



# The Impact of the Increase in Food Prices on Children Poverty and the Policy Response in Mali

by

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# 1. Objective of the Study

This study simulated:

- The impact of the increase of prices on Malian's children, in particular, the impact on:
  - Monetary food poverty
  - Nutrition
  - Education
  - Access to health services
- The impacts of various compensatory policies in order to cope with the crisis and protect the most vulnerable.

## 2. Presentation of Mali



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### 3. Background of the study

- Sky-rocketing international food prices impacted on local prices;
- Typically in Mali, 60.7% of the total budget of an household is spent on food before the food crisis. This can reach 66% for the lower quintiles;
- 49% of the population of Mali is less than 15 years old.

# 3. Background of the study

Variation of some Food prices (Aug. 2006 to Aug. 2008), in percentage

	Kayes	Sikasso	Mopti	Bamako
	Consumer Price			
Rice	49	37	14	49
Sorghum	24	21	17	24
Maize	33	34	33	33
Chicken	56	20	30	56
	Producer Price			
Riz	30	25	30	30
Mil/sorgho	28	20	7	16
Maïs	73	73	73	73

## 4. Data and methodology

- Data: Household survey in Mali (ELIM 2006), variation of prices between August 2006 and August 2008.
- Modeling: Econometric methodology that can be found in the study

## 5. Impact of prices

... on the percentage of budget to food and non-food expenditure before and after the food crisis (% of the total consumption)

	Food		Non-Food	
	Before	After	Before	After
<b>Mali total</b>	<b>60.7</b>	<b>63.3</b>	<b>39.3</b>	<b>36.7</b>
Rural	65.6	66.2	34.4	33.8
Urban	51.7	58.1	48.3	41.9
- Bamako	44.5	53.9	55.5	46.1

# 5. Impacts of prices

...On the incidence of Children food poverty

	Before %	After Change in percentage points
<b>Total</b>	<b>41.5</b>	<b>10.3</b>
Urban	25.3	7.5
Rural	48.1	11.4
Kayes	40.8	13.9
Sikasso	63.4	11.3
Mopti	37.9	10.0
Bamako	13.5	2.5
1 child	13.2	5.8
2 children	16.7	8.2
7 and more	54.4	11.2

## 5. Impacts of prices

...On the calorific deficiency ratio of children

	<b>Before</b> %	<b>After</b> <b>Change in</b> <b>percentage points</b>
<b>Total</b>	<b>32.1</b>	<b>8.5</b>
Urban	26.3	2.0
Rural	34.5	11.1
Kayes	37.6	9.6
Sikasso	40.6	13.3
Mopti	24.0	8.5
Bamako	19.0	-1.9
Decile 1 (poorest)	94.2	2.7
Decile 4	38.9	22.0

# 6. Scenarios tested

- Transfer targeting all poor ("All")
- Transfer targeting the poorest 20% ("20%")
- Transfer targeting all poor children ("0-14")
- Transfer targeting 0-5 year old children ("0-5")
- Transfer targeting 6-10 year old children ("6-10")
- Transfer targeting 11-14 year old children("11-14")
- Current policy: Consumption/production subsidy ("current")
- School feeding: food supply to all poor children in primary school (" Feeding " )

# 6. Impacts of the different scenarios

...on the incidence of Children food poverty

	Before	After	All	20%	0-14	Current
	%		Change in percentage points			
<b>Total</b>	<b>41.5</b>	<b>10.3</b>	<b>6.8</b>	<b>10.1</b>	<b>7.8</b>	<b>10.0</b>
Urban	25.3	7.5	6.3	7.2	6.7	6.9
Rural	48.1	11.4	7.0	11.2	8.2	11.3
Kayes	40.8	13.9	7.0	13.1	8.4	13.5
Sikasso	63.4	11.3	8.2	10.7	9.4	11.4
Mopti	37.9	10.0	8.3	10.0	8.3	9.5
Bamako	13.5	2.5	1.8	2.5	2.3	2.3
1 child	13.2	5.8	5.4	5.8	5.6	5.7
2 children	16.7	8.2	6.3	8.2	8.0	8.1
7 and more	54.4	11.2	7.0	10.7	8.2	11.0

## 6. Impact of school feeding

...On the calorific deficiency ratio of children

	Before	After (no policy)		After with School feeding	
		6-10	11-14	6-10	11-14
	%	Change in percentage points			
<b>Total</b>	<b>32.1</b>	<b>8.9</b>	<b>7.4</b>	<b>2.5</b>	<b>1.9</b>
Urban	26.3	3.1	1.3	-0.5	-2.3
Rural	34.5	11.2	10.1	3.7	3.7
Kayes	37.6	10.4	6.9	2.2	1.8
Sikasso	40.6	14.3	10.8	3.0	-0.2
Mopti	24.0	8.7	7.1	6.4	6.1
Bamako	19.0	-1.7	-2.9	-4.6	-5.7
Decile 1 (poorest)	94.2	2.1	1.3	-1.6	0.2
Decile 4	38.9	24.6	20.4	12.7	8.6



# 7. Feasibility of the scenarios

## Costs of the interventions

Costs			
	Billion FCFA	%GDP	% Budget
<b>All</b>	<b>86.3</b>	<b>2.2%</b>	<b>16.0%</b>
20%	12.5	0.3%	2.3%
0-14	43.4	1.1%	8.0%
0-5	18.7	0.5%	3.5%
6-10	15.3	0.4%	2.8%
11-14	9.4	0.2%	1.7%
Current policy	8.5	0.2%	1.6%
School feeding	7.1	0.2%	1.3%

## 8. Conclusions and recommendations

The scenario "all" is the most expensive (2,2% of GDP),

But has the most effective impacts such as :

- Reduction in the increase of food poverty to 6.8 instead of 10.3;
- Reduction in the rise of the calorific deficiency ratio from 8.5 to 4.6;
- Reduced decrease in school attendance of 0,6-0,7

## 8. Conclusions and recommendations

With the scenario of the poorest "20% ":

- Reduction of the intervention cost of 80%;
- Sharp reduction of the negative impacts ;
- Difficult to target the population

## 8. Conclusions and recommendations

Scenario targeting all poor children:

- Cost saving proportionate to their part in the total population ( 50% for the children);
- Reduction of the negative impact in term of school attendance and access to medical services

## 8. Conclusions and recommendations

### School feeding policy :

- Quasi disappearance of the negative impact of the food crisis on the calorific deficiency ratio;
- Positive impacts on food poverty, school attendance and access to medical services;
- Less costly than transfer policies.

## 8. Conclusions and recommendations

Scenario of food subsidy and tax exemption (current policy of the government):

- Not very costly
- Low impact on child poverty
- Biased toward urban consumers

# Thank you

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