A New Cause of Global Hunger:

High Food Prices



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Hunger is the most serious global problem we face today. Historically, food crises occurred because of food shortages caused by droughts, floods, and other natural disasters, and government corruption. Today, high food prices are making an old problem worse because many people cannot buy available food. However, there are several things we can do to reduce soaring food prices in order to prevent the starvation of the poorest people of the world.

In a recent article by Vivienne Walt, the author correctly mentions that the historical causes of food crises are still around. She writes that climate change has made droughts, floods, and frosts more frequent and severe, and therefore harvests have been reduced. Food distribution problems still happen due to wars and government corruption. Walt then identifies a newer problem: even when food is available, prices have increased dramatically recently, making food unaffordable for many people. She blames increased demand for food as the primary cause for the increasing prices, but she does not really talk about solving the problem of rising food prices in her article; she only identifies some of the causes of the problem. However, if rising prices are a result of economic supply and demand, then we can suggest what some solutions might be.

According to Walt, one reason for increased demand for food is due to people, especially in wealthier nations, consuming more food per person. This means a direct increase in the demand for grains like corn, wheat, rice, and soybeans. More importantly, people are also consuming much greater amounts of meat products, which results in a much greater indirect demand for grains to be used to feed livestock. The United States has always had a high demand for meat, but in recent years we have seen an increasing demand for meat in China, Japan, and other countries. The very high demand for food grains can be reduced by cutting consumption of meat, which uses these grains inefficiently.

In addition to the increased demand for food consumption, there is another factor which Walt did not mention: rapid world population growth. According to the United Nations, the

population of the world doubled, from 3 billion to 6 billion people, between 1960 and 2000. This is a huge increase on the demand for food. If the supply of food also doubled during this period, then there would be no increase in prices because of population increases. Of course, population increases by themselves may not be the only cause of a food crisis. However, it would be incorrect and illogical to say that population growth has no effect on food prices. Walt writes that the price of rice has soared to its highest price in 20 years, and supplies are at their lowest level since the early 1980s, and the global supply of wheat is at a 50-year low. This indicates that food production has not caught up with population growth, and therefore population growth may be a factor in the price rise. A possible solution would be reducing population growth by increasing access to birth control and other family planning methods.

Another new factor which affects the price of food is the new demand for biofuels. In the United States, ethanol is produced from corn. In other countries, ethanol may be produced from sugar cane or other crops. The effect of the demand for biofuels is that many farmers are shifting from growing food for people and animals to growing crops for ethanol production. Walt notes that this puts a further strain on the supply of food grains, and therefore increases their prices. A possible solution in this area is to change production of biofuels to plants which are not used as food crops.

The increase in the cost of oil has also had a great effect on the price of food for two reasons. First, oil is used to produce fertilizer for farming, so the cost of producing food will increase; and second, any increase in the cost of oil means the cost of transporting and distributing food must also increase. Walt writes that the cost of oil has increased to over $100 per barrel, but she does not tell us that this is an increase of more than 500% in the last ten years. Demand for oil can be reduced by investing in alternative energy sources like solar, wind, and geothermal power.

Government interference in the food markets also is causing food prices to increase. Walt writes that in the United States, generous subsidies are being paid to farmers to grow corn for ethanol instead of food, causing a decrease in the supply of corn for feeding people and animals. She also notes that some governments, like Egypt and India, are restricting exports of food, which also increases food prices artificially. A third kind of government interference, which Walt does not mention, is putting tariffs on imported foods. All three of these government actions, subsidies, export controls, and tariffs, are often taken to protect local farmers. As Walt mentions, higher food prices may help small farmers by increasing their incomes, but higher prices are hurting the people who are buying the food. To help eliminate distortions in the food markets, governments must eliminate subsidies, tariffs, and export controls.

The overall effect of all of these factors which are causing food prices to rise is that more and more people are going to be hungry, or will even die of starvation. Many people who were in the moderately hungry category are now moving into the urgent category. Walt mentions that the United Nation's World Food Organization has been feeding 73 million people, but to feed that many people with the higher food prices they will need an additional $500 million this year.

Walt also says that hunger is causing food riots which are threatening the survival of governments, especially authoritarian governments and corrupt officials. The situation is causing protests and riots in Mexico, South Asia, and Africa, sometimes with deadly results. She writes that hungry people want government leaders to solve the problems, and if they cannot, then the people will force changes in the government.

The food price problem is complex, involving factors of consumption, population growth, energy demands, and government intervention. We may not be able to affect natural phenomena like climate change very quickly, but what we can change is the behavior of individuals, societies, and governments to make food more affordable for the poorest members of society.

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