



Food security and Trade

WTO/ESCAP/UP Regional Workshop in Agriculture and Agricultural Negotiations in Asia and the Pacific



UP School of Economics R Clarete October 16-18, 2012

Purpose of the Session

- Participants improve their understanding of food security, and the role that food trade plays in attaining it.
- Participants appreciate the relationship between tradability and food price volatility of cereals.
- Participants understand why there is only thin trade in rice.
- Participants explore possible ways out of a food insecurity trap in rice.

Dimensions of Food Security

- World Food Summit 1974: food availability
- 1980s: focus veered towards food access
- 1990s: safe utilization of food
- 2001 Food Insecurity Report: vulnerability
 - "all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life"
- Dimensions: availability, access, and safe utilization of food

How Tradable Are Cereals?

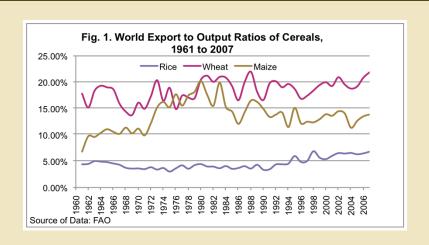
How Tradable Are Cereals

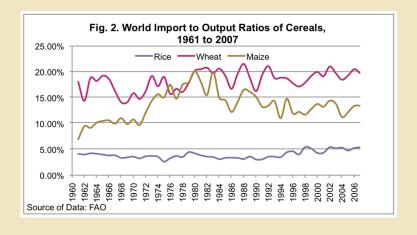
- Covered cereals in this presentation: Rice, maize and wheat, but the focus of it is on rice
- Indicators: Imports to production (MOR) and exports to production ratios (XOR)
- Annual indicators from 1961 to 2007
- Data comes from FAOstat

Relative Tradability of Cereals

- Wheat is most tradable

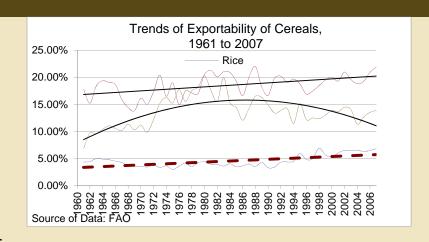
 (average export to output ration or XOR= 18.51 %;
 to output ratio or MOR=18.3 %)
- Maize is next
 (XOR=13.64 %; MOR =
 12.35 %)
- Rice turned out to be the least tradable (XOR= 3.98 %; MOR=.3.97 %)

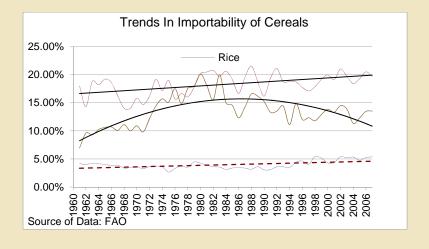




Rising Tradability of Cereals

- Tradability of wheat and rice has been rising
- Trend is pronounced in case of wheat, less so with rice
- Tradability of maize has risen until the 70s, then it declined





y of Tradability of Cereals

e cereals, rice's importability, i.e. nost unstable (volatility index for rice is ared to 62 % for wheat and 68 % for

ding volatility indices of XORs are 3.83 % and 69.03 %

to be more unstable than MORs.

