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The Market Monitor

Trends and impacts of staple food prices in vulnerable countries

This bulletin examines trends in staple food and fuel prices, the cost of the basic food basket, and consumer price indices for 69 countries in the third quarter of 2014 (July to September).¹ The maps on pages 6-7 disaggregate the impact analysis to sub-national level.

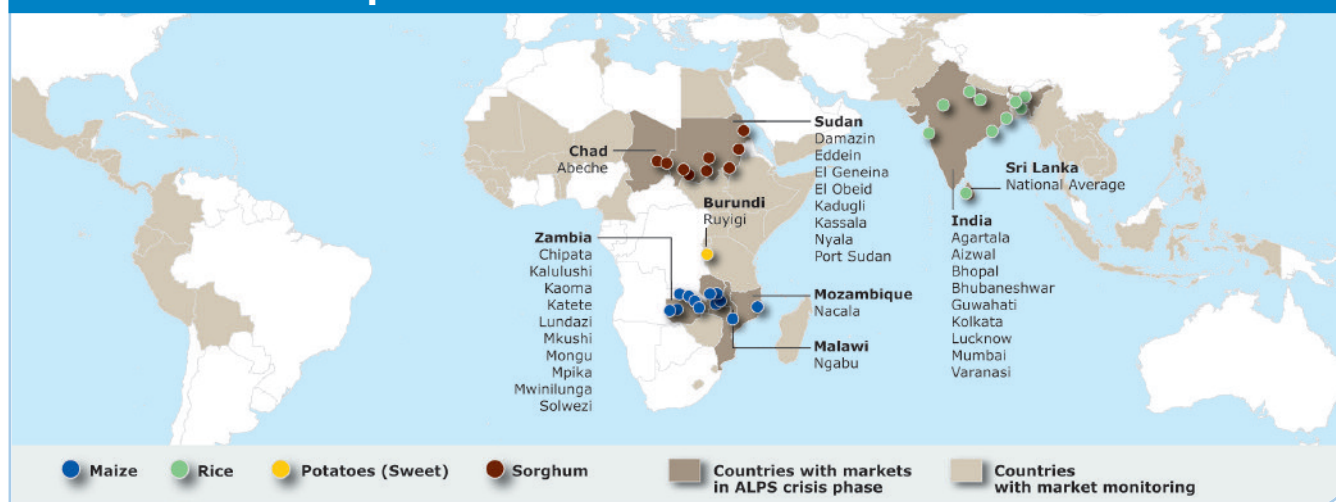
Global Highlights

- During the third quarter of 2014, the **global cereal price index decreased by 13%** year-on-year, down by 11% compared to the previous quarter.
- Real prices² of maize have fallen by almost a third since last year.** They are down 18% from Q2-2014, reaching levels seen in early 2010. This is largely attributed to ample supplies following increased production and higher levels of beginning stocks.
- Real prices of rice are up 7% since Q2-2014:** total supplies are expected to decline because of a drop in global production and ending stocks.
- During the third quarter, the **cost of the minimum food basket increased severely (>10%) in El Salvador, Honduras, Iraq, Liberia and Sudan.** High increases (5-10%) were seen in four countries: Nicaragua, Guinea, Thailand and Viet Nam. In the other 60 monitored countries, the impact of commodity price changes was *low or moderate* (<5%).
- Price spikes, as monitored by [ALPS](#) (Alert for Price Spikes), are evident in **Burundi, Chad, India, Malawi, Mozambique, Sri Lanka, Sudan and Zambia** (see the map below).³ These spikes indicate *crisis* levels for the most important staple in the country, whether it is maize, sorghum, rice or sweet potatoes.

REAL PRICE ADJUSTED FOR CHANGES IN US CONSUMER PRICE INDEX (2005 = 100)

Quarterly Change	Maize	Wheat	Rice	Note: Comparison to
q3-2014 vs. q2-2014	-18%	-18%	-7%	Second quarter in 2014
q3-2014 vs. q3-2013	-29%	-16%	-15%	Same quarter in 2013
q3-2014 vs. q1-2008		-42%		Global wheat price peak in 2008
q3-2014 vs. q2-2008	-38%		-58%	Global maize and rice price peak in 2008

Food Price Hotspots



The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

1. Data were collected and collated by WFP country offices and are available at: <http://foodprices.vam.wfp.org>. Further data-sources are FAO Food Price Index, FAO/GIEWS Food Price Data and Analysis Tool, and IMF Primary Commodity Prices as of 15 October 2014.

2. Nominal prices are adjusted by the [US Consumer Price Index](#).

3. A market is designated as a hotspot when prices for the country's most important caloric contributor reached ALPS crisis level during Q3, and they did not return to normal levels by the end of the quarter.

Price trends and impacts by region

(Change from last quarter)

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

Latin America and Caribbean

Hotspots: The impact of staple food price changes on the cost of the basic food basket from July to September 2014 compared to the previous quarter was severe in **El Salvador** and **Honduras**, high in **Nicaragua** and moderate in **Costa Rica**, **Dominican Republic**, **Guatemala** and **Mexico**.

• Staple commodity prices:

Food price trends from Q2-2014 to Q3-2014 varied across countries in the LAC region. Quarterly prices for red beans continued to increase compared to Q2-2014 in **El Salvador** (+87%), **Honduras** (+17%) and **Nicaragua** (+29%). These sharp increases are even more pronounced when compared to prices one year ago – for example, +206 in Nicaragua and +262% in El Salvador – or when nominal prices are seasonally adjusted. In September 2014, all monitored beans markets in El Salvador were at *alert* or *crisis* level according to the Alert for Price Spikes (ALPS). However, in Honduras and Nicaragua, the rate of increase has slowed thanks to improved market supplies with the arrival of the first bean harvest in August and increased bean imports. Quarterly prices for maize, a key commodity in the

region, soared in Q3-2014 in the same three countries, **El Salvador** (+33%), **Honduras** (+23%), **Nicaragua** (+26%), because of a difficult lean season between April and July and poor rainfall in August, which affected the *Primera* harvest. For most of the other countries in the region, price trends from Q2-2014 to Q3-2014 were fairly stable or decreasing, the exception being seasonally adjusted prices for sugar (+17%) and plantains (+26%) in **Colombia**.

- **Fuel prices:** In **Guatemala**, the average prices for gasoline fell by 4.6% and diesel by 8.3% between Q2-2014 and Q3-2014. In **Colombia**, gasoline prices rose slightly (+1.8%).
- **Purchasing power:** The average headline quarterly inflation in Latin America and the Caribbean was low and stable in most countries

between Q2-2014 and Q3-2014. However, quarterly food inflation was moderate in **Bolivia** (+2.9%), **Costa Rica** (+2.8%) and **Nicaragua** (+3.4%). Year-on-year (y/y) food inflation increased in **Nicaragua** (+9.5%) but decelerated in **Bolivia** (+8.5%), and headline inflation was moderate.



