



The Egyptian Cabinet
Information and Decision Support Center
(IDSC)



World Food
Programme

Egyptian Food Observatory

Food Monitoring and Evaluation System

Issue (7) – March 2012



Introduction

Food problems top the list of issues facing most countries, especially developing ones. Successive food crises, have motivated concerned parties to examine causes of such crises & establish systems which help forecast any future crises to evade or mitigate their 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.

Table of Contents

Executive Summary	3
Section I: Price Indices of Food Commodities	4
1.1 Indicator of the Monthly Price Burden	4
1.2 Indicator of the Accumulated Price Burden	5
1.3 Average Commodity Prices in the Regions	5
1.4 Price Variation Between Urban and Rural Areas	6
Section II: Global Market	7
2.1 Global Prices of Selected Food Commodities	7
2.2 Exchange Rate of the Egyptian Pound versus the US Dollar	7
Section III: Assessment Indicators of the Vulnerable Households	8
3.1 Demographic Characteristics of the Surveyed Households	8
3.2 Income and Expenditure	9
3.3 Vulnerable Households Consumption of Food Commodities	11
3.4 Vulnerable Households Realization of the Change in Food Commodities' Prices	12
3.5 Adequacy of Food Commodities Prices to the Vulnerable Households	13
3.6 Ration Cards	14
Section IV: Civil Society Role in Fighting Poverty & Food Shortage	15
Section V: Agricultural Extension	16
5.1 An Overview	16
5.2 Organizational Framework of the Agricultural Extension in Egypt	16
5.3 Tasks of an Agricultural Extension Worker	16
5.4 Obstacles Facing Agricultural Extension Work in Egypt	18
5.5 Analysis of the Strengths, Weaknesses, Opportunities and Challenges (SWOT)	18
Annex (I)	19

Editorial Board

Dr. Hatem Al Kady

IDSC Chairman

Dr. Hussein Abdel Aziz

Consultant to IDSC

Principal Investigator

Dr. Mohamed A. Ramadan

Deputy Manager of Quality & Development Department

Research Team

Ms. Hend Samir

Ms. Heba Adel

Mr. Hassan El-Noby

Ms. Heba Youssef

Ms. Shimaa Said

Ms. Sary Samir

World Food Programme Team

Mr. Abdallah Alwardat

Program Advisor

Ms. Noura Abd-Elwahab

Senior Economist

Ms. Riham Abu Ismail

VAM/ Poverty Officer

Ms. Alaa Zohery

GIS Specialist

Executive Summary

- There has been a slight increase in prices of March-2012, compared to the relative stability achieved over the previous four months.
- The percentage of households that see that prices of most food commodities are above their purchasing power has increased. This increase is due to the unchanged income of these households
- Compared to the month prior to the survey, about 4.3% of the households referred to a regressing income. About 44.3% of the households receive their income from sources other than their current job.
- Around three quarters of vulnerable households' have insufficient income to satisfy their monthly needs. About 39.4% of these households rationalize their consumption to secure their monthly needs.
- Consumption patterns of the poor in terms of the most used food items or consumption rates are similar in the different rounds.
- Almost one fifth of the vulnerable households (19.1%) do not have ration cards.

Budget of research and extension in Egypt **0.01%**
Of agricultural income per year

Budget of research and extension in developing countries **2.5-3%**
Of agricultural income per year

Source: Ministry of Agriculture and Land Reclamation, Strategy of the Ministry of Agriculture 2030, 2009.

Summary of the 7th 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 4th week of March-2012 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).

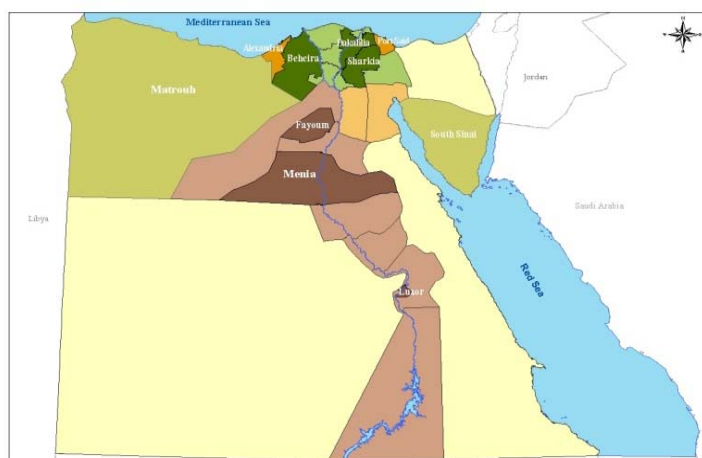
Moving towards a policy of encouraging the private sector to increase the efficiency of agricultural extension system

Agricultural Extension Policy in Australia

Source: The university of Western Australia:
www.general.uwa.edu.au/u/dpannell/dpap982f.htm

Required Actions:

- Ministry of Agriculture to adopt a national project to restore the agricultural extension worker and his role in the Egyptian village, and its relationship to the Egyptian farmer.
- Supply Agency for Agricultural Extension with a young agricultural extension cadres - with specialized capabilities in agricultural extension - to revive the role of agricultural extension at the village level.
- Executing more general and specialized training courses for agricultural extension workers.
- Develop an independent section in colleges of Agriculture to be responsible for graduating agricultural extension workers. Registration for postgraduate studies in this specialization should be made available in order to ensure the continued academic development of the Agency for Agricultural staff.



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

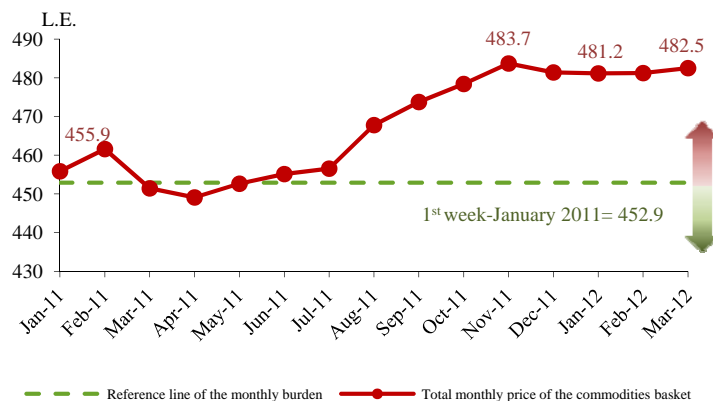
Section
One

Price Indices of Food Commodities

1.1 Indicator of the Monthly Price Burden

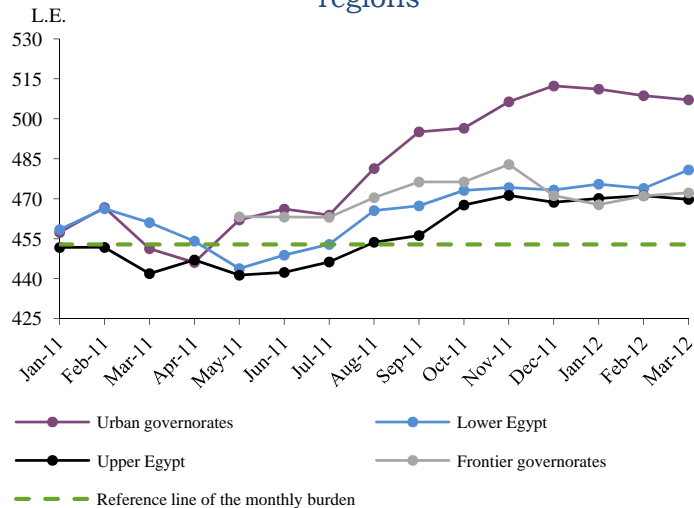
- ⊙ The monthly price burden, which represents the main measuring unit of the measured commodities basket, reveals a slight increase in March prices after relative stability in prices witnessed over the last four months.
- ⊙ March prices increased at a rate of 6.5% compared to the first week of January-2011. This shows an increase in nominal prices by nearly L.E 29.6 per basket.
- ⊙ On the regional level, the commodities basket price in urban governorates has continued to decrease for the third month respectively but, is still high compared to other regions. As a result of this increase, the monthly burden of the Egyptian community has increased.
- ⊙ The monetary difference between the commodities basket price in urban governorates compared to the total level is L.E 24.6, and the difference between the commodities basket price in Urban and Lower governorates came to L.E 26.3.
- ⊙ Reviewing macro-economic indicators of prices showed an increase in the overall inflation rate and the price index of food and beverages during March-2012.

