## Introduction

Food problem tops the list of issues facing all countries—specially developing countries. Successive food crises, motivated concerned parties to examine causes of such crises as well as establishing systems which help projecting any given crises in the future with the objective of evading or mitigating crises occurrence. Therefore, an interest grew for establishing the Egyptian Food Observatory which provides tools for monitoring and evaluating the situation of a list of agricultural crops and main food commodities to the Egyptian citizen. In addition, the Observatory develops early warning tools which project future food crises whether it is triggered locally or consequent to global situation. The series of Observatory publications aim at:

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

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Executive Summary

- During the first nine months of 2011, total cost of the proposed goods basket (annex 1) amounted to L.E 4092.3, with a monthly average of L.E 454.7.
- Prices of a number of food commodities explicitly vary between urban and rural areas of some governorates, mainly: Giza, Gharbiya, Qena and Ismailia.
- Examining global prices, validated and successive price increase becomes evident in a number of important commodities including: corn, rise, poultry and potatoes.
- Monthly average spending of the vulnerable households amounted to L.E 623 per month which is L.E 150 per person. This indicates that per capita daily spending come to about L.E 5.
- More than half of the vulnerable households (58%) depend on other sources of income in addition to their current job. The sources mainly include assistances and philanthropy aid.
- The income of 78.9% of the vulnerable households does not cover their monthly requirements.
- The vulnerable households resort to borrowing as primary means for covering their monthly needs, and assistances serves as the determinant element for securing food.

- Around 12% of the vulnerable households do not consume subsidized Baladi bread.
- The most frequently consumed commodities by the vulnerable households throughout the month is the group of vegetables, sugar, salt, beans, mixed oil, tea and rice.
- Prices of fruit, vegetables (except egg plant), legumes (except local beans), oil, ghee, butter (except mixed oil) are not adequate to the vulnerable households.
- More than one fifth of the vulnerable households are not ration cards holders.

Needed Actions:

- Revision of policies targeting the poor through ration cards.
- To operationalize the role of Consumer Protection Authority and other monitoring bodies over the markets in order to minimize price distortions.
- To reconsider importing meat from abroad in order to control its prices in local market.
- To reconsider the agricultural policies concerned with the strategic commodities, specially those that are mostly used by the poor, in order to avoid their price increase in the global market and decreased rate of exchange of the Egyptian Pound compared to the US dollar.

The bulletin is concerned with monitoring the cost of buying basket of main food commodities based on the main measuring unit (kilo/liter/box), variation of prices of such commodities between urban and rural areas, and indicators of evaluating the status of vulnerable household in terms of: volume of expenditure, sufficiency of their income, consumption rate of such commodities, perception of price change of commodities in question, and the coping strategies. The bulletin analysis data based on data derived from several sources including: commodities prices data in the urban areas collected by the Field Monitoring Network affiliated with the Information and Decision Support Center, commodities prices data in the rural areas collected through surveying rural markets in the villages of the selected governorates as part of the current cycle, survey data on assessing the status of the vulnerable households that had been conducted in the first week of September on a sample of the vulnerable Egyptian households (total of 540 households distributed as 54 from each governorate). Selected governorates in the survey cycle represent the main regions: urban governorates (Cairo and Suez), Lower Egypt (Kafr el Sheikh, Gharbiyah, and Ismailia), Upper Egypt (Giza, Asuit, and Qena) and Frontier governorates (New Valley and North Sinai).
1.1 Indicator of the Monthly Prices Burden

- By calculating the monthly price burden representing the main measuring unit of the commodities basket subject to measuring, it shows an incremental monthly burden of the basket prices in an ascending successive manner starting from June compared with prices of the first week of January-2011. This is opposite to the fixed position inclined towards decreasing that prevailed during the first five months of the year.

- Prices increased during the last four months by total of 4.1%, where August experienced an increase rate of 2.4% compared with July, followed by 1.1% in September compared with August.

- Overall, the monthly burden of the prices of the commodities basket recorded highest level this year in September when the difference between prices of September and first week of January amounted to L.E 18 in the single basket.

- In addition, a burden increase occurred consequent to the higher price increase in the urban governorates.