Southern Africa

Hotspots: The impact of staple food price changes on the cost of the basic food basket from July to September 2014 compared to the previous quarter was moderate in **Swaziland** and low in the other countries of the region.

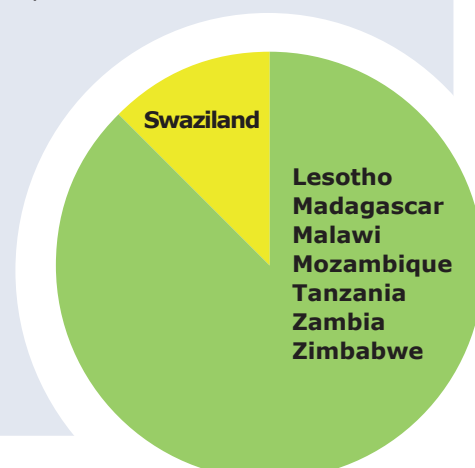
• Staple commodity prices:

Seasonally adjusted prices of staples remained stable or decreased between Q2-2014 and Q3-2014, thanks to the bumper harvest of the 2013/2014 season, which ended in June. Nonetheless, in **Swaziland**, seasonally adjusted prices rose slightly for wheat flour (+5%), sugar (+4%) and rice (+4%), affecting the cost of the food basket. Seasonally adjusted prices of maize rose in **Zambia** (+9%) as did nominal prices of cassava in **Malawi** (+40%). By contrast, thanks to good regional and domestic supplies, nominal prices of maize decreased from last quarter in **Tanzania** (-14%), **Zimbabwe** (-12%), **Malawi** (-11%) and **Mozambique** (-6%) but mostly

remained higher than their baselines in **Malawi** (+38%), **Swaziland** (+46%) and **Zambia** (+56%).

- **Fuel prices:** In **Tanzania** and **Madagascar**, retail prices for gasoline and diesel rose by 2.3% in Q3-2014. In Tanzania, gasoline prices are 6% higher than in 2013 and diesel is 2.8% more expensive.
- **Purchasing power:** As the main harvest season is over, quarterly changes in the consumer price index (CPI) have been negative or low in all countries. In **Malawi**, y/y inflation remained very high in Q3-2014 (+21%) partly because of higher food, housing and water costs. Nevertheless, a slight deceleration of inflationary pressure is visible this year, brought about by

the stabilization of the national currency *Kwacha*. Y/y inflation was moderate in **Lesotho** (+5.8%), **Madagascar** (+5.9%) and **Tanzania** (+6.2%), mainly driven by food inflation.



Central and Eastern Africa

Hotspots: The cumulative impact of staple food price changes on the cost of the basic food basket from July to September 2014 compared to the previous quarter was moderate in **Ethiopia** and **South Sudan** and low in the remaining countries of the region.

- **Staple commodity prices:**

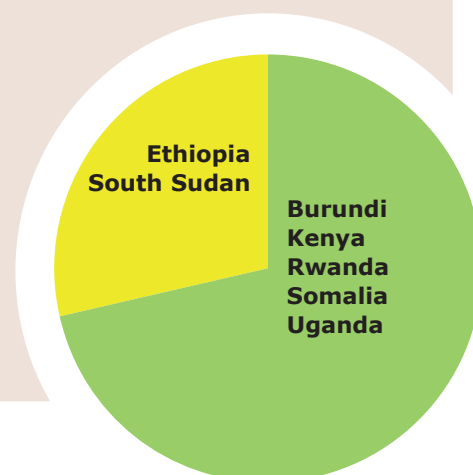
Between Q2-2014 and Q3-2014, the price changes of most staple commodities were globally stable or limited, reflecting an improvement in regional food supplies from the recent harvest and an increase in food imports. Nevertheless, in **Ethiopia** quarterly price rises were significant for maize (+5%), sorghum (+7%) and wheat grain (+7%), coinciding with the peak of the lean season. The **ALPS** indicator also shows that several Ethiopian markets were at *alert* and *stress* levels in September, particularly for wheat. While a number of commodities showed stable or decreasing seasonally adjusted trends in **Rwanda**, seasonally

adjusted prices rose for sorghum (+19%) and maize (+8%) between Q2-2014 and Q3-2014.

- **Fuel prices:** Petrol and diesel prices in **Ethiopia** were stable in Q3-2014 compared to the previous quarter. However, the y/y inflation rate for fuel remains high at 9% for gasoline and 9.7% for diesel. In **Kenya** and **South Sudan**, gasoline prices were stable compared to the previous quarter.

- **Purchasing power:** In central and eastern African countries, quarterly food and headline inflation at Q3-2014 was low, except for high food inflation experienced in **South Sudan**

(+3.7%) and **Ethiopia** (+2.7%). Headline y/y inflation decreased but remained high in **Ethiopia** (+6.7%) mainly driven by non-food items. It increased slightly to 7.5% in **Kenya**.



West Africa

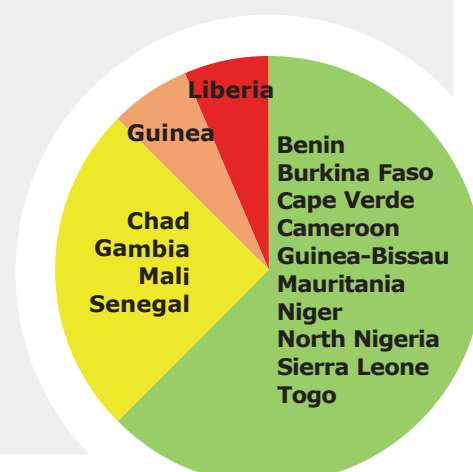
Hotspots: The cumulative impact of staple food price changes on the cost of the basic food basket compared to the previous quarter was severe in **Liberia**, high in **Guinea**, moderate in **Chad**, **The Gambia**, **Mali** and **Senegal**, and low in the other countries of the region.

- **Staple commodity prices:** The seasonally adjusted price for maize was stable or falling from the previous quarter, reflecting an overall satisfactory level of availability in the region. However, the cost of the food basket was severely affected in the *Lac* region of **Chad**, where maize prices surged (+60%) because of a far below-average harvest season. Seasonally adjusted prices for millet also increased significantly in *Logone Occidental* (+15%) and *Ouaddai* (+7%). **Liberia** remains highly dependent on rice imports. Tight restrictions to cross-border trade following the Ebola outbreak and currency depreciation have resulted in sharp price increases for imported rice in the most affected districts, including *Bomi* (+18%), *Lofa* (+12%), *Maryland* (+42%) and *Nimba* (+36%). In **Guinea**, labour shortages and border closures corresponded to a reduction in agricultural produce,

which drove up the quarterly seasonally adjusted price of palm oil in the *Kankan* district (+34%). The price for local rice was at *alert* level at *Marché central* according to the **ALPS**. **Sierra Leone** faces major challenges with the Ebola epidemic and weak agricultural infrastructure. Nevertheless, the rapid economic growth experienced before the crisis, government food deliveries to quarantined areas, and currency appreciation have helped lessen inflationary pressure on the seasonally adjusted price of local rice (-13%), palm oil (-17%) and the nominal price of sorghum (-42%). The seasonally adjusted price for sorghum decreased in **Benin** (-7%), **Cameroon** (-6%), **Chad** (-4%), **Niger** (-12%) and **Togo** (-7%).

