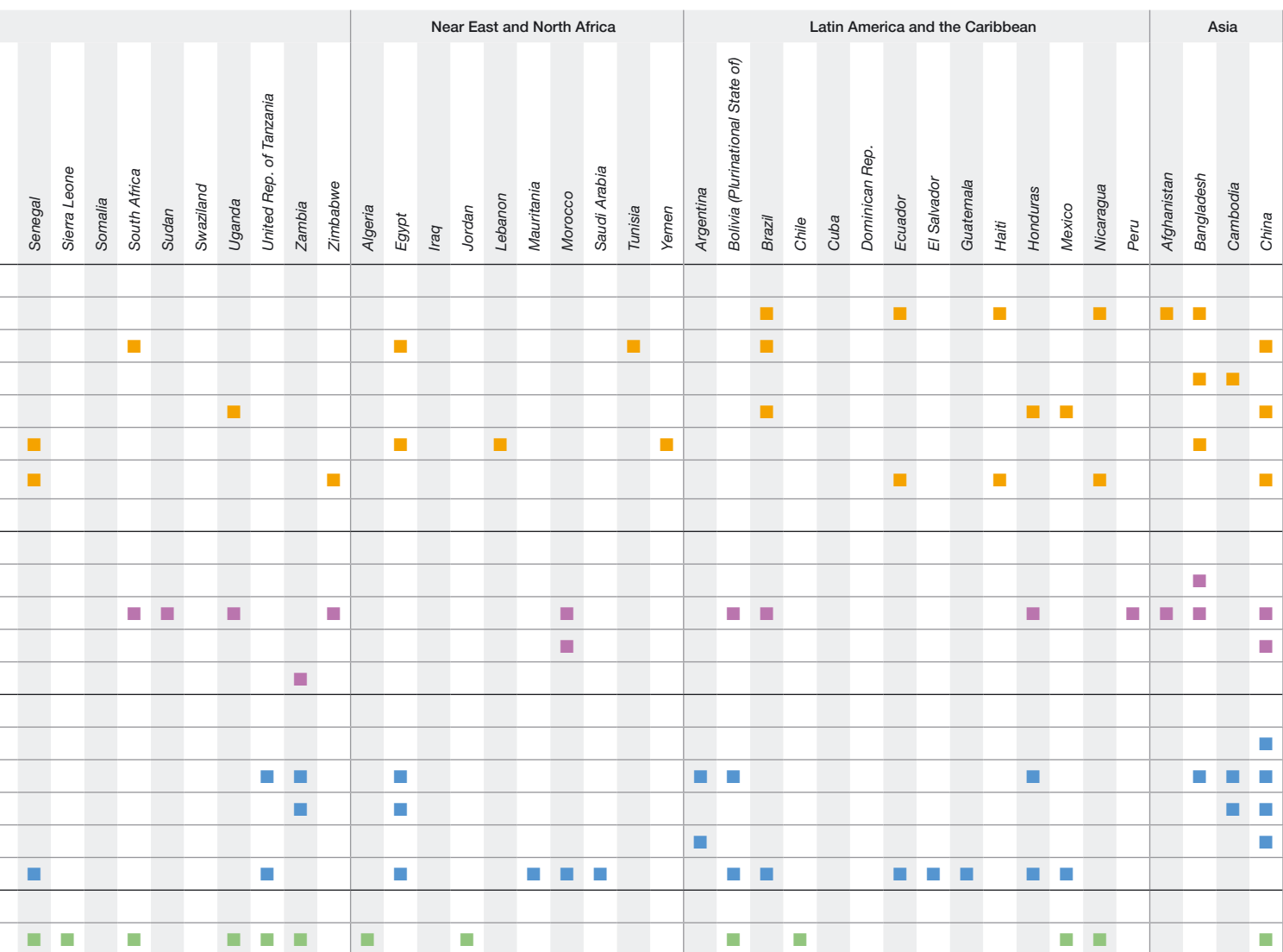


Table 1
Policy responses to rising commodity prices
in selected countries

Policies	Sub-Saharan Africa																							
	Angola	Benin	Burkina Faso	Burundi	Cameroon	Central African Rep.	Chad	Côte d'Ivoire	Dem. Rep. of the Congo	Eritrea	Ethiopia	Ghana	Guinea	Guinea-Bissau	Kenya	Lesotho	Liberia	Madagascar	Malawi	Mozambique	Namibia	Niger	Nigeria	
On consumption																								
Emergency & targeted food aid				■	■		■		■		■				■			■						
Cash transfer											■									■				
Food for work											■				■			■						
School/hospital – feeding	■		■												■			■						
Consumer price subsidy											■													
Consumer price control & stabilization		■	■		■													■				■	■	
Reduction/elimination of consumption taxes			■															■						
On production																								
Producer price control																								
Reduction in producer taxes			■	■	■						■				■	■				■		■	■	
Production subsidies																								■
Input subsidies															■			■				■	■	
On trade																								
Input export ban																								
Export ban											■		■					■	■					
Export quota/control			■																					
Raising export taxes																								
Reduction/elimination of import tariff & quota		■	■															■				■	■	
Other policies																								
With long-term effects			■	■		■			■		■				■			■		■		■	■	



Specific policy responses to rising commodity prices in selected countries

Categories:

- On consumption
- On production
- On trade
- Other policies

SUB-SAHARAN AFRICA

Angola

- School/hospital – feeding: basic meal

Benin

- Consumer price control and stabilization: wheat
- Reduction/elimination of import tariff and quota: wheat flour

Burkina Faso

- School/hospital – feeding: basic meal

- Consumer price control and stabilization: most staple food
- Reduction/elimination of consumption taxes: grains and other staple foods
- Reduction in producer taxes: grains and other staple foods
- Export quota/control: staples
- Reduction/elimination of import tariff and quota: staple food

- With long-term effects: partial payment of poor households' energy and water bills