Figure (1)
Indicator of the monthly price burden¹



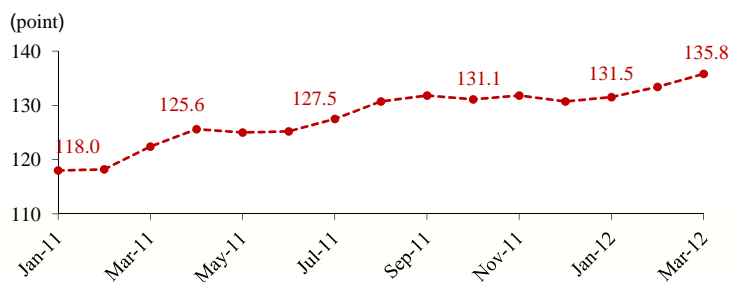
¹ Reference line of the monthly burden has been updated upon the completeness of prices data in different governorates.
Source: Field Monitoring Network, Cabinet-Information and Decision Support Center.

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



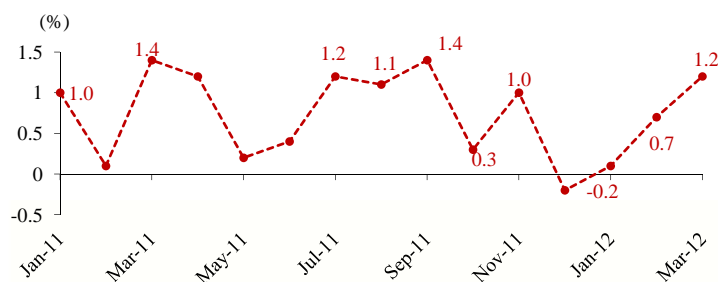
Source: Field Monitoring Network, Cabinet's Information and Decision Support Center.

Figure (3)
Food and Beverages Price Index¹



¹Reference month (January 2010=100 points).
Source: Central Agency for Public Mobilization and Statistics, CAPMAS.

Figure (4)
Monthly Inflation Rate for consumer prices¹



¹Reference month (January 2010=100%).
Source: Central Agency for Public Mobilization and Statistics, CAPMAS.

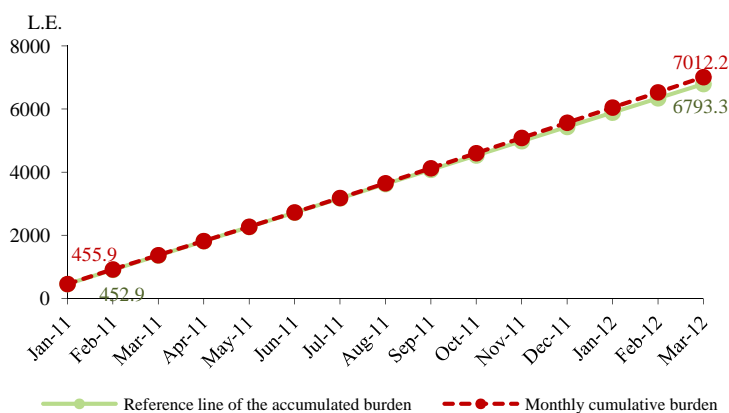
1.2 Indicator of the Accumulated Price Burden

- ⊙ A review of total expenses incurred by the Egyptian household to purchase the basket once a month in (January-2011 to March-2012), reveals that the total cost of the measured food commodities basket is L.E 7012.2.
- ⊙ A comparison of the current cost of the indicated basket against the level of the 1st week of January-2011 reveals a total cost difference of nearly L.E 218.9. This would cost the household an average of L.E 14.6 each time it purchases the basket.

1.3 Average Commodity Prices in the Regions

- ⊙ Shifting from the holistic to the micro-view, some of the surveyed commodities prices during March-2012 have decreased in price especially in frontier governorates followed by urban governorates.
- ⊙ Yellow lentils and beef are the two goods that have experienced the largest price decrease to continue their decreasing trend from the previous month in all governorates.
- ⊙ Potatoes and onions prices continued to decrease in all regions except Upper Egypt's governorates where they increased unlike the past two months.
- ⊙ Eggplant prices have declined in frontier and upper governorates following an increase over the last two months.
- ⊙ Flour prices continued to decrease in urban and Lower governorates over the last month.
- ⊙ Both poultry and tilapia fish are the commodities that witnessed the greatest increase in their prices in all regions. These prices have been increasing over the past two months.

Figure (5)
Indicator of the accumulated price burden



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

Table (1)
Average prices of March-2012 and change rate compared to January prices of some food commodities

Goods	EGP/ Kg (%)			
	Urban	Lower	Upper	Frontier
Beef	64.4 (-2.2) ↓	59.0 (-1.2) ↓	54.4 (-2.5) ↓	60.0 (0.0) ▬
Poultry ¹	18.9 (15.4) ↑	18.7 (13.2) ↑	18.2 (5.3) ↑	19.2 (10.6) ↑
Tilapia fish	12.8 (8.5) ↑	14.0 (23.3) ↑	14.6 (7.2) ↑	11.9 (0.7) ↑
Eggplant	5.3 (9.5) ↑	4.3 (13.3) ↑	3.7 (-0.7) ↓	4.4 (-3.4) ↓
Potatoes	1.9 (-1.3) ↓	1.7 (-3.9) ↓	1.7 (1.0) ↑	1.8 (-16.6) ↓
Onions	2.1 (-3.4) ↓	2.0 (-2.6) ↓	2.1 (1.0) ↑	2.2 (-9.1) ↓
Tomatoes	2.2 (-1.9) ↓	2.5 (18.3) ↑	2.1 (4.6) ↑	2.2 (5.7) ↑
Local beans ²	8.1 (4.4) ↑	7.9 (2.0) ↑	8.6 (-0.9) ↓	8.2 (-0.9) ↓
Yellow lentils ³	9.6 (-5.3) ↓	9.4 (-3.2) ↓	8.1 (-4.9) ↓	8.8 (-1.6) ↓
Flour ³	4.6 (-1.6) ↓	4.6 (-0.7) ↓	3.9 (0.6) ↑	4.1 (-9.8) ↓
Rice ⁴	5.1 (3.4) ↑	4.5 (0.6) ↑	4.5 (0.1) ↑	4.8 (-7.1) ↓
Macaroni ⁵	5.4 (-1.5) ↓	4.7 (-1.5) ↓	4.6 (0.7) ↑	4.6 (7.1) ↑
Sugar ⁶	5.9 (0.1) ↑	6.0 (-1.1) ↓	5.7 (-1.7) ↓	5.5 (-5.9) ↓
Corn oil ⁷	14.5 (-0.1) ↓	13.7 (0.1) ↑	14.0 (0.0) ▬	13.6 (-1.3) ↓

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

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

1.3 Average Commodity Prices in the Regions (cont')

- Prices of some commodities such as tomatoes (except Urban governorates) and rice (except frontier governorates) started to increase after last month's decline.
- Local bean prices changed direction to climb in Urban and Lower Egypt's governorates this month compared to the last two months.

