

# Food Security Watch

September 2012

Issue No. 1

## Highlights

- Food prices are increasing, Palestinian purchasing power is decreasing, and many households may lose their ability to meet basic food needs. **This is not a food “crisis,” but the situation must be closely monitored and steps taken to prepare for an increased number of people requiring sufficient resources to purchase food.**
- Palestinian wages have not kept pace with inflation and the value of the shekel has dropped. Many poor Palestinians have exhausted their coping mechanisms (taking on loans, cutting back consumption, etc.) and are now much more vulnerable to small price increases than they were in 2008.
- Food prices in the occupied Palestinian territory are already highly inflated. Additional increases in local or global food prices will only exacerbate an existing problem and further erode Palestinians’ food purchasing power.
- The increase in the cost of living has been followed by a series of non-violent demonstrations in the West Bank that could further deteriorate into violence. However, the PA has taken steps to control prices by reducing the V.A.T. From 17% - 15%, cutting public spending on transport and senior level management salaries, reducing fuel prices, price setting the cost of food and commitments towards setting minimum wage levels.



### Consumer Price Index

▪ The overall Consumer Price Index (CPI) reached 136.97 points in August 2012. The CPI increased by 1.51% compared to July 2012. Major changes in the CPI is largely due to a rise in prices of fresh vegetables which has shown a 15.99% increase in addition to fuel for housing which increased by 4.80% and fuel for transportation which increased by 4.51%.

Major Groups	% Change
Fresh vegetables	+15.99%
Cigarettes	+6.47%
Fuel for housing	+4.80%
Fuel for transportation	+4.51%



### Food Insecurity Projections

▪ If the CPI continues to rise at the current rate, **the total number of people who are food insecure could increase from 1.3 million to 1.9 million by the end of 2012.**

▪ Simulations based on SEFSec results indicate that under stable income assumptions, the number of households without sufficient access to food has risen by 7 percent since 2011. If this rate of increase continues, 41 percent of Palestinians will not have sufficient resources to acquire food by the end of 2012.

Post Assistance Food Insecurity Estimations (as a percentage of Palestinian households)			
Classification	2011	August 2012	End of 2012
Food Insecure	27%	34%	41%
Vulnerable	14%	15%	15%
Marginally Secure	22%	22%	21%
Food Secure	37%	29%	23%

(Assuming an additional 2% increase in CPI at the end of 2012 and nominal income remains constant)



## Global Cereal Prices

▪ Deteriorating global cereal crop prospects over the past two months, due to unfavourable weather conditions in a number of major producing regions, has led to a sharp cut in FAO's world production forecast since the previous report in July. Based on the latest indications, global cereal production would not be sufficient to cover fully the expected utilization in the 2012/13 marketing season, pointing to a larger drawdown of global cereal stocks than earlier anticipated. Among the major cereals, maize and wheat were the most affected by the worsening of weather conditions.

▪ **The FAO Cereal Price Index** averaged 260 points in August, the same as in July, with some increases in wheat and rice offsetting a slight weakening in maize. Deteriorating crop prospects for maize in the United States and wheat in the Russian Federation initially underpinned export quotations, but prices eased towards the end of the month, following heavy rains in areas hardest hit by drought in the United States and the announcement that the Russian Federation would not impose export restrictions. Renewed import demand sustained international rice quotations.



## Local Cereal Feed and Livestock Prices

### North West Bank

- Wheat bran = NIS 1,300 per ton
- Barley = NIS 1,750 per ton

### South West Bank

- Wheat bran = NIS 1,271 per ton
- Barley = NIS 1,685 per ton

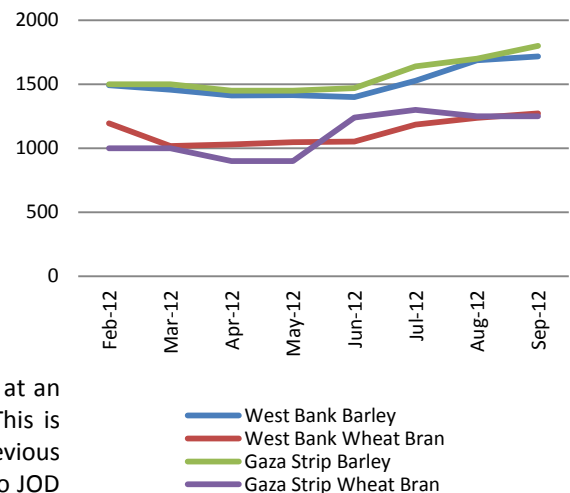
### Gaza Strip

- Wheat Bran = NIS 1250 per ton
- Barley = NIS 1800 per ton

### Livestock Prices

▪ Current price of lamb is JOD 4.50/kilo at an exchange rate of NIS 5.60 to JOD 1. This is down from JOD 4.60/kilo in the previous month at an exchange rate of NIS 5.65 to JOD 1. Herders are now making a loss due to the exchange rate.