Burundi

- Emergency and targeted food aid: main staple (grain, maize) to the vulnerable
- Reduction in producer taxes: grains and other staple foods
- With long-term effects: improving agricultural productivity

Cameroon

- Emergency and targeted food aid: main staple (rice, other grains) to the vulnerable
- Consumer price control and stabilization: rice, wheat, bread
- Reduction in producer taxes: rice

Central African Republic

- With long-term effects: improving agricultural productivity

Chad

- Emergency and targeted food aid: main staple (grain) to the vulnerable

Côte d'Ivoire

–

Democratic Republic of the Congo

- Emergency and targeted food aid: main staple (grains) to the vulnerable
- With long-term effects: improving agricultural productivity

Eritrea

–

Ethiopia

- Emergency and targeted food aid: cereals (teff) to the vulnerable
- Cash transfer: to the vulnerable
- Food for work: food (teff, cereals) to vulnerable
- Consumer price subsidy: cereals
- Reduction in producer taxes: grains
- Export ban: cereals
- With long-term effects: food for assets; improving agricultural productivity

Ghana

–

Guinea

- Export ban: all agricultural (including livestock) commodities

Guinea-Bissau

–

Kenya

- Emergency and targeted food aid: food (maize, milk) to poorest
- Food for work: basic meal (based on maize, milk)
- School/hospital – feeding: basic meal
- Reduction in producer taxes: grains
- Input subsidies: agricultural production: a government loan
- With long-term effects: improving agriculture productivity (Kenya Vision 2030)

Lesotho

- Reduction in producer taxes: grains

Liberia

–

Madagascar

- Emergency and targeted food aid: rice, wheat flour, biscuits
- Food for work: basic meal; food stamp
- School/hospital – feeding: basic meal (rice, bread, milk)
- Consumer price control and stabilization: rice
- Reduction/elimination of consumption taxes: rice
- Input subsidies: rice production
- Export ban: rice
- Reduction/elimination of import tariff and quota: rice
- With long-term effects: improving agricultural productivity; diversifying staple sources and preparations (e.g. plan to expand sorghum production)

