

## October 2008

Update for paragraph 4.3.1

### **HIGH FOOD PRICES LIKELY TO INCREASE HUNGER**

According to the UN Food and Agriculture Organization (FAO), recent increases in food prices are having a severe effect on those people in developing countries who spend a substantial proportion of their income on food.

The latest Food Outlook report forecasts that the food import bill of the Low Income Food Deficit Countries (LIFDCs) is set to reach US\$169 billion in 2008, which is 40% higher than the figure for 2007. According to Assistant Director-General, Hafez Ghanem, 'Rising food prices are bound to worsen the already unacceptable level of food deprivation suffered by 854 million people. We are facing the risk that the number of hungry will increase by many more millions of people.'

This situation shows little prospect of being greatly improved by the favourable outlook for global production increases. This is because the need to replenish stocks, together with increased utilisation, is unlikely to have much effect in decreasing food prices.

Website reference: <http://www.fao.org/newsroom/en/news/2008/1000845/index.html>