

Egyptian Food Observatory

Food Monitoring and Evaluation System

Issue (4) – December 2011



Introduction

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

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

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Executive Summary

- In December-2011, basic goods basket cost amounted to nearly LE 481.4.
- In December-2011, urban governorates have witnessed the major share of price increase, while other regions' prices of the goods basket were not much variant.
- Around half of the vulnerable households (46.5%) depend on additional sources of income apart from their current job and the income of around 70.2% of these households don't satisfy their monthly needs.
- The vulnerable households consumption pattern remained unchanged through the four rounds of the Egyptian Food Observatory. Results revealed that vegetables, salt, sugar, tea, local beans, mixed oil and subsidized Baladi bread are the most frequently consumed by the majority of the vulnerable households throughout the month.
- Almost one fifth of the vulnerable households do not hold ration cards.

It will make a real difference



Health, education and a better future

Malnutrition result in:

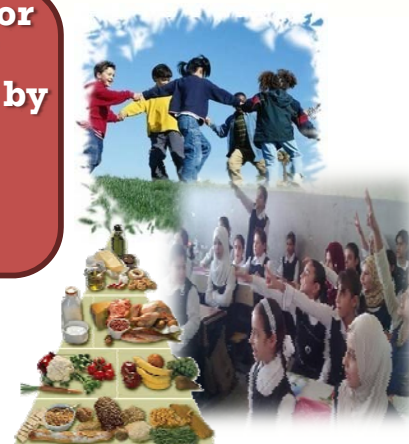
- **Wasted children on the short-run (underweight relative to height).**
- **Stunted children on the long-run (reduced weight relative to age).**

Source: Demographic Health Survey, 2008.

Summary of the 4th Round Methodology

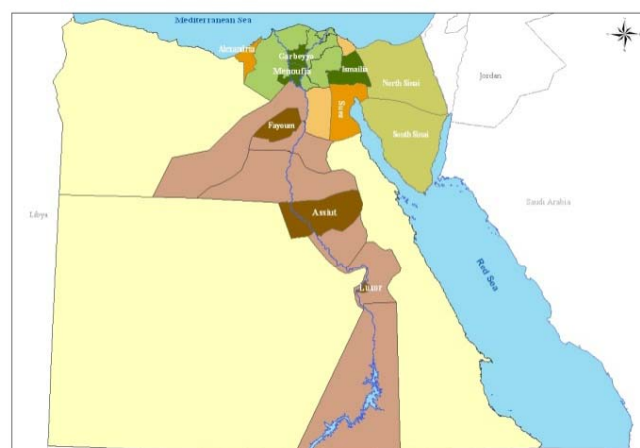
The bulletin is concerned with monitoring the cost of buying a basket of main food commodities based on the main measuring unit (kilo/liter/box), and variation of prices of such commodities between urban and rural areas. Additionally, it includes indicators of evaluating the status of vulnerable households in terms of: total expenditure, sufficiency of their income, consumption rate of such commodities, perception of price change of commodities in question, and the approaches for coping with the price hikes. The bulletin uses data derived from several sources including: commodities prices data in the urban areas collected by the Field Monitoring Network affiliated with the Information and Decision Support Center, commodities prices data in the rural areas collected through surveying rural markets in the villages of the selected governorates as part of the current round, survey data on assessing the status of the vulnerable households that had been conducted in the 5th week of December on a sample of the vulnerable Egyptian households (total of 540 households /54 from each governorate) distributed among governorates representing main regions as shown on the geographic information system (GIS).

Supporting poor households' children starts by providing a School Meal



Required Actions:

- ★ Increase coverage of school meals through targeting schools in poor areas and slums according to poverty maps, however it should be only regarded as the first step to improve the targeting process.
- ★ Ensure that basic nutrients necessary for children and young people are considered in the meal according to age group.
- ★ Provide school meals during summer and mid-year vacations to target schools to ensure that children receive the necessary nutrients for healthy growth.
- ★ Provide bottles of molasses to households of the children in the targeted schools by providing them coupons to swap from cooperatives, but it is suggested to be restricted to the academic year only.



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

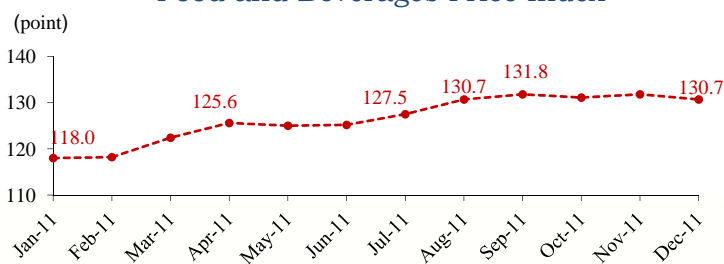
Price Indices of Food Commodities

1.1

Indicator of the Monthly Price Burden

- Examining the monthly price burden which represents the main measuring unit of the measured commodities basket reveals a decline in December prices compared to the previous month. The decline rate between December and November amounted to 0.5%; however, December prices remained high compared to the first ten months of 2011 due to the slight decline in the respective period.
- December prices increase rate came to 6.3% compared to prices in the 1st week of January-2011. This shows an increase in the nominal prices by nearly LE 28.5 per basket.
- On the regional level commodities basket price in urban governorates is still taking a rising trend since June-2011; however, selected commodity basket prices were slightly near among regions of Upper Egypt, Lower Egypt and Frontier governorates in December-2011. The nominal price difference between commodities basket price in urban governorates compared with other regions came to about LE 41.2.
- A review to macro-economic indicators of the prices shows a regressed inflation level, which confirms price decline during December-2011. Also, the price index of food and beverages recorded a decrease, small though; it affirms the relative price decrease in December prices.

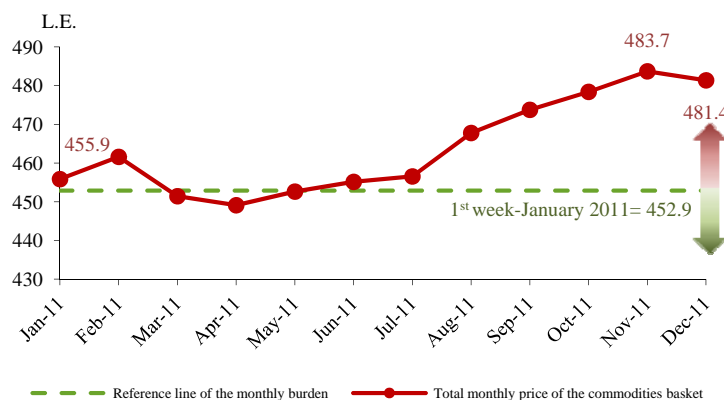
Figure (3)
Food and Beverages Price Index¹



¹Reference month (January 2010=100 points).

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

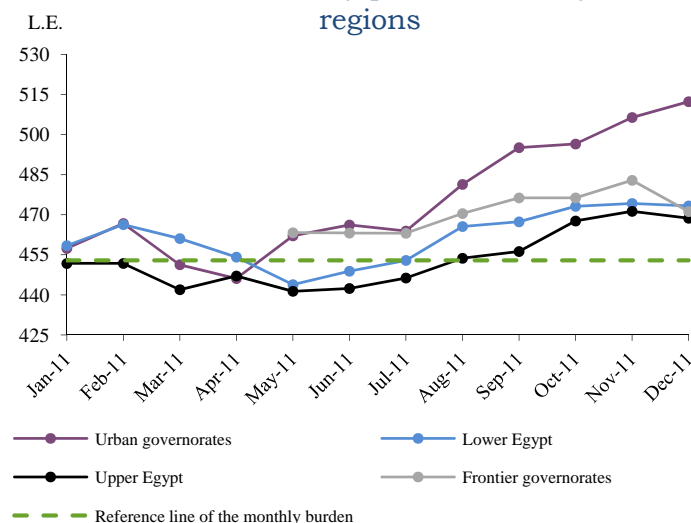
Figure (1)
Indicator of the monthly price burden¹



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

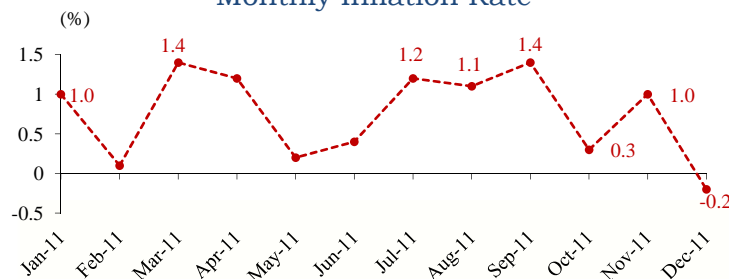
Source: Field Monitoring Network, Cabinet-Information and Decision Support Center.