Malawi

- Export ban: maize

Mozambique

- Cash transfer: to the vulnerable
- Reduction in producer taxes: grains
- With long-term effects: improving agricultural productivity

Namibia

–

Niger

- Consumer price control and stabilization: cereals
- Reduction in producer taxes: grains
- Input subsidies: under consideration for foodgrains
- Reduction/elimination of import tariff and quota: rice
- With long-term effects: improving agricultural productivity

Nigeria

- Consumer price control and stabilization: cereals
- Reduction in producer taxes: grains
- Production subsidies: rice
- Input subsidies: rice production (free seeds and fertilizers)
- Reduction/elimination of import tariff and quota: rice
- With long-term effects: improving agricultural productivity

Senegal

- Consumer price subsidy: rice, wheat
- Consumer price control and stabilization: rice, wheat
- Reduction/elimination of import tariff and quota: wheat flour
- With long-term effects: improving agricultural productivity

Sierra Leone

- With long-term effects: improving agricultural productivity

Somalia

–

South Africa

- Cash transfer: to the vulnerable
- Reduction in producer taxes: grains
- With long-term effects: raising the interest rate to reduce inflation

Sudan

- Reduction in producer taxes: grains

Swaziland

–

Uganda

- School/hospital – feeding: meal (including maize and milk)
- Reduction in producer taxes: maize
- With long-term effects: increase investment in agriculture

United Republic of Tanzania

- Export ban: maize and other agricultural commodities
- Reduction/elimination of import tariff and quota: maize
- With long-term effects: improving agricultural productivity

Zambia

- Input subsidies: maize
- Export ban: maize
- Export quota/control: maize
- With long-term effects: increase investment in agriculture

Zimbabwe

- Consumer price control and stabilization: maize, sorghum, wheat
- Reduction in producer taxes: grains



NEAR EAST AND NORTH AFRICA

Algeria

- With long-term effects: long-term investment in agriculture

Egypt

- Cash transfer: to the vulnerable
- Consumer price subsidy: wheat, bread and other food
- Export ban: rice
- Export quota/control: key agricultural commodities (staple, dairies)
- Reduction/elimination of import tariff and quota: dairies, edible oil, rice

Iraq

–

Jordan

- With long-term effects: raising the wages of some civil servants

Lebanon

- Consumer price subsidy: wheat

Mauritania

- Reduction/elimination of import tariff and quota: food in general

Morocco

- Reduction in producer taxes: grains
- Production subsidies: feed (for livestock production)
- Reduction/elimination of import tariff and quota: wheat

Saudi Arabia

- Reduction/elimination of import tariff and quota: dairies, vegetable oil, wheat

Tunisia

- Cash transfer: to the vulnerable

Yemen

- Consumer price subsidy: wheat

LATIN AMERICA AND THE CARIBBEAN

Argentina

- Export ban: maize
- Raising export taxes: grains, soybean, oilseeds

Bolivia (Plurinational State of)

- Reduction in producer taxes: grains
- Export ban: grains, soybean, meat
- Reduction/elimination of import tariff and quota: maize, rice, soybean oil, wheat, wheat products, meat
- With long-term effects: improving agricultural productivity

Brazil

- Emergency and targeted food aid: food to the vulnerable
- Cash transfer: to the vulnerable
- School/hospital – feeding: meal
- Reduction in producer taxes: grains
- Reduction/elimination of import tariff and quota: wheat

Chile

- With long-term effects: rising wheat flour imports from Argentina

Cuba

–

Dominican Republic

–

Ecuador

- Emergency and targeted food aid: food to the vulnerable
- Consumer price control and stabilization: wheat, wheat flour, bread
- Reduction/elimination of import tariff and quota: wheat, wheat flour from neighbouring countries

