

Food Price Volatility and Policy Responses

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Abstract

The issue of food price volatility poses an important problem regarding food security, economic stability, and well-being of households in developing and emerging economies like Pakistan. This chapter is an exhaustive analysis of existing literature about food price volatility including factors that affect it and consequences for different sectors, based on evidence from the international, regional, and Pakistani context. Volatility can be affected by supply side issues, which include climatic variations, production-related problems, along with demand side and macroeconomic conditions. Based on the literature review of existing research, one can conclude that food price variability has a negative impact on household well-being, food security, and nutrition outcomes, especially concerning more vulnerable groups. With the increase in prices, there is a change in consumers' behavior; specifically, people switch to a less diverse diet with lower quality products. Food price variability also influences the economy by affecting industries and macroeconomic stability. However, there are several approaches policymakers may adopt to overcome this problem, including subsidies, tariffs, and other policy tools. The chapter points out important areas requiring further research, such as the gender issue and disparities between urban and rural areas. The importance of evidence-based policymaking that considers an integrated approach to food security is highlighted.

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1. Introduction

The problem of volatile food prices has increasingly become a major issue for scholars and policymakers owing to its wide-ranging consequences on the security, stability, and wellbeing of communities. The prices of food commodities are inherently prone to fluctuations. Yet, the current era has seen more focus placed on unpredictable and sudden swings in food prices. Such fluctuations are caused by a variety of factors, both periodic, such as seasons, and unpredictable, including climatic factors, macroeconomic instabilities, and policy shifts. According to scholarly research, weather-induced production shocks, global market demand, and institutions are some of the principal sources of such fluctuations (Amolegbe *et al.*, 2021).

The effect of food price volatility becomes even more apparent in developing countries because people living in these countries spend most of their earnings on food purchases. For example, food prices are known to influence both food security and nutrition levels in poor countries. Research demonstrates that an unanticipated rise in the price of food products results in less dietary diversity and higher food spending ratios, particularly in poorer families. This demonstrates the existence of a direct correlation between food prices and food security and nutrition rates, showing that food price volatility affects more than just market performance (Gilbert & Morgan, 2010).

Regarding economics, the issue of price volatility for food products could be analyzed in terms of the supply and demand equilibrium model, where the changes in production or consumption could be transformed into price changes based on the responsiveness of the market. The low supply and demand elasticity in the short run, coupled with poor storage facilities and imperfect markets, would exacerbate the impact of shocks in

developing nations. Moreover, the process of globalization within the international market could also expose the domestic market to price volatility within the international market, making them even more vulnerable to external shocks (Timmer, 2010; Gilbert & Morgan, 2010; Headey & Fan, 2010; Ibrahim, 2015).

Considering the far-reaching impact of this problem, different tactics have been employed by governments and policy makers, such as subsidies, trading policies, and creation of strategic food reserves. Yet, their efficacy has been questioned since most of these strategies offer temporary solutions without tackling the core problem. Food price fluctuations are indeed complicated in nature, thereby necessitating an analytical and empirical approach to the problem (Dorward, 2012; Wright, 2011).

Within the framework of Pakistan, the issue of food price volatility becomes even more pressing owing to the inefficiencies within the agriculture sector, sensitivity to weather conditions, and vulnerability to shocks from international prices. It becomes important to analyze the factors causing the volatility of food prices, the consequences thereof, and possible ways to address the issues. The purpose of this chapter is to make such an analysis through the review of the available literature related to the issue of volatility of food prices, paying special attention to Pakistan and developing countries (Ismail *et al.*, 2017; Ahmad *et al.*, 2024).

Food inflation also has wider effects on the overall well-being of humans, especially in underdeveloped countries. Food inflation leads to restricted access to healthy food which can lead to ill health and low life expectancy. It is more problematic in countries that do not have economic strength. When it comes to Pakistan, there are structural and governance issues present in the country, and thus food inflation leads to many problems other than food insecurity and welfare of households Mimouni *et al.* (2026).