- **Purchasing power:** The quarterly inflation rate was significant in Q3-2014 in **Benin** (+4.1%), **Chad** (+4%) and

Ghana (+2.8%). In **Benin** and **Ghana**, quarter-on-quarter (q/q) inflation was mainly driven by non-food commodity price increases, including housing, water, electricity and gas or related fuels costs. In **Nigeria**, the y/y headline inflation reached 8.1% and y/y food inflation was 9.5% during the third quarter of 2014.



Middle East, North Africa and Central Asia

Hotspots: The cumulative impact of staple food price changes on the cost of the basic food basket as compared to the previous quarter was severe in **Sudan** and **Iraq**. It was moderate in **Georgia**, **Jordan**, and **Yemen**.

• Staple commodity prices:

Commodity price trends in the region were mixed compared to the previous quarter. Seasonally adjusted wheat prices remained stable in most areas, but they increased sharply in **Yemen** (+15%) and **Iraq** (+31%). In **Iraq**, the spreading conflict has affected the key wheat-producing governorates of *Ninevah* and *Salah-Aldeen*, curtailing crop prospects for the most recent harvest season, depleting grain reserves, and restricting current post-harvesting activities. In **Sudan**, quarterly seasonally adjusted prices rose sharply for sorghum (+10%) and millet (+14%). As the lean season progressed, nominal sorghum prices reached **ALPS crisis** level in six of the eight monitored markets (including *Kassala*, *Port Sudan* and *West Darfur*) and **alert** level in *South Darfur*. The increase is mostly because of heavy rains in key producing areas, as well as a

reduction in planted land in conflict-affected regions of *Darfur* and the persistent rise in transportation costs following the removal of fuel subsidies in late 2013. In comparison to the previous quarter, seasonally adjusted potato prices fell sharply in **Armenia** (-30%), **Azerbaijan** (-11%), and **Kyrgyz Republic** (-30%). In **Palestine**, seasonally adjusted prices of imported rice remained at **ALPS crisis** level in the *Gaza Strip*, and at **alert** in *West Bank* markets.

• **Fuel prices:** In **Yemen**, the retail price for diesel rose by 48% compared to the previous year. A fall in oil revenues and recurring fuel shortages in early 2014 are the main contributing factors to the increase, along with the reform of energy subsidies announced in July.

• **Purchasing power:** **Egypt** recorded the highest y/y headline inflation of the region (+11%); this indicator ranged between 0.6% and

3.7% in the other countries. The quarterly headline CPI decreased slightly from Q2-2014 in both **Armenia** and **Azerbaijan**, mainly driven by a fall in q/q food inflation in the same period (-4.9% in **Armenia** and -4.8% in **Azerbaijan**). In **Palestine**, despite high rice prices and positive q/q food price inflation in Q3-2014 (+4.2%), the quarterly change in the CPI remained low at 1.8%.



Asia

Hotspots: The cumulative impact of staple food price changes on the cost of the basic food basket from July to September 2014 was high in **Thailand** and **Viet Nam**, and moderate in **Cambodia**, **Pakistan**, **Philippines** and **Sri Lanka**.

• Staple commodity prices:

Seasonally adjusted quarterly rice prices fell in **Indonesia** (-3%), corresponding to the secondary harvest season. They also decreased in **Afghanistan** (-7%) and **Lao PDR** (-3%) because of increasing import flows, and in **Myanmar** (-9%), thanks to the slowdown of demand from China. In contrast, a rising trend for seasonally adjusted rice prices in **Cambodia** (+2%) reflected an overall decline in production caused by adverse weather conditions. The suspension of rice sales from government warehouses in **Thailand** contributed to a 10% nominal price increase. In **Viet Nam**, the nominal rice price increased by 12% compared to the previous quarter; prices were 21% higher than last year – a consequence of a regular strong import demand, particularly from China. Seasonally adjusted wheat prices fell in **Afghanistan** (-7%) with the arrival of a favourable harvest season. They remained

stable or decreased slightly in most markets in **India** (-3%), where the effects of improved supplies from a record harvest were partially offset by government purchases for price stabilization. Commodity price changes were mixed in **Pakistan**: seasonally adjusted figures decreased overall for wheat (-5%) and rice (-6%) following a good summer harvest, but nominal prices increased for oil (+8%) and sugar (+9%), in line with the trend of previous quarters.

• **Fuel prices:** Regionally, fuel prices follow a downward trend. The retail price for diesel decreased slightly in **Lao PDR** (-2.7%) and **Pakistan** (-1.7%) from Q2-2014 to Q3-2014. In **Afghanistan**, diesel prices rose by 0.6% but are still 3.8% below 2013 prices.

• **Purchasing power:** In the **Philippines**, the y/y inflation was mainly driven by food price increases (overall +4.6%, with food inflation at +7.8%) attributable to

the widespread devastation, severe damage to the agricultural sector, and lower strategic food reserves in typhoon-affected areas. With the main harvest season, quarterly increases in the CPI were moderate in most countries. Despite the widespread reduction in wheat and rice prices, steady increases in the price of imports and other foods drove up the quarterly food CPI in **India** (+5%) and **Pakistan** (3%) as well as y/y food price inflation in **Afghanistan** (+8.7%).



