

Surging costs hit food security in poorer nations

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Families from Pakistan to Argentina to Congo are being battered by surging food prices that are dragging more people into poverty, fueling political tensions and forcing some to give up eating meat, fruit and even tomatoes.

Scraping to afford the next meal is still a grim daily reality in the developing world even though the global food crisis that dominated headlines in 2008 quickly faded in the U.S. and other rich countries.

With food costing up to 70 percent of family income in the poorest countries, rising prices are squeezing household budgets and threatening to worsen malnutrition, while inflation stays moderate in the United States and Europe. Compounding the problem in many countries: prices hardly fell from their peaks in 2008, when global food prices jumped in part due to a smaller U.S. wheat harvest and demand for crops to use in biofuels.

Majeedan Begum, a Pakistani mother of five, said a bag of flour for bread, the staple of her family's diet, costs three times what it did two years ago in her hometown of Multan. She can no longer afford meat or fruit.

"My domestic budget has been ruined," said Begum, 35.

The U.N. Food and Agriculture Organization's food price index — which includes grains, meat, dairy and other items in 90 countries — was up 22 percent in March from a year earlier though still below 2008 levels. In some Asian markets, rice and wheat prices are 20 to 70 percent above 2008 levels, it says.

Many governments blame dry weather and high fuel costs but critics in countries such as India, Argentina and Egypt say misguided policies are making shortages worse and collusion by suppliers might be pushing up prices.

No single factor explains the inflation gap between developing and developed countries but poorer economies are more vulnerable to an array of problems that can push up prices, and many are cropping up this year.

Farmers with less land and irrigation are hit harder by drought and floods. Civil war and other conflicts can disrupt supplies. Prices in import-dependent economies spike up when the local

currency weakens, as Pakistan's rupee has this year.

Costs also have been pushed up by a rebound in global commodity prices, especially for soy destined for Asian consumption. That has prompted a shift in Argentina and elsewhere to produce more for export, which has led to local shortages of beef and other food. The global financial crisis hurt food production in some countries by making it harder for farmers to get credit for seed and supplies.

In Mauritania in West Africa, rice prices doubled over the first three months of the year, according to the World Food Program. Over the same period, the price of corn rose 59 percent in Zimbabwe and 57 percent in neighboring Mozambique.

In Kinshasa in the Democratic Republic of Congo, Mami Monga pays \$25 for a box of fish that cost \$10 a year ago. The price of a 25-kilogram bag of rice has doubled to \$30.

"Today I am obliged to buy half the food I used to buy mid-last year," said Mami, a mother of five.

Kinshasa shopkeeper Abedi Patelli said prices rise when the exchange rate of Congo's currency falls. "But when our currency improves against the U.S. dollar, prices don't fall," he said. "They remain steady."

WFP spokesman Greg Barrow said poorer countries can suffer a "ratchet effect" that locks in price rises due to high transportation costs and limited competition.

"Prices dropped fairly dramatically toward the end of 2008 on international markets but we found prices remained relatively high in many local markets in developing countries," said Barrow.

After the cost of food rises, "it tends to take a long time to go down," he said.

The FAO said the double blow of the global recession and high food prices has pushed 100 million people into poverty.

Opposition parties have organized protests in Pakistan. In Egypt, a 50 percent jump in meat prices in recent weeks has helped to fuel demonstrations outside parliament over wages and other economic issues.

"I am afraid that I will wake up one day and not able to get enough bread for my 12-member family," said Aboulella Moussa, a doorman at a Cairo apartment building.

People interviewed in a number of countries said they are coping not just by cutting out expensive items but by eating less — a trend that has stirred concern about malnutrition.

In the 2008 inflation spike, WFP found families in some countries skipped meals or switched to eating corn husks or other low-quality produce. "Over the long term, this would lead to the effects of chronic malnutrition," Barrow said.

"It's expensive, so we eat less," said Seema Valmiki, 35, who is raising three children in New Delhi with her husband on his 6,000-rupee (\$135) monthly income as a driver.

Valmiki can no longer afford meat, fruit or fish and has put off buying her children new school uniforms, toys and a bicycle.

"If we buy them fruit, we can't buy them food" like rice, dal and vegetables, she said.

In China, food costs rose 5.9 percent in April over a year ago — a modest rate for a country that suffered 20 percent-plus inflation in 2008. But it was enough to prompt the communist government to try to reassure the public with pledges that prices will ease as the spring harvest comes in. It also threatened to punish price gouging in a new effort to cool inflation.

Even in moderately prosperous nations such as Venezuela, shoppers say they can no longer afford meat and scour markets for bargains.

In Argentina, soy production has taken over more than 32 million acres (13 million hectares) of grassland once used to raise cattle and replaced less profitable wheat and corn as well, driving up prices in supermarkets.

Argentina's government has responded with higher taxes, export limits, controls on supermarket prices of meat, wheat and corn, subsidies to food producers and pay hikes of 30 percent for union workers. The moves have temporarily eased the pain but beef producers have thinned their herds in response to government intervention and the price of meat has doubled in the last year.

"Before, we would eat meat three times a week. Now it's once, with luck," said Marta Esposito, a 45-year-old mother of two in Buenos Aires. "Tomatoes, don't even talk about it. We eat whatever is the cheapest."

Venezuela's 30.4 percent inflation is among the world's highest. The oil-rich country is a major food importer and its bolivar has tumbled against the dollar, forcing up prices in local markets. In April, food prices rose 11 percent over the previous month.

The Venezuelan government has imposed price controls and arrested some shopkeepers for violating them. But the controls have led to shortages of beef, sugar, corn meal and butter, forcing the government to allow some prices to rise by 20 percent this year.

Elsewhere, rising prices highlight a more basic problem: making sure farm productivity keeps pace with burgeoning populations.

India's food prices were up 17 percent in April over a year earlier but the government hopes normal rainfall this growing season will increase supplies. The rise has been driven in part by growing demand from the rural poor, who can afford to spend more on food thanks to government debt-relief and job-creation programs.

Longer term, experts say India, with more than 1 billion people, has to speed up growth in farm production if it is to keep up with demand.

"Our capacity to feed every Indian is systematically declining with time," said Harsh Mander, who was appointed by India's Supreme Court to monitor hunger. "World markets can't bail us out."

McDonald reported from Beijing. AP Business Writer Erika Kinetz in Mumbai, researcher Bonnie Cao in Beijing and Associated Press Writers Debora Rey in Buenos Aires, Salah Nasrawi in Cairo, Sebastian Abbot in Islamabad, Fabiola Sanchez in Caracas, Patrice Chitera in Kinshasa and Tran Van Minh in Hanoi contributed to this report.

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