1.1. Problem Statement

Food price volatility is increasingly being recognized as one of the biggest problems faced by food systems around the world, especially in developing nations that are more sensitive to price fluctuations. Price volatility in food markets has a direct impact on food availability, accessibility, and food security. People who are already struggling financially may be forced into extreme poverty due to rising food costs, making it more difficult for them to meet their basic needs. Even though several measures have been implemented, food price volatility remains an unresolved issue.

On the other hand, the factors behind food price volatility are intricate and multidimensional in nature. While there exists a lot of literature on these aspects, the conclusions reached thus far seem disjointed across various geographical locations and methods used. In particular, what appears to be lacking is an integration of the findings from global, regional, and national perspectives, which would yield a holistic perspective on why prices fluctuate, and how policies can mitigate this effect.

Such a gap underscores the importance of carrying out an assessment of the literature that is both systematic and well organized, to ensure evidence synthesis, gaps identification, and appropriate policy advice based on this review. This chapter seeks to carry out an evaluation of such dynamics with special emphasis on the role played by policy measures.

1.2. Scope and Objectives of the Chapter

In this chapter, a comprehensive literature review is conducted focusing on food price volatility and the corresponding policies employed to address the issue at different geographical scales namely, at the international, regional, and national levels. Literature on the drivers of food price volatility, its impacts on food security, nutrition, and household well-being, as well as the efficiency of various measures designed to reduce price instability, will be reviewed. This chapter reviews literature from theoretical and empirical perspectives based on academic journals, review articles, and related policy studies published in English. Special consideration will be given to evidence from both advanced and developing economies, especially LMICs.

This study focuses especially on context-specific information regarding the experiences of Pakistan, as well as similar developing nations, to gain insights into local issues and appropriate policy measures. Regarding

methodology, the current chapter will conduct a systematic review based on PRISMA standards to provide a scientific and structured process of reviewing literature. This study uses secondary data only and refrains from collecting any new data or conducting econometric analyses.

Objectives

The main objective of this chapter is to systematically review and synthesize the existing literature on food price volatility and policy responses to develop a comprehensive understanding of its drivers, impacts, and policy implications.

Specifically, the study aims to:

1. Examine the major drivers of food price volatility, including supply-side shocks, demand-side pressures, climate variability, and market structure dynamics.
2. Analyze the impacts of food price volatility on food security, nutrition, and household welfare, with particular emphasis on vulnerable populations in developing countries.
3. Evaluate the effectiveness of key policy interventions, such as trade policies, subsidies, price controls, and strategic food reserves, in stabilizing food prices.
4. Identify research gaps and synthesize evidence to provide policy-relevant insights for improving food system resilience and strengthening responses to food price volatility.

2. Literature Review

The issue of food price volatility has emerged as a rather complicated matter in global and domestic food chains, especially for developing countries due to their greater susceptibility to price movements. Numerous recent studies show that climate variability, disruptions in supply chains, and production risks continue playing a crucial role in causing volatility in food markets. Unfavorable weather and changing climatic trends have made the volume of agricultural products uncertain, which has resulted in unpredictable supplies and higher volatility in prices (Kalkuhl *et al.*, 2016; Ben Abdallah, 2024; Anderl & Caporale, 2025). Therefore, food price volatility seems to be not a passing issue, but a structural one caused by environmental changes.

However, at the same time, one should bear in mind that food price changes do not occur separately from other economic developments taking place at the global level. Food price dynamics have become more vulnerable to global economic forces due to increasing linkages between the domestic and international markets. Price changes in energy, foreign exchange rate, and world trade regimes have affected domestic food prices in a substantial way. The emerging linkages between energy and food markets facilitated by biofuel production have played an important role in making the transfer of price shocks more efficient, which has contributed to increased volatility in food prices (Nazlioglu, 2011; Dorward, 2013).

In addition to the above-mentioned extrinsic factors, intrinsic market-related factors add another dimension to market prices making them highly volatile particularly in developing nations. Structural issues like poor market integration, inadequate storage infrastructure, and lack of market information make the market players less responsive to any price shifts. Consequently, small disturbances end up having a significant impact on the prices of the domestic market. The conclusion from the above discussion is that besides extrinsic factors, there are intrinsic factors also behind price volatility.

