

Food Security and Agriculture Highlights



Azerbaijan
October–December 2012

Key Messages

- Cereal production reached an exceptionally high level of 2.8 million tonnes in 2012, due to favourable weather conditions and government incentives, which represented an increase of 14% compared to 2011.**
- Food prices increased by 1.4% between September and December 2012. The price of bread and potato increased but remained below last year's levels.**
- The prevalence of poverty continued to decrease in 2012 (6.0%) and reached a minimum in the decade.**
- Cereal imports in 2012 were 16% higher in volume than in 2011.**

Food security and poverty situation

According to official statistics, the prevalence of poverty continued to decrease in 2012 and reached a minimum level of 6.0% following a continual decrease in the last decade. This is explained by the positive performance of the economy in 2012 (+2.2%) which led to an increase in per capita income (+12.2%) and average monthly salary (+9.1%). Further progress is expected in 2013 due to non-oil sectors growth. The rapid growth of the non-oil sectors in 2012 (+9.7%), which include agriculture, contributes to the reduction of poverty and inequality as they employ a large part of the country labour force.

Poverty and food insecurity however remain key issues in Azerbaijan, in particular for the internally displaced persons. Almost 600 000 people were still internally displaced in Azerbaijan at the end of 2011. About 50% of them were female and ten per cent were older people. A 2011 study found that smaller internally displaced communities in remote villages with no access to land were the most vulnerable, particularly in terms of housing, access to livelihoods, land and health care.

Based on the most recent data available on the prevalence of undernourishment (2010-12), Azerbaijan is classified by FAO among the countries with a very low level of hunger, i.e. less than 5% of undernourishment.

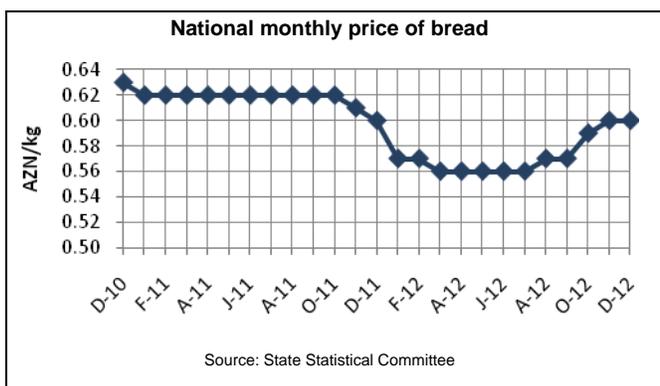
FAO SCALE OF HUNGER (% of undernourishment)



Food prices

Food prices increased by 1.4% between September and December 2012. Prices of food staples increased (bread and potato) or remained stable (beef meat) during the reporting period. Prices of bread and potato remained below previous year's levels. Food inflation was very low in 2012 (0.8%) compared to 2011 (10.4%).

Bread: Bread price increased by 5% between August (AZN 0.57/kg) and December 2012 (AZN 0.60/kg) but remained below the levels recorded in 2011. Bread price during the reporting period (October–December 2012) was on average 2% lower than in October–December 2011.



Food security indicators*

(Time series available at: www.foodsec.org/az)

Economic indicators			
GDP growth (%)		2.2	2012
Total population (millions)		9.3	2012
Population growth (%)		1.3	2012
Share of rural population (%)		46.9	2012
Life expectancy (years)		74	2011
Unemployment (%)	Total	5.2	2012
	Rural	n.a	
Social protection expenditures as % of government budget		9.7	2011
Consumer Price Index (2011 = 100)		101.1	2012
Food Price Index (2011 = 100)		100.8	2012
Remittances as % of GDP (WB, SSC)		2.7	2011
Cereal imports as % of total exports (in value)		1.6	2012

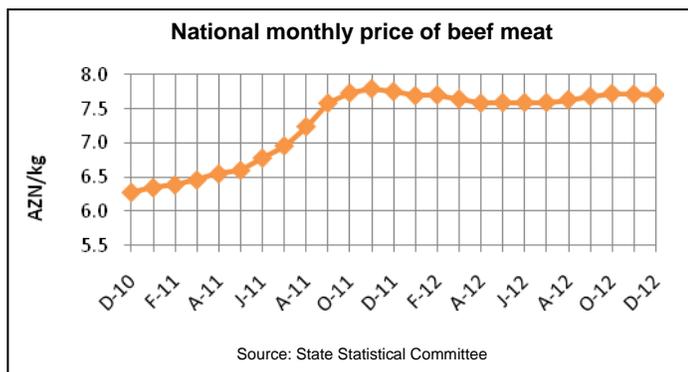
Agricultural indicators			
Contribution of agriculture to GDP (without agro-processing) (%)		5.2	2012
Share of plant production/livestock in agricultural GDP (%)	Plant	51	2012
	Livestock	49	
Share of labour force in agriculture (%)		37.6	2012
Average land ownership (ha)		1.6	2006
Farmgate price index (2011 = 100)		109.8	2012
Average monthly salary in agriculture by gender (AZN)	Women	113	2011
	Men	191	
Women's access to land ownership (UNDP)		Full access	2009

Other indicators including nutrition			
Prevalence of poverty (%)	Total	6	2012
	Rural	n.a	
Share of food expenditures in total expenditures (%)	Total	48	2012
	1 st quintile	60	
Share of staple (cereals and potatoes) in total calorie consumption (%)		47	2011
Share of protein of animal origin in total calorie consumption (%)		4	2011
Undernourished population 2010–2012 (FAO) (%)		<5	
Prevalence of iron deficiency among women (anemia, age 15–49) (%)		37	2006
Prevalence of stunting among under 5 children (%)		25	2006
Income share held by lowest 20% (WB) (%)		8	2008

* Source: State Statistical Committee unless otherwise indicated

Potato: Potato price increased by 15% between September (AZN 0.47/kg) and December 2012 (AZN 0.54/kg) after eight months of continuous decline. The average price in October–December 2012 was 18% lower than in the same period of 2011.