1.4 Price Variation Between Urban and Rural Areas

A comparison to prices of food commodities between urban and rural areas were done in the 4th week of March-2012 in some Egyptian governorates, where prices had been monitored in both urban and rural areas (Damietta, Menofya, Aswan, Red Sea). 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 areas than rural in Menofya and Aswan by about L.E 2.5, 3.5 per kg, respectively.
- The price of black lentils is higher in Menofya urban than rural areas by L.E 5.4 per kg.
- Rice prices were higher in rural than urban areas in Aswan and Red Sea governorates by around L.E 4.5, 4.0 per kg, respectively.
- Garlic price is higher in urban than rural areas in Damietta and Menofya by about L.E 2.1 per kg.
- Egg packet prices were higher in Aswan and Menofya's urban than rural areas by around L.E 5.3, 2.2 per kg, respectively, while the price is higher in Red Sea's rural than urban areas by about L.E. 3.8 per kg.
- Corn Oil prices are higher in Damietta's rural than urban areas by around L.E 3.0 per liter.
- Natural ghee prices are higher in Aswan's urban than rural areas by around L.E 7.1 per kg.
- Poultry prices is higher in Menofya's urban than rural areas by around L.E 3.4 per kg. However, the prices are higher in Damietta's rural than urban areas by around L.E 3.7 per kg.
- Catfish price is higher in Damietta and Menofya's rural than urban areas by about L.E 6.0, 3.0 per kg, respectively.
- Mugil Cephalus price is higher in Damietta and Red Sea's rural than urban areas, by around L.E 10.0, 14.7 per kg, respectively. However, the price is higher in Menofya's urban than rural areas by around L.E 5.7 per kg.
- Beef prices are higher in Aswan's rural than urban areas by around L.E 22.0 per kg.
- Lamb prices are higher in Menofya's urban than rural areas by around L.E 11.7 per kg.

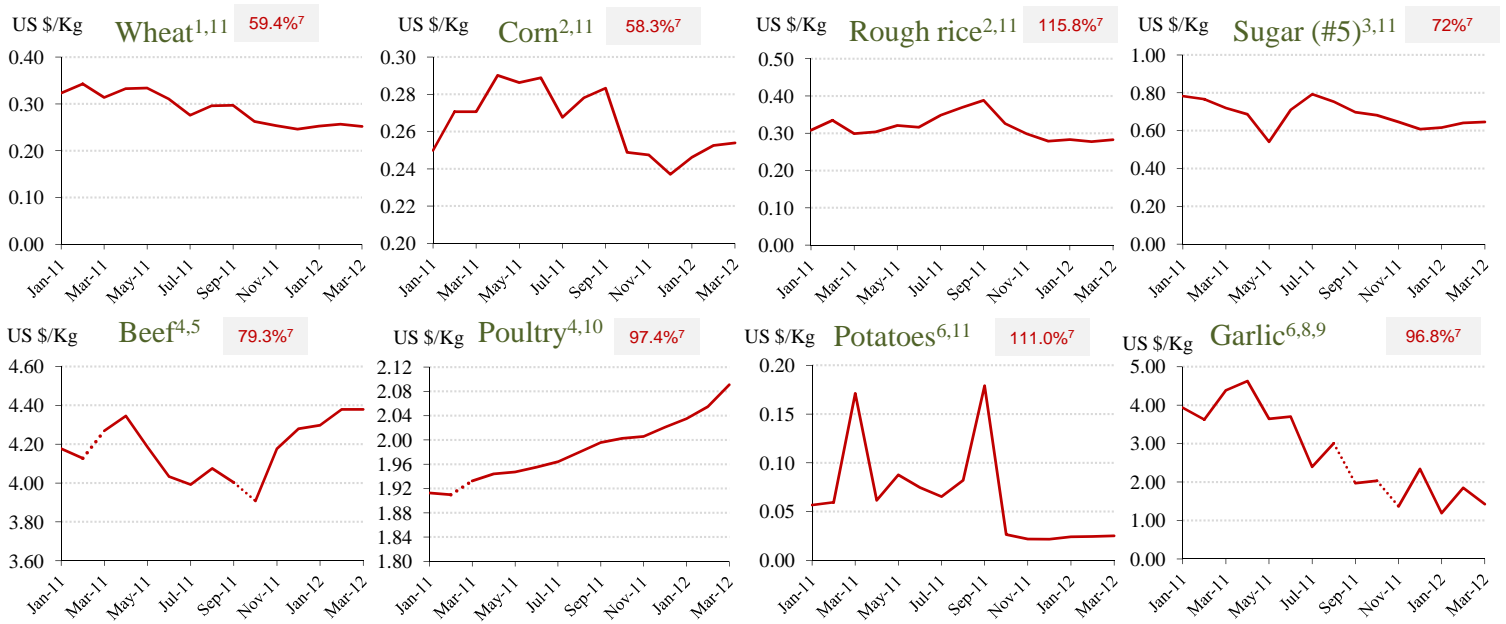
Section **Two** **Global Market**

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 a continued decrease in the price of garlic during March- 2012.

- Poultry prices increased as they recorded their highest value during the period from January-2011 to March-2012.
- Wheat, rough rice, sugar, and potatoes prices have remained at the same level since November-2011.

Figure (6)
Global price developments of selected food commodities



Self-sufficiency ratio (2010)

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.

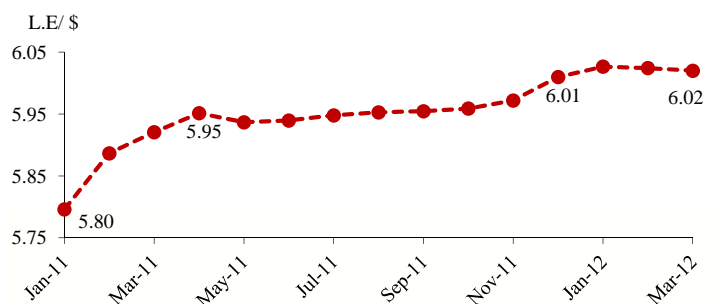
¹⁰ Values of the 3rd and 4th weeks of February as well as values of March have been estimated because they are unavailable in the source.

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

The Egyptian Pound exchange rate level remained relatively stable over the last three months. However, this level is still high compared to it's level in 2011. The Egyptian Pound exchange rate against the US dollar increased by around 1.7% in March-2012 compared to March-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

✧ The poverty rate increased concurrently with the increase in household size. In 2010/2011 poor people amounted to 5.0% among those who live in households comprising of less than 4 members, compared to 64% among those who live in households of 10+.

Source: CAPMAS, Indicators of Poverty, according to Household Income, Expenditure, Consumption Survey, 2010/2011.

✧ Total sample size came to 540 households (2527 persons) equally distributed over 10 governorates.

✧ Female headed households constitute 18.0% of total households in the sample.

○ About two thirds of the sample (64.1%) are in the age group of 30 years or less.

○ Around 21.3% of the total sample (6+ years old) are not enrolled in education, enrollment rates increase in the age group of 30 or less which ranged between 88.1%-96.6%, However these rates decreased in the age group of 31-70 years it doesn't exceed 76.2%.

○ Around 24.8% of the total sample (6+ years) who were enrolled in schools had dropped out of basic education before preparatory. Drop out rates concurrently increase with the progress in age. In this regard, the drop-out rate for the 10- group was zero compared with 47.2% in the age group 41-50 and 82.1% in the age group 61-70.

○ Around 31.3% of total household heads are unemployed.

○ Around 9.9% of male heads of households work as sellers and 8.4% as farmers (non property holders).

○ Around 4.1% of female heads of households work as sellers.

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

Age Group	Age Distribution	Enrollment Rate ¹	Drop out Rate ²
10-	25.0	91.5	0.0
(11-20)	23.1	96.6	13.5
(21-30)	16.0	88.1	22.2
(31-40)	12.0	76.2	43.9
(41-50)	11.0	64.0	47.2
(51-60)	6.7	53.8	60.4
(61-70)	4.4	25.0	82.1
71+	1.8	17.8	87.5
Total	100.0	78.7	24.8

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, March 2012.

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

Employment status	Male	Female	Total
Unemployed	19.4	85.7	31.3
Seller ¹	9.9	4.1	8.8
Farmer (not holding property)	8.4	1.0	7.0
Driver ²	7.2	0.0	5.9
Carrier	6.8	0.0	5.6
Janitor or office boy	6.5	1.0	5.6
Technical ³	3.6	0.0	3.0
Painting worker	3.4	0.0	2.8
Clerk (personnel - books - accounting)	2.5	0.0	2.0
Other	32.3	8.2	28.0
Total	100.0	100.0	100.0

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

²Includes (truck, microbus, private car, taxi, & bus).