Regarding these difficulties, reactions to policy options have garnered growing interest in recent research work. The government usually resorts to implementing policies such as price regulation, subsidies, and trade prohibitions when there is an urgent need to control rapidly rising food prices. However, while these actions may offer temporary assistance, their usefulness has been questioned. There is substantial proof showing that the use of these policies may have adverse effects in case they are maintained for long periods (Gouel, 2013; Kalkuhl *et al.*, 2016).

On the other hand, newer research tends to focus on the need for policies that are sustainable and adaptive. The creation of systems for improving agricultural productivity, strengthening logistical chains, and

improved market transparency have been identified as vital elements of an adaptive strategy for responding to food price volatility. Additionally, social safety nets in the form of conditional cash transfers and other forms of food aid are important for protecting the vulnerable without affecting the functioning of markets (Abdullah *et al.*, 2019; Karagöl, 2025).

It is also emerging that digital technologies and information systems have a part to play in making food markets more stable. Information about markets helps in reducing uncertainty and facilitating price transmission (Aker *et al.*, 2017). It is clear that technology opens up a whole new area of policy making that has not been exploited before.

In conclusion, the literature shows a trend toward a consensus that dealing with food price volatility should follow an integrated approach to policies. In the event of any crisis that calls for immediate actions, long-term approaches aimed at improving market systems and increasing institutional capacity become critical.

2.1. Conceptual Framework

Food price volatility is a complex concept that is affected by multiple factors, such as economic, environmental, and institutional drivers. The present research paper aims to define food price volatility as an effect resulting from interactions between supply-side and demand-side shocks as well as market failures, which, in turn, are affected by certain policy decisions.

Supply-side aspects include climate change, production shocks, and disruptions to food supply chains. These factors have a direct impact on the amount of food available to consumers and result in food price volatility. In addition to supply-side drivers, there are demand-side elements influencing food price volatility, namely population changes, income variations, and consumption behavior.

The model also considers global economic connections, acknowledging that national food prices have become increasingly vulnerable to influences from outside, including international trade policies, currency movements, and changes in the cost of energy. This interconnectedness of the global economy and the domestic economy make food prices even more volatile.

Moreover, structural and institutional elements are vital in determining the degree of price volatility. Poor market integration, insufficient storage facilities, and lack of market information affect food systems' efficiency and increase volatility. Structural problems are especially significant in underdeveloped nations, which still lack strong institutions.

An important element of this model is the importance of the role played by the policies themselves, acting as mitigating and, in some instances, amplifying agents. The immediate measures that might be taken as policies include things like price ceilings and floors, subsidy programs, and even trade restrictions. These are put into effect to help control and regulate markets during times of crisis, though whether these measures work or not will depend on their formulation and implementation.

In the end, the framework connects food price volatility to the individual or family-level results (see Figure 8.1), including food insecurity and economic welfare. Price changes influence food availability, dietary composition, and health status, more particularly in poor communities. Such an understanding offers a broad framework for examining the root cause of food price volatility and its effects, while underlining the importance of policy in this process.

