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## Gears over Grains: Global Food Crisis

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### 1. Background Details:

There have been 'tortilla riots' in Mexico. In Bangladesh, government officials are expecting a "silent famine". China and Kazakhstan have imposed bans on food exports. Vietnam has restricted rice exports. India has banned the export of cooking oils. Argentina has banned export of meat.

The Royal Thai Army has been deployed to protect food storage depots. Pak Army is on similar duties. In India, there have been food riots and the government has now banned the export of rice. In Bangladesh, one out of every five has very little or nothing to eat. The Philippines is the world's largest rice importer and has thus severe problems of its own. In Egypt, the price of bread has doubled over the past year and four people have so far been killed over subsidized flour. Indonesians have begun protesting on the streets. In Haiti, the prime minister was dismissed as a consequence of deadly food riots. In Cameroon, at least seven have died protesting. In Russia, the government is forcing food retailers to freeze prices. There have been riots in South Africa, Morocco, Senegal, Ethiopia, Ivory Coast, Yemen and Mozambique. In the past two years, the average world price for rice has risen by 217 percent. Wheat has gone up by 136 percent, corn by 125 percent and soybeans by 107 percent

### 2. Present Situation:

Agflation—inflation in agricultural commodities—is everywhere. What on earth is going on? Amazingly, biofuels—fuel derived from plants—is a major culprit. The U.S. is converting corn to ethanol (this year, one out of every four bushels of corn will be diverted to ethanol). The U.S. has an ethanol subsidy of \$0.51 per gallon and that drives farmers away from wheat toward corn that can be converted into fuel. Brazil is converting sugar-cane to ethanol. Europe is converting oilseeds to biodiesel. Some one hundred million tons of grains are being converted into fuel. That's one hundred million tons less for human consumption.

In the 1990s, China's middle class grew by 8.6 percent. This year it's estimated to grow by a hefty 70 percent. In the 1990s, India's middle class grew by 9.7 percent. This year it's estimated to grow by a robust 30 percent. Chinese and Indians are eating more; not just wheat and rice but meat as well. As a consequence, meat growing industry's requirement for livestock fodder has gone up from 635 million tons in 2006 to 800 million tons in 2008. That's 165 million tons less for the poorest of the poorest human beings.

Intriguingly, food and oil also have a nexus. Firstly, food grains have to be transported and as the price of oil goes up so does the cost of transportation and the additional cost jacks up the price of food. Secondly, as the price of oil goes up so does the price of natural gas (because they are substitute products) and natural gas being the primary input in fertilizer the price of fertilizer is spiking. Additionally, living in a world of industrial agriculture—tractors and tube wells—the food-oil nexus becomes even stronger.

Then there's this drought in Australia. The world produces around 585 million tons of wheat, and Australia is the second largest exporter. In addition to wheat, Australia also produces barley and sugarcane. Over the past couple of years, the El Niño effect caused a severe drought in many parts of Australia which has also decimated the wheat crop.

To be certain, agflation has both short term and systemic basis. Short term because the drought in Australia is not expected to last long. And, systemic because ethanol is here to stay and so is the increasing trend in the price of oil.

According to the World Food Program (WFP), the number of Pakistanis "deemed food insecure had risen 28 percent to 77 million from 60 million in previous year." In effect, one out of every two Pakistanis is food insecure. "This is the new face of hunger," said Josetta Sheeran, director of the WFP.

### 3. Recommendations of CRSS:

CRSS recommends the following:

1. The rich nations should immediately fund the World Food Program's funding gap of \$755 million.
2. The poorest segment of the Pakistani population must be provided a subsidized food blanket.
3. The government of Pakistan must attend to flood victims in Balochistan.
4. A large part of Balochistan's population is food insecure and deserve urgent attention.
5. Post-earthquake relief efforts in northern Pakistan must be given the attention they deserve.
6. WFP must redouble its efforts to assist displaced Iraqis.
7. The poorest of the poor in Afghanistan are in need of immediate help.
8. Drought-affected Kenyans also need the world's attention.
9. Refugees in Sudan also deserve immediate food aid.
10. In Pakistan, political parties must refrain from confrontation in order to avoid the impending food riots.