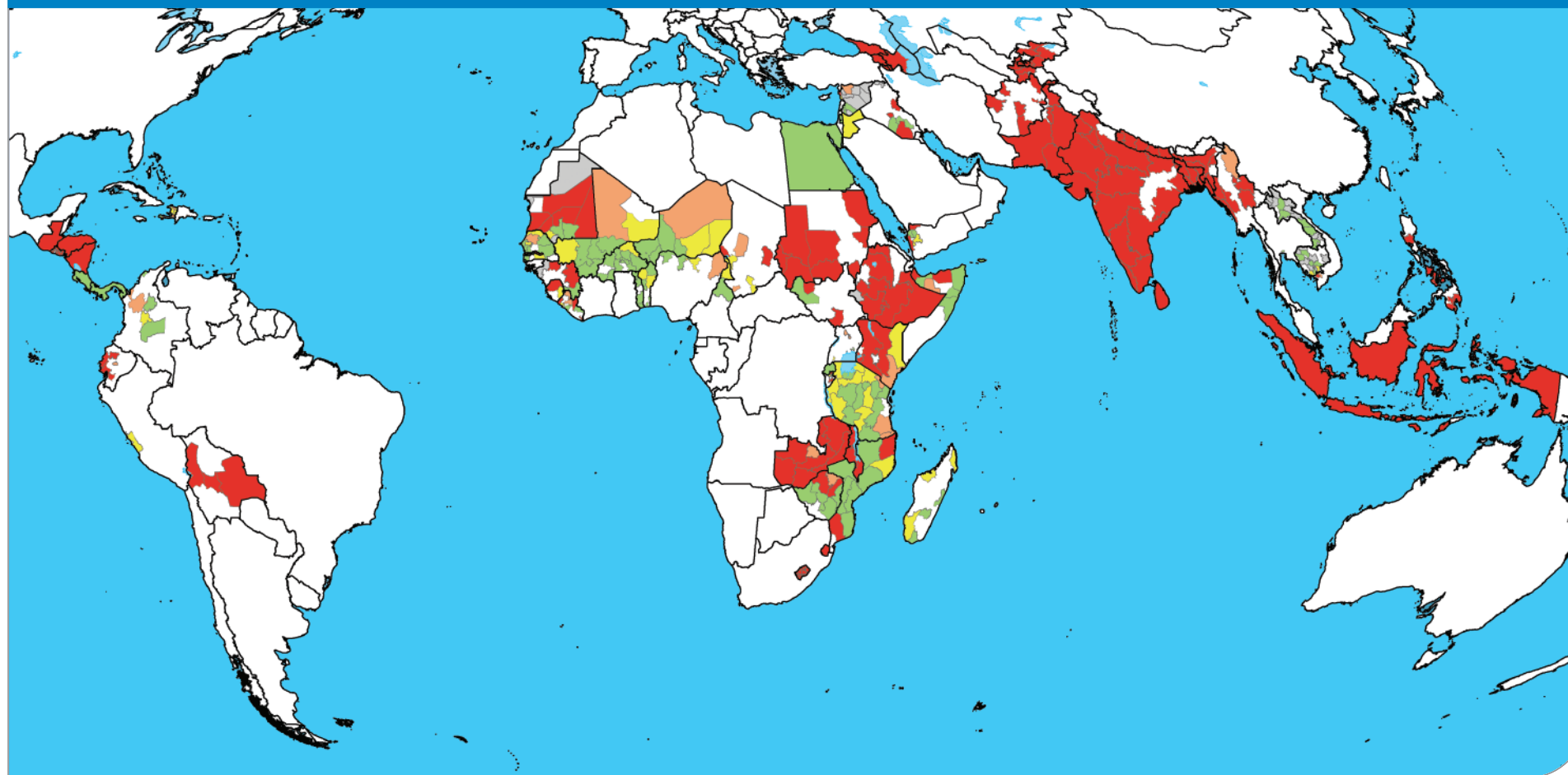
Consumer Price Index and Fuel Prices

Region	Country	Quarterly and Yearly Changes in Q3 2014 (July-September)							
		Quarter-on-Quarter				Year-on-Year			
		General CPI	Food CPI	Gasoline	Diesel	General CPI	Food CPI	Gasoline	Diesel
Latin America and Caribbean	Bolivia	1.60%	2.91%			5.94%	8.57%		
	Colombia	0.56%		1.79%	-0.11%	2.92%		0.93%	1.69%
	Costa Rica	1.52%	2.80%			5.29%	6.19%		
	Dominican Republic	0.58%	0.83%			2.99%	3.45%		
	Ecuador	0.59%	0.44%			3.90%	5.77%		
	El Salvador	1.02%				1.84%			
	Guatemala	1.31%		-4.59%	-8.28%	3.52%		-4.16%	-3.45%
	Haiti	1.61%	1.41%			4.87%	4.33%		
	Honduras	1.36%	1.19%			6.35%	5.44%		
	Mexico	0.45%	1.08%			3.91%	5.27%		
	Nicaragua	1.90%	3.35%			6.72%	9.46%		
	Peru	0.58%				2.88%			
Southern Africa	Congo (DR)	0.37%				1.43%			
	Lesotho	0.72%	0.49%			5.81%	6.19%		
	Madagascar	0.86%		2.25%	2.80%	5.91%			
	Malawi	-4.52%	-9.90%			21.22%	18.32%		
	Mozambique	-0.52%				3.04%			
	Tanzania	-0.21%	-1.22%	2.28%	-1.47%	6.62%	8.49%	6.04%	2.84%
Central and Eastern Africa	Zimbabwe	-0.21%				0.24%			
	Burundi	1.34%	0.18%			4.49%	2.18%		
	Ethiopia	1.83%	2.65%	0.55%	0.00%	6.68%	4.80%	9.90%	9.70%
	Kenya	1.57%		0.18%	-1.06%	7.54%			
	Rwanda	-0.13%	-0.14%			1.92%	2.33%		
	South Sudan	3.51%	3.67%	0.00%	0.00%	1.69%	3.54%		
West Africa	Uganda	-0.15%	-3.43%			2.75%	0.56%		
	Benin	4.14%	-4.54%			0.88%			
	Burkina Faso	1.07%	-1.28%			0.08%	-6.24%		
	Cameroon	1.51%				3.17%			
	Chad	4.01%				4.52%			
	Gambia			0.90%	0.19%				
	Ghana	2.84%				16.00%			
	Guinea-Bissau	1.74%				-0.80%			
	Mali	1.73%	2.89%			0.80%			
	Mauritania	-0.09%	-0.01%			0.76%	0.93%		
	Niger	1.83%				-2.51%			
Middle East, North Africa and Central Asia	Nigeria	1.68%	1.84%			8.12%	9.52%		
	Senegal	1.33%	5.08%			-1.80%	-2.84%		
	Armenia	-2.04%	-4.85%			0.60%	-1.14%		
	Azerbaijan	-1.85%	-4.77%			1.09%	-0.55%		
	Egypt	4.88%	4.50%			11.07%	11.93%		
	Georgia	-0.55%	2.83%			3.66%	2.46%		
	Iraq	0.36%	-1.57%			2.31%	1.76%		
	Jordan	0.53%	-0.19%			2.66%	0.43%		
	Palestine	1.77%	4.21%			2.10%	2.45%		
	Syria				-15.19%				-19.46%
Asia	Yemen			30.00%	47.50%			30.00%	47.50%
	Afghanistan	1.21%	0.35%		0.55%	5.37%	8.68%		-3.81%
	Cambodia	1.04%	3.12%			3.89%	4.98%		
	India	3.21%	4.92%			7.38%	8.63%		
	Indonesia	1.68%				4.09%			
	Laos	0.60%	1.23%	-2.37%	-2.65%	3.46%			
	Nepal	2.60%	4.54%			7.22%	10.11%		
	Pakistan	2.37%	3.03%	-0.54%	-1.65%	7.62%	5.77%		
	Philippines	1.18%	2.36%			4.64%	7.78%		
	Sri Lanka	1.50%			-0.83%	3.52%			

Note: The calculation of quarterly changes uses averages of indices or prices for the respective quarters.

