

Evaluation of Welfare Effects of Rising Price of Food Imports in Italy

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Abstract:

Food security is a broad concept that is determined by the interaction of a set of biological, economic, social, agricultural and physical factors. This complexity can be summed up by focusing on three components of food security: food availability, food access and food use. In developed countries, the agricultural sector is reason to supplying food, food security and food safety along to achieve sustainable growth and development goals. Although high-income countries have long considered their population sheltered from food insecurity, the recent economic and financial crisis has challenged such assumption and food poverty has become an increasingly relevant policy issue across Europe. Over the last decade food security has also become a salient policy issue in high-income countries where an increasing number of people have problems in accessing safe and nutritious food on a daily basis. Domestic and foreign policies implemented in different European states to support vulnerable groups. According to the variation of food in Italy, food security in Italy has always been concerned for policymakers. Specially measuring the changes of consumer's welfare and vulnerability due to increasing in global food prices to provide compensation support system is essential issue. In this study has tried to examine the effects of global food price increases on the level of welfare and vulnerability of Italian consumers. For this purpose, the amount and value of imports for various foodstuffs (cereal, meat, beverages, dairy, fruit and vegetable) in Italy has been used. This information has obtained from Food and Agriculture Organization (FAO) in series form since 1961 to 2013. At first, compensatory price elasticities were calculated by using the Almost Ideal Demand System (AIDS) and the effect of increasing the global price of food on consumer welfare was studied.

Keywords: Food Import, Vulnerability, Welfare, Compensatory Changes, Italy.