



story

The Price of Food

May 2, 2008—The price of food has shot up in the past few months. And the food in question isn't a special gourmet or "organic" kind, but staples—including wheat and rice—that millions of people, poor and otherwise, depend on for daily sustenance worldwide. Check out prices at your local supermarket to see how the price surge has rippled across the globe.

In just two months, the price of rice has increased 75% globally. A poor family in Bangladesh now spends half of its daily income to buy a 2-kilogram bag of rice.

The price of wheat has risen by 120% over the past year. In other words, a loaf of bread now costs over twice as much as it used to a year ago. Poor people in Yemen now spend more than a quarter of their incomes just on bread.

These price hikes are expected to continue for the next two years, according international agencies.

The situation is becoming a worldwide crisis.

From Haiti, to Yemen, to Bangladesh, to Egypt, high food prices have sparked protests in many countries around the world.

High food prices could push 100 million people into deeper poverty, the World Bank warned earlier this month. This could mean "seven lost years" in the fight against worldwide poverty.

Pricier Food Could Lead to More Malnourished Children

Expensive food means not enough nutrients for many children, which can lead to malnutrition. Malnourished children are more susceptible to disease and less healthy overall. And as recent research shows (see Youthink! malnutrition story: youthink.worldbank.org/issues/health/nutrition/malnutrition.php), if a child is malnourished while still in the womb and during the first two years of life, no amount of good food and vitamins later on can make up for that time.

Why Have Food Prices Risen So Fast and So Much?

In addition to low global food stocks, several other factors include:

- **Diet Shifts:** As poor people become better off, they start to eat better. They eat more meat, which uses more grain. They also eat more meals per day. Instead of eating one bowl of rice per day, they may eat two bowls.
- **Droughts:** Severe droughts in major wheat-producing countries from Australia to Central Europe have damaged or destroyed wheat crops.
- **Oil:** High oil prices are pushing up the costs along the entire food production chain—high oil price means it's more expensive to produce and ship goods, and someone's, usually the end consumer, got to pay.
- **Biofuels:** In efforts to offset the world's dependence on oil, in the last few years large agriculture-producing countries have started growing corn and sugarcane to create ethanol, and oil crops to create biodiesel.
- **Commodity trading:** Just like oil and other energy markets, foodstuffs (wheat, rice, etc.) are traded on financial markets, which means that these items are susceptible to the volatility of the markets.

Bringing Food Prices Down

Increasing the productivity and the supply of food will make the prices come down. But what needs to be done for this to occur?

In the case of Sub-Saharan Africa, where much of the agriculture is subsistence agriculture, a new kind of a "green revolution" is needed, according to the World Bank.

This means letting farmers own land, especially allowing women to own land, providing fertilizers and irrigation systems, and creating systems to market food.

What's the World Doing?


The UN and the World Bank are mobilizing a global drive to meet the food price crisis. They're calling on rich (donor) countries to give US\$755 million to fill the food gap and

IT'S A FACT

Food-for Fuel

Over 240 kilograms (or 528 pounds) of corn—enough to feed one person for a whole year—is required to produce the 26 gallons, or 100 liters, of ethanol needed to fill the gas tank of a modern sports utility vehicle, according to the 2008 World Development Report "Agriculture for Development" by the World Bank.

MULTIMEDIA

 **Quiz:** Test your knowledge about rising food prices by taking the Youthink! quiz. youthink.worldbank.org/issues/development/quiz/foodprices.php

IT'S A FACT

The Green Revolution

In the mid-1960s in India and the rest of South Asia, new crops varieties and better farming techniques (more fertilizers and irrigation) significantly increased the production of grains and improved agriculture overall. India became self-sufficient in feeding itself and has not experienced famine since 1965, which used to be accepted as inevitable.

What's the World Doing? (continued)

help avert the "immediate crisis." The world's industrialized nations—the "G8" including the US, Canada, UK, Germany, France, Italy, Japan, and Russia—will be tackling food prices at their July 2008 summit in Hokkaido, Japan.

National and international agencies and organizations involved in the fight against hunger include the African Union (www.africa-union.org), UK's Department for International Development (www.dfid.gov.uk), European Union (europa.eu), the UN's Food and Agricultural Organization (www.fao.org), Inter-American Development Bank (www.iadb.org), Japan International Cooperation Agency (www.jica.go.jp), US Agency for International Development (www.usaid.gov), and the UN's World Food Programme (www.wfp.org).

What Can I Do?

If only a fraction of young people—who number 1.3 billion globally—took action against hunger, they could have a tremendous impact. To find out what to do, try checking with an international youth group. One is UNICEF's Voices of Youth (www.unicef.org/voy/), which is loaded with specific suggestions for young people from both developed and developing countries. Another group is TakingITGlobal.org, an online community that "connects youth to find inspiration, access information, get involved, and take action in their local and global communities."

On the ground in your own community, check with your faith group or community center, and you'll get more leads on how you can take action to help people who have been pushed into hunger by the food price crisis.

You can also make a direct online cash contribution to the UN World Food Programme's Fill the Cup drive (search at www.wfp.org). And why not persuade your friends to do the same?

LEARN MORE

Check out these sites to learn more about rising food prices.

BBC: Food Price Crisis

news.bbc.co.uk/1/hi/in_depth/world/2008/costoffood/

Blog World Hunger: Rising Food Prices: What Should Be Done?

ifpriblog.org/2008/04/07/rising-food-prices-what-should-be-done.aspx

FAO: World Food Situation

www.fao.org/worldfoodsituation/

Food Force: Teacher Resources

www.food-force.com/index.php/teachers/

NPR: Hungry Planet: What the World Eats

www.npr.org/templates/story/story.php?storyId=5005952

UN World Food Programme: Hunger in the Developing World (Interactive Map)

www.wfp.org/country_brief/hunger_map/map/hungermap_popup/index.swf