El Salvador

- Reduction/elimination of import tariff and quota: wheat flour from neighbouring countries

Guatemala

- Reduction/elimination of import tariff and quota: wheat flour from neighbouring countries

Haiti

- Emergency and targeted food aid: rice to the vulnerable
- Consumer price control and stabilization: rice

Honduras

- School/hospital – feeding: meal (incl. maize)
- Reduction in producer taxes: grains
- Export ban: maize
- Reduction/elimination of import tariff and quota: wheat flour from neighbouring countries

Mexico

- School/hospital – feeding: meal (incl. maize)
- Reduction/elimination of import tariff and quota: maize
- With long-term effects: plan to cut fertilizer prices by one-third; allowed experimental planting of genetically modified crops (incl. maize)

Nicaragua

- Emergency and targeted food aid: wheat and other food
- Consumer price control and stabilization: wheat
- With long-term effects: innovation in food preparation: potato bread to replace wheat bread

Peru

- Reduction in producer taxes: grains

ASIA

Afghanistan

- Emergency and targeted food aid: rice to the vulnerable
- Reduction in producer taxes: grains

Bangladesh

- Emergency and targeted food aid: food to the vulnerable
- Food for work: basic meal to the vulnerable
- Consumer price subsidy: rice
- Producer price control: rice
- Reduction in producer taxes: grains
- Export ban: palm oil, soybean oil

Cambodia

- Food for work: basic meal (especially rice) to the vulnerable
- Export ban: rice
- Export quota/control: key agricultural commodities

China

- Cash transfer: to the vulnerable
- School/hospital – feeding: food
- Consumer price control and stabilization: rice, wheat, milk, eggs, bread
- Reduction in producer taxes: grains
- Production subsidies: rice, livestock
- Input export ban: agricultural production
- Export ban: rice, maize
- Export quota/control: agricultural commodities
- Raising export taxes: grains
- With long-term effects: risk mitigation and compensation to avian flu losses for poultry production

Table 2
Trends in real commodity prices

	1970s	1980s	1990s	Average 2000–05	2003	2004	2005	2006	2007
FAO food price index (1998–2000 = 100)	194	129	105	102	101	106	109	116	138
Bananas	746	675	559	476	351	478	532	578	562
Beef	88	84	117	96	90	104	105	99	98
Butter	164	131	99	68	57	74	85	69	111
Cocoa	252	154	70	61	75	64	62	62	74
Coffee	322	215	109	56	49	57	79	82	89
Cotton	201	121	82	52	64	48	50	51	61
Hides	104	98	96	70	64	61	58	59	60
Jute	1 087	599	380	269	226	256	256	325	277
Maize	311	191	130	93	98	102	87	104	135
Rapeseed	825	452	287	234	277	276	230	268	355
Rice	932	504	329	203	187	224	254	266	278
Sisal	1 578	997	802	693	654	786	780	792	813
Sorghum	292	182	124	94	102	102	89	111	143
Soybean	742	431	291	230	248	278	242	228	319
Sugar	37.27	18.91	12.13	7.51	6.63	6.53	8.72	12.60	8.36
Sunflower	1 004	470	364	259	269	294	268	258	410
Tea	n.a.	3.14	1.96	1.52	1.41	1.51	1.44	1.67	n.a.
Wheat	371	237	153	123	143	128	n.a.	135	206

Note:

Base year is 2000.

Basis for prices for individual commodities:

- banana, Ecuador (US\$/tonne);
- beef, Australia, c.i.f. USA (US cents/lb);
- butter, New Zealand (US cents/lb);
- cocoa, ICCO indicator price (US cents/lb);
- coffee, ICO indicator price (US cents/lb);
- cotton, United States of America (US cents/lb);
- hides, United States of America (US cents/lb);
- jute, Bangladesh (US\$/tonne);
- maize, United States of America (US\$/tonne);
- rapeseed, Rotterdam (US\$/tonne);
- rice, Thailand 100% B (US\$/tonne);
- sisal, East Africa and Brazil (US\$/tonne);
- sorghum, US No. 2, yellow (US\$/tonne);
- soybean, Rotterdam (US\$/tonne);
- sunflower, Amsterdam (US\$/tonne);
- sugar, ISA (US cents/lb);
- tea, FAO tea composite price (US\$/kg);
- wheat, Argentina (US\$/tonne).

n.a. = not available.

