



Food Prices Unsettled as G-20 Pittsburgh Summit Approaches

by Salik Farooqi

World food prices have not yet stabilized, and remain far above their historic trends. Announcing these findings on August 7, 2009, Sheila Sisulu, deputy executive director of the World Food Program (WFP) said, "Our view is that [food prices] won't go back to the prices before 2008."

More worrying, she added, "The prices in Africa... have not gone down at the same rate as they have gone down globally."

Prices remain highly volatile. For example, the price of raw sugar reached a 28-year high at 22 cents a pound. The sharp price spike was caused both by increased demand (coming from Brazil, which converts sugar to ethanol), and by a dramatic decrease in supply (because of reduced monsoon rainfalls in India).

The fine balance between production and use of

commodities such as sugar illustrates the need to create sustainable agricultural systems that do not suffer from wild price fluctuations.

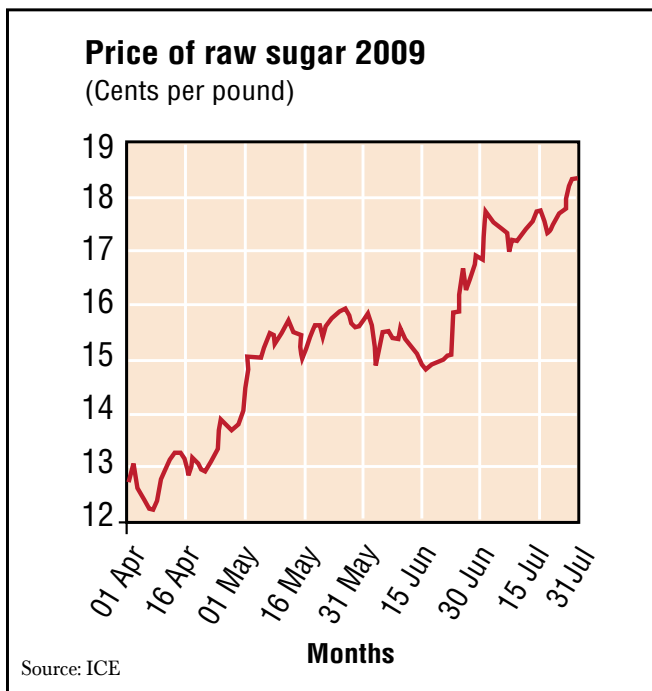
The G-8 summit held July 8-10 in L'Aquila, Italy, devoted a significant amount of time to global food security issues because of the stubbornly high food prices and the heavy toll the global economic and financial crisis is taking on developing countries and poor people everywhere. The G-8 produced a Joint Declaration on Global Food Security, commonly referred to as the "L'Aquila Food Security Initiative" (AFSI).

Under the AFSI, the heads of the G-8 (including the United States) and international organizations have committed to providing \$20 billion over a period of three years to help farmers in developing countries increase agricultural productivity. The AFSI is a sign of a renewed focus on sustainable agriculture that is new to the G-8 agenda.

Sustainable agriculture is also expected to be a crucial item on the agenda of the upcoming G-20 summit, which will focus on further actions to assure a sound and sustainable recovery from the global economic and financial crisis. The summit, which will be held in Pittsburgh, September 24-25, will bring together leaders, finance ministers and central bank governors of 19 countries plus the European Union.

Collectively, the G-20 accounts for 85 percent of the global economy. G-20 countries include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States.

Summit attendees will take stock of the progress made since the November 2008 (Washington) and



April 2009 (London) G-20 summits, including President Obama's announcement at the end of the London summit of his administration's plan to combat the global food crisis. The administration's world hunger initiative allots \$448 million in immediate assistance for Latin America and Africa and an additional \$1 billion for long-term food security. A key feature is the doubling of U.S. funding for global agricultural and rural development.

Both the AFSI and the world hunger initiative are welcome opportunities to raise agricultural productivity in developing countries. Special attention will be needed to ensure that these improvements in agriculture are country-driven, directly benefit poor farmers, and reduce malnutrition, especially among women and children.

The G-20 summit will also provide a forum for robust discussions on the issue of climate change, ahead of the Copenhagen Climate Conference December 7-18. To underscore the importance of the issue, the summit will be held at the David L. Lawrence

Convention Center in downtown Pittsburgh. It is the first "green" convention center in the world and was awarded the Gold LEED (Leadership in Energy and Environmental Design) certification by the United States Green Building Council.

At a global environment forum in August 2009, United Nations Secretary General Ban Ki-Moon urged all nations to act decisively and quickly against climate change. "If we fail to act, climate change will intensify droughts, floods, and other natural disasters...Water shortages will affect hundreds of millions of people. Malnutrition will engulf large parts of the developing world. Tensions will worsen. Social unrest—even violence—could follow," he said.



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