

Hi, Frank | Sign Out | Help

Make Y! Your Homepage

Yahoo! Mail

YAHOO! NEWS

Search

Web Search

HOME U.S. BUSINESS WORLD ENTERTAINMENT SPORTS TECH POLITICS SCIENCE HEALTH OPINION MOST POPULAR

World Video Middle East Europe Latin America Africa Asia Canada Australia/Antarctica Kevin Sites Royal Wedding Blog

Search All News

News Search

TRENDING NOW: jennifer aniston american idol egypt national signing day super bowl



Click 'LIKE' to get royal wedding updates from Y! News on Facebook

Like 14K

Food costs at records, no let up on prices: FAO

REUTERS

Buzz up! 14 votes

Share 162

retweet 9

Email

Print



Reuters — South Korean housewives buy vegetables at a market in Seoul February 1, 2011. REUTERS/Lee Jae-Won

By Svetlana Kovalyova and John Mair — 23 mins ago

MANILA/MILAN (Reuters) — [World food prices](#) hit a record in January and recent catastrophic weather around the globe could put yet more pressure on the cost of food, an issue that has already helped spark protests across the Middle East.

Up for the seventh month in a row, the closely watched Food and Agriculture Organisation Food Price Index on Thursday touched its highest since records began in 1990, and topped the peak of 224.1 in June 2008, during the [food crisis](#) of 2007/08.

"The new figures clearly show that the upward pressure on world food prices is not abating. These high prices are likely to persist in the months to come," FAO economist and grains expert Abdulreza Abbassian said in a statement.

Surging food prices have come back into the spotlight after they helped fuel the discontent that toppled Tunisia's president in January and have spilled over to Egypt and Jordan, raising expectations other countries in the region would secure [grain stocks](#) to reassure their populations.

World Bank President Robert Zoellick urged global leaders to "put food first" and wake up to the need to curb increased price volatility.

"We are going to be facing a broader trend of increasing [commodity prices](#), including food commodity prices," he told Reuters in an interview.

SUPPLY THE KEY

A series of weather events hitting key crops is likely to keep up the pressure on food prices as a massive cyclone batters Australia, a major winter storm ravages U.S. crop belts and flooding hits key commodity producer Malaysia.

[Click image to see photos of the cyclone aftermath](#)



AP/Rick Rycroft

Drought in the Black Sea last year, heavy rains in Australia, dry weather in Argentina and anticipation of a spike in demand after unrest in north Africa and the Middle East has already pushed the price of wheat to its highest in 2-1/2 years.

The FAO's Abbassian pinpointed crop conditions.

"It is the supply situation. It is not the time when we get additional supplies from anywhere," he told Reuters.

Top Stories

[Army tanks clear some pro-Mubarak forces in square](#)

[Blizzard spreads snowy shroud over nearly half US](#)

[A fearful, frigid night on iconic Chicago road](#)

[Cow that escaped slaughterhouse has new adventure](#)

[GOP: Repeal defeat is step toward victory in 2012](#)

[Egyptian army starts rounding up journalists](#)

[Police: Principal dies from Calif. school shooting](#)

[LA police investigating Lohan for jewelry theft](#)

[Planned Parenthood fires employee in controversial video](#)

[Auschwitz decays, prompting preservation effort](#)

[More Top Stories »](#)

AdChoices

WE'D LOVE TO HAVE YOU OVER THIS WEEKEND. TAKE THE ALL-NEW REGAL FOR A SPIN.

ENTER ZIP  YOU WILL NOT LEAVE YAHOO.COM



BUICK  REGAL DISCOVER REGAL TURBO

sponsored links

Hot Stock-CelulasGenetica

Stem Cell BioReactor Technology. Boost Your Portfolio. Invest Today.
www.TheStemCellGroup.com

Wrinkle Removers: Exposed

See how a Mom erased her wrinkles for \$5 using this simple trick...
www.FoxNews8.com

Super Cheap Car Insurance

Get Super Cheap Car Insurance Online. Free Quotes in Under 60 Seconds!
www.usinsuranceonline.com

Featured



Royal Wedding

Complete coverage of William and Kate's wedding.
[» More on Facebook](#)



Weekend Edition

Get the latest leisure, travel, fitness and health news.

"Supply is not going to look any better than it is now until we know what is happening (with crops in major producing countries) later on in the year," he said.

A mix of high oil and fuel prices, growing use of biofuels, bad weather and soaring futures markets pushed up prices of food in 2007/08, sparking violent protests in countries including Egypt, Cameroon and Haiti.