Source: FAO.



Table 3

Monthly commodity prices, nominal terms

	2007											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
FAO food price index (1998–2000 = 100)	135	138	139	141	143	150	155	160	170	174	179	186
Bananas	639	655	648	648	689	779	734	697	665	659	651	648
Beef	118	119	118	118	117	119	117	118	118	116	118	120
Butter	88	92	94	107	100	116	142	160	168	172	188	184
Cocoa	1 702	1 814	1 924	1 977	2 005	2 017	2 153	1 902	1 938	1 915	1 967	2 113
Coffee	106	104	100	99	100	107	106	108	113	116	114	118
Cotton	59	59	59	57	55	60	64	59	61	64	62	66
Hides	76	78	78	78	77	73	68	67	68	67	68	68
Jute	330	330	325	325	325	325	330	330	330	330	350	370
Maize	164	177	170	150	159	165	146	152	158	163	171	179
Rapeseed	357	349	342	345	360	371	407	440	486	518	560	594
Rice	318	322	325	322	325	333	337	336	332	338	358	376
Sisal	920	926	918	928	939	930	1 019	1 030	1 025	1 032	1 041	1 042
Sorghum	175	182	173	148	158	168	159	170	179	174	172	201
Soybean	306	323	324	320	334	362	374	386	430	445	489	516
Sugar	10.7	10.8	11.1	11.3	11.2	11.5	11.1	11.7	11.4	11.4	12.0	12.3
Sunflower	338	339	346	368	395	416	456	513	636	697	711	704
Tea	1.78	1.78	1.85	1.84	1.81	1.88	1.91	2.00	2.11	2.15	2.10	2.17
Wheat	183	175	187	209	219	239	249	273	325	321	290	310

(Continued)

Table 3 (continued)
Monthly commodity prices, real terms

	2008							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FAO food price index (1998–2000 = 100)	195	215	217	214	215	219	213	201
Bananas	689	792	1 027	967	923	868	722	799
Beef	122	129	133	137	154	162	176	169
Butter	184	184	181	179	178	182	184	171
Cocoa	2 216	2 523	2 670	2 628	2 690	3 022	2 954	2 810
Coffee	122	139	136	127	127	131	133	131
Cotton	68	71	83	71	68	69	70	69
Hides	65	65	66	67	67	67	68	n.a.
Jute	383	383	410	460	460	460	510	510
Maize	206	220	234	247	242	281	267	232
Rapeseed	645	700	758	709	713	722	679	596
Rice	385	463	567	853	963	870	835	787
Sisal	1 088	1 088	1 092	1 141	1 141	1 142	n.a.	n.a.
Sorghum	226	224	230	242	242	277	234	211
Soybean	536	579	576	556	570	625	634	557
Sugar	11.7	10.7	9.8	9.8	9.2	8.0	8.6	8.5
Sunflower	752	826	920	919	785	767	767	589
Tea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Wheat	330	365	395	n.a.	n.a.	363	329	307

Note:

Base year is 2000.

Basis for prices for individual commodities:

- banana, Ecuador (US\$/tonne);
- beef, Australia, c.i.f. USA (US cents/lb);
- butter, New Zealand (US cents/lb);
- cocoa, ICCO indicator price (US cents/lb);
- coffee, ICO indicator price (US cents/lb);
- cotton, United States of America (US cents/lb);
- hides, United States of America (US cents/lb);
- jute, Bangladesh (US\$/tonne);
- maize, United States of America (US\$/tonne);
- rapeseed, Rotterdam (US\$/tonne);
- rice, Thailand 100% B (US\$/tonne);
- sisal, East Africa and Brazil (US\$/tonne);
- sorghum, US No. 2, yellow (US\$/tonne);
- soybean, Rotterdam (US\$/tonne);
- sunflower, Amsterdam (US\$/tonne);
- sugar, ISA (US cents/lb);
- tea, FAO tea composite price (US\$/kg);
- wheat, Argentina (US\$/tonne).

n.a. = not available.