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



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

Figure (4)
Monthly Inflation Rate¹



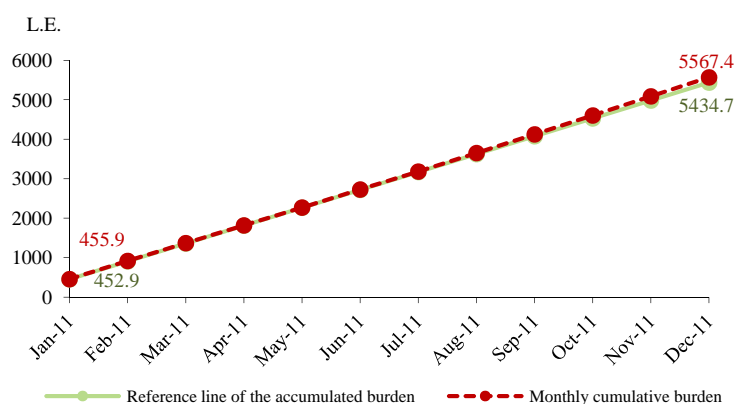
¹Reference month (January 2010=100%).

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

1.2 Indicator of the Accumulated Price Burden

- ⊙ A review to expenses incurred by the Egyptian households for purchasing the indicated basket once a month in 2011, indicator results showed that total cost of the measured food commodities basket during 2011 has amounted to L.E 5567.4.
- ⊙ A comparison to the cost of the indicated basket during the twelve months against the cost in case price were fixed at the level of the 1st week of January-2011 showed that total cost difference has amounted to L.E 132.7. This would cost the household an average of L.E 11.1 each time it purchases the basket.

Figure (5)
Indicator of the accumulated price burden



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

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

Goods	EGP/ Kg (%)			
	Urban	Lower	Upper	Frontier
Beef	65.0 (1.5) ↑	61.0 (0.9) ↑	55.5 (0.9) ↑	60.0 (0.0) —
Poultry ¹	15.6 (2.0) ↑	15.1 (-2.2) ↓	16.5 (-0.3) ↓	16.2 (-7.9) ↓
Tilapia fish	12.6 (-3.5) ↓	10.4 (-1.9) ↓	14.0 (2.1) ↑	12.9 (-6.5) ↓
Eggplants	2.6 (5.2) ↑	2.0 (-1.8) ↓	2.0 (-5.9) ↓	2.5 (-24.2) ↓
Potatoes	3.0 (-7.9) ↓	2.7 (-12.8) ↓	2.7 (-12.2) ↓	2.6 (-21.6) ↓
Onions	2.9 (3.1) ↑	2.3 (-1.1) ↓	2.7 (-1.4) ↓	3.0 (-17.4) ↓
Tomatoes	2.7 (-7.8) ↓	2.8 (-15.4) ↓	3.1 (-7.1) ↓	2.6 (-34.1) ↓
Local beans ²	7.9 (1.1) ↑	7.9 (1.7) ↑	8.7 (6.4) ↑	8.5 (-2.4) ↓
Yellow lentils ³	11.0 (-3.1) ↓	10.5 (-2.5) ↓	9.3 (-0.3) ↓	9.0 (10.9) ↑
Flour ³	4.8 (-2.1) ↓	4.7 (3.0) ↑	3.8 (-3.5) ↓	3.8 (-8.6) ↓
Rice ⁴	5.1 (3.5) ↑	4.5 (7.5) ↑	4.9 (6.7) ↑	5.4 (2.0) ↑
Macaroni ⁵	5.6 (0.2) ↑	4.7 (-1.4) ↓	4.6 (0.1) ↑	4.4 (6.3) ↑
sugar ⁶	6.5 (-0.1) ↓	6.1 (-2.2) ↓	5.9 (-2.9) ↓	5.9 (-5.5) ↓
Corn oil ⁷	14.3 (0.8) ↑	13.8 (1.1) ↑	13.7 (-1.3) ↓	14.0 (-1.2) ↓

¹ Poultry prices are defined as average local, and white live and frozen poultry.

² Unpacked bean

³ Packed

⁴ Include packed and bulk

⁵ Ordinary Packed

⁶ Packed by private sector

⁷ L.E./ liter

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

1.3 Average Commodity Prices in the Regions (cont')

- Rice prices increased in all regions in spite of the attained decline rate in the previous month; however, macaroni prices continued to rise nationwide for the third consecutive month except for Lower Egypt governorates.
- Local beans prices continued to rise as of previous month except for frontier governorates.
- Yellow lentils price in urban and Lower Egypt governorates decreased following the increase it attained in the previous month. In addition to this, flour prices have also witnessed a decline in urban and Upper Egypt governorates.

1.4 Price Variation Between Urban and Rural Areas

Prices of food commodities compared between urban and rural areas, in the 5th week of December-2011, for a number of Egyptian governorates, where prices had been monitored for both urban and rural (Menofya, Asuit, Ismailia and Gharbya). A number of observations were noticed involving many inquiries related to the role of whole sale dealers & retailers in creating unjustified variations in commodities prices within the same governorate.

- The price per kg of local beans is higher in urban than rural areas in governorates of Asuit, Menofya, and Gharbya by about L.E 5.8, 5.5, 3.3, respectively.
- Price of yellow lentils is higher in Menofya urban than rural areas by L.E 4.0 per kg; however, Ismailia rural areas are higher in price than urban areas by LE 1.2 per kg.
- Macaroni prices in urban areas in Menofya and Asuit are higher than rural areas by around LE 2.0 and LE 1.5 per kg, respectively.

- Black lentils prices were around LE 5.5, 4.7 higher in urban compared to rural areas in both Menofya and Ismailia governorates, respectively.
- Garlic price is higher in Gharbya rural areas compared to urban areas by L.E 2.9 per kg.
- Tea price is higher in Ismailia urban areas compared to rural areas by nearly LE 6.3 per kg; however, the price per kg in Menofya and Gharbya rural areas is higher than urban areas by about LE 4.3, 2.6 per kg, respectively.
- Natural ghee prices in rural areas in all surveyed governorates are higher than urban areas by an average ranging between L.E 3.0 and L.E 9.7 per kg.
- Poultry prices in urban areas of targeted governorates are higher than rural areas, with a difference ranged from L.E 1.1 to LE 4.3 per Kg.
- Tilipia prices are higher in Ismailia rural areas compared to urban areas by nearly LE 5.0 per kg.
- Beef prices are higher in Gharbya urban areas compared to rural areas by nearly LE 12.3 per kg.
- Veal prices are higher in Gharbya and Menofya urban areas compared to rural areas by nearly LE 27.3 and LE 7.3 per kg, respectively.