- Reviewing macro economic indicators of the prices shows that the inflation general level reached 1.1% in August coupled with successive increases in the Price Index of food and drink to attain a rate of increase amounting to 10.8% during the first eight months of this year.
**1.2 Indicator of the Accumulated Price Burden**

- This section reviews total expenses incurred by the Egyptian household in return for purchasing the basket once a month during the measuring period of nine months.
- Indicator results show that total cost of the food commodities basket subject to measuring during the first nine months of 2011 amounted to L.E 4092.3.
- Comparing the cost of the indicated basket during the nine months and the cost in case it had been fixed at the level of the first week of January-2011, shows that total cost difference amounted to L.E 42. This costed the household an average of L.E 4.7 each time it purchases the basket.

**1.3 Average Commodity Prices in the Regions**

- Shifting from the helicopter view to the micro-level reveals an increase in all commodities of concern during August and September.
- Table (1) also shows that price increase reached peak in the urban governorates.
- Upper Egyptian governorates were most likely to experience price decrease compared to other regions.
- Most of the commodities experienced notable price increase, however, flour prices decreased nationwide, yellow lentil except in urban governorates, rice except in frontier governorates and poultry except in Upper Egypt.
- On the other hand, prices increased in a manner that draws special attention such as: beef in urban governorates and tilapia fish in frontier governorates.
- Results revealed price increase in different regions in the most frequently used group of commodities among low income categories such as: potatoes, onion, tomato, and beans.

**Figure (5)**
Indicator of the accumulated prices burden

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

<table>
<thead>
<tr>
<th>Goods</th>
<th>Urban</th>
<th>Lower</th>
<th>Upper</th>
<th>Frontier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>60.1</td>
<td>58.5</td>
<td>50.1</td>
<td>60.0</td>
</tr>
<tr>
<td>Poultry ¹</td>
<td>15.3</td>
<td>15.4</td>
<td>17.1</td>
<td>17.2</td>
</tr>
<tr>
<td>Tilapia fish</td>
<td>13.3</td>
<td>10.5</td>
<td>13.8</td>
<td>13.3</td>
</tr>
<tr>
<td>Eggplant</td>
<td>2.2</td>
<td>1.8</td>
<td>1.7</td>
<td>3.3</td>
</tr>
<tr>
<td>Potato</td>
<td>3.3</td>
<td>3.3</td>
<td>2.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Onion</td>
<td>2.4</td>
<td>1.8</td>
<td>2.3</td>
<td>2.9</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>2.3</td>
<td>2.4</td>
<td>2.9</td>
<td>4.2</td>
</tr>
<tr>
<td>Local bean ²</td>
<td>8.1</td>
<td>7.9</td>
<td>8.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Yellow lentils ³</td>
<td>11.5</td>
<td>9.6</td>
<td>9.4</td>
<td>9.1</td>
</tr>
<tr>
<td>Flour ²</td>
<td>4.8</td>
<td>4.8</td>
<td>3.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Rice ⁴</td>
<td>5.7</td>
<td>5.1</td>
<td>5.5</td>
<td>5.6</td>
</tr>
<tr>
<td>Macaroni ⁵</td>
<td>5.6</td>
<td>4.9</td>
<td>4.4</td>
<td>2.9</td>
</tr>
<tr>
<td>sugar ⁶</td>
<td>6.5</td>
<td>6.1</td>
<td>6.0</td>
<td>5.9</td>
</tr>
<tr>
<td>Corn oil ⁴</td>
<td>14.1</td>
<td>13.6</td>
<td>13.7</td>
<td>12.7</td>
</tr>
</tbody>
</table>

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

**Source:** Field Monitoring Network, Cabinet-Information and Decision Support Center.
1.4 Price Differences Between Urban and Rural Areas

A comparison had been conducted for prices of food commodities subject to the study between urban and rural areas in the second week of September 2011 in a number of Egyptian governorates where prices of urban and rural areas had been monitored (Giza, Qena, Asuit, Gharbya and Ismailia). A number of observations were revealed involving many inquires related to the role of whole sale dealers and retailers in creating unverified variations of commodities’ prices in the same governorate.

- The price per kilo of local beans is higher in rural areas than urban areas in Giza and Asuit Governorates by L.E 3.5 and L.E 1.0 per kilo respectively. However, its prices in urban and rural areas in other governorates which do not differ much.