Source: FAO.

Further reading and information

- FAO.** 2007. *The State of Agricultural Commodity Markets 2006*. Rome (also available at www.fao.org/SOF/soco).
- FAO.** 2008a. *The State of Food Insecurity in the World 2008*. Rome (also available at www.fao.org/SOF/sofi).
- FAO.** 2008b. *Food Outlook* (available at www.fao.org/giews/english/fo/index.htm).
- FAO.** 2008c. *High-Level Conference on World Food Security: the challenges of climate change and bioenergy, 3–5 June 2008, Rome*. Report on the Conference (available at www.fao.org/foodclimate/conference/en).
- FAO.** 2008d. *The State of Food and Agriculture 2008*. Rome (also available at <http://www.fao.org/SOF/sofa>).
- FAO.** 2009a. *Crop Prospects and Food Situation* (available at www.fao.org/giews/english/cpfs/index.htm).
- FAO.** 2009b. National basic food prices – data and analysis tool (available at www.fao.org/giews/pricetool).
- FAO.** 2009c. *World Food Situation* (available at www.fao.org/worldfoodsituation).
- Gilbert, C.** 2006. Trends and volatility in agricultural commodity prices. In *FAO. Agricultural commodity markets and trade. New approaches to analyzing market structure and instability*, A. Sarris & D. Hallam, eds., pp. 31–61. Rome, FAO and Cheltenham, UK, Edward Elgar.
- IFPRI (International Food Policy Research Institute).** 2008. *High and rising food prices* (available at www.ifpri.org/presentations/20080411jvbfoodprices.pdf).
- IFPRI.** 2009. *IFPRI's Action Plan for the Food Price Crisis* (available at www.ifpri.org/themes/foodprices/foodprices.asp).
- IMF (International Monetary Fund).** 1999. *Review of the Compensatory and Contingency Financing Facility (CCFF) and Buffer Stock Financing Facility (BSFF) – Preliminary considerations* (available at www.imf.org/external/np/ccffbsff/review).
- IMF.** 2008. *Regional Economic Outlook – Middle East and Central Africa*. Washington, DC (also available www.imf.org/external/pubs/ft/reo/2008/MCD/eng/mreo0508.pdf).
- MAFF (Ministry of Agriculture, Forestry and Fisheries of Japan).** 2005. *Toward a world free of starvation and poverty (introductory information on the International Food Stockholding Scheme and East Asia Emergency Rice Reserve)*. Tokyo (also available at www.maff.go.jp/eaerr.pdf).
- OECD–FAO.** 2008. *OECD–FAO Agricultural Outlook 2008–2017*. Paris, OECD Publications (Highlights available at www.fao.org/es/ESC/en/2/3/highlight_550.html).
- Rapsomanikis, G., Hallam D. & Conforti, P.** 2006. Market integration and price transmission paper in selected food and cash crop markets of developing countries: review and applications. In *FAO. Agricultural commodity markets and trade. New approaches to analyzing market structure and instability*, A. Sarris & D. Hallam, eds., pp. 187–217. Rome, FAO and Cheltenham, UK, Edward Elgar.
- The Economist.** 2007. The end of cheap food. 6 December.
- The Oil Drum.** 2009. *Discussions about energy and our future* (available at www.theoil Drum.com).
- Time.** 1974. The world food crisis. 11 November.
- World Bank.** 2007. *World Development Report 2008: Agriculture for Development*. Washington, DC (also available at www.worldbank.org/reference).