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

Q3-2014 (July to September) vs. **Q3-Baseline** (Average July to September)



Impact Codes

Low
($< 0\%$)

Moderate
(0-5%)

High
(5-10%)

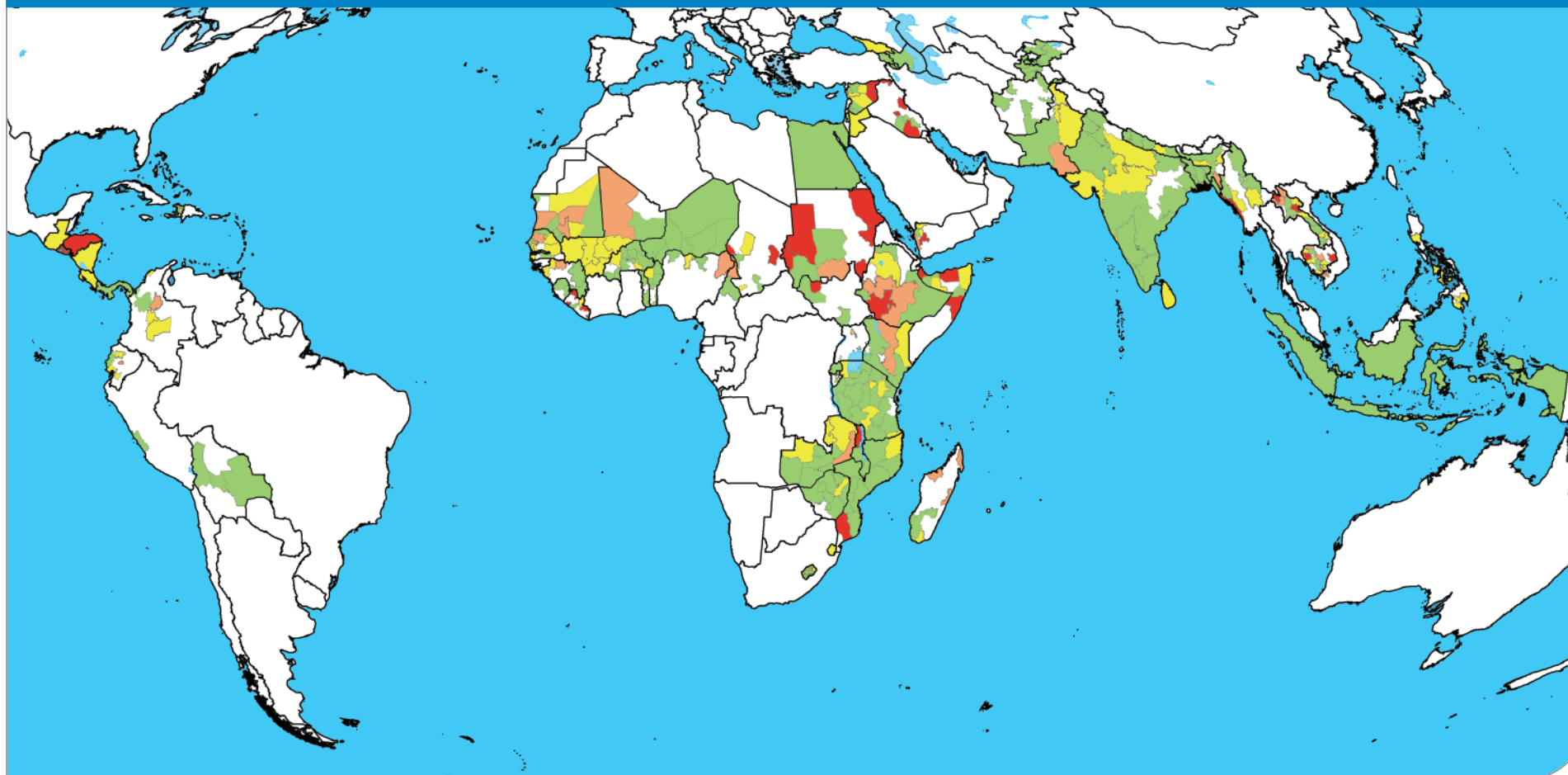
Severe
($> 10\%$)

Monitored but
without baseline

Water bodies

Note: This map is based on the calculations at subnational level of **column M** of the table on page 8-12.

Q3-2014 (July to September) vs. Q2-2014 (April to June)



Impact Codes



Note: This map is based on the calculations at subnational level of **column L** of the table on page 8-12.

Maps produced by: VAM - Food Security Analysis (OSZAF).

Source: WFP; Base Map: UNCS.

The boundaries and names shown and the designations used in these maps do not imply official endorsement or acceptance by the United Nations.

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

									Change	Price trend	Impact			
									< 0%	Decreasing	Low			
									>= 0% and < 5%	Stable	Moderate			
									>= 5% and < 10%	Slightly increasing	High			
									>= 10%	Increasing	Severe			
Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from baseline (% change)	Price trend ↓	Quarterly cost share in food basket (%)	Cumulative impact of changes on cost of food basket ↓		# of years in baseline (the last 5 years) [* see footnote]	
											from previous quarter (%)	from baseline (%)		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	
Latin America and Caribbean	Bolivia	Wheat	19	-8	-17	-27	-25	+15	↓	43	-8	+24	5	
		Rice (Estaquilla)	14	+2	+3	+4	+8	+39	→	46				5
		Maize	13	-8	-8	-12	-9	+8	↓	11				5
	Colombia	Maize (White)	13	0	+4	N/A	N/A	+31	→	7	-1	+5	4	
		Sugar	13	-1	+17	+14	+10	-8	↑	7				2
		Rice (White)	12	+1	0	+4	0	-11	→	8				2
		Oil	8	-20	-11	+79	+62	+42	↓	7				2
		Wheat Flour	8	-4	-2	+7	+2	-19	↓	4				5
		Milk	7	0	N/A	0	0	N/A	→	52				*
		Bananas	5	+1	N/A	+5	+6	N/A	→	8				*
		Plantains	5	+17	+26	+21	+14	+18	↑	6				2
	Costa Rica	Rice (Milled 80-20)	17	+2	+2	-24	-24	-15	→	100	+2	-15	5	
	Dominican Republic	Rice (Ordinary Second Quality)	17	-2	0	-3	-1	-1	→	43	+3	+7	5	
		Meat (Chicken)	5	+8	+6	+9	+4	+14	↗	57			5	
	Ecuador	Rice (Long Grain)	19	+4	+3	+4	+3	+16	→	66	-2	+8	5	
		Wheat Flour	13	-10	-10	-9	-10	-5	↓	34			4	
	El Salvador	Maize (White)	25	+33	+26	+24	+29	+8	↑	43	+58	+48	5	
		Beans (Red)	6	+87	+108	+270	+262	+109	↑	57			5	
		Tortilla (Maize)	36	+2	-1	+9	+8	+32	↓	49			5	
	Guatemala	Sugar	14	0	+1	+9	+6	+16	→	10	0	+26	5	
		Bread	11	+1	+1	+7	+7	+24	→	34				5
		Oil (Cooking)	8	0	-1	+2	+2	+11	↓	7				5
	Haiti	Rice (Tchako)	23	0	+1	-4	-5	+6	→	57	-1	+4	5	
		Wheat Flour	12	-1	+1	-8	-8	+4	→	21				5
		Maize (Local)	9	-8	0	-5	-16	-4	→	11				5
		Oil (Vegetable, Imported)	7	0	N/A	-1	+1	0	→	12				2
	Honduras	Maize (White)	26	+23	+7	+2	-10	-6	↗	42	+12	+24	5	
		Beans (Red)	5	+17	+17	+162	+169	+101	↑	39				5
		Rice (Milled 80-20)	5	-1	+1	+3	+10	+16	→	19				5
	Mexico	Tortilla (Maize)	32	0	0	0	0	+13	→	100	0	+13	5	
		Maize (White)	23	+26	+11	+2	-4	+10	↑	14	+6	+34	5	
	Nicaragua	Rice (Ordinary Second Quality)	17	-1	-1	+19	+18	+28	↓	24				5
		Sugar	15	0	-1	+4	+4	+28	↓	12				5
		Bread	9	+1	+4	+4	+3	+11	→	29				5
		Beans (Red)	7	+29	+31	+196	+206	+168	↑	21	5			
	Panama	Rice (Milled 80-20)	24	-20	-20	-22	-22	-17	↓	85	-19	-14	5	
		Maize (Yellow)	7	-3	-15	-4	-6	+1	↓	15				5
		Rice (Local)	21	+1	+1	+3	+3	+4	→	29				5
	Peru	Wheat Flour (Local)	14	0	0	+2	+2	+6	→	32	-1	+3	5	
		Potatoes	8	+2	-2	-26	-22	+5	↓	31				5
		Sugar	8	0	+2	0	0	-13	→	8				5