- Price of yellow lentil is higher in Giza urban areas than rural areas by L.E 3.5 per kilo, price of black lentil is notably higher in urban areas than rural areas in Ismailia, Gharbya, and Giza. The difference ranges between L.E 3-5 per kilo.

- Rice prices are L.E 1.2 higher in urban areas compared to rural areas in Gharbya.

- Garlic price is notably higher in Ismaillia and Gharbya rural areas compared to urban areas by L.E 7.8 and L.E 5.0 per kilo respectively. Whereas, its price is higher in Giza urban compared to rural areas by L.E 5 per kilo.

- Meat prices clearly vary between urban and rural areas specially in Gharbya and Ismailia where the difference in veal price is L.E 30 and L.E 25, respectively. Also, Giza and Gharbya observe difference in beef prices between urban and rural by L.E 11.3 and 14.3, respectively. However, the pattern changes in Qena Governorate where price of beef per kilo is higher in rural areas compared to urban areas by L.E 8.3 and lamb by L.E 10.

- As for fish prices, no clear difference of prices had been observed between urban and rural areas for tilapia and catfish, whereas Mugil cephalus price is higher in Qena rural areas than urban areas by L.E 8.3 per kilo. In Ismaillia, the situation is opposite whereby prices are higher in urban areas than rural areas by L.E 5.8.

- Poultry prices are higher in urban areas than rural areas in all governorates surveyed in this round.
2.1 Global Prices of Selected Food Commodities

- Reviewing global prices that have a direct impact on the Egyptian market either through imports or through the local market approach of coping with global market prices revealed validated and successive price increase of a number of commodities of interest including: corn, rice, poultry and potatoes.

- The validated price increases allow us to project the potential impact on imports of the said commodities in future contracts.
- Other commodities including: wheat, beef and garlic demonstrated notable price decrease.
- Beef price decrease raises a question about refraining from expanding on importation in order to control the prices of local market which is suffering from high prices of meat.

2.2 Exchange Rate of the Egyptian Pound Compared to the US Dollar

- In addition to the aforementioned concerns regarding price increase of some commodities in the global market, the trend of the Egyptian Pound’s exchange rate versus the US dollars appears to rise steadily, the matter that makes the Egyptian imports add price burden to the Egyptian citizen.
- The Egyptian Pound’s exchange rate versus the US dollar increased by 2.6% during the past nine months.

Figure (6) Global price development of selected food commodities

Figure (7) Development of the Egyptian Pound’s exchange rate versus the US dollar
Two thirds of the sample (64.8%) are in the -30 age group.

Around 22.3% of the total sample (6+ years old) are not enrolled in education, enrollment rates increase concurrently with the young age. This indicates the improved awareness of the Egyptian households regarding education.

Around 26.6% of the total sample (6+ years old) who previously went to school, had dropped out from basic education (before preparatory). Drop out rates concurrently increase with the progress of age. In this regard, drop out rates came to 0.4% among individuals in the age group (6-10) compared with 15.2% among individuals in the age group (11-20) and with individuals in the age group (41-50) which amounted to 58.3%.

Around 37.8% of total heads of households are unemployed.

Around 10.2% work as farmers (not property holders), 9.9% work as janitors, office boys/ carriers/ construction workers.

Around 10.8% of female heads of households are sellers, and around 14.4% of male heads of households are farmers (not property holders).

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

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Age Distribution</th>
<th>Enrollment rate</th>
<th>Drop out rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 and less</td>
<td>25.0</td>
<td>94.8</td>
<td>0.4</td>
</tr>
<tr>
<td>(11-20]</td>
<td>22.9</td>
<td>95.2</td>
<td>15.2</td>
</tr>
<tr>
<td>(21-30]</td>
<td>16.9</td>
<td>85.4</td>
<td>22.5</td>
</tr>
<tr>
<td>(31-40]</td>
<td>13.3</td>
<td>77.9</td>
<td>41.7</td>
</tr>
<tr>
<td>(41-50]</td>
<td>8.9</td>
<td>56.3</td>
<td>58.3</td>
</tr>
<tr>
<td>(51-60]</td>
<td>7.5</td>
<td>38.9</td>
<td>87.3</td>
</tr>
<tr>
<td>(61-70]</td>
<td>4.3</td>
<td>31.7</td>
<td>75.8</td>
</tr>
<tr>
<td>71+</td>
<td>1.2</td>
<td>35.7</td>
<td>80.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>77.7</td>
<td>26.6</td>
</tr>
</tbody>
</table>

1 Enrollment rates had been calculated for individuals who are 6+.
2 Drop out rates had been calculated for individuals who are 6+ and stopped education whereby did not complete preparatory schooling.