Beef: Beef meat price remained stable in 2012 at high record levels, oscillating between AZN 7.6/kg and AZN 7.7/kg. The average price of beef meat in October–December 2012 was similar to price in the same period of 2011.



Agricultural production

Agricultural output in 2012 was 5.8% higher than in 2011, resulting from an increase of 5.8% in plant production and 5.9% in animal breeding. Growth in plant production is mainly explained by favourable weather conditions and government support measures. Animal production increased for meat (4%), milk (6%), eggs (21%) and wool (2%).

According to the final figures released by the State Statistical Committee (SSC), cereal production in 2012 amounted to 2.8 million tonnes (of which 1.8 million of wheat), which represented an increase of 14% and 17% over 2011 and 2007/2011 average respectively. The production of fruits was 15% above last year level and 23% higher than the last five year average. Sugar beet production dropped by 32% due to the drastic reduction of planted area.

	2007–2011 average	2011	2012	2012/2011	2012/2007–2011 avg
	Thousand tonnes		Percent		
Cereals	2 390	2 459	2 802	13.9	17.2
of which,					
Wheat	1 621	1 641	1 847	12.5	13.9
Potato	998	939	968	3.0	-3.0
Vegetables	1 208	1 215	1 214	0.0	-0.1
Fruits	721	766	884	15.1	22.6
Sugar beet	207	255	175	-31.7	-15.4

Source: State Statistical Committee

The area sown with winter grains in 2012 was significantly higher than in 2011. Area sown in wheat and barley (winter sowing which will be harvested in 2013) increased by 0.4% and 5.2% respectively.

Government continued supporting agricultural production in 2012 through subsidies and other measures for the cultivation of wheat and rice: some 24.9 million AZN was provided to producers of wheat and rice (AZN 40 per hectare), 56.7 million AZN for fuel and lubricants, 2.5 million AZN for fertilizers and 7.3 million AZN for certified seed production. Government offered AZN 210 per tonne (about USD 248) to local farmers for procurement of high quality grain for the State Grain Reserves in order to stimulate local production.

Objective of the Food Security and Agriculture Highlights

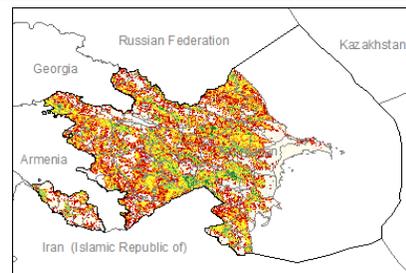
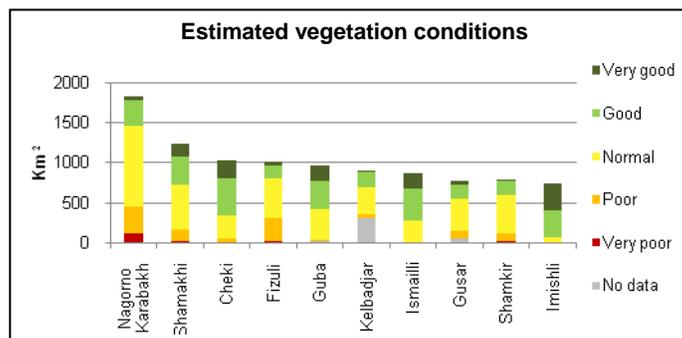
The objective of the Highlights is to provide an overview of the situation of food security in the country, with a focus on agriculture which is a key sector for developing the country and improving food security of rural and urban populations.

The Highlights are produced with support from the EC/FAO Programme on information systems to improve food security decision-making in the European Neighbourhood Policy East Area (2010–2012), funded by the European Union and implemented by the Food and Agriculture Organization of the United Nations.

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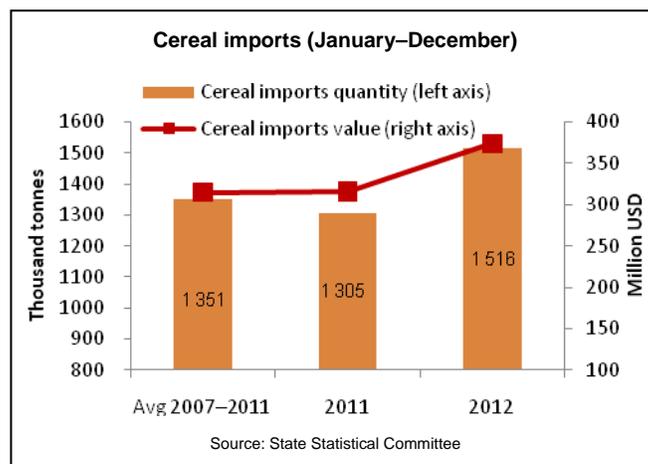


Source: JRC MARS – FoodSec

In December 2012, favourable vegetation conditions were observed throughout the country. Less favourable conditions were detected in Shamakhi (Eastern Azerbaijan), Nagorno-Karabakh and Fizuli (south) and in Shamkir (north).

Food trade

Cereal imports in 2012 were respectively 16% and 12% higher than 2011 and 2007–2011 average levels. The total import bill in 2012 was 19% higher than in 2011. Wheat and wheat flour imports remain exempted from VAT until September 2013, as per Government decision.



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More readings:

[FAO - Policy Briefs](#)
[FAO - Global food price monitor](#)
[FAO - Crop Prospects and Food Situation](#)
[FAO - Media Center](#)

Website: www.foodsec.org