2.1

Global Prices of Selected Food Commodities

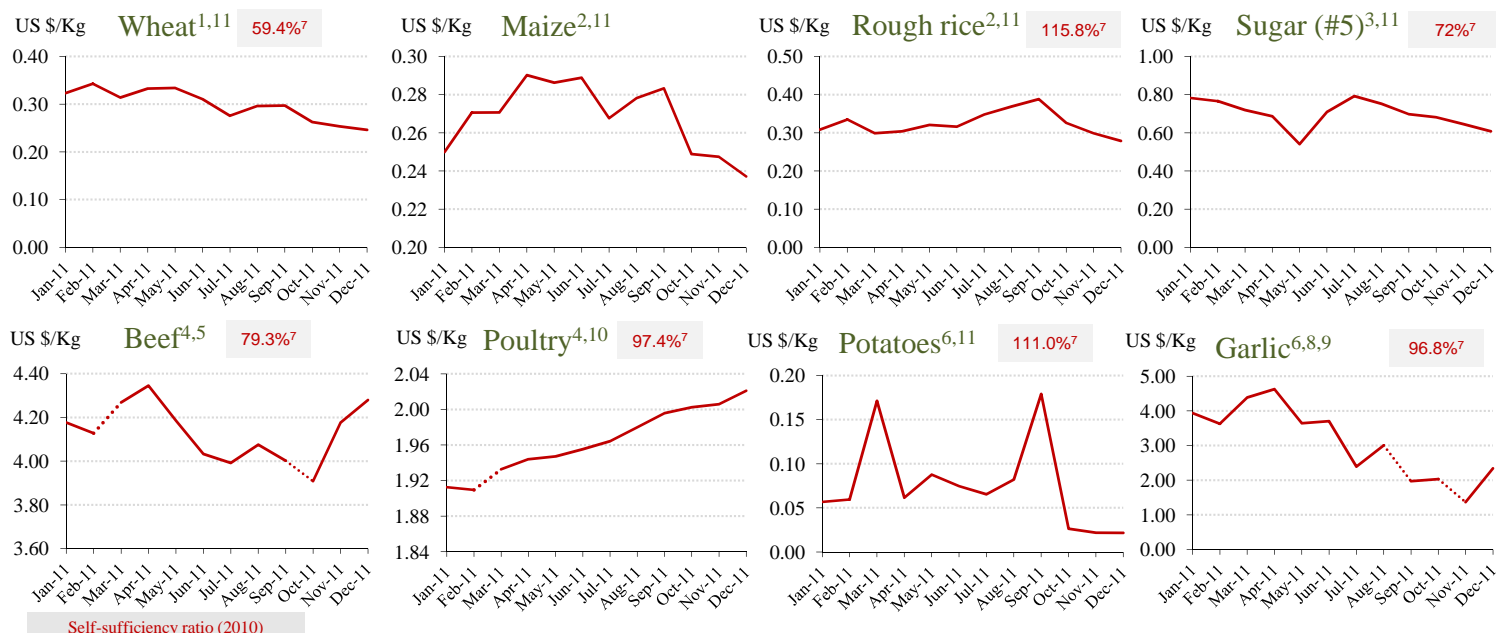
- Reviewing global prices that have a direct impact on the Egyptian market, either through imports or due to the alignment of local prices to global prices, has revealed price increase of poultry, beef, and garlic.

This comes after the attained decline over the past month or two months.

- Wheat, maize, rice, sugar, potatoes prices have witnessed successive decreases which continued with the same trend since September for the least estimate.

Figure (6)

Global price developments of selected food commodities



¹ Source: Stock Exchange of Kansas City Council of Commerce.

² Source: Stock Exchange of Chicago Council of Commerce.

³ Source: New York Stock Exchange.

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

⁵ Values of the 3rd week of January, the 3rd and 4th weeks of February, March and the 1st and 3rd weeks of October had been estimated using moving average because they are unavailable in the source.

⁶ Source: U.S.A Department of Agriculture, <http://www.ams.usda.gov>.

⁷ Source: Ministry of Agriculture and Land Reclamation.

⁸ Values of September and November have been estimated using moving average because they are unavailable in the source.

⁹ Prices of November and December refer to the 1st week of November and the 2nd week of December.

¹⁰ Values of the 3rd and 4th weeks of February as well as values of March have been estimated because they are unavailable in the source.

¹¹ Values of the 1st week of October have been estimated because they are unavailable in the source.

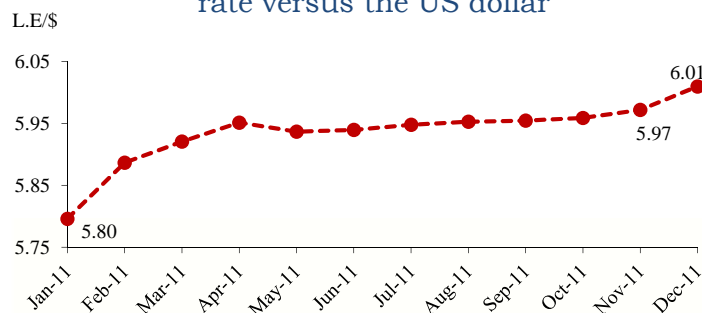
2.2

Exchange Rate of the Egyptian Pound Versus the US Dollar

- In addition to the aforementioned concerns regarding price increase of some commodities in the global market, the trend of Egyptian Pound exchange rate against the US dollar appears to have sequential increase. This adds up price burden by imports to the Egyptian citizen.
- The Egyptian Pound exchange rate against the US dollar increased by 3.6% during the past twelve months in 2011.

Figure (7)

Development of the Egyptian Pound's exchange rate versus the US dollar



Source: The Central Bank of Egypt

Section
Three

Assessment Indicators of the Vulnerable Households

3.1 Demographic Characteristics of the Surveyed Households

☆ Asuit is the poorest Egyptian governorate where poverty rate to total population is high (61.0%), followed by Suhag (47.5%), Bani Swaif (41.5%) and Luxor with (40.9%). Accordingly, this puts Upper Egypt region as the top region from the poverty perspective.

Source: Egypt Human Development Report, 2010.

☆ Total sample size came to 540 households (2375 persons) equally distributed over 10 governorates.

☆ Female headed households constitute 25.2% of total household in the sample.

- Two thirds of the sample (64.3%) are in the age of 30 years or less.
- Around 26.6% of the total sample (6+ years old) are not enrolled in education, enrollment rates increase concurrently with the young age. This indicates an improved awareness of the vulnerable households regarding importance of education.
- Around 26.4% of the total sample (6+ years old) who were enrolled in schools had dropped out from basic education (before preparatory). Drop out rates concurrently increase with the progress in age. In this regard, drop out rates came to 2.3% among the age group (6-10) compared with 17.6% in the age group (11-20) year and in the age group (41-50) year which amounted to 57.8%.
- Around 34.4% of total household heads are unemployed.
- Around 9.1% work as sellers, 11.3% work as janitors, office boys/ carriers/ construction workers.
- Around 6.6% of female heads of households work as sellers.
- Around 9.9% of male heads of households work as sellers, and 8.2% as drivers.

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

Age Groups	Age Distribution	Enrollment Rate ¹	Drop out Rate ²
10-	25.7	91.1	2.3
(11-20)	22.5	93.4	17.6
(21-30)	16.1	84.8	23.5
(31-40)	12.4	67.3	40.4
(41-50)	10.2	52.7	57.8
(51-60)	7.0	42.2	72.9
(61-70)	4.1	18.6	88.9
71+	2.0	14.6	71.4
Total	100	73.4	26.4

¹Enrollment rates had been calculated for individuals who are 6+.

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

Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

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

Employment status	Male	Female	Total
Unemployed	18.6	81.6	34.4
Seller ¹	9.9	6.6	9.1
Driver ²	8.2	0.0	6.1
Farmer (not holding property)	6.2	1.5	5.0
Carrier	6.7	0.0	5.0
Janitor or office boy	6.4	0.0	4.8
Fisherman	4.7	0.0	3.5
Construction worker	2.0	0.0	1.5
Car repair mechanical	1.7	0.0	1.3
Custodian of the mosque or church	1.7	0.0	1.3
Other	33.9	10.3	28.0
Total	100	100	100

¹Includes (vegetables and fruits, ready-made garments, cattle, cigarettes, grocery ...)

²Includes truck, Microbus, private car, & taxi.

Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

3.2 Income and Expenditure

3.2.1 Expenditure

- ★ Average monthly expenditure of the vulnerable households amounted to L.E 658.2 reflecting per capita expenditure of around L.E 5.3.

3.2.2 Sources of Income & Its Sufficiency

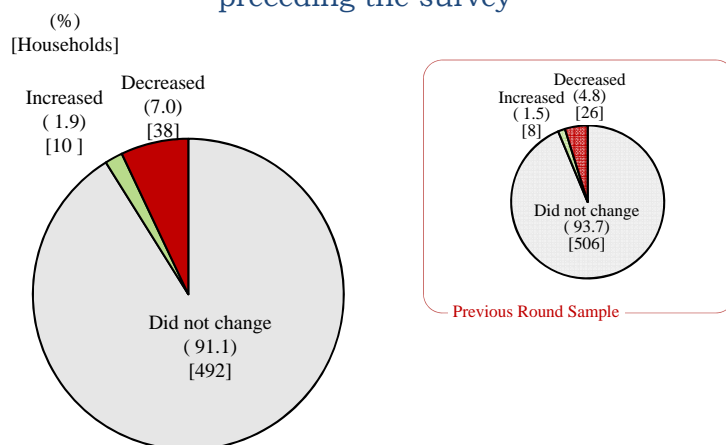
- Compared to the month prior to the survey, 91.1% of the households reported that their income remained unchanged whereas 7.0% reported a decrease in their income.
- These results explain that many of the sampled households experienced a growing sense of price hike.

- ★ Nearly half of the sampled households (46.5%) reported having additional source of income apart from their main job.