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

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

<table>
<thead>
<tr>
<th>Age group</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>20.9</td>
<td>78.5</td>
<td>37.8</td>
</tr>
<tr>
<td>Farmer (not holding property)</td>
<td>14.4</td>
<td>0.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Janitor or office boy</td>
<td>5.0</td>
<td>1.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Carrier</td>
<td>5.3</td>
<td>0.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Construction worker</td>
<td>4.2</td>
<td>0.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Seller</td>
<td>7.6</td>
<td>10.8</td>
<td>8.5</td>
</tr>
<tr>
<td>Truck driver</td>
<td>3.4</td>
<td>0.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Painting worker</td>
<td>3.6</td>
<td>0.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Carriage drier</td>
<td>2.4</td>
<td>0.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Fisher</td>
<td>2.1</td>
<td>0.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Other</td>
<td>31.1</td>
<td>8.8</td>
<td>26.5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, September 2011.
3.2 Income and Expenditure

3.2.1 Expenditure

- Average monthly expenditure of the vulnerable households amounted to L.E 623 reflecting a daily expenditure of L.E 5 per person.

3.2.2 Income and Sufficiency of Income

- Compared to the month prior to the survey, 70.6% of the households reported that their income remained unchanged whereas 15% reported an increase.
- This result explains that many of the sampled households experienced a growing sense of price increase.

- More than half of the sampled households (58%) advised having additional source of income besides their current job.

- Charitable assistance represented one third of the additional sources of income, either from the philanthropy community (16.5%) or from family members (16.3%).
- NGO assistances constituted 13.2% of the households sources of additional income.
- This result highlighted the importance of formal or social philanthropy work in supporting the social solidarity network which secures what the government does not fulfill to poor households in Egypt.

- Results revealed an increased percentage of charitable assistance recipients from the philanthropy community as an additional source of income in the following governorates: Kafrel Sheikh (28.9%), Cairo (21.4%), and Suez (20.6%), while Qena and New Valley Governorates experienced low percentages amounting to 4.8% and 6.9%, respectively.

- Percentage of NGOs assistance recipients was highest in Ismailia Governorate (25.9%) and lowest in Kafrel Sheikh (2.6%) and Giza (2.3%).

Figure (8) Proportionate break down of households by income change compared to one month prior to the survey

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

Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, September 2011.
78.9% of the sampled households advised that their monthly income is insufficient for meeting monthly needs.

Qena Governorate topped the list as the income of 94.4% of the sampled households is insufficient for meeting their monthly needs, followed by Ismailia and Suez (90.7%), then Cairo and Asuit (81.5%).

New Valley recorded the lowest percentage (55.6%).

3.2.3. Coping strategies approaches

Households adopt several coping strategies which provide relevant information about the possibility of securing the minimum needs of food.

Results reveal that 10.4% of the households, of which, monthly income is insufficient for covering monthly needs receive financial or food items assistance from family members.

5.7% of the recipient households benefit from the philanthropy community which provides either food or other forms of assistance.

Borrowing and purchase by credit tops the list by (54.2%) which motivates us, with reservation, to link between this phenomenon and the spread of crime specially those that are not committed by serious criminals.

Borrowing is the most commonly used means for covering monthly needs of the households whose income is insufficient in the following governorates: Ismailia (65.3% of total households whose income is insufficient), North Sinai (59.6%), Suez (49.0%), Asuit (40.9%), Qena (39.2), and Gharbya (38.9%).

Most of the households whose income is insufficient, resort to the rationalization of consumption in the following governorates: Cairo (40.9%), New Valley (40.0%), Kafrel Sheikh (35.0%) and Giza (30.6%).

"Decreasing the normal amount of food" topped the list of the approaches adopted by households for coping with commodities price increase (53.7%), followed by being obliged to purchase the commodity (35.3%). This situation applied to the different commodity groups.

