Commodities Market and Food Security

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Price Formation in Commodities Market

Macroeconomic Factors
- Easy Monetary Policy
- Dollar Depreciation

Inflation Expectations
- Real Interest rate

Inventory channel
- Finance channel
- Price Expectation

Commodity Prices

Supply Factors
- Stocks
- Weather
- Cost of Production
- Productivity
- International Trade

Demand Factors
- Rising Income
- Biofuel

Information Market
- Grains Reports / Reviews
- Futures Market

Finance channel

Oil Prices

International Trade
**Future Prospects and the Role of G-20**

Global Food Security System

**Supply Factors**
- Productivity
- Yield
- Land Availability
- Technology
- Climate Change
- Water Availability

**Demand Factors**
- Biofuel
- Low Population Growth
- Increasing Income in Emerging Markets
- Composition of GDP

**Market for Food**
- Financial Markets
- International Trade
- Export Ban and Quantitative Restrictions

**Global Availability of Food**

**IOs**

**G-20**

**AMIS**

**PREPARE**

Coordinate for
1. Rationalizing Biofuel Production
2. Enhancing Investment and Productivity
3. Financial Market Reforms
4. Trade Reform
5. Multilaterally Consistent Macroeconomic Policies
Thank You