Cameroon on Thursday said it had created a body to buy and regulate the price of basic food imports, a move to avoid a repeat of [price increases](#) which led to 2008 riots in which 100 people were killed by the African nation's security forces.

Economists in Europe picked up on the threat to economies from surging food inflation.

Janis Huebner, economist at Germany's DekaBank said inflation partly fueled by increasing food prices could in turn trigger interest rate rises in several countries this year.

"This could mean a slowing down of growth in the countries which raise their interest rates," he said. "This could involve Asian countries and other regions, this would somewhat brake growth but I do not expect a hard landing."

National Australia Bank agribusiness economist Michael Creed said food markets may take a while to regain equilibrium.

"The broadbased nature of what crops have been wiped out over the past year means that it's going to take a while to actually rebuild and get production back in line with consumption," he said.

White sugar futures hit a record high and raw sugar futures rose to their highest in more than 30 years on fears of the damage Cyclone Yasi would bring to the Australian cane crop.

The worst winter storm for decades in the United States drove [wheat futures](#) to the highest in nearly 2-1/2 years, and Malaysian palm oil prices are at 3-year highs as flooding hit crops.

STOCK BUILDING

Some countries, particularly where food prices loom large in household budgets, have been building up food stocks to try to contain prices -- and to limit the political and social fallout.

In the run-up to the 2007/2008 food price crisis, the World Bank estimated that some 870 million people in developing countries were hungry or malnourished. The FAO estimates that number has increased to 925 million.

"2008 should have been a wake-up call, but I'm not yet sure all the countries in the world that we need to support this have woken up to it," the World Bank's Zoellick said.

Indonesia, Southeast Asia's biggest economy, last week bought 820,000 tonnes of rice, lifting rice prices -- although rice is one commodity that remains well below its 2008 prices. It has also suspended import duties on rice, soybeans and wheat.

Algeria last week said it had bought almost a million tonnes of wheat, bringing its bread wheat purchases to at least 1.75 million since the start of January, and ordered an urgent speeding up of grain imports, a move aimed at building stocks.

"Some of the demand story is centered around high food prices (that) then tend to lead to hoarding by a number of countries into their strategic reserves," said Wayne Gordon, a grains analyst for Rabobank in Sydney.

"So not only are they purchasing for current consumption, but they are also trying to build up strategic reserves, which basically are a bit of a double-barreled demand event."

(Additional reporting by Lesley Wroughton in Washington and Michael Hogan in Hamburg; editing by Jonathan Thatcher and Keiron Henderson)

Follow Yahoo! News on [Twitter](#), become a fan on [Facebook](#)

Buzz up! 14 votes

Share 162

retweet 9

Email

Print

Editor's Picks

[More Slideshows »](#)



[Chaos reigns in Egypt](#)



[Monster storm batters U.S.](#)



[German wins sixth Empire State Building Run-Up](#)



[Photo Highlight of the Day](#)

» [Dominique Dawes: Autism fitness](#)



The right's Egypt freakout

Michelle Goldberg on how the rebellion is splitting conservatives.

» [More from The Daily Beast](#)



Opinion: Palin overload

Calling for a Sarah Palin-free February.

» [More from Washington Post](#)

Education



Jobs That Are Hiring Now

Which jobs are hiring now ... and what do they pay? Find out!



Degrees That Pay You Back

Find out which degrees lead to good salaries, job satisfaction, and promotions.

FLY, SKI+STAY
AT MAMMOTH FROM
\$99* A DAY
DAILY FLIGHTS FROM SFO+SJC
*RESTRICTIONS APPLY

BOOK NOW →

REPLAY


More...

World Video: [Rumsfeld Has No Regrets on Iraq](#) ABC News

World Video: [Raw Video: Egypt PM apologizes for violence](#) AP

World Video: [Egyptian tourism industry collapses](#) AFP

276 Comments

Show: **Newest First** 

[Post a Comment](#)

Comments 1 - 10 of 276 [First](#) | [Prev](#) | [Next](#) | [Last](#)

WT 1 minute ago | [Report Abuse](#)

0

0

Why hasn't Boehner done anything to cut rising food costs.

The only thing he seems concerned about cutting are programs that help people.

[Reply](#)

Shirley 1 minute ago | [Report Abuse](#)

0

0

Food and Agriculture Organisation? Who wrote this?