1It includes meat, poultry and fish, vegetable and fruit, legumes, grain, flour and bread, oil, ghee and butter, egg, cheese and dairy products in addition to other commodities.
3.3 Vulnerable Households Consumption of Food Commodities

- It is very important for decision makers, and development or assistance oriented civil society organizations to get acquainted with the consumption pattern of the vulnerable households as they are most probably for the risk of hunger.
- Results that might be summarized from the matrix of consumption pattern reveal that the group including vegetables, sugar, salt, beans, mixed oil, tea, and rice are the commodities most frequently consumed by the majority of the vulnerable households throughout the month.
- Two thirds of the vulnerable households consume yellow lentil, white beans, chick peas, macaroni, fruit, and poultry once per week.

The same group of households rarely purchase meat, fish, sunflower and corn oil.

The vulnerable household try to maintain buying egg, cheese and milk three times per week in order to ensure proper protein consumption. This explains protein replacement by consuming such commodities. However, we still have some reservations on the consumed quantities of those commodities questioning achieving nutritious efficiency that ensures proper growth of the households' members, specially children and adolescents.

12% of the vulnerable households do not consume subsidized Baladi bread, which serves as ground for questioning the beneficiaries of the subsidy allocation.

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

<table>
<thead>
<tr>
<th>Legume</th>
<th>Vegetables &amp; Fruit</th>
<th>Meat, Poultry &amp; Fish</th>
<th>Oils, Margarine &amp; Butter</th>
<th>Grain, Flour &amp; Bread</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Lentil</td>
<td>77.8</td>
<td>97.2</td>
<td>97.6</td>
<td>85.4</td>
</tr>
<tr>
<td>Yerba Lentil</td>
<td>92.4</td>
<td>98.5</td>
<td>37.2</td>
<td>89.0</td>
</tr>
<tr>
<td>Black Lentil</td>
<td>94.3</td>
<td>99.4</td>
<td>97.8</td>
<td>99.2</td>
</tr>
<tr>
<td>White Beans</td>
<td>98.7</td>
<td>99.9</td>
<td>78.0</td>
<td>99.4</td>
</tr>
<tr>
<td>Chick Pea</td>
<td>100</td>
<td>100</td>
<td>83.7</td>
<td>20.4</td>
</tr>
</tbody>
</table>

- **Egg, Cheese, Dairy Products & Other Commodities**

- **Oils, Margarine & Butter**

- **Grain, Flour & Bread**

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

Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, September 2011.
3.4 Realizing the Change of Food Commodities’ Prices

Regarding the households’ realization of changing in prices of the consumed commodities, the vulnerable households have an overall sense of increased prices of most of the food commodities between July and August.

Most of those households (over three quarters) demonstrated recognition of the increased prices of fruit, poultry, potatoes and rice.

Two thirds believe that prices of sugar, dairy products, and eggs rose during the same period.

However, prices of salt, beans, egg plant, tea and mixed oil remained unchanged according to the viewpoint of the vulnerable households.

Urban governorates (Cairo and Suez) ranked as top among the governorates, of which, residences (vulnerable households) recognize price increase of commodities. This is compatible with the measuring aspect included in Section One which showed validated price increase in urban governorates compared to other regions starting from July.

Most of the households have felt the price increase of the poultry in all of the measured governorates except New Valley.

The vulnerable households in the following governorates: Cairo, Suez, Gharbeya, and Giza stand as highest in terms of feeling rice price increase compared with households in other surveyed governorates.

The vulnerable households in Ismailia are the least in terms of feeling fruit price increase compared to households in other governorates.

Figure (13)
Break down of the vulnerable households by their opinion regarding price change of food commodities between July-August 2011

Source: Assessment Survey of the Most Needy Households, Egyptian Food Observatory, September 2011.
Prices of fruit, vegetables (except egg plant, legumes (except beans), oil, ghee and butter (except mixed oil) are inadequate for the vulnerable households.

Prices of rice, sugar and milk are inadequate for more than four fifth of the vulnerable households.

Prices of meat, poultry and fish are inadequate for the majority of the vulnerable households.

Price of tea is adequate for two thirds of the said households.

