

Climate Change and Disease Will Spark New Food Crisis, Says UN

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The Independent/UK
by Sean O'Grady, Economics Editor

A food crisis could overtake the world in 2011, according to the Food and Agriculture Organisation, an agency of the United Nations.

Climate change, speculation, competing uses such as biofuels and soaring demand from emerging markets in East Asia are the factors that will push global food prices sharply higher next year, claims the FAO.

The FAO warns the world to "be prepared" for more price hikes and volatility if production and stocks do not respond. Price hikes of 41 per cent in wheat, 47 per cent in maize and a third in sugar are foreseen by the FAO. The last time that happened it sparked riots from Mexico to Indonesia.

In its latest Food Outlook the FAO says that the prices of many staple crops will rise by up to half next year, with many returning to the peaks seen during the food crisis of 2008, or even exceeding them in some cases. Apart from driving inflation higher in Britain and the rest of the Western world, another bout of food price hyperinflation has grim implications for the poorest people on the planet, even now hardly able to afford to feed themselves.

The FAO's broad global index of food prices has risen to 197.1 points, up about 5 per cent on the previous month alone, and already beyond the levels seen in the initial stages of the prices spikes in 2007 to 2008. The report states: "Following a series of unexpected downward revisions to crop forecasts in several major producing countries, world prices have risen alarmingly and at a much faster pace than in 2007-08.

"For major cereals, production must expand substantially to meet utilisation and to reconstitute world reserves and farmers are likely to respond to the prevailing strong prices by expanding plantings."

The main obstacle identified by the FAO standing in the path of such an expansion in food production is the potentially more lucrative use of crops for biofu-

els and non-grain or non-food crops such as sugar, cotton and soya; "Against this backdrop, consumers may have little choice but to pay higher prices for their food. With the pressure on world prices of most commodities not abating, the international community must remain vigilant against further supply shocks in 2011 and be prepared."

Environmentalists will be especially concerned that the FAO explicitly acknowledges climate change as a factor in jeopardising food supplies. The FAO say that "adverse weather effects are undoubtedly a primary driver of wheat production shortfalls and, with climate change, may increasingly be so". If that does indeed prove to be the case then food prices seem set for a rise to levels unprecedented in modern times.

Wheat rust, a long-term problem for cereals farmers, has become an even more intractable enemy. It can have devastating effects. The last major set of epidemics in North America during the 1950s resulted in more than 40 per cent of the wheat crop being lost. A "new virulent form", designated as Race Ug99 has been spreading from East Africa, and is "migrating and mutating rapidly". "Most global commercial wheat cultivars are susceptible to Ug99" say the FAO, and "in addition, new, highly aggressive races of stripe rust are devastating wheat crops in several regions".

Recognising the role that speculators can play in pushing prices and volatility higher in crops not covered by restrictions on their activities, the FAO's chief grains economist Abdolreza Abbassian, said: "There is no doubt speculative activities have brought into the market a great deal of volatility." But he added there was "no proof" that speculators have driven up prices to near record levels.



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Land of the Food Insecure: Record Rates of Hunger in US

More US households short of food

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by BBC News

Almost 15% of US households experienced a food shortage at some point in 2009, a government report has found.

US authorities say that figure is the highest they have seen since they began collecting data in the 1990s, and a slight increase over 2008 levels.

Single mothers are among the hardest hit: About 3.5 million said they were at times unable to put sufficient food on the table.

Hispanics and African Americans also suffer disproportionately.

The food security report is the result of an annual survey conducted by the US Department of Agriculture (USDA).

Households deemed "food insecure" experienced a period of inadequate food supply as a result of their economic situation, but did not necessarily remain without sufficient food for the entire year.

Although the number of food insecure households has risen sharply since the recession, the USDA says the growth rate has slowed, particularly toward the end of 2009.

The BBC's Katie Connolly, in Washington, says the results will be seen as somewhat surprising in a developed country that is also facing the problem of rising obesity rates.

Shielding children

Almost 60% of those experiencing food shortages were eligible for assistance to purchase food through a government food stamps program.

Since the recession, the Obama administration has expanded food stamp funding. In 2009, around 34 million Americans participated in food stamp programs each month.

Among those categorized as having "very low food security" - that is, those who experience the most severe food shortages - 28% of adults said that there were times in 2009 when they did not eat for an entire day because they could not afford to buy food. Ninety-seven percent reported either skipping a meal or cutting the size of their meal for the same reason. The report says that children in low food security households are often shielded from such behaviour by adults.

Recession-proof poverty

The prevalence of food insecurity has placed increased pressure on soup kitchens and community organizations to provide for the poor.

But Jeannine Sanford, the Deputy Director for Washington DC food pantry Bread For The City, warned against assuming that the problem of hunger would be alleviated when the recession ends because there are some groups whose conditions are virtually unaffected by the bad economy.

With its plethora of government jobs, Washington DC has not been as badly hit by the recession as other cities. Still, its soup kitchens and community organizations are struggling to keep up with demand - as they have been for some time.

Washington has long had a relatively large population of underprivileged people in need of assistance. Ms Sanford says that the number of hungry people seeking help obtaining food has not changed much during the recession. Most of the people who come to her organization are the elderly, the disabled or those in minimum wage jobs who live well below the poverty line.

These people tend to live on fixed incomes, and have little hope of their income improving when the economy rebounds.

There were poor people in DC before the recession, and they will still be poor and need help when it is over, she says.

"The nature of receiving disability (welfare) is that the person is permanently disabled," Ms Sanford told the BBC. "It's not like the economy changes and that changes for them. They're still going to be trying to struggle on a really limited amount of income."