- Retirement/ insurance pension constituted 35.7% of additional sources whereby households generate income apart from their current job.
- Charity assistance constituted one third of the additional sources of income; 8.6% from philanthropy community assistance and 18.8% from family assistance.
- Matter of fact, the consistence of such result with the three previous rounds highlights the importance of formal or civil philanthropy work in underpinning the social solidarity network.

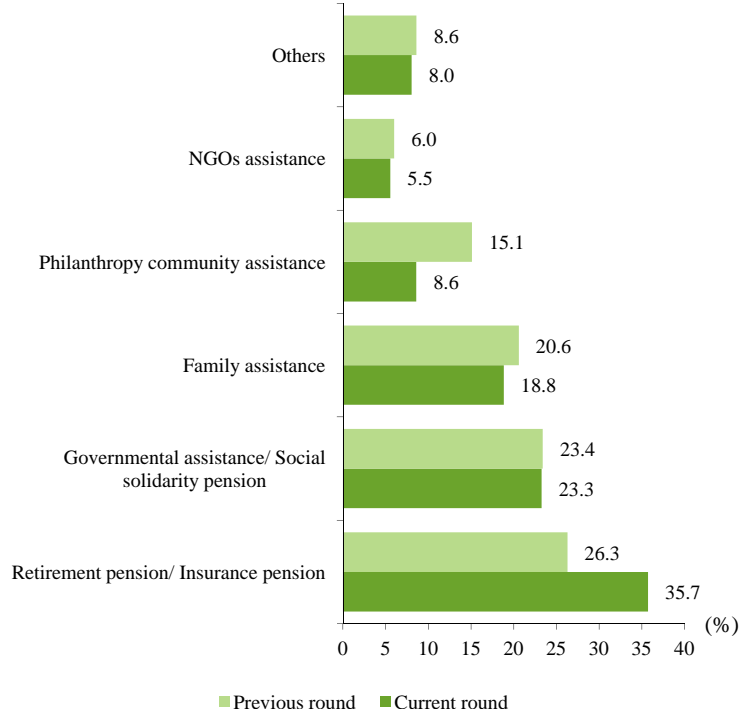
- ★ Results revealed an increased percentage in recipients of government assistance/ social solidarity pension, as an additional source of income, in the following governorates: Gharbya (32.7%), Luxor (30.0%), and North Sinai (27.3%); however, Ismailia experienced the lowest percentage that amounted to 17.8%.

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, November, December 2011.

Figure (9)
Proportional break down of the sources of households' additional income apart from the main job



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, November, December 2011.

- ★ Percentage of recipients of retirement/ insurance pension is highest in Luxor (40.0%), Menofya (39.0%), Ismailia (37.8%) and Alexandria (36.8%).

- Percentage of vulnerable households who reported that their monthly income is insufficient for meeting their monthly needs decreased from 76.5% in November to 70.2% in December.

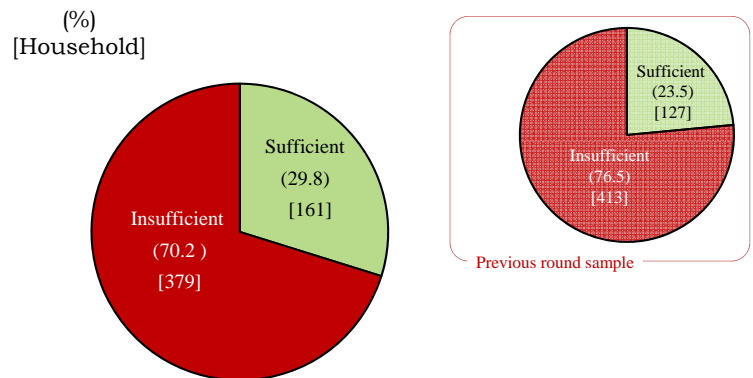
- Percentage of households whose income is insufficient for meeting their monthly needs recorded its highest level in Alexandria and Gharbya (87.0%), then Asuit (77.8%), followed by Luxor (75.9%).
- This percentage recorded its lowest value among households in Fayoum (50.0%), then North Sinai (51.9 %).

3. 2. 3. Coping Strategies Approaches

- Examining the results of the 4th round, it reveals that households whose monthly income is insufficient for meeting their needs resort to various means to bridge the gap between their income and needs. About 5.8% of these households resorting to overtime (through any of its members), whereas about 11.6% of these households get assistance from their families, whether financial or in-kind assistance in the form of food commodities.
- About 36.9% of the households whose monthly income is insufficient for covering monthly needs rationalize their consumption to minimize expenditure.
- Borrowing and purchase on credit make up 38.6% of means whereby the vulnerable households adopt for securing the minimum monthly food needs.

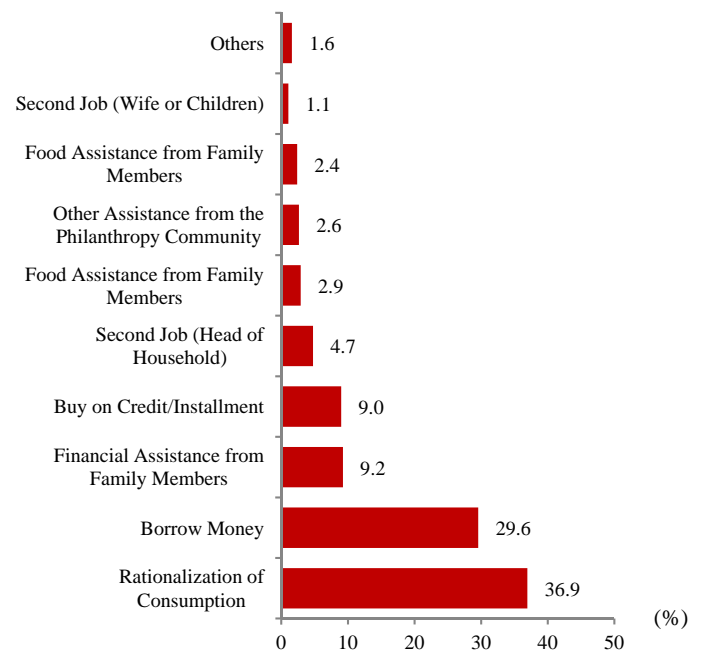
- Rationalizing consumption scored its highest level in the following governorates: Ismailia (46.2% of total households whose income is insufficient), South Sinai (45.0%), and Suez (41.0%) as a mitigation measure used by households to cover the gap between income and expenditures.
- Borrowing came second as the most commonly used means for covering monthly needs of the households whose income is insufficient, recording its highest value in: Luxor (43.9%), Alexandria (38.3%), and Asuit (35.7%).

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, November, December 2011.

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

- "Decreasing the normal amount of food" topped the list of the means adopted by households for facing commodities price rise (49.4%), followed by being obliged to buy the commodity (41.5%). This situation applied to the different commodity groups¹.

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

3.3 Vulnerable Households Consumption of Food Commodities

- It is very important for decision makers & development or assistance oriented civil society organizations to get acquainted with consumption pattern of the vulnerable households as they are most probably exposed to the risk of food insecurity.
- Results from the matrix of consumption pattern in the 4th round reveal that vegetables, salt, sugar, tea, local beans, mixed oil, and subsidized Baladi bread and rice are the most frequently consumed commodities by the majority of the vulnerable households throughout the month.
- More than three quarters of the vulnerable households consume white beans, yellow lentils, fruits, poultry, tilapia fish, and macaroni once or twice per week.

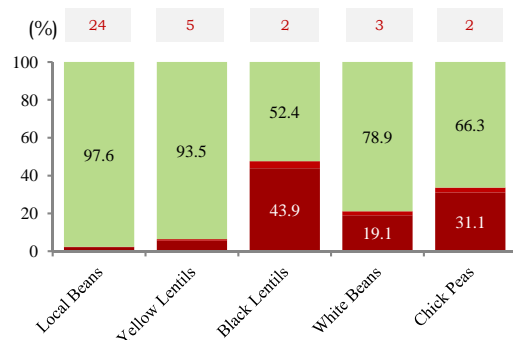
- The vulnerable households rarely purchase meat (except for beef), fish (except for tilapia), sunflower oil, corn oil, butter, and natural ghee.
- The vulnerable households try to maintain buying egg, cheese and milk three times per week in order to ensure sufficient protein consumption. This explains protein replacement by consuming such commodities.

The similarity of findings in the four rounds on consumption patterns of the poor in terms of the most used food items or consumption rates confirms effectiveness of providing commodities via direct targeting on ration cards. As such, this makes ration cards highly feasible economically and socially.

