

المنتدى العربي للبيئة والتنمية
ARAB FORUM FOR
ENVIRONMENT AND DEVELOPMENT



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FOOD SECURITY

CHALLENGES AND PROSPECTS

Food Price Volatility and Implications for Arab

Food Security

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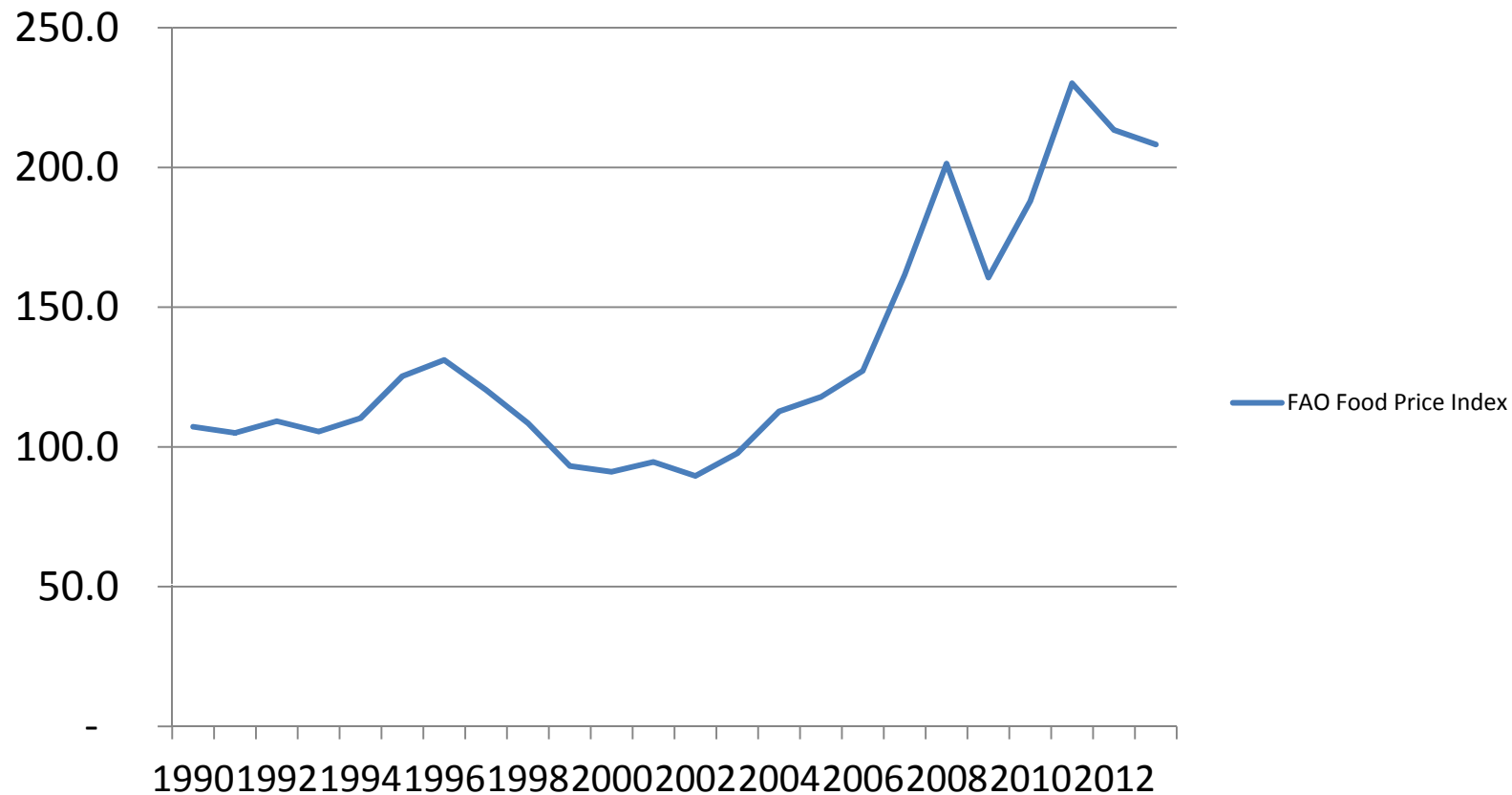
Overview



- Why the increased volatility in the last decade?
- Will that volatility continue in the future?
- How are Arab countries affected by volatility?
- What kinds of strategies should Arab countries adopt to deal with volatility?

Food Price Volatility Increased in the Last Few Years

Figure 1: Food Prices 1990-2013



Why Did Volatility Increase?

- Agriculture productivity increase did not match rising demand.
- Low level of food stocks.
- Linkage between food and fuel markets.
- Higher frequency of extreme weather events.
- “Financialization” of commodity markets.
- Beggar thy neighbor policies.

Will Volatility Continue in the Future



- High correlation between food and fuel prices.
- The world may be moving to an era of lower and more stable fuel prices.

Import Dependency: Source Vulnerability? (AOAD data, 2011)

Food item	Production	Consumption	Self-Sufficiency Ratio
Cereals	54.5	119.6	45.6%
Pulses	1.4	2.4	58.3%
Vegetables	51.8	48.1	107.7%
Fruits	33.2	31.9	104.1%
Refined Sugar	3.2	8.7	36.8%
Fats & Oils	2.2	4.0	55.0%
Meat	8.4	11.0	76.4%
Fish	3.9	4.0	97.5%
Eggs	1.6	1.7	94.1%
Milk & Dairy Products	27.8	37.5	74.1%

What Can Arab Countries Do?

Food Reserves and Financial Markets

(data from FAO and World Bank, 2012)

	Percent of global wheat stocks	Percent of global wheat imports
China	31	0.7
USA	12	2.0
India	8	0.2
Russia	7	0.1
EU	6	3.5
Canada	3	0.5
Egypt	3	8.1
Iran	3	0.4
Australia	2	0.1
Ukraine	2	0.1

What Can Arab Countries Do?

Support Smallholders (data from FAO)

	Share in Total Holdings	Share in Land Area
Algeria	55.4	11.3
Egypt	98.2	70.7
Jordan	78.9	23.8
Lebanon	96.7	60.1
Morocco	69.8	23.9
Qatar	73.3	3.4
Tunisia	53.5	10.9
Yemen	93.0	43.9
Average	84.2	25.3

What Can Arab Countries Do? Invest Abroad

(\$ million from AOAD, 2011)

Total Food Imports of Arab countries	64,874
Of which:	
Cereals and flour	23,382
Meat and livestock	9,822
Oil and oil seeds	8,616
Milk products	6,595
Sugar	6,085
Fruits	3,782
Vegetables	1,844

Concluding Remark

- The strategic directions that are proposed in this presentation are useful to enhance food security even if prices were not volatile

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THANK YOU

