



INFORMATION SHEET

GLOBAL FOOD CRISIS

What are the issues?

According to World Food Program, an estimated 854 million people experience hunger on a regular basis. The impact of the food crisis might add another 100 million to the current figure (2009) of a billion people who live on less than \$1 a day (the common measure of absolute poverty).

The global food crisis disproportionately affects the poor in developing countries who spend 60% to 80% of their income on food.

Since early 2007, the food crisis (in combination with the global financial crisis since September 2008) has pushed a number of countries to implement emergency measures to protect domestic industries. India, Pakistan, Argentina, Russia and China are amongst the list of countries that have taken steps to block exports of food.

Food aid volumes in 2007/08 reached their lowest levels since the early 1970s as a result of rising food prices accompanied with increased transportation costs.

What is causing the food crisis?

Experts quote several factors affecting the balance between the demand for food and the availability of supply, including:

- poor harvests in Australia, some Asian countries and parts of Europe;
- a growing demand for biofuels, experts predict that the growing demand will continue to inflate the price of food;
- as the prices of fuel and fertiliser products rises, the cost of producing food is increasing;
- increasing world population means larger demand for food, and with the Chinese and Indian economies still growing there is further increased demand for food;
- massive under investment in agricultural production and technology in developing countries.

What should be done?

While the root causes of the current food crisis will take time to address, there are immediate actions that can be undertaken.

The first response to the food crisis must be to provide the poor with access to emergency supplies of food or cash to buy food provided that is a possibility in their development context.

Increased investment in agriculture is of importance for finding a longer-term solution to the global food crisis. Governments in the poorest countries, with the support of key donors and international institutions, must undertake serious reinvestment in agriculture, in particular to increase the productivity of small farming businesses.

GLOBAL FOOD CRISIS (continued)

Export bans aimed at protecting domestic markets can be counterproductive in the long term because they can undermine the incentives for farmers to increase production and they can reduce the resilience of the food system. Barrier free international trade can be an important contribution to market stabilisation, allowing countries to compensate local shortfalls through the market.

In developing countries in particular, there is a need to ensure that biofuel crops do not replace essential staple crops to the extent that affordable food becomes unavailable to local people.

Further information:

- [Analysis of the world food crisis by the UN Special Rapporteur on the right to food](#), Office of the UN High Commissioner for Human Rights
- Chakraborty, A. [Secret report: Biofuel caused food crisis](#) (*The Guardian*, 3 July 2008)
- [Another Inconvenient Truth: How biofuel policies are deepening poverty and accelerating climate change](#), Oxfam International (25 June 2008)
- [The State of Food Insecurity in the World 2008](#), UN Food and Agriculture Organisation (2008)
- [Crop Prospects and Food Situation No1](#), UN Food and Agriculture Organisation (2009)

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