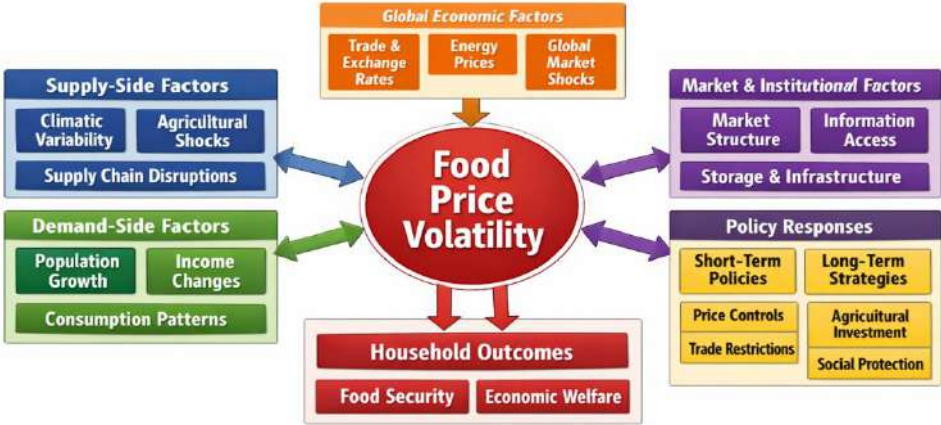


Figure 8.1: Conceptual Framework of Food Price Volatility

3. Methodological Approach

3.1. Research Design

This study utilizes the method of systematic review as a means of synthesizing the current literature on food price volatility and policy interventions to address the problem. Specifically, the review will adhere to the PRISMA protocol that helps create a well-planned and repeatable review process. Using this methodology, the paper will be able to systematically identify, select, and evaluate literature to get a clear picture of the field. Systematic review is especially valuable in analyzing how the literature describes the factors contributing to, as well as the consequences of, food price volatility and policy interventions.

3.2. Data Sources and Search Strategy

The process of obtaining relevant literature was achieved through conducting a systematic search on reputable academic databases, such as Scopus, Web of Science, PubMed, and Science Direct. These sources were used since they provide quality literature after going through a process of being peer-reviewed. Additionally, Google Scholar and the list of references from chosen articles were also considered for the purpose of minimizing the risk of missing any relevant articles.

A search strategy was developed based on specific keywords and Boolean operators that allowed the retrieval of a large body of relevant literature. The key search terms used were "food price volatility" or "food price fluctuations" combined with terms like "food security," "agricultural markets," "price transmission," "policy interventions," and "shocks to food systems." The terms were modified slightly depending on which database was being used.

3.3. Inclusion and Exclusion Criteria

A systematic methodology was applied while selecting studies through applying appropriate inclusion and exclusion criteria to identify relevant research. Studies were chosen if they belonged to scholarly journal publications and dealt with food prices volatility, food security issues, or any other relevant policies. There were different kinds of studies considered, such as empirical studies, theoretical studies, and reviews; however, these had to be written in English. A wide range of views was presented by including the studies not only worldwide but also regional, especially those relating to low- and middle-income countries and Pakistan.

However, some papers were excluded from this review to keep up the high level of research conducted. The criteria for their exclusion included: non-peer reviewed sources, such as preprints and grey literature;

3.4. Study Selection Process

Studies selection process entailed a sequential and systematic identification and selection process. Initially, all relevant articles were identified in the database search process based on the use of predefined keywords. Afterward, duplicates were eliminated to ensure that there was no repetition.

Subsequently, the remaining articles were screened based on their titles and abstracts to determine whether they fulfilled the set criteria. Articles that were relevant were read and evaluated with respect to their suitability and methodological soundness. Articles that fulfilled all criteria were finally selected for the study. The entire study selection process is illustrated in the PRISMA flow chart (Figure 2).

3.5. Data Extraction and Management

Study selection is shown in Figure 8.2 in the form of a PRISMA flowchart. To be consistent and accurate, the data from the selected studies were systematically collected through a standardized template. The following items were included in the data extraction: author(s) and year of publication, study site and setting, sources of data, methodology employed, key variables studied, analysis techniques used, and major results pertaining to food price instability.

In addition, any implications of policies that may be derived from the findings of the research were also considered. These extracted data were systematically categorized to facilitate comparisons between different studies and enable a thematic analysis to be performed. Figure 8.2 shows the procedures employed for selecting the articles used for the book chapter. Identification is the first phase, which yielded 100 pieces of data, including 90 from electronic databases and 10 from other sources. The number of pieces of data that did not overlap was 70 after duplicates were excluded.

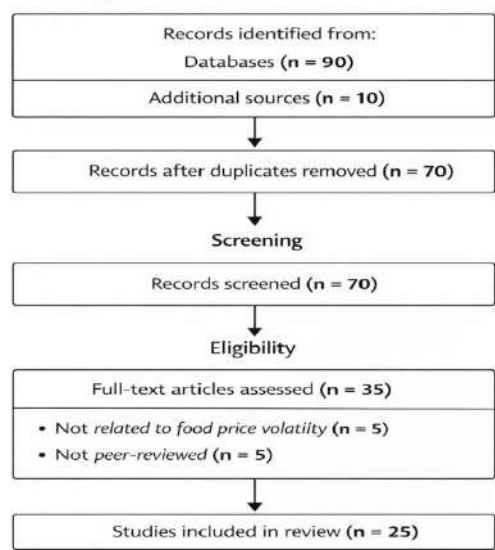


Figure 8.2: Prisma Flow Diagram of the Study Selection Process

The 70 records were then further filtered based on their title and abstract to identify whether they are relevant to the research topic. After the filtering process, 35 articles were identified to be appropriate for full text analysis. In the eligibility process, some articles were excluded based on certain grounds. Five