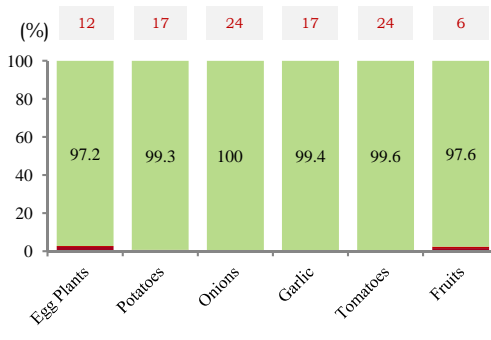
Figure (12)

Break down of the vulnerable households by pattern of consumption from the food commodities basket

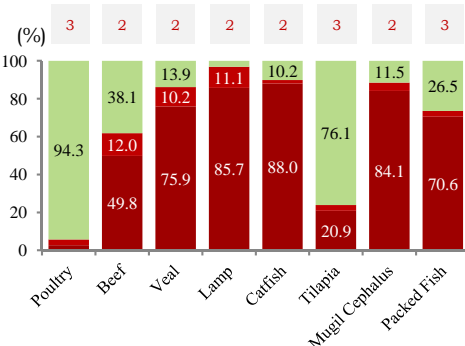
Legumes



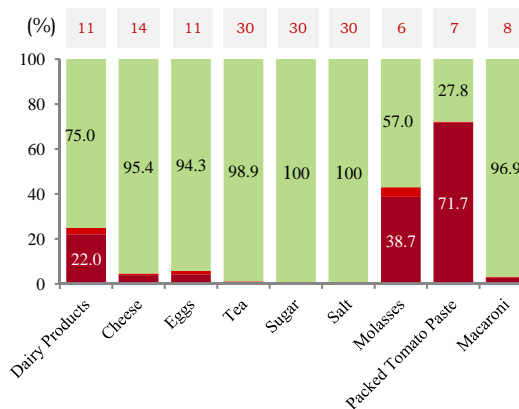
Vegetables & Fruits



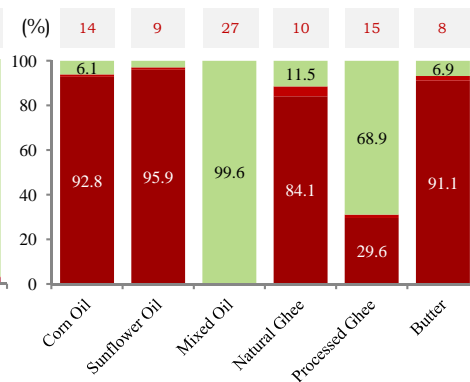
Meat, Poultry and Fish



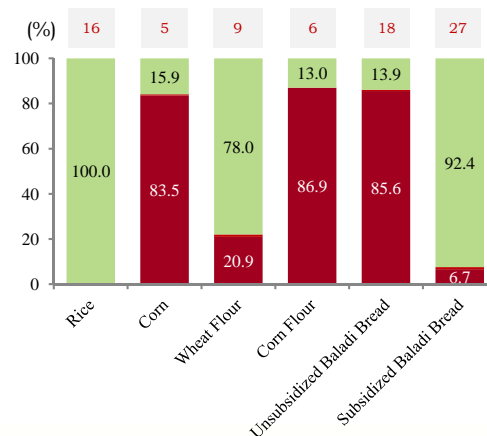
Eggs, Cheese, Milk & Other Commodities



Oils, Ghee & Butter



Grain, Flour & Bread



Do not Consume

No Longer Consume

Consume

Average number of days of consumption¹

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

Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

3.4

Vulnerable Households Realization of the Change in Food Commodities' Prices

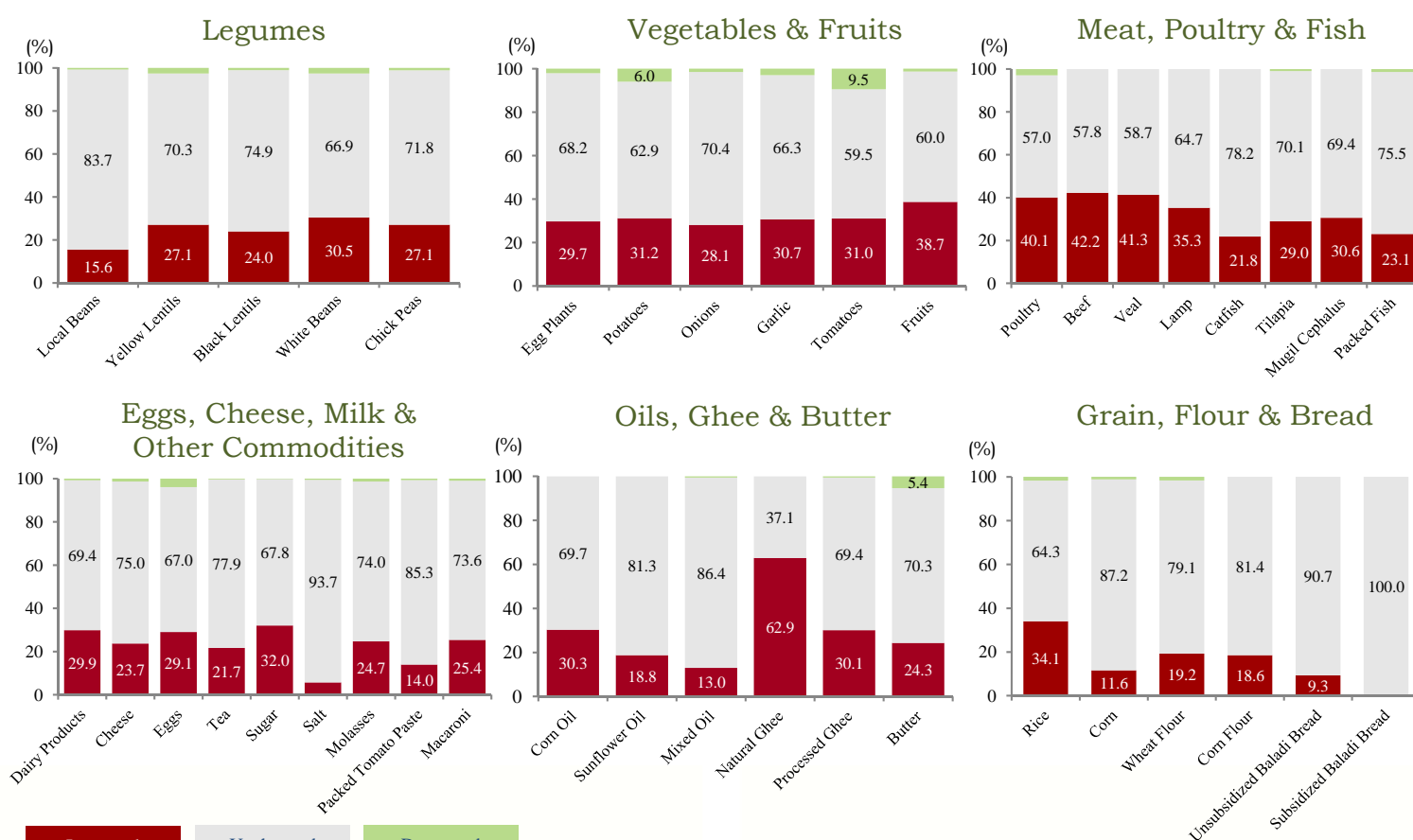
- Regarding Households realization of changes in prices of the consumed commodities, the survey reveal an increase in the stabilization of prices of most commodities.
- The percentage of vulnerable households who reported their realization of increased prices has declined. Almost one third of the households reported realization of price increase in fruits, vegetables, chick peas, white beans, eggs and dairy products.
- Some commodities prices such as salt, unsubsidized baladi bread, corn, mixed oil and packed tomato paste remained unchanged according to the majority of the vulnerable households.

- One third of the vulnerable households in Fayoum and Menofya governorates perceive the increase in prices of all food commodities, that is the highest among all governorates.
- Almost one third or more in all the monitored governorates except for Suez and South Sinai governorates perceived sugar price increase.

According to the results of the drawn comparison among the three previous rounds, there was a decline in percentage of the vulnerable households who realized price increase in almost all food commodities; however, the percentage of households who referred to price decline remained generally low.

