

## Outlook on Food Prices in Turkey after 2007-2008 Global Food Crisis

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### Abstract

Food and Agriculture Organization's (FAO) food price index rose by 23 percent in 2007. Surging food prices has drawn more attention on agricultural sector. Milk, oil, rice, wheat, corn and cereal prices increased by 80%, 50%, 26%, 50%, 34% and 42%, respectively. The causes of food price increases can be listed as follows based on previous studies: Global increase in demand, bad weather conditions, biofuels, higher production and marketing costs, exchange rates and poor development and production plans. A surge in the price of food is of special concern to the world's poor, particularly urban poor, because they spend most of their total income on basic foodstuffs. Around 80% of the people in Turkey lives in urban areas and increases in food prices affect them significantly. This study aims to demonstrate how food prices in Turkey changed over time compared to the some selected countries and regions. For this end, OECD, FAO and TUIK data were used. Results show that Turkey has higher food price inflation and volatility in prices than the European Union and Middle Eastern countries on average. To sustain price stability and competitiveness of Turkey in world market, agricultural policies and supports should be used efficiently based on demand and supply changes. The effect of biofuel production on food prices should be minimized. Speculations must be prevented and currency exchange rates should be stabilized.

**Keywords:** World food crisis, food prices, competitiveness

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