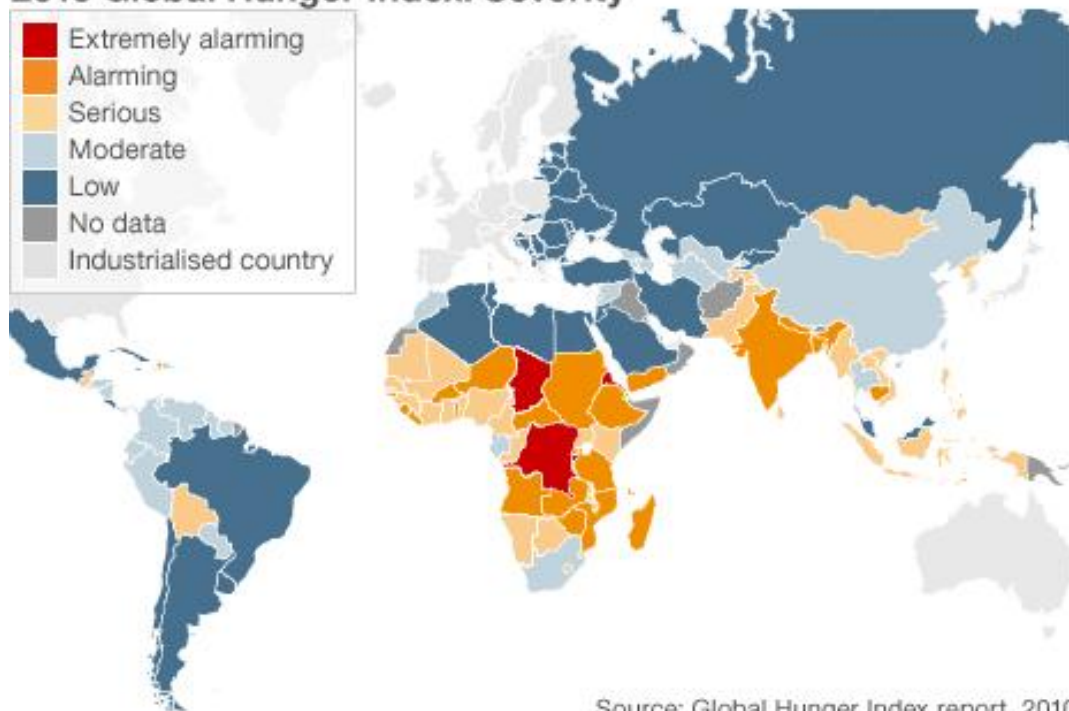


World Bank: Chronic hunger to affect 1 billion

2010 Global Hunger Index: Severity



Source: Global Hunger Index report, 2010 (FT) --

The number of chronically hungry people is approaching 1bn, the level last seen during the 2007-08 food crisis, in the clearest sign yet of the humanitarian impact of rising agricultural commodities prices in poor countries.

Robert Zoellick, World Bank president, said on Tuesday that the rise in food prices had already pushed an additional 44m people into extreme poverty, which is closely associated with hunger.

The rate of the increase suggests the number of undernourished people, which the UN said last year was 925m, will now hit 1bn by the end of this year as the effect of spiralling prices filters through.

"The trends towards the 1bn are worrisome," said Mr Zoellick. "Global food prices are rising to dangerous levels. The price hike is already pushing millions of people into poverty and putting stress on the most vulnerable, who spend more than half of their income on food."

Inflation Rate

The rise comes as G20 finance ministers are due to meet in Paris on Friday to discuss ways to tackle soaring prices, which are driving inflationary pressures. France has put global food security at the centre of its G20 presidency.

Brazil adopted a tough stance on the issue on Tuesday.

"Brazil totally opposes the use of mechanisms to control or to regulate the price of commodities," said Guido Mantega, the country's finance minister. "Most of the prices of these commodities will fall naturally as the market re-establishes itself."

However, France is stopping short of proposals to regulate prices directly, and is instead pushing for tighter controls on speculators, restrictions on the use of export bans and better information on grain

stocks held by important exporting and importing countries.

The World Bank and the UN use different methodologies to estimate extreme poverty and chronic hunger, but analysts say they usually go hand in hand.

The number of chronically hungry people surpassed 1bn -- about one in six people on the planet -- for the first time two years ago. Before that crisis, there were some 850m chronically hungry people in the world, a level that has been about constant since the early 1980s.

Mr Zoellick said the rise in food prices, coming so soon after the 2007-08 crisis, suggested the world was not dealing with a "one-time event". Rather, long-term demand was likely to keep upward pressures on prices for "years to come".

The prices of wheat, corn and soyabeans have hit 30-month highs over the past few days after bad harvests, export restrictions, extremely low inventories and soaring demand in emerging countries and for bio-energy in the US and Europe. But officials are drawing comfort from relatively stable prices for rice, one of the two most important farm commodities for global food security and the staple for 3bn Asians.

In addition, good harvests in many African countries are keeping local prices stable, even as international wholesale prices skyrocket. Experts say both factors have mitigated the social effect of rising prices.

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