Figure (13)

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

3.5 Adequacy of Food Commodities Prices to the Vulnerable Households

- Prices of meat, poultry, followed by fish are not affordable by the majority of the vulnerable households.
- Prices of local beans, tea, packed tomato paste, mixed oil, corn, and corn flour are adequate to almost half of such households.
- In December 2011, fruits, vegetables and legumes (except for local beans), oils, ghee and butter (except mixed oil) and cheese prices were not adequate for majority of the vulnerable households.
- Prices of dairy products, eggs and sugar

are inadequate for three quarters of the vulnerable households.

In spite of the decreased percentage among the vulnerable households who referred to increase in food commodities prices (as previously indicated), the majority of those households (more than two thirds) see that prices of most food commodities are above their purchasing power.

Bread..Freedom..Social justice

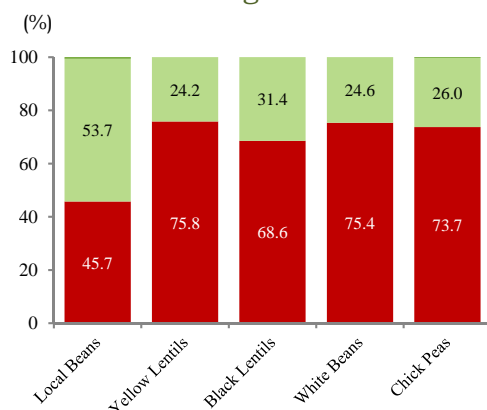
Red line

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

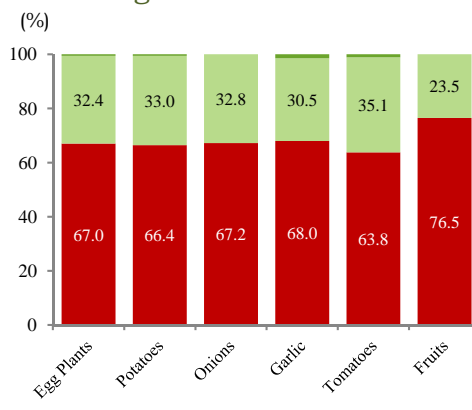
Figure (14)

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

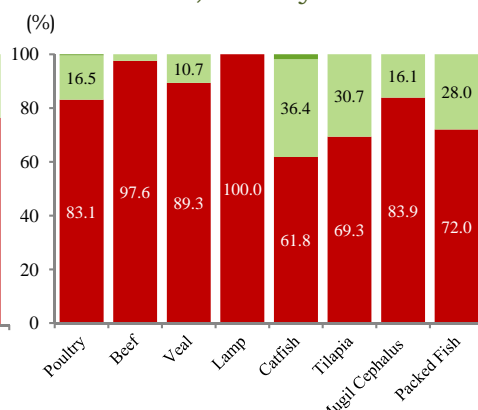
Legumes



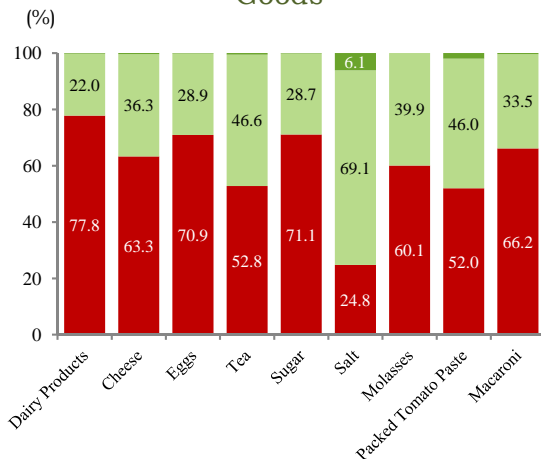
Vegetables & Fruits



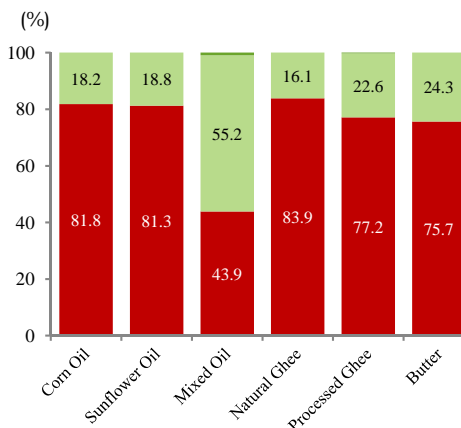
Meat, Poultry & Fish



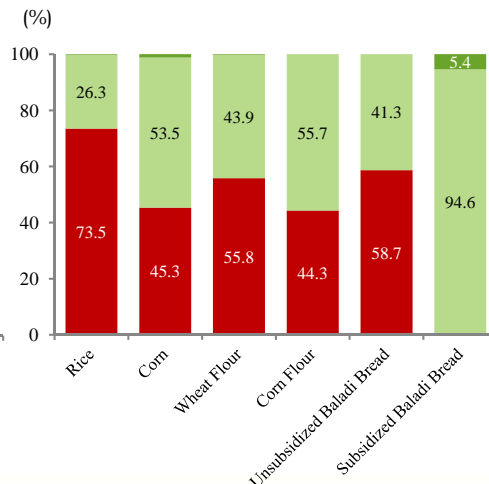
Eggs, Cheese, Milk & Other Goods



Oils, Ghee & Butter



Grain, Flour & Bread



Expensive

Reasonable

Cheap

Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

3.6 Ration Cards

- Around one fifth of the vulnerable households (21.9%) are not ration card holders.
- About 99.3% of the vulnerable households that own ration cards use them for obtaining the subsidized rationed commodities.

- ★ Gharbya governorate is the highest (in the survey sample) in terms of ration cards holders among the vulnerable households (92.6% of total sampled households in the governorate), followed by Fayoum and Menofya governorate (88.9%)
- ★ The lowest percentage was recorded in Alexandria governorate (59.3%) followed by South Sinai (66.7%).

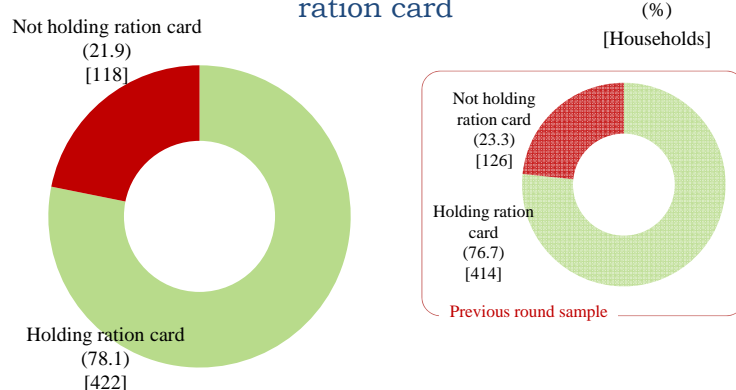
- The limited subsidy provided to macaroni and tea has drawn their prices near market prices, and as such turned the vulnerable households to evade having them through ration cards.

The percentage of vulnerable households who receives insufficient quantities of rationed rice & sugar, and are obliged to buy additional quantities to meet their consumption, still exceed two thirds of the vulnerable households.

- ★ Percentage of households that receive insufficient rice quantity on ration card and are obliged to buy extra quantities came high in the following governorates: Fayoum (81.3%), Alexandria (80.6%), Gharbya (78.0%) compared to other governorates and the overall level.
- ★ Percentage of vulnerable households that receive insufficient sugar quantity on ration card and are obliged to buy extra quantities came high in the following governorates: Fayoum (83.3%), Asuit (79.1%), Luxor (78.7%) compared to other governorates as well as overall level.

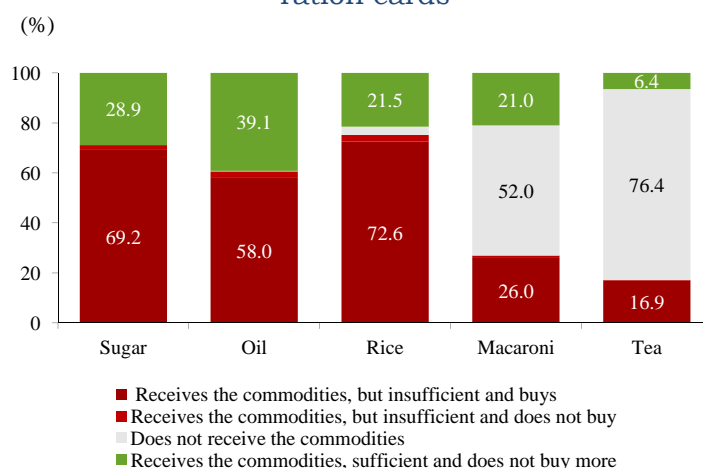
Results of the 4th round, which were compatible with the three previous rounds findings, revealed that one fifth of the vulnerable households are not ration card holders. As such there should be a review to beneficiaries from subsidy system to ensure effective targeting to the poor and food insecure.

