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Food prices: World Bank warns millions face poverty

The World Bank's president urges leaders not to ignore food inflation

The World Bank has warned that rising food prices, driven partly by rising fuel costs, are pushing millions of people into extreme poverty.

World food prices are 36% above levels of a year ago, driven by problems in the Middle East and North Africa, and remain volatile, the bank said.

That has pushed 44 million people into poverty since last June.

A further 10% rise would push 10m more below the extreme poverty line of \$1.25 (76p) a day, the bank said.

And it warned that a 30% cost hike in the price of staples could lead to 34 million more poor.

'Protect the poor'

The World Bank estimates there are about 1.2 billion people living on less than \$1.25 a day.

"More poor people are suffering and more people could become poor because of high and volatile food prices," said World Bank president Robert Zoellick.

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Food price changes Q1 2010 to Q1 2011

Source: World Bank Development Prospects Group

Maize	74%
Wheat	69%
Palm oil	55%
Soybeans	36%
Beef	30%
Rice	-2%

"We have to put food first and protect the poor and vulnerable, who spend most of their money on food."

Mr Zoellick was speaking before IMF and World Bank spring meetings later this week.

The gatherings will be attended by finance ministers and central bankers including Chancellor of the Exchequer George Osborne, and Governor of the Bank of England, Mervyn King.

Nutrition

The World Bank says prices of basic commodities remain close to their 2008 peak, with the prices of wheat, maize and soya all rocketing.

The only exception is rice, which has fallen slightly in price in the past year.

The bank suggests a number of measures to help alleviate the impact of high food prices on the poor.

They include encouraging food-producing countries to ease export controls, and to divert production away from biofuels production when food prices exceed certain limits.

Other recommendations include targeting social assistance and nutritional programmes to the poorest, better weather forecasting, more investments in agriculture, the adoption of new technologies - such as rice fortification to make it more nutritious, and efforts to address climate change.

It also said financial measures were needed to prevent poor countries being subject to food price volatility.