³include technicians (maintenance, electrical, chemical, mining)

Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, March 2012.

3.2 Income and Expenditure

3.2.1 Expenditure

★ Average monthly expenditure of the vulnerable households amounted to L.E 770.5, reflecting per capita expenditure of around L.E 5.7 per day.

3.2.2 Sources of Income & Its Sufficiency

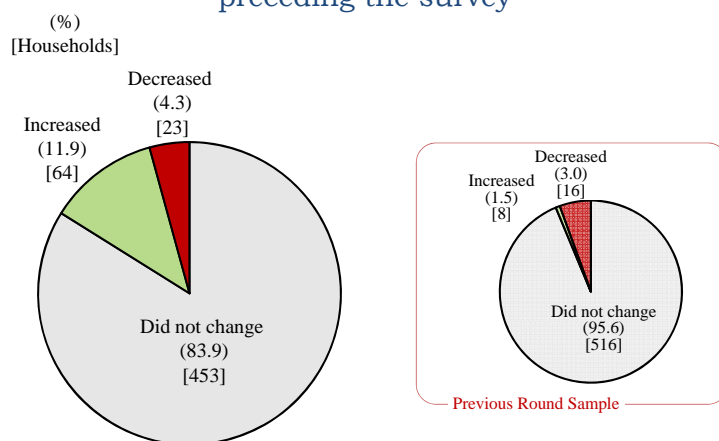
- Compared to the month prior to the survey, 11.9% of the households reported increase income whereas 4.3% reported a decrease.
- This relative stability in the monthly income of the majority of households is alarming, especially when it is compared to the increasing prices, which implies that households cannot meet their basic needs.

★ Around 44.3% of the sampled households reported having additional source of income apart from their main job.

- Retirement/ insurance pensions constitute 35.9% of additional sources of household income apart from their current job.
- Governmental assistance or social solidarity pension constitute 22.7% of additional sources whereby households generate income apart from their current job. While charity assistance including family assistance and philanthropy community constituted 17.8% and 9.3% (not less than one fourth of the sources) respectively.
- Consistency of this result with the previous rounds shows the importance of charity work, either formal or informal, in strengthening the social solidarity network.

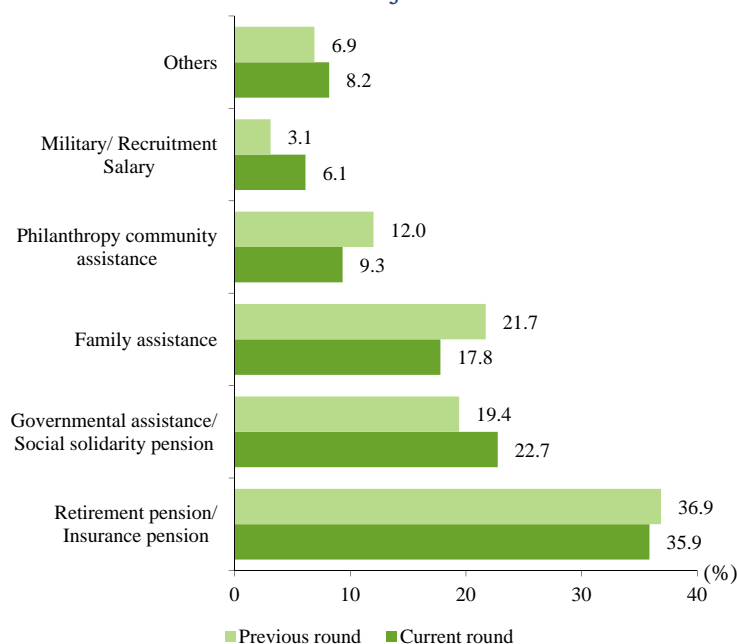
★ The percentage of recipients of retirement/ insurance pension, as an additional source of income, is highest in Qalyubiya (63.3%), Cairo (51.9%), and the lowest percentage in Matrouh (10.8%), Port Said (21.4%).

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, February, March 2012.

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, February, March 2012.

★ Results revealed an increased percentage of recipients of government assistance/ social solidarity pension, as an additional source of income, in the following governorates: Matrouh (43.2%), Aswan (36.2%); however, Qalyubiya experienced the lowest percentage that amounted to (3.3%) and Cairo (7.4%).

- There are around three quarters of vulnerable households who reported that their monthly income is insufficient for meeting their monthly needs.

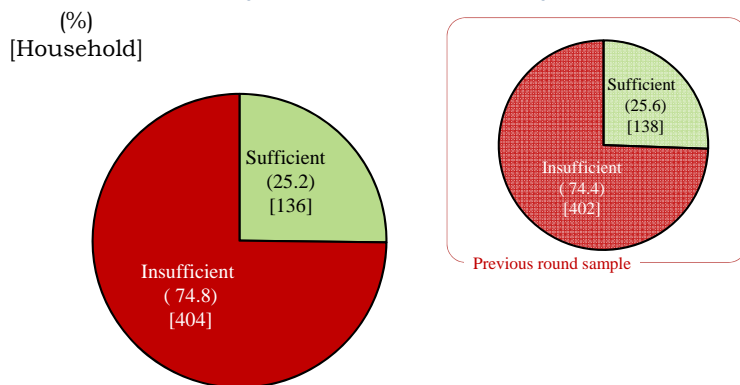
- The percentage of households whose income is insufficient for meeting their monthly needs recorded its highest level in Souhag (87.0%), then Matrouh and Menofya (85.2%).
- This percentage recorded its lowest value among households in Beni Suef (48.1%), then Damietta (55.6%).

3. 2. 3. Coping Strategies Approaches

- Examining the results of the 7th 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 39.4% of these households rationalize their consumption whereas about 36.4% of these households borrow money or buy on credit.
- About 9.1% of the households whose monthly income is insufficient for meeting their monthly needs resort to overtime (by any of its members).
- Food assistance from family or the philanthropic community make up 4.9% of the total means used by households to cover the gap between income and expenditures. Financial assistance from family members accounts for 7.2%.

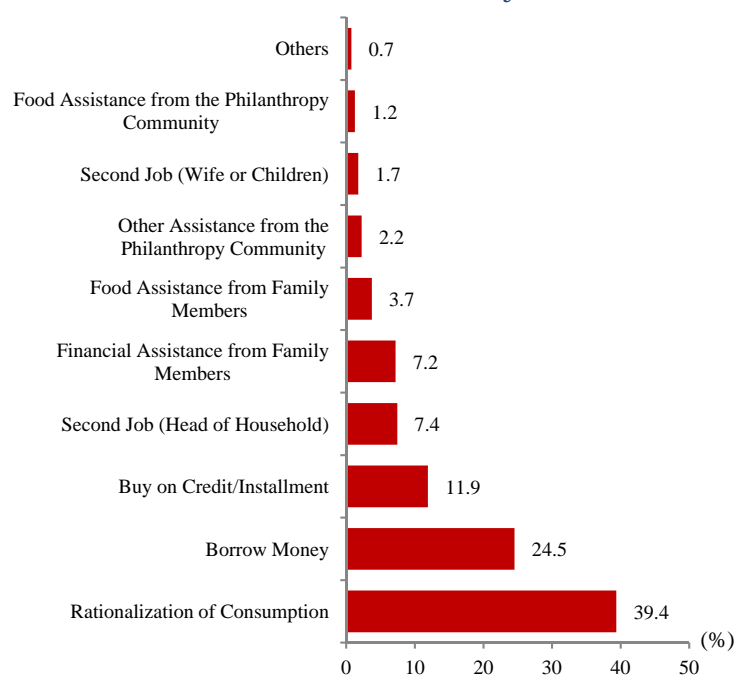
- Rationalizing consumption recorded its highest level as a mitigation measure used by households to close the gap between income and expenditures in: Damietta (53.3%), Qalyubiya and Beni Suef (50.0%).
- Borrowing, which is the second means used by households to close the gap, was highest in: Souhag (40.4%), Matrouh (28.3%) and Cairo (27.9%).

