

Global food prices rise could spark social unrest, UN warns

Jean Shaoul**12 January 2021**

December saw global food prices reach a six-year high, with analysts expecting prices to continue to rise in 2021, fuelling inflation and adding to the pressure on families as hunger surges throughout the world.

This is particularly acute for the world's poorest countries that are teetering on the brink of debt default, have no money to buy or subsidise food and little or no social safety net to cushion the blow to family budgets.

The United Nations Food and Agriculture Organisation's (FAO) food price index has risen 18 percent since May as dry weather has affected crops around the world; conflicts and the pandemic have impeded food production and distribution; governments stockpile supplies; hedge funds and other speculators have bought food commodities and demand rises with the reopening of the economy.

Abdolreza Abbassian, a senior economist at the FAO, said, "Food inflation is a reality. While people have lost income, they are as we speak going through a tremendously difficult hardship... The real impact is the access to food. People have lost their income. There are a lot of unhappy people and this is a recipe for social unrest."

While prices have not yet reached the levels that in 2008 led to people dying of starvation and food riots, brought down the Haitian government and contributed to the 2011 Arab Spring, the upward trend in prices for basic food staples has potentially revolutionary implications amid a growing social, economic and political crisis of global dimensions.

Abbassian said, "If [people] realise the vaccine won't solve the problems in the near term and they don't have food, then things could get out of control. Although I still doubt we will hit those [previous] peaks, we will see volatility in the coming year."

The world grows enough food to feed more than 9

billion people, far more than the current population of 7.6 billion, although up to one third is wasted through harvesting, distribution, storage and transportation. The threat comes from the "free market" and rising prices.

Soya beans, crucial for livestock feed and vegetable oil, are trading at \$13 a bushel and palm oil, used in about half of all supermarket goods, is seeing its highest price in nearly 10 years. Corn is at a six-year high, while wheat is trading at more than \$6 a bushel, due to dry weather in Russia, the world's leading wheat exporter, and restrictions on grain export to limit domestic food inflation. Grain prices have risen in South America, where Brazil and Argentina have been hit by hot, dry weather, prompting the Argentinian government to suspend corn-export licences.

Rice prices have also risen after southeast Asian countries threatened to limit exports as the pandemic hit production, while congestion at ports and a shortage of shipping containers as many remain stranded in the wake of the pandemic have caused some shipping durations to double and freight prices to soar.

Such is the anarchy of the market and the indifference of the financial oligarchs to anything other than their own interests that governments that have been able to do so have been shoring up their food supplies, setting in motion a ferocious national competition, adding to demand and fuelling price rises. To cite one example, after releasing its grain and rice reserves to limit price increases during the pandemic, China has been restocking, leading to forecasts that its imports for 2020-21 will triple from 7 million tonnes to 22 million.

Even before the COVID-19 pandemic slashed incomes and disrupted supply chains, chronic and acute hunger were widespread and rising. In 2019, the number of severely undernourished people was nearly 750 million, or almost one in ten people on the planet,

the majority living in South Asia and sub-Saharan Africa. This number rises to nearly 2 billion if those “moderately” undernourished are included.

While the UN had predicted hunger rising to 841 million people by 2030, this is expected to be closer to 909 million in the wake of the pandemic. This last year has seen a huge increase in global food insecurity, affecting the poorest and most vulnerable households in almost every country, including the richest.

According to a US Department of Agriculture survey last April, at the start of the pandemic as food supplies were disrupted and tens of millions lost their jobs or were temporarily laid off, more than 17 percent of mothers with young children said their children weren’t getting enough to eat because they couldn’t afford the food. Feeding America, the US’s largest hunger-relief organisation, estimated that more than 50 million people could experience food insecurity, or one in six Americans and one in four children—nearly a 50 percent increase from 2019—by the end of 2020.

Food insecurity in Asia, Africa, the Middle East and Latin America has increased, with UNICEF, the UN agency responsible for providing humanitarian and developmental aid to children worldwide, predicting that 10 million people will experience acute malnutrition this year. Food costs had increased by more than 10 percent in some countries as the COVID-19 pandemic disrupted supply chains and food production.

UNICEF warned that acute malnutrition for children will escalate in the Sahel, the Democratic Republic of the Congo, north-east Nigeria, Yemen and South Sudan and appealed for \$1 billion more to tackle malnutrition in 2021.

The UN’s World Food Programme (WFP) predicted that the pandemic would cause food insecurity to increase by 80 percent, affecting 270 million, more than the entire population of Western Europe, meaning they were on the brink of starvation.

Its *Cost of a Plate of Food 2020 Report* estimated per capita average income across 36 countries and calculated the percentage of income people must spend for a basic meal, some beans or lentils for example, and a carbohydrate matching local preferences and compared the price someone in New York might pay with the price in a so-called developing country.

The WFP found that since the start of the pandemic,

the daily income spent on food by someone living in South Sudan has risen 27 points to a staggering 186 percent of income. This takes place in the wake of the pandemic and the conflict in the east that has displaced more than 60,000 people and is crippling harvests and livelihoods that together have created the threat of famine. If New Yorkers paid the same proportion of their income on a similar basic meal, it would cost US\$393. Seventeen of the top 20 countries paying the most are in sub-Saharan Africa.

David Beasley, the WFP’s executive director, said, “People in urban areas are now highly susceptible too, with COVID-19 leading to huge rises in unemployment, rendering people powerless to use the markets they depend on for food. For millions of people, missing a day’s wages means missing a day’s worth of food, for themselves and their children. This can also cause rising social tensions and instability.”

Food deprivation on such a massive scale exists alongside unprecedented wealth concentrated at the heights of society. Since the beginning of the pandemic, the world’s 500 richest individuals have increased their wealth by \$1.8 trillion, while the world’s billionaires now control more than \$10 trillion dollars in wealth. The WFP requires \$13 billion to deliver food in 83 countries but has a shortfall of \$4.9 billion for the rest of the year, a sum that would save 30 million people from famine.

The response of the working class must be to develop an independent political movement to expropriate this wealth and use it in the interests of society, instead of the selfish interests of the ruling class. This is the programme of socialism.



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