



INTERNATIONAL FOOD POLICY
RESEARCH INSTITUTE
sustainable solutions for ending hunger and poverty
A member of the CGIAR Consortium

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PRESS RELEASE

Media and Food Prices: New Tool to Reduce Gaps in Information on Global Commodity Prices

July 23, 2012—Short- and long-term factors—such as climate change, the growth of commodities futures markets, and changing levels of grain stocks—contribute to rising food prices. A new tool by the International Food Policy Research Institute (IFPRI) developed in collaboration with Sophic Systems Alliance Inc.® (Sophic Intelligence™), analyzes daily media coverage to examine the extent to which current expectations regarding food prices, agricultural markets, and food stocks may also impact food prices and increase price volatility.

The Food Security Media Analysis System is a tool that scans international media outlets to identify the factors and events that the media consider to have an impact on food prices. These results can then be compared to other variables, such as global agricultural production and food stocks, to determine if media coverage is consistent with these other variables or if it is in fact contributing to an information gap.

The tool is based on the premise that a major factor contributing to food-price spikes may be a global lack of information or a prevalence of misinformation regarding global agricultural markets and food stocks. The lack of factual information regarding global production and stocks can lead governments across the globe to engage in panic buying that serves to further drive up prices.

This phenomenon occurred during the Russian wildfires of 2010, when the country banned the export of wheat to prevent a domestic shortage. Despite the fact that global stocks at that time could support reduced exports from Russia, futures returns for wheat showed several days of price volatility. It seems clear that the information provided by the media, and thus the expectations set regarding current food-security scenarios, can play a role in rising food prices and price volatility.

The tool utilizes Sophic Intelligence to generate daily Wiki reports and heatmaps that track terms and phrases found in global food- and commodity-related news articles that may influence global commodity price volatility and food security. The heatmaps show the relationships between events that affect food and commodity prices in countries around the world.

“The Food Security Media Analysis System provides valuable daily intelligence that will allow us to more accurately measure market expectations as well as the influence of press articles on current commodity price fluctuations,” said Maximo Torero, IFPRI’s Markets, Trade, and Institutions Division Director. “It can assist with analyzing the cause and effect of commodity-related articles in the global press.”

To access the Food Security Media Analysis System, visit:

<http://www.foodsecurityportal.org/policy-analysis-tools/food-security-media-analysis-foma>

To watch a video tutorial: <http://www.youtube.com/watch?v=dpZVG11NQnM>

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The International Food Policy Research Institute (IFPRI) seeks sustainable solutions for ending hunger and poverty. IFPRI was established in 1975 to identify and analyze alternative national and international strategies and policies for meeting the food needs of the developing world, with particular emphasis on low-income countries and on the poorer groups in those countries. It is a member of the CGIAR Consortium. www.ifpri.org.

Sophic Systems Alliance Inc. is a knowledge management/intelligence software and services integrator. Sophic Intelligence is built on BioXM™ Knowledge Management software developed by Biomax Informatics AG. Sophic’s strategy is to deliver software configurations and consulting services to support a wide range of think tanks and life science research institutes. Additional information about Sophic can be found at www.sophicalliance.com.