**Food prices to rise by up to 40% over next decade, UN report warns**

Growing demand from emerging markets and for biofuel production will send prices soaring, according to the OECD and the UN Food and Agriculture Organisation

[Katie Allen](http://www.guardian.co.uk/profile/katieallen) [guardian.co.uk](http://www.guardian.co.uk), Tuesday 15 June 2010



Somalis protest over high food prices during the spike of 2008.

Photograph: Abdurashid Abikar/Getty Images

[Food](http://www.guardian.co.uk/environment/food) prices are set to rise as much as 40% over the coming decade amid growing demand from emerging markets and for biofuel production, according to a [United Nations](http://www.guardian.co.uk/world/unitednations) report today which warns of rising hunger and food insecurity.

Farm commodity prices have fallen from their record peaks of two years ago but are set to pick up again and are unlikely to drop back to their average levels of the past decade, according to the [annual joint report from Paris-based thinktank the OECD and the UN Food and Agriculture Organisation (FAO)](http://www.agri-outlook.org/pages/0%2C2987%2Cen_36774715_36775671_1_1_1_1_1%2C00.html).

The forecasts are for wheat and coarse grain prices over the next 10 years to be between 15% and 40% higher in real terms, once adjusted for inflation, than their average levels during the 1997-2006 period, the decade before the price spike of 2007-08. Real prices for vegetable oils are expected to be more than 40% higher and dairy prices are projected to be between 16-45% higher. But rises in livestock prices are expected to be less marked, although world demand for meat is climbing faster than for other farm commodities on the back of rising wealth for some sections of the population in emerging economies.

Although the report sees production increasing to meet demand, it warns that recent price spikes and the economic crisis have contributed to a rise in hunger and food insecurity. About 1 billion people are now estimated to be undernourished, it said.

The report says that agricultural production and productivity must be stepped up and it argues for a well-functioning trading system to ensure fair competition and that surplus food is getting to where it is needed.

It also painted a growing role for developing countries in both boosting demand and production. Brazil is by far the fastest growing agricultural producer, with output expected to rise by more than 40% in the next decade and production growth is also expected to be well above 20% in China, India, Russia and Ukraine.

"The role of developing countries in international markets is growing quickly, and as their impact grows, their policies also have an increasing bearing on conditions in global markets," said FAO director-general Jacques Diouf.

"This makes their role and contribution to global policy issues critical. Policy discussions must be global in scope and we need to improve the framework for such exchange of views."

Another factor driving up food prices is the controversial [biofuels](http://www.guardian.co.uk/environment/biofuels) industry. The report predicts that continued expansion of biofuel output – often to meet government targets – will create additional demand for wheat, coarse grains, vegetable oils and sugar.

Source: <http://www.guardian.co.uk/business/2010/jun/15/food-prices-rise-un-report>

**Tasks**

1) Summarise in bullet points the causes of expected food price rises that are being discussed.