[Reply](#)

Judge W.P.Beauregard 1 minute ago | [Report Abuse](#)

0

0

People talk about Americans being overweight but they ignore the actual cause:

ALL of the food that is good for us costs so much most people can not afford to eat it on a regular basis !! Instead, we are forced to buy all the cheap fattening foods.

You anti-fat people need to quit preaching and demand the government do something to bring down the cost of healthy foods.

[Reply](#)

David R 1 minute ago | [Report Abuse](#)

1

0

Last year deisel gas prices were 2.49 now it is 3.65.....Do the math...

[Reply](#)

Tony O 1 minute ago | [Report Abuse](#)

0

0

Well let's all sponsor our own little dream-actors and foster them while they go to college to become car stereo installers.....

[Reply](#)

Masked Man 2 minutes ago | [Report Abuse](#)

0

0

We need less national regulation and more tariffs. Jobs return, country returns.

[Reply](#)

Reality Fan 2 minutes ago | [Report Abuse](#)

0

0

A barrel of oil for a bushel of corn.....make sense? But na, our gov't thinks that inhumane. So we continue to pay the high price to those who want to kill us and can't grow corn. I'm confused. Seems like it might balance things on cost.

[Reply](#)

Jeffrey 2 minutes ago | [Report Abuse](#)

0

0

Considering that we here in America are "boxed in" by corporate agriculture, the only alternatives are to grow your own food or find local markets to purchase your foods. They do exist and they are a viable alternative to buying fruit from Peru or corn from Mexico.

Given that the veggies and fruit in stores is usually tainted with pesticides, fungicides and herbicides, the local markets selling organics are the only alternative to growing it yourself.

Remember the "dirty dozen"? Fruits and veggies known and proven to have pesticides, fungicides and herbicides that cannot be washed off.

[Reply](#)

Ben 2 minutes ago | [Report Abuse](#)

0 0

Wall Street is going to be doing everything they can to drive the prices up as they speculate on the futures market, just as they did when they drove the price of oil to \$140 a barrel back in 2008. Of course, the Financial Reform Act of 2010 will do exactly nothing to prevent them from continuing to do that, regardless of the impact on our own citizens.

[Reply](#)

J 2 minutes ago | [Report Abuse](#)

0 0

Liberal policies are the cause for ALL that is wrong in the world.

It is on full display here in the US, not pretty is it.

Someday all Americans will thank the Tea Parties for saving the US from certain destruction.

If the poor and down trodden want relief get as far away as you can from the democrat party.

[Reply](#)

Comments 1 - 10 of 276 [First](#) | [Prev](#) | [Next](#) | [Last](#)

Post a Comment

[Comment Guidelines](#)

4000 characters remaining

You will be seen as:



Frank

[Change Photo](#) · [Change Name](#)

Also share this as an update to:

[Manage Updates](#)



[Add Facebook](#)

Post Comment

[Clear](#)

Most Viewed - World

[Russia detains suspects in deadly airport blast](#) AP

[Yemen "Day of Rage" draws thousands, then fizzles](#) Reuters

[PM apologizes for attack on Egypt protesters](#) AP

[Australia reels from once-in-a-century cyclone](#) AFP

[US response to Egypt draws criticism in Israel](#) AP

[All Most Viewed »](#)

Daily Features

[Opinions & Editorials: Diverse views on news from the right, left, and center.](#)

[All Comics »](#)

[All Opinion »](#)

Elsewhere on the Web

[Time.com: How We See Immigration -- And Why We're Wrong](#)

[Time.com: The Young Revolutionaries of Egypt](#)

[Time.com: What We Saw at the Revolution](#)



[Home](#) | [U.S.](#) | [Business](#) | [World](#) | [Entertainment](#) | [Sports](#) | [Tech](#) | [Politics](#) | [Science](#) | [Health](#) | [Travel](#) | [Most Popular](#) | [Odd News](#) | [Opinion](#)

[Yahoo! News Network](#) | [RSS](#) | [News Alerts](#) | [Weather Alerts](#) | [Site Map](#) | [Help](#) | [Feedback](#)

Copyright © 2011 Reuters Limited. All rights reserved. Republication or redistribution of Reuters content is expressly prohibited without the prior written consent of Reuters. Reuters shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

Copyright © 2011 Yahoo! Inc. All rights reserved. [Questions or Comments](#) | [Privacy Policy](#) | [About Our Ads](#) | [Terms of Service](#) | [Copyright/IP Policy](#)