Figure (15)
Break down of vulnerable households by holding a ration card (%)



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, November, December 2011.

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, December 2011.

- ★ More than two thirds of the vulnerable households who receive oil on ration cards in Fayoum governorate reported insufficient quantities and in turn they buy additional quantities from the market.

Four Civil Society Role in Fighting Poverty & Food Shortage



Developing Humans is our Principal Mission

We are a non-profit organization which receives Zakaat and Sadaqaat funds and spend them in channels according to Islamic law as well as invest funds of the Sadaqaat to yield revenue to spend on different projects.

Foundation Work Pillars

- **Education:** Combating drop outs, building and operating schools.
- **Health:** Combating blindness by providing Ophthalmologists Caravans to diagnose and perform operations for visually-impaired people.
- **Indebted people:** Helping indebted people after reviewing and verifying all the data and the necessary social research.
- **Social solidarity:** Providing a perpetual income to eligible households' heads through various projects offered to eligible people.
- **Scientific research:** Offering diabetics treatment research program which is financed by the foundation throughout the whole phases of the scientific research.

Achievements

- Operated 200 community schools (primary stage).
- Built 3 preparatory schools in upper Egypt.
- Treated 3517 people with impaired vision.
- Offered a perpetual source of income to thousands of vulnerable households.
- Completed 1st research phase towards reaching a final treatment to diabetes.

Most Important Projects



"Seasonal food project"

- The foundation provided basic food needs (sugar, oil, ghee, rice, lentils, tea, macaroni and dates) to the vulnerable households during the month of Ramadan.



"Providing food for helpless elderly people"

- The foundation search and survey cases of elderly people who are incapable of working and have no source for earning their living, and provide them with needed monthly food.



"Grocery project"

- The foundation buy goods worth of LE 3500 (fodders) to beneficiaries provided that the beneficiary had the store. The foundation also monitors the beneficiary to make sure of a regular yielding income to the beneficiary.



"Live Stock project"

- The establishment of Misr Al Khier Farm (January 2011) in Asuit governorate over a 200 feddan area in the framework of (live stock project" which aims to improve Egyptian buffalo genes through artificial insemination.



Early Childhood Education, Girls' Initiative Education and Community Schools Project for the Academic Year 2011/2012

- ➔ **General Objectives:** The objective of the World Food Programme School Feeding project is to improve the food security in poor areas and fighting hidden hunger and malnutrition that is widespread among children, the matter that enable them of normal growth and increase their knowledge capabilities and school performance. Moreover, it helps in achieving the objective of increasing the enrollment rates in Early Childhood Education, Girls Initiative and Community schools.
- ➔ **Activities:** The procurement and distribution of school meals that are reach in protein and is fortified with vitamins and main recommended minerals, and distributing it as school meals for children in Early Childhood schools, Girls Initiative schools, and Community schools in Upper Egypt and Sinai. In addition, the programme distributes take home rations that composes of 10 Kgs of rice or wheat flour fortified with vitamins and other types of food commodities such as vegetable oil and dates for children whose enrollment rate is more than 80% in Girls' Initiative schools and Community schools in Upper Egypt specifically.
- ➔ **Geographical Areas:** The project operates in the following governorates: Fayoum, Beni Suef, Menya, Assuit, Sohag, Qena, Luxor and North and South Sinai.

School Meals and Their Role in Building Effective Generations

5.1 School Meals A Mechanism to Support the Poor

- School feeding programs contribute to increasing students' attendance rate as well as the improvement of educational attainment and performance in class. In countries that suffer from high poverty rates, school feeding play a role in increasing the enrollment of students in education..., hence, this make school meals an important tool for targeting marginalized and poor groups who are vulnerable to the risk of hunger^{1,2}.
- The Egyptian government cherishes children's health by providing school meals which supply children with necessary nutrients they need for proper body building and growth; that evade them of the risk of malnutrition and other diseases, which in turn would add burden to the households and the government in the future. There is a prominent concern for providing school meal in the poorest, remote and frontier areas³.

Source:

¹WFP website, <http://ar.wfp.org/news/news-release/8941>.

²World food program, (July 2011), Two minutes to learn about: School Meals.

³Ministry of Education, General Department for Nutrition.

Effects of Malnutrition

- ★ Scientific research proved a 30% regress in educational achievements due to malnutrition¹.
- ★ Malnutrition has also an impact on people. Such effects include: a regressing health condition, low school achievements, which in turn results in huge social and economic problems. Consequently, this will lead to additional financial burden on the community besides the ensuing economic and social damages².

¹**Source:** The Egyptian Cabinet Information and Decision Support Center "School Nutrition Systems Development Program in Egyptian Schools", April 2005.

²UN, WFP, Economic Commission for Latin America and the Caribbean (ECLAC) "Operational Manual for the use of the Model for Analyzing the Social and economic Impact of Child Under-nutrition in Latin America", 2008.

5.2 Current Situation of School Feeding System

- The Ministry of Education (MOE) in cooperation with the Ministry of Health (MOH) and World Food Program (WFP) provide school meals to children¹.
- The MOH through the National Nutrition Institute set nutritional Standards for fortified biscuits, make assessment to supplying factories and companies, and examine biscuits sample through Inspection Agency to ensure their compatibility and validity with the specifications. Furthermore, it sets lists which provide a variety of school meals, in addition to developing statistics on students' health conditions according to age groups¹.
- The number of school meals beneficiaries declined to nearly 6.7 million in 2010/2011 compared to roughly 12.0 million in 2005/2006. Accordingly, the percentage of covered students, who enrolled in prior University education, have declined from 84.4% in 2005/2006 to 38.1% in 2010/2011.

¹**Source:** <http://www.nni.org.eg>

Figure (17)

Change in number of school meals beneficiaries students in government pre-university education



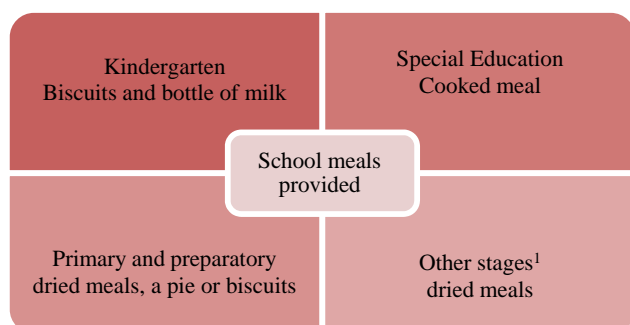
This reflects percentage of school meals beneficiaries to total registered students in government pre-university education. The number of registered beneficiary students in government pre-university education was obtained from the annual statistics book of the Ministry of Education, 2009/2010; 2010/2011.

Source: Ministry of Education, General Department for Nutrition.

5.2 Current situation of School Feeding System-Con't

- ⊙ The average number of schools feeding days in an academic year has increased, from 35 to 60 days in the academic years 2005/2006 and 2006/2007, to reach around 100 to 120 days during the period 2008/2009 – 2011/2012.
- ⊙ The cost of meal per student has increased from L.E 29.5 in 2005/2006 to L.E 56.8 in 2011/2012.
- ⊙ The school feeding programs of the Ministry of Education focuses on children enrolled in special education, kindergarten and basic education. Whenever the budget allows, it might extend to cover other pre-university stages.

Figure (18)
School meals according to the different educational stages



¹Other stages in the pre-university education.

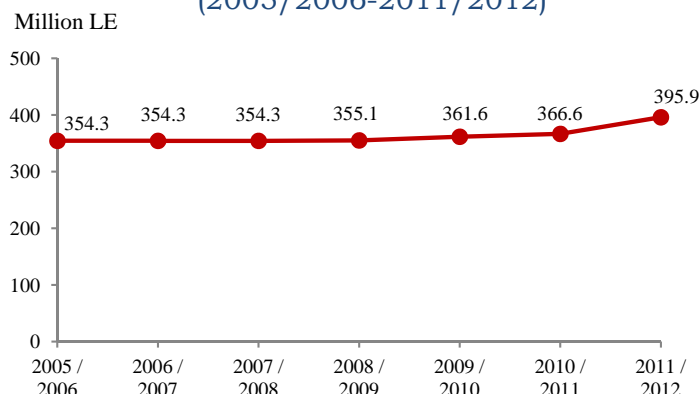
Source: Ministry of Education, General Department for Nutrition.

