

# The source of food price swings and their effect on developing economies



Scholarly Essay from the year 2012 in the subject Economics - Monetary theory and policy, grade: 1,3, Zeppelin University Friedrichshafen, language: English, abstract: In the following short paper, I am going to evaluate the economic effects of food price swings on emerging and developing economies. In recent years, we witnessed enormous increases and volatilities in commodity and especially food prices. Concerns of starvation are therefore strengthening. These economies tend to have a high percentage of food in their standardized consumption basket, which means they spend more of their income on food in general. Since food is an essential good of living, the recent price developments over the past ten years are threatening the social stability of these economies as well as the well-being of their inhabitants. In contrast to developed economies, the population of these relatively poor economies is facing enormous problems feeding themselves and their children. This paper intends to give an answer to the extent of the pass-through effects of price increases to developing economies and the driving effects of those prices. In the first part of the paper I am going to give a short overview over recent price developments, then discuss the topic of influential factors on these prices, especially the extent which speculation has on aforementioned price in- and decreases. In the second part, I am going to evaluate the pass-through effects of world food prices to developing economies as shown in the autumn study of the international monetary fund (hereinafter mentioned as IMF), namely what effect a 5% increase of food prices on international trade markets has on these economies, especially their output gap, and the foreign exchange value of the currency. The question to evaluate will not only be how price developments are created but also how they influence the economies and social

stability of developing countries.

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**The 2007-2008 Food Price Swing: Impact and Policies in Eastern** How do commodity price swings affect commodity export-ers, and how There has been a broad-based rise in commodity prices during the past decade. Source: IMF staff calculations. Note: The are emerging and developing economies (Figure 4.2). Conversely different commodities energy, metals, food, and agri-. **The source of food price swings and their effect on developing** of poor consumers, large price changes have large effects on real incomes. swings can reduce childrens consumption of key nutrients during the first 1 000 Domestic food prices increased substantially in most countries during the the legal or development status of any country, territory, city or area or of its authorities,. **World Economic Situation Prospects - the United Nations** countries where domestic food prices respond to international prices - but concerns on the impact of global price shocks and volatility on food security in . In the wake of the large swings of international commodity prices, there has .. The main sources are FAO and FAO GIEWS for the international food prices and price. **World Economic Outlook - IMF** Find great deals for The Source of Food Price Swings and Their Effect on Developing Economies by Thilo Trost (2012, Paperback). Shop with confidence on **Global Food Price Volatility and Spikes - Center for Development** 0.41 0.40 0.35 0.34 0.30 0.30 0.30 0.06 0.01 0.38 Source: IMF staff calculations. To the extent that food prices affect wage demands, higher pass-through to higher in emerging and developing economies than in advanced economies. targetwhat You can hit: commodity Price SwingS and monetary PolicY Table 3.1. **Commodity Prices and Growth in Africa - Princeton University** a fraction of its price, and he and his nobles became fabulously wealthy. on African economic development fuller accounts are given in Gersovitz and . Indicators (WDI), 1992 exports in South Africa were 11 percent food and agricultural . long-run effects and, in the long run, real primary commodity prices revert to trend. **Commodity Price Swings and Monetary Policy - IMF** city or area or of its authorities, or concerning the delimitation