### Figure (14)

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

**Source:** Assessment Survey of the Most Needy Households, Egyptian Food Observatory, September 2011.
3.6 Ration Cards

- Around 78.1% of the vulnerable households are ration cards holders.
- Around 99.3% of the vulnerable households that own ration cards use it for getting the subsidized ration commodities.
- New Valley Governorate (in the survey sample) is highest in terms of the number of the vulnerable households owning ration cards (98.1% of total sampled households in the governorate), followed by Gharbeya Governorate (96.3%) and Ismailia (87.0%).
- The lowest percentage is found in Cairo Governorate (48.1%).

- Oil is the most ration commodity that covers household needs; whereby 42.7% of the households owning ration cards reported receiving oil quantity that is sufficient to meet its consumption.
- Sugar and rice, on the other hand, are the most ration commodities, of which, quantities are insufficient whereby households are obliged to buy additional quantities from the market.

- There are high percentage of households which receive insufficient sugar quantity from the ration card and are obliged to buy additional quantities in Upper Egypt’s governorates (Qena 95.0% and Asuit 74.4%) compared to other governorates as well as with the overall level.

- Ismailia Governorate experienced the highest percentage of households which receive insufficient quantities of rice on the ration card and are compelled to purchase additional quantities (88.6%).

One fifth of the vulnerable households are not ration cards holders.

Figure (15)
Break down of vulnerable households by owning a ration cards

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

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

Methodology of the Survey on the Vulnerable Households

Every cycle of the survey, targets 10 governorates including two urban, three Lower Egypt and three Upper Egyptian governorates (north and central Upper Egypt) in addition to two border governorates in the Eastern and Western regions. The ten governorates change in each cycle in order to ensure representation of largest possible number of differences nationwide. In each governorate, one urban and one rural areas are targeted except urban governorates where two urban areas are targeted. In addition, informal or poor areas are targeted where the most needy households are identified within each target area.

Second

The Methodology of the Rural Prices Observatory

The Rural Prices Observatory addresses prices of the commodities’ basket according to the weekly market in the villages visited during the cycle of the Survey on the Most Needy Households in all governorates except urban ones.

Third

Methodology of the Indices of Monthly and Cumulative Burdens

Index of the Prices’ Monthly Burden

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

1. Meat, poultry and fish group including a kilo of: beef, veal, lamb, poultry, catfish, and tilapia
2. Vegetables group including a kilo of: egg plant, potatoes, onion, garlic and tomatoes.
3. Legume group including a kilo of: local beans, yellow lentil and black lentil.
4. Grain and flour group including a kilo of rice and wheat flour.
5. Butter, oil and ghee group including: corn oil (liter), sunflower oil (liter), natural ghee (kilo) and processed ghee (kilo).
6. Eggs, dairy products, cheese and other group including: eggs (package of 30), dairy (kilo), macaroni (kilo), tea (kilo) and sugar (kilo).

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

\[ X_{ik} = \frac{\sum_{i=1}^{n_k} X_{ijk}}{n_j} \]

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

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

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

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

This total is then compared with each months of measuring against the reference price of this given basket which had been selected to be its price in the first week of January 2011, which is calculated using the equation:

\[ Y = \sum_{k=1}^{26} X_{1ik} \]

Since:
- \( Y \) is the reference line for measuring the monthly burden of prices.
- \( X_{1ik} \) is the unit price of commodity \( k \) (in Egyptian Pounds) in the first week of January 2011.

Index of the Cumulative Burden of Prices

In order to measure the cumulative burden of prices of the same group of commodities, the cumulative total of prices of this basket is calculated as of the beginning of January 2022 until the month or time point subject to measuring. This reflects total cost paid by the Egyptian household for the selected basket as of January 2011 until the month subject to measuring assuming buying the basket once a month:

\[ Z_j = \sum_{j=1}^{n} X_j \]

Since:
- \( Z_j \) is the cumulative total of what the household would have paid for the commodities basket in month \( j \).

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

\[ W_j = X_{11} \times n \]

Since:
- \( W_j \) is the cumulative total of what the household would have paid in the commodities basket in month \( j \) in case prices stabilized on the same level of the first week of January 2011.
- \( X_{11} \) is total monthly average price (L.E) of the commodities basket in the first week of January 2011.
- \( n \) is the number of months between month \( j \) and January 2011.

\(^{1}\)The first week of January 2011 had been selected instead of the average prices of the month in order to evade consequent impacts of the January 25th Revolution.
Egyptian Food Observatory
Food Monitoring and Evaluation System