(*) Calculations based on nominal prices. For details, see 'Approach' on page 13.

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from baseline (% change)	Price trend	Quarterly cost share in food basket (%)	Cumulative impact of changes on cost of food basket		# of years in baseline (the last 5 years) [* see footnote]
											from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Southern Africa	Lesotho	Maize Meal	56	-1	-1	+6	+4	+20	↓	76	-1	+19	4
		Wheat Flour	14	+1	+1	+5	+6	+15	→	24			4
	Madagascar	Rice (Local)	49	+3	-1	-12	-13	-3	↓	100	-1	-3	5
		Maize	53	-11	-22	-34	-29	+38	↓	64			4
	Malawi	Cassava Root	6	+40	N/A	+59	+62	+103	↑	36	-11	+57	2
		Maize Grain (White)	20	-6	-12	-25	-21	-3	↓	22			5
	Mozambique	Wheat Flour	9	-3	0	-2	-3	-2	→	33	-2	0	3
		Rice	8	0	+1	-2	-3	+4	→	29			5
		Oil (Vegetable Local)	5	0	-1	-5	-7	-2	↓	16			5
	Swaziland	Maize Meal	25	+5	-3	+8	+5	+46	↓	36	+2	+31	5
		Wheat Flour	16	+6	+5	+11	+16	+24	↗	33			3
		Sugar	11	+5	+4	+7	+10	+21	→	17			3
	Tanzania	Rice	8	+3	+4	+3	+3	+24	→	14			5
		Maize	26	-14	-12	-23	-18	0	↓	38	-8	+1	5
		Rice	10	-11	-2	-3	-7	-3	↓	39			5
	Zambia	Beans	5	-5	-13	+7	+6	+11	↓	24			4
		Maize Grain (White)	51	-1	+9	-2	+23	+56	↗	58	-1	+34	5
		Cassava Meal	13	0	-6	+45	+16	+12	↓	42			2
	Zimbabwe	Maize Grain (White)	41	-12	-8	-25	-22	-7	↓	100	-8	-7	4
Central and Eastern Africa	Burundi	Potatoes (Sweet)	17	-2	-2	+6	+12	-17	↓	38	-6	0	5
		Beans	16	-13	-7	-16	-11	+5	↓	24			5
		Cassava Flour	13	+2	+4	+17	+24	+12	→	19			5
		Maize Grain	13	+2	+1	+7	+16	+39	→	18			5
	Ethiopia	Maize (Local)	21	+5	-3	+1	+2	+30	↓	31	+4	+38	5
		Sorghum	12	+7	+1	+10	+7	+46	→	23			5
		Wheat Grain	12	+7	+3	+13	+13	+40	→	26			5
		Lentils	5	-5	N/A	N/A	N/A	N/A	↓	19			*
	Kenya	Maize (White)	35	+6	+2	+8	-1	+14	→	28	-3	+18	5
		Bread	9	-3	-3	-2	-2	+14	↓	19			5
		Oil (Cooking)	8	-17	-16	-19	-15	-7	↓	8			5
		Milk	7	-2	-4	-20	-8	+29	↓	45			5
	Rwanda	Bananas	17	-14	-19	+11	+14	-39	↓	25	-8	-4	5
		Potatoes (Irish)	12	-1	-13	-19	-17	+8	↓	25			5
		Beans	11	+4	-3	-13	0	+26	↓	12			5
		Cassava	11	-5	0	-2	-2	+18	→	13			5
		Potatoes (Sweet)	11	+2	-1	+7	+11	+34	↓	16			5
		Sorghum	8	+3	+19	+45	+38	+30	↑	6			5
	Somalia	Maize	5	+11	+8	+2	+6	+13	↗	3	-1	0	5
		Sorghum (White)	29	+5	+1	+32	+20	+3	→	79			2
		Rice (Imported)	9	0	-1	+1	-2	-11	↓	21			2
	South Sudan	Sorghum (White)	26	+3	+3	-24	-25	+7	→	44	+2	+4	5
		Wheat Flour	15	+2	-1	N/A	N/A	0	↓	37			4
		Millet	7	-1	N/A	N/A	N/A	N/A	↓	20			*
	Uganda	Cassava Flour	13	-10	-8	-17	-6	+12	↓	40	-8	+3	4
		Maize Grain	9	-20	-15	-23	-3	-13	↓	17			3
		Beans	5	-14	-2	-18	-13	-1	↓	23			3
		Millet Grain	5	-6	-8	-8	+3	+5	↓	20			3

(*) Calculations based on nominal prices. For details, see 'Approach' on page 13.