articles were excluded as they did not concern food price volatility while another five articles were excluded as they were not peer-reviewed. A total of 25 articles satisfied all the criteria and were therefore included in the review process. The number highlights the systematic process from the initial list of records to the final selected articles in the book chapter.

3.6. Quality Assessment

The quality of the chosen articles was also critically evaluated to include only the articles with valid findings in the discussion. The critical evaluation was done based on various factors, which included the research methodology employed, the reliability of the data used, and the method of analysis, among others. Much emphasis was also placed on the type of econometric models used in studies conducted. Econometric models, such as ARDL, GARCH, and VAR models, were highly prioritized. The relevance of the findings to policymaking was another crucial aspect considered. Those articles that were methodologically sound received more emphasis, whereas those that had many drawbacks were eliminated.

3.7. Data Synthesis

As the selected studies varied in methodology, data sources, and geographic location, the narrative synthesis method was applied to present the information. The information gathered was then grouped into important themes that would help explain the topic better. The important themes related to the topic were the reasons behind the instability of food prices such as supply and demand forces and the role of markets. This literature review also focused on various forms of policy interventions, such as those relating to trade, subsidies, and prices, and how they influence food security and nutrition. Also, comparisons were made between various countries and regions to see if there were any common patterns and differences that existed. This also led to the identification of any research gaps that exist within this field.

4. Empirical evidence: case studies from Pakistan

4.1. Food Price Volatility Across Major Cities of Pakistan

Zehra and Fatima's (2019) study examines monthly price series of sixteen major food commodities such as wheat, rice, milk, eggs, and vegetables in fourteen major cities of Pakistan employing the GARCH (1,1), IGARCH (1,1) models, and standard deviations methods. Findings reveal the persistence and high heterogeneity of food prices' volatility in different regions, which implies varying behavior of food prices depending on regional demand and supply dynamics as well as market structures. The authors emphasize that special city-level policies might be needed to address the issues of food prices' volatility.

4.2. Impact of Food Price Volatility on Household Welfare

An empirical study by Zehra & Fatima (2022), which is relevant to the present research, investigated the effect of food price volatility on household welfare in urban settings based on the results of several waves of the Pakistan Social and Living Standards Measurement (PSLM/HIES). With the help of the fixed-effect model for pseudo-panel data, it was concluded that food price volatility had a negative effect on household welfare, especially in urban settings, by lowering the purchasing capacity and leading to deprivation.

4.3. Consumption Patterns and Price Effects in Pakistan

A wide range of empirical studies has established that food price changes in Pakistan are highly relevant to consumption behavior and welfare in general. According to Shabnam *et al.* (2023), there is an empirical link between food price increases and poverty in Pakistan, with increases in food prices correlating with higher poverty rates in low-income groups. As food prices increase, consumption patterns are adjusted in such a way that less food is consumed by households, and its quality deteriorates because more calories and fewer nutrients become available to people. This effect can be explained by the substitution between foods based on their cost and nutrient content; thus, the consumption adjustment leads to negative impacts on health and education. Particularly, it is important to point out that vulnerable population groups that include rural and poor households face serious difficulties due to the high share of food expenditures.

Similarly, Abbas & Alnafrh (2024) investigate the spillover impact of the Russia-Ukraine war on food security in Pakistan and find empirical evidence showing that international price shocks impact the domestic market and change consumer consumption pattern in

This could affect the profitability of the companies. In addition, there is an increase in labor costs due to increasing wages because of inflation.

In addition, food price fluctuations cause macroeconomic uncertainty, which may undermine business confidence as well as planning and forecasting efforts in the industrial sector. As businesses struggle with unpredictable cost structures and demands, they will cut back on production or put off expansion plans. The result will be inefficient allocation of resources. There is thus a reciprocal relationship between macroeconomic instability and industrial performance, whereby macroeconomic instability influences industry performance and vice versa. From the foregoing discussion, it can be concluded that addressing the volatility in food prices is essential not just in securing food security at the household level but also in achieving macroeconomic stability.