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, February, March 2012.

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, March 2012.

- "Decreasing the normal amount of food" topped the list of the means adopted by households for facing commodities price rise (69.0%), followed by being obliged to buy the commodity (19.7%). 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.

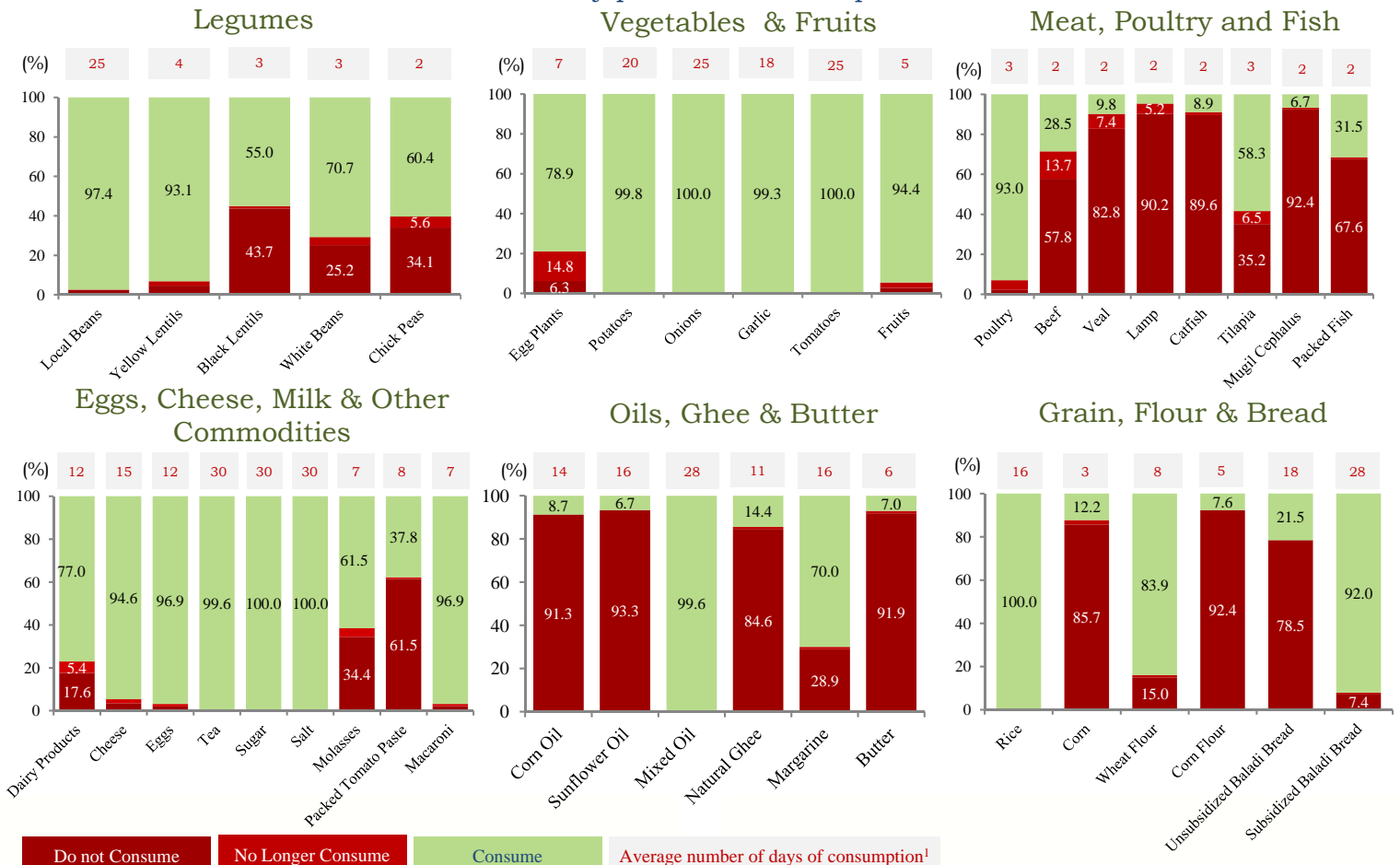
3.3 Vulnerable Households Consumption of Food Commodities

- It is very important for decision makers & development or assistance oriented civil society organizations to get acquainted with consumption patterns of the vulnerable households as they are most probably exposed to the risk of food insecurity.
- Results of the 7th round emphasize that there is no change of the consumption pattern of the vulnerable households. In addition, the matrix of consumption patterns emphasize that vegetables, salt, sugar, tea, local beans, mixed oil, 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 poultry, yellow lentils, fruits and corn flour 3-5 times per month.

- The vulnerable households rarely purchase meat, fish (except for tilapia), sunflower oil, corn oil, butter, natural ghee and corn flour.
- 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 different rounds on consumption patterns of the poor in terms of the most used food items or consumption rates confirms the effectiveness of providing commodities through 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



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, March 2012.

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

- Regarding households' realization of changes in prices of the consumed commodities, the majority of vulnerable households expressed a sense of price increase of some of the commodities.
- About 84.9% of vulnerable households reported their realization of increased prices of poultry, and about 80.0% of the same group expressed an increase of lamb meat prices.
- The majority of households reported realization of price stability in salt, local beans, subsidized baladi bread, mixed oil and packed tomato paste.
- Three quarters of vulnerable households confirmed price stability of yellow lentils,

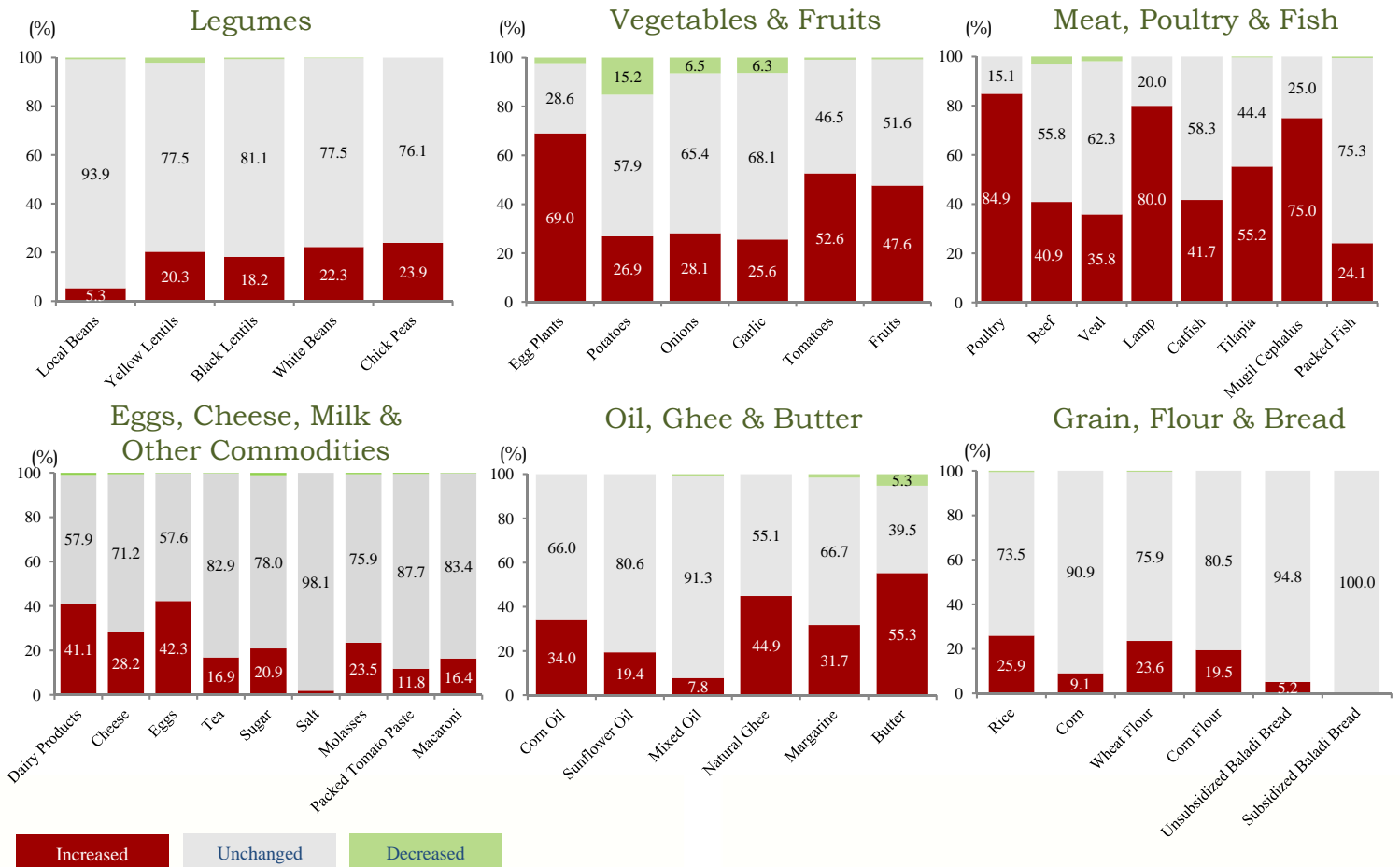
- white beans, cheese, sugar and rice.
- About 15.2% of the vulnerable households indicated price decrease of potatoes, scoring the highest percentage of the commodities.