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from baseline (% change)	Price trend	Quarterly cost share in food basket (%)	Cumulative impact of changes on cost of food basket		# of years in baseline (the last 5 years) [* see footnote]
											from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M	N
West Africa	Benin	Maize (White)	19	-15	-8	-18	-24	-18	↓	13			5
		Cassava	16	-7	-11	-23	-24	0	↓	49			5
		Rice (Imported)	13	0	-1	0	0	+4	↓	32	-5	-2	5
		Sorghum (Red)	5	-4	-7	-27	-23	0	↓	5			5
	Burkina Faso	Sorghum	26	+1	-1	0	-2	0	↓	40			5
		Millet	22	+1	-4	-1	-2	0	↓	40	-4	-3	5
		Maize	16	-3	-6	-6	-7	-12	↓	20			5
		Maize	15	-5	-10	+1	-11	-18	↓	34			3
	Cameroon	Cassava (Cossette)	12	-9	N/A	+92	+97	-34	↓	20	-4	-22	3
		Rice (Local)	10	-1	-10	+27	-25	-28	↑	26			3
		Sorghum (Red)	8	+1	-6	+25	+8	0	↓	20			3
		Rice (Long Grain, Imported)	19	-1	-1	-6	-7	-3	↓	65	-1	-2	5
	Cape Verde	Wheat	13	-1	-1	-4	-4	+1	↓	35			5
		Sorghum	18	+3	-4	-12	-7	+4	↓	39			5
	Chad	Millet	15	+11	+1	0	-2	+8	→	46	+2	+8	5
		Maize	5	+17	+8	+27	+22	+21	↗	15			5
		Rice (Small Grain, Imported)	21	+1	-1	-3	0	+20	↓	27			5
		Millet	19	-2	-10	-8	-12	+1	↓	18			5
	Gambia	Sugar	12	-2	N/A	+4	+1	N/A	↓	18			+
		Bread	8	0	N/A	-1	+1	N/A	→	19	0	+16	+
		Oil (Palm)	7	0	N/A	+2	+4	N/A	→	11			+
		Sorghum	5	+30	+22	+35	+29	+51	↑	7			5
		Rice (Local)	37	+10	+8	+5	+4	+11	↗	92			5
		Oil (Palm)	6	0	+3	+7	-9	-2	→	8	+8	+10	4
	Guinea	Rice (Imported)	35	+3	0	0	+6	+27	→	51			5
		Oil (Vegetable, Imported)	11	0	-1	0	-6	+3	↓	11			5
		Maize	8	-3	-9	0	0	0	↓	20	-4	+11	5
		Millet	8	-3	-7	0	-18	0	↓	13			5
	Guinea-Bissau	Sugar	5	-13	-18	-17	-23	-19	↓	5			5
		Rice (Imported)	32	+11	+10	+18	+11	+6	↑	100	+10	+6	2
		Rice (Local)	21	+4	+6	+3	+1	-3	↗	46			5
		Millet	20	+3	+1	+2	+2	0	→	28	+3	-3	5
	Mali	Sorghum	13	+2	+1	+5	+6	-5	→	16			5
		Maize	9	0	-1	-2	-3	-11	↓	10			5
		Wheat	30	-2	-4	+4	+1	+13	↓	34			5
		Sugar	12	-3	-6	-7	-7	-3	↓	19			5
	Mauritania	Oil (Vegetable)	11	-3	-3	+5	+4	+11	↓	15	-3	+8	5
		Rice (Imported)	11	+1	+3	0	-2	+10	→	19			5
		Sorghum (Taghalit)	7	+11	+3	+13	+12	+9	→	13			5
		Millet	39	0	-7	-10	-15	+2	↓	63			5
	Niger	Sorghum	11	+1	-12	-12	-14	-1	↓	17	-4	+1	5
		Rice (Imported)	7	0	0	-1	0	+1	→	21			5
		Sorghum	13	-4	-9	-22	-25	-9	↓	24			5
		Millet	11	-4	-7	-15	-21	-1	↓	24	-1	-5	5
	North Nigeria	Maize	8	-5	-9	-15	-24	-12	↓	15			5
		Rice (Imported)	8	+3	+2	+1	-3	-2	→	36			5
		Rice (Imported)	30	0	+1	0	0	-4	→	65			5
		Maize (Imported)	10	0	-2	+5	-2	+4	↓	18	+1	0	5
	Senegal	Millet	8	+7	+3	+6	+2	+12	→	16			5
		Rice (Local)	40	-6	-13	-17	-15	+4	↓	83			5
		Cassava Root	9	-48	N/A	-42	-51	-66	↓	6	-10	-8	2
		Oil (Palm)	9	-2	-17	-14	-19	-1	↓	11			5
	Togo	Maize (White)	24	-12	-8	-30	-21	-25	↓	18			5
		Cassava	15	-6	-11	-27	-20	0	↓	47			5
		Rice (Imported)	10	+1	0	-1	-1	+3	→	27	-7	-6	5
		Sorghum	8	-4	-7	-21	-22	-11	↓	9			5

(*) Calculations based on nominal prices. For details, see 'Approach' on page 13.

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from baseline (% change)	Price trend	Quarterly cost share in food basket (%)	Cumulative impact of changes on cost of food basket		# of years in baseline (the last 5 years) [* see footnote]
											from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Middle East, North Africa and central Asia	Armenia	Wheat Flour (First Grade)	40	+2	+2	+4	-1	+16	→	72	-9	+11	5
		Potatoes	5	-34	-30	+17	-6	+1	↓	28			5
	Azerbaijan	Wheat Flour	57	0	-1	+8	+8	+18	↓	69	-5	+24	5
		Potatoes	6	-24	-11	+31	+29	+40	↓	31			5
	Egypt	Wheat Flour	35	0	+3	-14	-8	0	→	66			4
		Rice	12	-8	-11	-9	-3	-9	↓	20	-4	-2	4
		Sugar	7	-12	-11	-2	-4	-1	↓	14			4
	Georgia	Wheat Flour	41	+1	+1	-2	0	+8	→	35	+3	+23	5
		Milk	10	+6	+4	+11	+7	+32	→	65			5
	Iraq	Wheat Flour	25	+31	+31	+36	+35	+31	↑	53	+10	+17	2
		Bread (Khoboz)	8	+5	+7	+5	+2	+7	↗	0			2
		Rice	8	-3	-4	+1	0	+4	↓	47			2
	Jordan	Bread	38	+2	-1	+3	+2	+2	↓	24			3
		Sugar	15	0	N/A	-3	-3	-6	→	27	0	+2	2
		Oil (Vegetable)	12	0	-6	0	-1	-2	↓	23			3
		Rice (Medium Grain)	8	0	-6	+10	+10	+16	↓	26			3
	Kyrgyz Republic	Wheat Flour (First Grade)	40	+1	-1	+11	+10	+27	↓	60	-18	+31	5
		Potatoes	8	-42	-30	+4	-3	+36	↓	40			5
	Palestine	Wheat Flour	40	-12	-12	-3	-15	-10	↓	44			5
		Rice (Small Grain, Imported)	7	+5	+4	+15	+25	0	→	17	-6	-8	5
		Sugar	10	+2	+9	-13	-15	-21	↗	14			3
		Oil (Olive)	5	-1	-10	+3	+5	0	↓	26			5
	Sudan	Sorghum	60	+12	+10	+76	+67	+138	↑	82	+10	+143	5
		Millet	9	+23	+14	+109	+99	+167	↑	18			5
	Syria	Wheat Flour	39	0	N/A	-30	-29	N/A	→	64			*
		Sugar	13	+1	-15	-8	-7	+36	↓	20	-1	+19	3
		Oil	11	-5	-37	-47	-47	+2	↓	15			3
	Tajikistan	Wheat Flour (First Grade)	54	+4	-3	0	-1	+17	↓	100	-3	+17	5
	Yemen	Wheat Grain	38	+4	+15	+16	+17	+9	↑	49			5
		Sugar	12	+1	-1	+6	+15	+12	↓	25	+4	+5	2
		Oil (Vegetable)	9	+2	+12	-22	-16	-17	↑	12			2
		Rice (Imported)	6	+3	-8	+10	+15	+6	↓	14			2

(*) Calculations based on nominal prices. For details, see 'Approach' on page 13.