4.6. Key Insights

Regional variability: Volatility in food prices does not occur uniformly in Pakistan but differs among regions, requiring policy measures to reflect these regional differences.

Household well-being consequences: Studies reveal that volatility has a negative effect on urban household well-being, especially for poor households.

Consumption patterns: Volatility may affect the consumption decisions made by households in response to food prices.

Macro determinants: National-level factors, including oil prices and interest rates, drive volatility, demonstrating the relationship between agriculture and macroeconomic policy.

Sectoral implications: Volatility in food prices affects other economic sectors, not just agriculture, including the industrial sector.

4.7. Analysis of Food Price Volatility and Policy Responses

Determinants and Theoretical Foundations of Food Price Volatility

Price instability for food is a multifaceted issue arising from the interplay between supply shocks, demand pressure, and the macroeconomic environment. There is empirical evidence that climate variability, variation in input prices, and agricultural supply chain disruptions play a significant role in price instability. Other demand-related variables like growing population, urbanization, and shifts in consumer behavior exacerbate the pressure. Theoretically, the above can be explained by applying concepts of supply and demand shock, price transmission, and market failures, whereby imperfect competition and poor regulations contribute to price instability. This is a common issue in the field of agricultural economics and food security, especially under the market equilibrium and price transmission approach (Timmer, 2008; Barrett & Bellemare, 2011).

Consistency and Divergence in Empirical Findings on Food Price Volatility

From the analysis of various research papers, it is evident that different findings have been drawn from various studies. All the studies show consistency in finding out that volatility in food prices has adverse effects on household welfare, food security, and nutrition. The level of effect differs between studies because the data used in the studies are different, as well as the approach used for conducting the analysis. Panel data and time-series data yield better results than cross-sectional data analysis.

Strength and Reliability of Evidence

When it comes to the quality of evidence, research that uses longitudinal household-level data and econometrics is more likely to be accurate. This method enables analysts to account for unobservable differences and dynamics among variables. On the other hand, empirical work that uses aggregate-level data or descriptive analysis might fail to provide precise explanations of welfare and consumption determinants. Nevertheless, robust empirical work may be subject to challenges like data availability, error of

measurement, and informal trade issues, especially in developing countries such as Pakistan (Ivanic & Martin, 2008).

Comparison of Global and Pakistan Evidence

The comparison between global literature and the local situation in Pakistan brings out certain important differences. While global research points to the prevalence of food price volatility, its effects are felt more acutely in developing nations due to inadequate institutional support. In the case of Pakistan, people are highly responsive to changes in prices, especially low-income and rural residents. Urban dwellers experience higher vulnerability to variations in market prices, whereas rural dwellers face them from both production and consumption perspectives. This brings about the conclusion that while there may not be much difference in the direction of the effect on a global scale, the magnitude varies.

Policy Analysis and Effectiveness

In terms of policies, several measures have been employed by the government to reduce the volatility of food prices in Pakistan. These include subsidization, trade policy, price controls, and the use of strategic food reserves. The problem is, however, that most of these strategies have not always proven successful. For instance, while subsidization might be useful at certain times, it is likely to distort the market and discourage food production. In addition, price controls, although useful, might result in shortage of food supplies when not effectively done. Nevertheless, trade policies can be quite helpful in mitigating volatility, if the economy is able to cope with international prices.

Limitations of Existing Studies

One of the limitations of many of the research papers that have been used in the research is their failure to provide complete and accurate datasets. In many cases, the data sets utilized by the researchers in carrying out their study are very limited and fail to address the issue of intra-household behavior, gender, and informal trading in markets. There has also been very little emphasis placed on examining urban-rural inequalities and gender impact due to the fluctuations in food prices.

Research Gaps in Literature

There have been many publications in literature about food price volatility around the world. However, there is not much literature on the gender dimensions of food price volatility in the country of Pakistan, especially through panel data analysis at the household level. Also, there should be more attention towards the influence of volatility on women's utilization of time, decision-making authority, and nutrition. Apart from that, there is a need for further research regarding urban and rural differentials and informal food markets as determinants of volatility.