More than one third of the vulnerable households in all the surveyed governorates expect Aswan realized an average price increase in all food commodities.

Compared with the previous round, there was an increase in the percentage of vulnerable households who realized there had been a price increase in almost all food commodities. However, the percentage of households who realized there had been a decline in prices, is still low in general.

Figure (13)

Break down of the vulnerable households according to their opinion regarding price change of food commodities between January, February 2012



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, March 2012.

3.5 Adequacy of Food Commodities Prices to the Vulnerable Households

- Prices of different kinds of meat, poultry, followed by fish are not affordable for the majority of the vulnerable households.
- Prices of salt, local beans, mixed oil and packed tomato paste are adequate to more than two thirds of such households.
- In March-2012, fruits, legumes (except for local beans), oil, ghee and butter (except for mixed oil), cheese, eggs, dairy products, sugar and subsidized baladi bread prices were not adequate for majority of the vulnerable households.

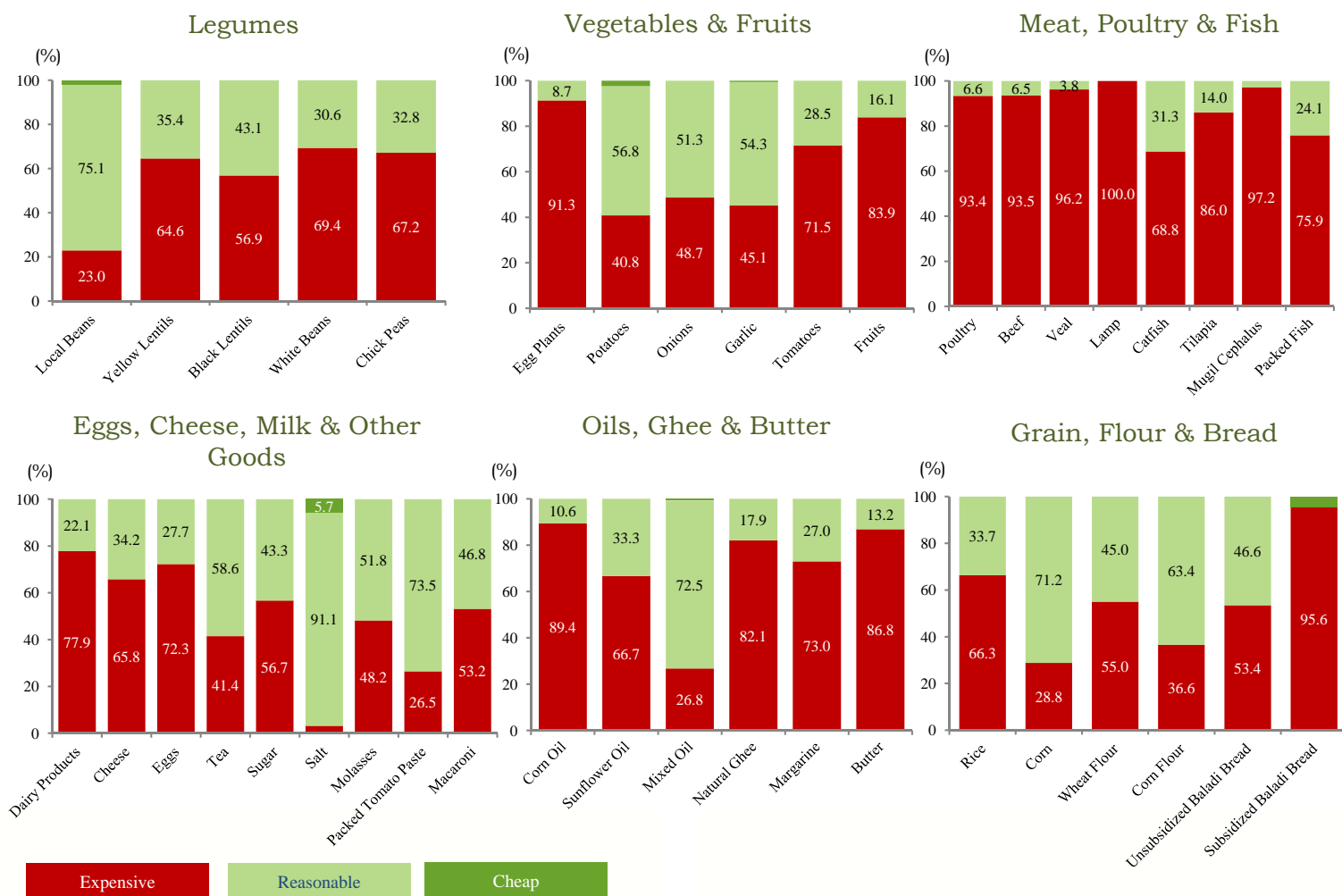
The price increase of most of the food commodities which is reflected in March's price index, coupled with a large percentage of households who felt the price increase compared to the previous month, led to an increase in the percentage of households whose purchasing power is insufficient given the prices of most food commodities. This increase is attributed to the unchanged income of such households.

Bread..Freedom..Social justice

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

Figure (14)

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



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, March 2012.

3.6 Ration Cards

- Around one fifth of the vulnerable households (19.1%) are still not ration card holders.
- About 97.9% of the vulnerable households that own ration cards use them for obtaining the subsidized commodities.

★ Aswan governorate is the highest (in the survey sample) in terms of ration card holders among the vulnerable households (96.3% of total sampled households in the governorate), followed by Damietta, and Menofya governorates (87.0%).

★ The lowest percentage was recorded in Port Said governorate (70.4%) followed by Matrouh (72.2%).

- 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.

Compared to the previous round, the percentage of vulnerable households who receive sufficient quantities of subsidized commodities and do not need to buy additional quantities (except rice) decreased for all commodities include in the ration card scheme. However, the percentage of vulnerable households who receive insufficient quantities of subsidized commodities, and hence are obliged to buy additional quantities, remained on the same level as the previous in all cases apart from oil.