Region	Country	Main staple food	Caloric contribution (%)	Change from last quarter (% change)	Seasonally adjusted quarterly change (% change)	Monthly change from last year (% change)	Quarterly change from last year (% change)	Quarterly change from baseline (% change)	Price trend	Quarterly cost share in food basket (%)	Cumulative impact of changes on cost of food basket		# of years in baseline (the last 5 years) [* see footnote]
											from previous quarter (%)	from baseline (%)	
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Asia	Afghanistan	Wheat	58	-5	-7	+10	+12	+29	↓	62	-7	+24	5
		Rice (Low Quality)	22	-3	-7	-8	-8	+16	↓	38			5
	Bangladesh	Rice (Coarse)	70	0	-1	+8	+10	+22	↓	91	-1	+22	5
		Atta-Packet	6	-1	+1	-1	-2	+21	→	9			5
	Cambodia	Rice (Mixed)	65	+7	+2	+2	-3	-2	→	100	+2	-2	5
	India	Rice	31	+2	-1	+5	+6	+33	↓	54	-2	+27	5
		Wheat	22	0	-3	+3	+3	+24	↓	31			5
		Sugar	7	+2	-2	+1	+1	+11	↓	14			5
	Indonesia	Rice	50	+1	-3	+4	+4	+24	↓	79	-3	+20	5
		Oil (Cooking)	7	+1	+1	+10	+11	+13	→	5			5
		Sugar	6	-1	-4	-8	-7	+5	↓	9			5
		Wheat	6	+1	0	+5	+5	+7	→	7			5
	Lao PDR	Rice (Glutinous)	64	+4	-3	+6	+9	+7	↓	100	-3	+7	4
	Myanmar	Rice (Low Quality)	55	-2	-9	+24	+28	+35	↓	100	-9	+35	4
	Nepal	Rice	32	+3	-1	+10	+5	+20	↓	65	-2	+21	5
		Wheat	15	0	-1	+9	+10	+23	↓	35			5
	Pakistan	Wheat Flour	37	0	-5	-1	+2	+29	↓	46	+3	+30	5
		Sugar	11	+9	N/A	+14	+7	N/A	↗	17			*
		Oil (Cooking)	9	+8	N/A	0	0	N/A	↗	23			*
		Rice (Basmati Broken)	6	0	-6	-3	0	+34	↓	14			5
	Philippines	Rice (Regular Milled)	48	+4	+2	+14	+15	+26	→	100	+2	+26	5
	Sri Lanka	Rice (Long Grain)	41	0	+1	+37	+30	+30	→	57	0	+19	5
		Wheat Flour	14	+1	-3	-1	0	+18	↓	25			5
		Sugar	11	-3	N/A	-5	-3	-4	↓	18			2
	Thailand	Rice	41	+10	+9	-2	-11	-18	↗	100	+9	-18	5
	Viet Nam	Rice	59	+12	+8	+21	+17	+13	↗	51	+7	+11	5

(*) Calculations based on nominal prices. For details, see 'Approach' on page 13.



Approach

This bulletin provides information on price changes for staple food items and their impact on the cost of the basic food basket. Any change in staple food prices translates into a high impact on overall food consumption, especially when the food basket is composed of very few food items.

The percentage changes of the following quarterly price indices indicate the extent to which recent price changes can be considered normal or abnormal as compared to the relevant reference period (i.e. the previous quarter, the preceding year, or the baseline period).

Column D displays **the contribution of each food item to households' total energy intake**. The analysis is based on quarterly price indices¹ of the main food items (contributing to minimum 5% of caloric intake²):

- i) **"Change from last quarter"** (column E) is calculated as a percentage change of quarterly averaged nominal prices from the previous quarter.
- ii) **"Seasonally adjusted quarterly change"** (column F) is calculated as a percentage change of quarterly averaged seasonal adjusted prices from the previous quarter. These prices are calculated by dividing each monthly nominal price by its corresponding baseline average price (last 5 years of the same quarter). Indicators depending on the baseline prices (columns F & I) are only calculated if at least 2 years of relevant data is available (see column N).
- iii) **"Monthly change from last year"** is calculated as a percentage change of the latest available monthly nominal price of the quarter from the same month in the previous year.
- iv) **"Quarterly change from last year"** (column H) is calculated as a percentage change of the quarterly averaged nominal prices.
- v) **"Quarterly price change from baseline"** (column I) is calculated as the quarterly average price change from their corresponding baseline average prices.

Methodology to derive the impact on the cost of the food basket

The **"cumulative impact of the quarter"** (column L) and the **"cumulative impact from the baseline"** (column M) present the partial (known) change of the total cost of the food basket since, respectively, the previous quarter or the baseline. The idea behind this methodology is to derive the quantities consumed from the caloric contribution of each food item in order to estimate the cost of the food basket and eventually the impact of price changes.

The impact calculation is based upon the following assumptions:

a) The proportional caloric contribution is a proxy of the relative importance of the food item in the food basket⁵ and each food basket - for reasons of simplification - provides 2,100 kilocalories per day; b) the multiplication of the total food basket's energy with the proportion of each commodity derives the absolute energy each food item contributes to the total energy intake; c) when this value of absolute energy is divided by the caloric density³, the weight of each commodity in the food basket is determined; d) subsequently, by multiplying the weights in step c with the unit nominal/seasonal adjusted prices, we calculate the relative costs of the commodities within the food basket.

It is worth noting that only energy contributors for which prices are available are taken into account to calculate these costs; in order to avoid assumptions that could bias the estimated impact, the other energy contributors that fill the gap to 2,100kcal are ignored. Thus, the total cost of the known part of the food basket is the sum of the itemized commodity costs (step d).

The **"quarterly cost share of food basket"** (column K) indicates the share of the cost of each food item on the total cost of the known food basket. The cumulative impact values are thence calculated by comparing the seasonally adjusted cost⁴ of the food basket with the cost in the previous quarter (column L) and against the baseline period (column M) as percentage changes. The likely impact is considered *low* when it is below 0, *moderate* when it is between 0 and 5%, *high* between 5 and 10%, and *severe* above 10%.

For further details on this approach, please visit <http://www.wfp.org/content/price-analysis-methods>.

1. Prices are calculated as indices, using reference years, i.e. last year to capture 12-month percentage changes and last 5 years to capture percentage changes from the long term patterns.
2. Caloric contributions are based on FAO 2005-2007 estimates.
3. Caloric densities are based on NutVal 3.0 estimates.
4. For those countries where seasonally adjusted prices could not be derived, the nominal food basket cost is considered to measure the impact.

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