Comparison of Wheat Bran and Barley Prices



## Fuel

▪ Price of gasoline has risen over the past week from NIS 6.9 per litre in January 2012 to around NIS 7.98 per litre in the West Bank. The price of diesel has increased from NIS 6.6 per litre to NIS 6.79.

▪ In the Gaza Strip, price of gasoline imported from Israel has increased from NIS 6.9 per litre in January 2012 to NIS 7.52 per litre while diesel has increased from NIS 6.6 per litre to around NIS 8 per litre. However, diesel fuel from Egypt is much lower at NIS 3.1 per litre while benzine is NIS 3.8 per litre.



## Livelihood Impact

### Crop Farmers

▪ As of August 2012, food insecurity among crop farmers stood at 27%; up by 7% from 2011. By end of 2012, it is expected that food insecurity will affect 31% of crop farmers.

### Mixed Livelihoods

▪ As of August 2012, food insecurity levels among mixed livelihoods stood at 18% up from 11% in 2011. Levels could continue to increase to 23% by end of 2012.

### Herding Livelihoods

▪ As of August 2012, food insecurity levels among herders stood at 34% up from 31% in 2011. Levels could continue hit 37% by the end of 2012.

Crop Farmers	2011	Aug 2012	End of 2012
Food Insecure	20%	27%	31%
Vulnerable	13%	12%	15%
Marginally Secure	21%	24%	23%
Food Secure	46%	37%	31%

Mixed Livelihoods	2011	Aug 2012	End of 2012
Food Insecure	11%	18%	23%
Vulnerable	15%	21%	18%
Marginally Secure	30%	25%	26%
Food Secure	44%	36%	32%

Herding	2011	Aug 2012	End of 2012
Food Insecure	31%	34%	37%
Vulnerable	7%	12%	12%
Marginally Secure	23%	20%	26%
Food Secure	40%	33%	24%



## Red Palm Weevil Outbreak

As of 10 September 2012

- Total number of trees infected by Red Palm Weevil: 806;
- 97% of all infected trees are located in Khan Younis and Deir Al Balah;
- Total number of infected trees uprooted by MoA: 683;
- Uprooted trees represent a loss of USD 233,600;

- Since mid-June, MoA has tried to focus on treatment of infected trees rather than on uprooting;
  - There are already 80 traps in the Gaza Strip that serve for mass-trapping;
- Ahliyah Society for the Protection of Palms and Dates received funding of USD 40,000 for response from UNDP. Funding be used to purchase 170 additional traps, identify where to place the traps, provide training and pesticides.

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# Red Palm Weevil in Gaza Strip

As of 10 September 2012



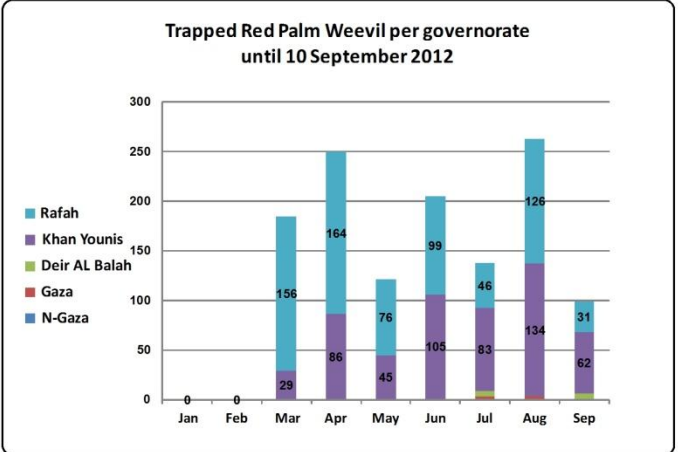
- No RPW infestation
  - 1 -30 RPW detected
  - 31 - 50 RPW detected
  - 51 - 70 RPW detected
  - ≥ 71 RPW detected
- \* Red Palm Weevil (RPW)

**Map Legend**

- Built-up Area

**ROADS**

- Main road
- Regional road



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