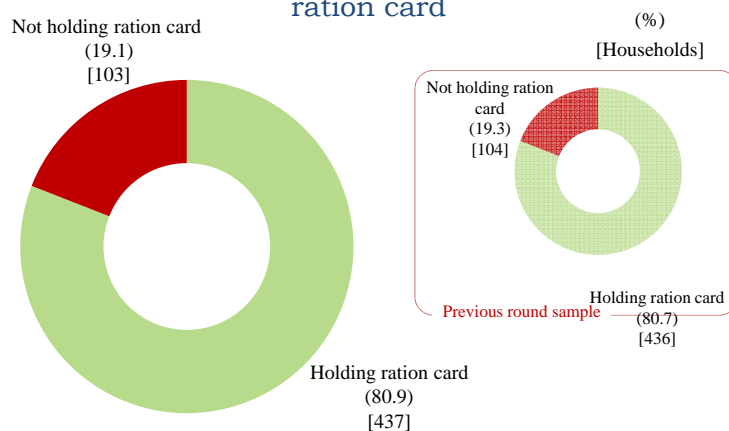
★ The percentage of households that receive insufficient rice on ration card and are obliged to buy extra quantities came high in: Qalyubiya (93.2%), Port Said and Damietta 81.6%, 78.7% respectively compared to other governorates and the overall level.

★ The percentage of vulnerable households that receive insufficient sugar quantity on ration card and are obliged to buy extra quantities came high in Souhag (81.0%), Matrouh (75.7%) compared to other governorates and the overall level.

Compatible with the findings of previous rounds findings, results of the 7th round revealed that around one fifth of the vulnerable households are not ration card holders, creating an urgent need for a comprehensive review of the subsidy system beneficiaries to ensure effective targeting of the poor.

Figure (15)

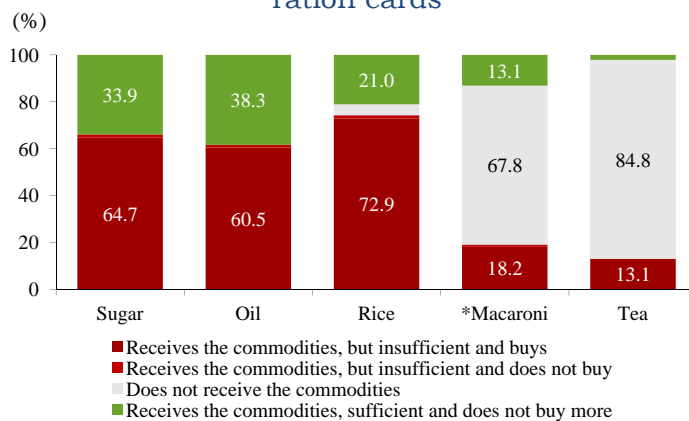
Break down of vulnerable households by holding a ration card



Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, February, March 2012.

Figure (16)

Sufficiency of the subsidized commodities on the ration cards



*Macaroni is not one of the ration food items, and that it is only available when rice is short in supply.

Source: Assessment Survey of the Vulnerable Households, Egyptian Food Observatory, March 2012.

★ More than half of the vulnerable households in all governorates (except Beni Suef) which receive oil on ration cards described the quantities as insufficient, so they are obliged to buy additional quantities.

Section
Four

Civil Society Role in Fighting Poverty & Food Shortage



Egyptian Red Crescent (ERC) was established in 1911 a non-governmental organization performing its activities within the principles of the International Movement of Red Cross and Red Crescent. It is headquartered in Cairo with several branches spread nationwide. The ERC Society bases its philosophy on voluntary non-governmental work that supports governmental activities. ERC relies on social, technical and specialized efforts exerted by volunteers.

Achievements

o**Avian Flu Control:** The ERC started implementing activities to combat avian flu since 2006. The campaign mainly targeted housewives, farmers and butchers.

o**The Development of Zeinohm and Nahda Areas:** ERS undertook a development project of Zeinohm which is one of the largest slum areas in Cairo. In response to the 1992 earthquake, it also carried out several efforts in the context of Al Nahda City Development and Upgrading Project.

o**Health:** Health upgrading stands among the most important activities of the ERC for the purpose of health improvement in general and reproductive health in particular. In addition, it works for controlling epidemic diseases. For this purpose, it established 51 primary health care units providing low cost health services, 9 hospitals in different governorates, 6 blood banks, and 6 blood transfusion centers. The Society organizes first aid training programs in addition to AIDS/ HIV awareness campaigns.

o**Food and medical assistance:** Relief and assistance are provided in case of national or international disasters. In this context, five trucks carrying food and medical supplies had been sent to Hamas Movement in Gaza Strip in 2008.

Most important projects

«First Aid Course»



oProject of Strengthening the Role of Egyptian Youth in Public Life:

The project aims at engaging youth in the daily life in order to diffuse, support and improve social responsibility. It had been designed to assist 4500 male and female youth directly and 20 thousand male and female youth indirectly residing in Cairo, Helwan, South Sinai and Asuit governorates.

«Health Awareness»



oProject of Training School Students:

The project aims at sensitizing school students about health and safety areas. For this purpose, they receive training on first aid, and sound health practices by means of designing, printing and distributing four booklets and a set of educational games.

«Blood Transfusion »



oProject of Supporting the Services of Reproductive Health and Family Planning:

It is a USAID funded project through which 20 health clinics had been equipped in 13 governorates, in addition to providing training to 80 doctors and nurses. The outcome was 3% increase in the monthly average of visitors to the family planning clinics, and 63% increase of contraceptives users.

«Youth Camps»



➔ The country office participated in a regional analysis workshop as part of the Cost of Hunger Study in Africa. Egypt is one of five “fast track” countries leading the study which aims to quantify the economic burden of malnutrition in African countries. The study results will be communicated to Ministers of Finance and Planning of African Union member countries for advocacy purposes.

➔ The country office participated in a regional workshop on cash and vouchers (C&V), in order to introduce C&V for the first time potentially in its next Country Programme.

➔ The country office participated in a workshop in Amman on fortification of wheat and maize flour with vitamins and minerals, organized by WHO.

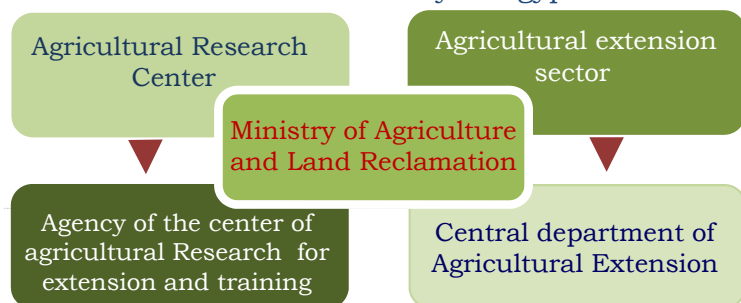


5.1 An Overview

- Agriculture extension stands among the most important development mechanisms aiming at enhancing the rural community in general and the agriculture community in particular, it involves providing farmers with information and knowledge about modern agricultural methods and techniques, necessary assistance, identifying farmers' needs and problems, studying the problems and finding relevant solutions.
- Therefore, agriculture extension is a liaison between the researchers and farmer whereby the extension worker communicates research results and modern agriculture technologies to farmers who would use them for increasing the production and productivity of arable land.
- This is where the potential role of agriculture extension may become increasingly important in many countries for boosting the agricultural and rural development, and modernizing agriculture production techniques. In addition, it enables bridging the technological gap between the developed and developing countries just as it separates between rural and urban areas or between rural communities located in different places in country.

Figure (17)

Organizational Framework for the Agriculture Extension Authority in Egypt



Scientific Society for Agricultural Extension, "Role of Agricultural Extension in Developing Agricultural Exports", Eighth Conference, The Egyptian International Center for Agriculture, Cairo, 2006

Source:

¹Scientific Society for Agricultural Extension, "Agricultural Extension Horizons in Developing Small Agricultural and Environmental Projects", Forth Conference, The Egyptian International Center for Agriculture, Cairo, 1999.

²Scientific Society for Agricultural Extension, "Role of Agricultural Extension in Developing Agricultural Exports", Eighth Conference, The Egyptian International Center for Agriculture, Cairo, 2006, P. 47.