Analytical Synthesis and Key Insights

In conclusion, based on the integration of existing evidence, it becomes clear that food price volatility is determined by several underlying conditions and is associated with various consequences, depending on regions and people. Whereas the concepts of supply and demand shocks, price transmission mechanisms, and market failure can be considered adequate starting points for comprehending food price volatility, empirical data show the complexity of this matter. In comparative terms, Pakistan is characterized by greater risks and problems because of structural flaws within its food system.

However, conflicting results suggest that while all studies may agree regarding the detrimental effects of food price volatility on welfare and food security, the variation in results is mainly attributable to differences in methods and contexts. It seems that the importance of robust data and models is fundamental in estimating the full effects of food price volatility.

5. Conclusion

This chapter has thoroughly analyzed the subject matter, which has been accomplished through an in-depth review of literature on food price volatility from a global perspective as well as its Pakistani experience. It

can be inferred from the discussion that food price volatility is a multifaceted issue whose causes and effects are rooted in a variety of factors ranging from climate, economics, and structural considerations.

This literature review further reveals that despite agreement in the literature about the negative consequences associated with food price instability, there are considerable disparities in both the extent of these impacts and their transmission mechanisms owing to differences in methodology and location, among others. The policies adopted thus far in Pakistan have not been fully successful since they do not tackle the root cause of instability.

In general, there is the need for a more holistic approach to managing food price volatility and minimizing negative effects on food security. Improvements in terms of empirical studies and better data collection are some of the necessary approaches to achieving the goal of food security.

The effects of volatility on food prices also go beyond economics, influencing the welfare of individual households as well as their food security and nutrition status. With rising food prices, people will find that their real income is falling and hence will be forced to change their consumption behavior, especially poor households. In doing so, poorer households will likely turn to foods that are cheaper but nutritionally poor and thus affecting the quality of nutrition intake among households. Indeed, there is enough evidence to show that certain groups, such as rural households and poor urban households, are more vulnerable than others.

6. Policy Directions and Recommendations

Food price volatility continues to pose a serious issue for developed and developing nations, especially in terms of the serious impact that it has on developing countries like Pakistan. Volatility occurs due to a number of reasons, ranging from production issues, such as weather changes and interruptions in agricultural activities, to consumption factors as well as macroeconomic variables like inflation and fuel prices. In addition to all these factors, structural inefficiencies associated with food supply chain management contribute significantly to price volatility. These phenomena may be better understood by looking at concepts such as supply and demand shocks, price transmission, and market failure.

In order to deal with the issue of food price volatility, a wide-ranging and multifaceted policy framework needs to be established. The first step towards achieving this goal would be to improve the level of agricultural productivity by investing in R&D, improving irrigation, and adopting climate-resistant methods of cultivation.

Furthermore, the development of better market infrastructure and supply chains is crucial for overcoming inefficiencies and post-harvest losses. By creating more storage and transport capacities, it is possible to even out supply and stabilize prices.

Thirdly, measures need to be taken to ensure that there are increased transparency and regulation within the market. This includes developing better structures, collecting better information, and ensuring that there is more competition within the food market.

Fourthly, social protection measures need to be expanded and focused on protecting the poor from the negative consequences of volatile prices. Cash transfer programs, either conditional or unconditional, food safety nets, and subsidy schemes can play an important role in cushioning the welfare effects, especially for the poor.

Fifth, policy coherence is essential. Agricultural, trade, fiscal, and monetary policies need to be coordinated to prevent contradictory actions from increasing volatility. For instance, trade measures must be devised cautiously so as not to undermine efforts toward stable prices and integrated markets.

Lastly, there is the necessity to foster research and evidence-based policy making. With an increased supply of high-frequency and disaggregated data, policymakers would be able to monitor the food prices accurately and implement effective policy measures. Further research must address the implications of food price increases for specific genders, the variations in urban and rural areas, and the impact of informal markets.

Conclusively, stabilizing and addressing food price volatility needs both immediate actions and longer-term solutions.

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