

From Spam sales to rice riots – the food crisis bites

By Peter Popham
Sunday, 8 June 2008

Spam flies off the shelves of American supermarkets; looted shops burn in Port-au-Prince, Haiti; and the food crisis elbows climate change off the UN's agenda at a summit that draws more heads of state and media than any in recent memory – yet reaches no useful conclusions.

The food crisis has gripped the whole world in the past year, from the wealthiest countries to the poorest: from Japan, where beef has vanished off school menus in favour of less costly chicken or pork, and the US, where sales of Spam have shot up 10 per cent, to the poorest nations, where 70 or 80 per cent of people's income goes on food (in the UK the figure is 10 per cent).

Thirty-seven countries are confronted by a crisis in food costs, according to the UN's Food and Agriculture Organisation (FAO), while riots have broken out in two dozen.

Haiti used to grow its own rice, and its farmers were protected by high tariff barriers. But as a condition for an International Monetary Fund loan in 1986, it was compelled to slash tariffs, and within two years the local markets had been flooded by heavily subsidised American rice. Local farmers, unable to compete, went out of business. The process was repeated in 1994. Globalised Haiti, no longer able to feed itself, was at the mercy of the world food prices.

Meanwhile, the price of food has become a pawn in the hands of financial speculators. Speculative trading in agricultural commodities has grown by more than 1,000 per cent in the past four years, to more than \$150bn (£76bn). With the price of oil – the key ingredient in fertilisers and agrochemicals – surging unstoppably, food prices are expected to remain at historic highs for the next decade.

A sane world would at this point reverse course and do some of the worthy things that UN summits are so good at talking about – helping some of the 96 per cent of African farms dependent on rainfall to build irrigation systems, for example.

But the business-driven priority, as endorsed by the FAO summit, is to gouge open the world's economies even faster, via a speedy conclusion of the Doha round of trade liberalisation. That is likely to make it even harder for the poor to feed themselves.

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