³ Ministry of Agriculture and Land Reclamation

5.2 Organizational Framework of the Agricultural Extension in Egypt

- Agency for Agricultural Extension is one of the institutions in charge of implementing agricultural policy geared towards adapting to a free market economy. The role of the agency is not restricted to communicating knowledge and information involving the trends of agricultural development that contributes to attaining productivity increase. Its role extends to cover multiple activities in the following areas: food manufacture, sewing and tailoring, weaving and carpets, installing hatching machines, bee hives and bee hiving, perfume production, handicraft, poultry and rabbit breeding, fodder manufacture projects, vegetable and ornamental plants nurseries, and veal breeding¹.
- The agricultural extension system started in Egypt by establishing the Organization of Agricultural Extension affiliated with the Ministry of Agriculture and Land Reclamation in 1953 through the support of the Food and Agriculture Organization (FAO). The aforementioned organization evolved, during the eighties, from an organizational unit affiliated with the Public Department of Agricultural Services in the Ministry to an independent central department².

5.3 Tasks of an Agricultural Extension Worker

- Collecting data related to agricultural extension activities in his assigned area.
- Identifying the extension work targets in his assigned area that should be in line with the agricultural policies.
- Contributing to training needs assessment and attending training courses delivered by the agriculture technology transfer specialist.
- Exploring, selecting and training local rural leaderships.
- Observe extension working prerequisites in raising farmers' extension awareness.
- Recording data and field observations in the relevant records.
- Informing farmers about the funding needs necessary for implementing the technical recommendations and all agricultural activities in his assigned area.

5.3 Tasks of an Agricultural Extension Worker (cont`)

- ⊙ Contributing to evaluating the educational and economic impact of the extension program implemented in his assigned area.
- ⊙ Participating in selecting extension fields created by farmers and publishing the results of implementing successful extension activities.
- ⊙ Identifying the reasons of farmers' failure to implement some of the technical recommendations, and proposing possible and adequate solutions to overcome this problem.
- ⊙ Recording successful agricultural practices which would be communicated to the concerned research bodies.
- ⊙ Identifying general administrative obstacles facing the farmers during the implementation and working to eliminate them by contacting the local rural services bodies.
- ⊙ Communicating the obstacles which he fails to solve to higher supervisory levels.

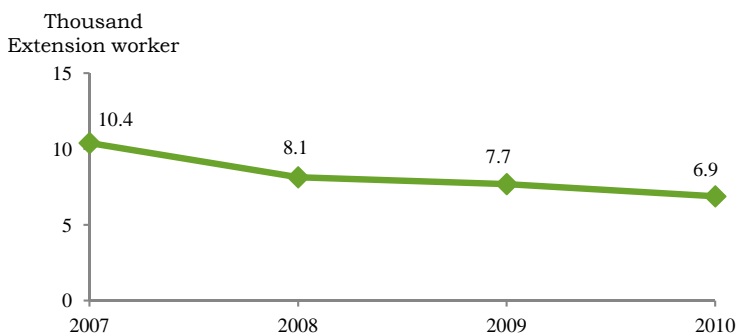
Relationship between Agricultural Extension and Food Security

- ★ Agricultural extension constitutes means for overcoming poverty and improving food security. It stands as key element of the agricultural and rural development process because agricultural extension is the entity that mainly contributes to technology transfer, application, which is subject to supervision in the fields for the purpose of production increase.
- ★ Therefore, it is of paramount importance to implement a robust agricultural extension system capable of correcting the current weaknesses. It should assist farmers in managing their farms, and selecting their crops according to national priorities which enables proper marketing of their products and raises the net farm return.

Source: Scientific Society for Agricultural Extension, "Role of Agricultural Extension in Developing Agricultural Exports", Eighth Conference, The Egyptian International Center for Agriculture, Cairo, 2006.

Figure (18)

Number of staff working in the Agricultural Extension Authority (2007 – 2010)



Source: Ministry of Agriculture and Land Reclamation

Table (17)

Total staff members working in agricultural extension in 2010

		Extension worker		
	Level	Male	Female	Total
Central	Central Department for Agricultural Extension	129	85	214
Regional	Media Support Centers	178	45	223
	Extension areas	59	5	64
	Total regional	237	50	287
Local	Agricultural directorates	361	237	598
	Administrative and extension centers	2159	347	2506
	Villages (Extension workers)	2743	531	3274
	Total local level	5263	1115	6378
Grand total		5629	1250	6879

Source: Ministry of Agriculture and Land Reclamation

- ★ According to the 2009/2010 agriculture census, the number of arable land holders amounted to 4.5 million. In other words, the share of an extension worker - based on the workers number in 2010 - of arable land holders amounts to one extension worker per 654 land holder.
- ★ This ratio shows that each extension worker retains the number of arable land holders which negatively affects their performance and diminishes their efficiency. In turn, it bears passive impact on the Egyptian agriculture.

Source: Ministry of Agriculture and Land Reclamation

5.4 Obstacles Facing Agricultural Extension Work in Egypt⁴

First Challenges related to the agricultural knowledge system

- ★ The agricultural knowledge system lacks cohesion, integration and coordination among its elements.
- ★ Poor financial resources and redundancy of research subjects. In addition, the researched problems or subjects are rarely connected to the priorities of agricultural development.
- ★ Low demand on agricultural knowledge. In this context, the agricultural sector is suffering shortage of production supplies, conflict of policies, lending and marketing difficulties, although production supplies are essential for the development of production. This makes the technical knowledge an unperceived need by farmers and agricultural institutions.

second Challenges related to the agricultural extension organization

- ★ The Agricultural Extension Agency experienced erosion due to the retirement of a large number of employees.
- ★ Shortage of resources allocated for agricultural extension because the research and agricultural extension budget in Egypt does not exceed 0.01% of the national agricultural income.
- ★ There is a great need to restructure the agricultural extension organization as it suffers insufficient technical specializations, buildings, facilities, and absence of accurate job description.
- ★ Applying the decentralization principle in agricultural extension resulted into dual administrative, financial and technical subordination of the Agricultural Extension Agency.
- ★ Poor institutional relations among the agricultural research centers and agricultural extension organizations. This caused limitation of the efficiency of extension and agricultural development programs.

Source:

⁴ Yahia Ali Zahran, *Proposed National Approach to the Agricultural Extension and Technology Development, Ninth Conference on Agricultural Extension and Rural Development, Faculty of Agriculture, Mansoura University, December 2010.*

5.5 Analyze the Strengths, Weaknesses, Opportunities and Challenges (SWOT)

weaknesses

- ⊙ Agricultural extension workers are relatively old and there is a continuous erosion of the core of employees. In addition, failure to employ new generations of agricultural extension workers.
- ⊙ Poor performance of the Agricultural Extension Agency coupled with limited financial and human capabilities.
- ⊙ Low level of extension workers' income whereby their performance is diminished.
- ⊙ The connection between the Agricultural Extension Agency and other scientific research bodies and the Agricultural Services Unit is not regulated on a scientific basis that allows for a flow of information and coordination of efforts in order to attain the desired objectives.
- ⊙ Multiple entities are providing agricultural extension services but they are working in silos. They miss a clearly defined formal system subjected to government control that defines extension roles which the private sector might assume.

strengths

- ⊙ Human expertise capable of offering extension is abundant, however, they only need a chance and enabling environment to perform their duties properly.

opportunities

- ⊙ The private sector's participation in providing extension services to farmers but without causing them any harm or high cost. The services are introduced through governing procedures that are implemented by a neutral entity.

challenges

- ⊙ Reducing the government subsidy to agricultural inputs, their high prices and high cost of agricultural lending.
- ⊙ Expanding the agricultural traditional sector, fragmented holdings, and high illiteracy rate among farmers which puts a limitation to the means of communication.

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.



The Egyptian Cabinet
Information and Decision Support Center
(IDSC)

1, Magless El Shaab st., Kasr El Einy, Cairo, Egypt Postal code: 11582 P.O.Box: 191 Magless El Shaab

Tel.: (202) 27929292 Fax: (202) 27929222 e-mail: info@idsc.net.eg URL: www.idsc.gov.eg

Toll-Free Internet Number: 07773040