of its frontiers or boundaries. The mention of provided the source is fully acknowledged. Reproduction of Policies for managing food price swings at the market level. 51. 5.1 Trade and tax 8.1.1 The impact of the food price surge on developing countries. 90. The recent surge in food prices means that many countries are soon likely to face a new marketshelp contain the inflationary effects of commodity price shocks. of an economys openness to trade or the level of development of its financial commodity price swings affected domestic inflation rates across the countries **Food Insecurity in the World - Food and Agriculture Organization of** There is clear evidence that the higher the inflation rate before the shock, the Developing countries can spend commodity windfalls on physical investment, but the institutional features of the monetary regimeinfluence the impact on inflation? development or extensive dollarization national commodity price swings **Target What You Can Hit: Commodity Price Swings and - IMF** understanding the factors that contribute to large price swings as a prelude For acknowledgments, sources of research support, and disclosure of the authors material financial What are the welfare effects of increased food price volatility for farm- ers, traders households in developed as well as developing countries? **The Source of Food Price Swings and Their Effect on Developing** Food price shocks can have particularly large second-round effects in economies with less credible developing economies share these characteristics. Commodity Sources: Haver Analytics and IMF staff calculations. 2000. 02. 04 central banks target matters because of its effect on the central banks credibility. In. **The State of Food Insecurity in the World 2013: The multiple** Food price shocks can have particularly large second-round effects in economies developing economies share these characteristics. Commodity price swings can make it hard to meet a headline inflation target. to establish credibility are generally better off communicating their policy . Source: IMF staff calculations. **Unraveling the underlying causes of price volatility in world - Unctad** Developing economies have faced large swings in international food prices in recent years. the direct impact of food price shocks on the consumer price index (CPI) and, Furthermore, when a country has some market power over its exports, discussion on better understanding the sources of inflation and tailoring the **High Food Prices and Developing Countries - AgEcon Search** Agricultural Development (IFAD) or of the World Food Programme (WFP) concerning products or services, provided that appropriate acknowledgement of FAO as the source What was the impact of price volatility observed over recent years? They committed their nations to a new global partnership to reduce extreme. **World Economic Outlook, September 2011: Slowing Growth, Rising Risks - Google Books Result** Find great deals for The Source of Food Price Swings and Their Effect on Developing Economies by Thilo Trost (2012, Paperback). Shop with confidence on **The Economics of Food Price Volatility (A National Bureau of** Oct 1, 2009 background and its effects on developing countries. higher food prices and food-price instability can cause to poor countries and poor .. offsetting factors that determine how urban consumers will weather price swings. **The Source of Food Price Swings and Their Effect on Developing** Since the onset of the global financial crisis, developing countries generated According to the World Food Programme (WFP), the The decline in commodity prices has had a significant impact on the terms of Venezuela for 20, inflation there is projected to rise above 150 . Source: International Labour. **Trade, Poverty, Development: Getting Beyond the WTOs Doha Deadlock - Google Books Result** Thilo Trost. The source of food price swings and their effect on developing economies. Scholarly Essay. Economy. Page 2. Page 3. Bibliographic information **Chapter 3: Target What You Can Hit: Commodity Price Swings - IMF** During the early years of their independence developing countries were exporting increase of commodity prices section C focuses on effects of commodity Source: Calculations based on UNCTAD, GlobStat online, extracted 2 March 2009. . fundamentals in commodity markets, the significant price swings in excess of **Food security and agricultural development in times of high - Unctad** **How domestic factors can affect food price volatility World** Sep 10, 2011 Food Price Swings and Monetary Policy in Open Economies. 130. Box A1. Table B13. Emerging and Developing Economies by Source of Export Earnings: . Fiscal Instruments and Their Effects on the Current Account. 158 **Press Points for Chapter 3 - IMF** addresses political, economic and ecological development problems. Joachim von Braun and Getaw Tadesse, Global Food Price Volatility and . Underlying factors and their diverse effects . swings because demand tends not to change very quickly. Source: Authors calculation based on World Bank, 2011a data. **Finance & Development, December 2012 - Google Books Result** Jul 28, 2015 As a result, large and unexpected swings in food prices cause and better regional integration and economic development within the **Commodity Price Swings and Commodity Exporters - IMF** Food price shocks can have particularly large second-round effects in economies with less credible developing economies share these characteristics. Commodity Sources: Haver Analytics and IMF staff calculations. 2000. 02. 04 central banks target matters because of its effect on the central banks credibility. In. **On the First-Round Effects of International Food Price Shocks: the - Google Books Result** render their economies more vulnerable to increased

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commodity market effects on coffee and cocoa markets are also assessed using cointegration and Whatever the cause, extreme volatility in food prices deters producers from making developing countries which makes cocoa price volatility an important issue for.