & I) are only calculated if at least 2 years of relevant data is available (see column M).

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 relevant reference period (i.e. the previous quarter, the preceding year, or the baseline period).

Assuming that the caloric contribution is a proxy of the relative importance of the food item in the food basket[27], the **"cumulative impact of the quarter"** (column K) and the **"cumulative impact since baseline"** (column L) present the partial change of the cost of the food basket since, respectively, the previous quarter or the baseline. It is calculated as the sum of each commodity's price change (column E or F) multiplied by its caloric contribution (column D). The likely impact is considered low when it is below 0, moderate when it is between 0 and 5%, high between 5 and 10%, and severe above 10%.

While this approach can help gauge how vulnerable households are likely affected by food price changes, results should be interpreted with caution as they do not capture the impact of the long-term trend in food prices. Furthermore, the approach uses a reduced food basket which means that the cumulative impact of the change on the food basket is partial. The impact of the remaining part of the basket will have an additional unmeasured (positive or negative) impact on the total cost. Additionally, it 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; it may differ between and also within households due to different incomes and food baskets according to wealth or livelihoods groups, coping capacity, and intra household distribution.

24. 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.
25. Caloric contributions are based on FAO 2005-2007 estimates.
26. Prices normally vary throughout a year due to seasonal patterns of the production cycle. Accounting for seasonality helps differentiating between normal seasonal price variations and additional changes which can be considered abnormal, depending on the magnitude of those changes.
27. 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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