School meals according to parents' perception

- ★ Around half of the parents whose children receive school meals believe that they are sufficient in term of quantity; however, over two thirds reported that meals are unavailable along the whole year.
- ★ The majority of parents are aware about the cost of the meals afforded by the State; however, nearly two thirds of them believe that it is necessary that the State should incur meals cost because of its importance to their children's health.

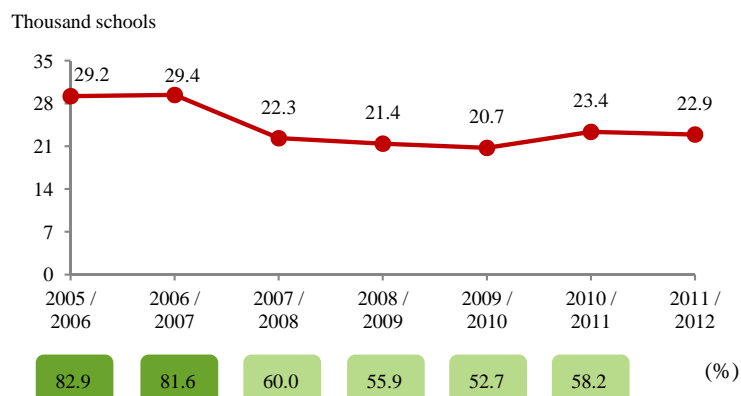
Source: The Egyptian Cabinet, Information and Decision Support Center, "Poll of Parents' Opinion on School Meals", August 2005 (the survey sample covered 608 parents).

Figure (19)
Growth in the allocated budget for schools meals (2005/2006-2011/2012)



Source: Ministry of Education, General Department for Nutrition.

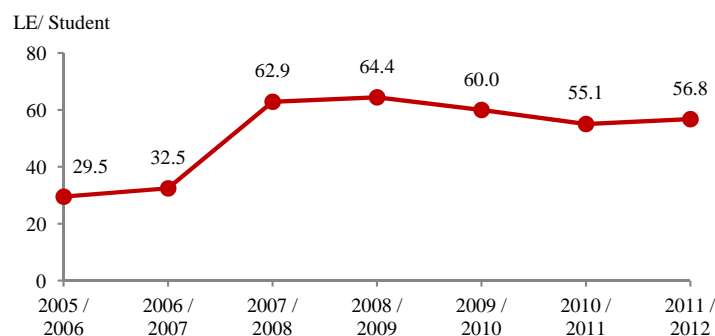
Figure (20)
Growth in the number of schools which receive school meals (2005/2006-2011/2012)



Percentage reflects schools which receive school meals to total government pre-university education schools.

Source: Ministry of Education, General Department for Nutrition.

Figure (21)
Growth of Schools Meal Cost per Student (2005/2006-2011/2012)



The datum was calculated based on Ministry of Education and General Department for Nutrition's data. The value was calculated by dividing the allocated budget of school meals by the number of beneficiary students.

Source: Ministry of Education, General Department for Nutrition..

5.3 Major Problems in School Feeding System¹

- Meals lack the necessary nutrients which include basic vitamins, proteins, fat and minerals.
- Meals are not customized for different nutritional needs of students in different age groups and governorates.
- The time span in which meals are served during the academic year is very short, as meals are offered in the range of 100-120 days per academic year².
- The components of the meals are not suitable for the time they are served in. For example children in single shift schools suffer from the feeling of vomiting when they take the meals that contains fortified biscuits at the beginning of the day.
- School nutrition system is incapable to identify well eligible categories and areas.

Source:

¹The Egyptian Cabinet, Information and Decision Support Center, "School Nutrition Systems Development Program in Egyptian Schools", April 2005

²Ministry of Education, General Department for Nutrition.

5.4 Role of International Organizations and Civil Society in Supporting Schools Feeding Programs

- Civil society plays a substituting role for the government through providing social solidarity networks for the poor and vulnerable households, whose income is insufficient, with food and financial assistance to enable them to meet their basic needs. Moreover, it raises parents awareness of proper nutrition.
- In spite of the low percentage of NGOs which participating in school feeding programs, either through financing, supervising, controlling quality, distributing or identifying beneficiaries, many NGOs have the willing to participate as they believe that this role is a national duty because they are aware of the importance of school meals¹.
- Food Bank provides packed ready meals having all nutrients for children. In this context, it targets 26 primary schools, as well as, raise parents' awareness of the proper nutrition².

- The WFP provides support to Egypt Schools Feeding Program. For this purpose, the food-for-education program started in 2003 to encourage poor households in Upper Egypt and desert areas to send their children to primary schools as well as improving their nutrition, which in turn enhance their educational achievements³. In this context, the program also provides food aid on monthly basis to child family attending more than 80% of school days per month in schools under Girls' Education Initiative and primary community schools.
- In November 2010, the WFP concluded an agreement worth of LE 1.00 million in cooperation with "Tomoooh" Program for education, under Pepsico, to provide local community schools with meals in Suhag governorate³.
- Vodafone foundation has signed a partnership agreement with WFP worth of LE 6.00 million to encourage children in marginalized areas in Asuit and Suhag. Also, the bank of Egypt and Banque du Caire are cooperating in supporting kindergarten schools in Sinai and Luxor.
- In July-2011, Chipsy partnered with the WFP to implement the food-for-education initiative, which aims to support the vulnerable students and their families as well as raising their awareness of malnutrition consequences⁴.
- In October-2011, Saudi Arabia donated dates to support WFP projects in Egypt (a donation worth of LE 1.7 million) to support school feeding programs in Egypt.
- In January-2012, the WFP concluded an agreement with Stare Care affiliated to Mercedes Benz for the 2nd year to support the food-for-education initiative in Asuit governorate³.



Source:

¹The Egyptian Cabinet, Information and Decision Support Center, "Poll on Civic Associations' Opinions on School Meals", September 2005 (the survey was conducted with 103 civic associations in greater Cairo).

²Website of Egyptian Food Bank.

³Website of the WFP.

⁴Official page for Chipsy corporation on Facebook.

5.5

Suggestions for Developing School Feeding System

- Use Egyptian poverty maps to identify the potential targeted schools through the schools feeding programs, as a first step to improve the targeting process, although not sufficient.
- The Ministry of Education should set maps for drop out and failure rates in basic education besides poverty maps for identifying targeted schools.
- Promote civil society's role in formulating schools nutrition programs. This would be through: involving the civil society in identifying the potential targeted schools under the program to ensure targeting poor students schools and the most vulnerable. It should also be involved in such programs monitoring and gearing. This would be achieved by identifying problems and challenges facing schools feeding system and report back to the Ministry of Education in order to avoid in future.
- It is worth noting that participation of civil society's organizations in such programs will not only benefit such programs, but will also give such societies the opportunity to avail themselves of the valuable experience of such work. This will help them to review targeting schemes of the vulnerable households in other development programs.
- Tightening the control on production, transportation, and distribution of school feeding meals through the Ministry of Health.
- Adjust nutrients of school meals to nutrition needs of different age groups, gender and residence area.
- Take into consideration nutrition needs of handicapped and special needs children while setting meals nutrients.
- Enhance quality of the provided meals to ensure real use of meals instead of taking and throwing them later.
- Extend days of provision to school meals to cover the whole days of academic years.
- Poll students and parents' opinion periodically to identify their opinions on school meals and degree of satisfaction as well as any problems or recommendation relevant to school nutrition to achieve the optimum benefit of them.
- Provide extra food amounts to households of children in the targeted schools on ration cards.
- Provide bottles of molasses to households of the children in the targeted schools by providing them coupons to swap from cooperatives, but it is suggested to restrict this type of food aid to the academic year only.



Annex (1)

The Methodology of Developing the Price Monthly and Accumulated Burden Indicator

First

Methodology of the Survey on the Vulnerable Households

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

Second

The Methodology of the Rural Prices Observatory

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

Third

Methodology of the Indices of Monthly and Cumulative Burdens

☛ Index of the Monthly Price Burden

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

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

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

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

Since:

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

n_j : is the number of weeks in the month j.

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

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

Since:

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

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

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

Since:

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

☛ Index of the Price Cumulative Burden

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

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

Since:

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

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

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

Since:

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

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

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

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



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