EDITORIAL

Food prices are NEVER reasonable for the poor

Between 2007 and 2008 there was hue and cry about rising food prices with demonstrations in major towns of the globe. It became an emergency and appeared as if we just woke up to find food prices higher by at least 25 percent. What happened? I have watched in Kenya oil prices go up as a result of rising world prices. Yet when these same prices go down globally, they never do for consumers in developing. What is the problem? Clearly nobody talks for the poor. There is no fair play and I keep being reminded: who told you life was fair? Yes, food prices may have just spiked, but what we know is that food prices have always risen for the poor. At the same time, purchasing power has gone down as the number of people falling through the cracks into abject poverty rises. So has humanity run out of ideas on how to feed a fast growing population of the world? The media loved the stories mainly because consumers mostly were in the streets rioting. Is it true really that there is a shortage of food in the world? For those of us who have made a lifetime career talking about food security believe that as always, it is the issue of unequal distribution and bad governance at various levels. Globally we know there is enough food to go round. But many times the cost of transporting food from one place to another is oftentimes prohibitive. So as scientists and leaders, what should be our response to the supposed food shortage? Even as food prices taper off internationally, for the poor they continue to rise. IFPRI (International Food Policy Research Institute), using a predictive model, estimates that real (inflation-adjusted) prices of cereals will continue to rise by another 10-20% by 2015. Even as we continue to be concerned about staple grains: rice, wheat, maize (corn), we should remember that prices of other foods go up as well: of vegetables, fruits and other consumables and of supplementary staples like cassava, bananas and so on. In fact, food based micronutrients become particularly expensive for the consumers with low incomes as disposable income to spend on quality food shrinks.

One might have expected that rising food prices would be good for the poor who peddle and hawk food items; it seems however that this time was different. First of all, the poorest farmers, due to small landholdings and low productivity, tend to be net buyers rather than net sellers of food so they too are adversely affected by rising food prices.

Second, their costs of production, particularly for inputs are escalating even faster than food prices. The cost of a kilogram of fertilizer doubled compared to a kilogram of cereal grain over the past decade in many African countries, and so have the prices of other foodstuffs, forcing the poor to spend about 70% of their income on food, compared to 10% of personal incomes in industrialised countries. Food is still fairly cheap in North America, and in Europe especially in Germany. More than one million people are now going to bed hungry.