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# The End Of Cheap Food

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It looks like the era of cheap food is over. The price of maize has doubled in a year, and wheat futures are at their highest in a decade. The food price index in India has risen 11%, and in Mexico in January there were riots after the price of corn flour went up fourfold. The floods in England and India have devastated crops. In nearly every country food prices are going up, and they are probably not going to come down again.

Before World War II, most families spent a third or more of their income on food, as the poor majority in developing countries still do. But after the war a series of radical changes, from mechanisation to the green revolution, raised agricultural productivity hugely and caused a long, steep fall in the price of food, to a tenth of many people's income.

It will probably return to a quarter of a family's income within a decade, or higher, from four factors:

1) Demand as global population continues to grow and more people want to eat more meat. Early this month, in its annual assessment of farming trends, the UN predicted that in less than 10 years people in the developing countries will be eating 30% more beef, 50% more pig meat and 25% more poultry. With lot-feeding huge amounts of grain-growing land will move from human to animal consumption.

2) Global warming lowers crop yields. Christopher Field and David Lobell in *Environmental Research Letters* in March stated that for every 0.5°C temperature rise, crop yields fall between 3 and 5%. So 2°C hotter means a 12 to 20% fall in global food production just as the population is about to surge over the 7 billion mark.

3) Rising demand for biofuels replaces food production (see "Looming disaster", right), causing food price hikes that lead to social unrest, such as the recent riots in Mexico. This should be taken in context: a massive report by the major oil companies warns that oil supplies will peak within 8 years, if not sooner. It estimates that production from existing reserves would soon start declining by 3% pa even as world demand for oil is growing by 2% pa. In order to keep the driving public from facing reality politicians will take the easy road and legislate to use more land for biofuels.

4) Desertification, especially in the Sahara and Central Asia, is undermining food production for one third of humanity. Tree planting is not the answer as it puts more pressure on already-scarce water. Their food will have to be provided by just those breadbasket countries now turning to biofuels. "It creates a chain reaction that must lead to social turmoil", Zafaar Adeel, author of the UN food report.

### Looming biofuels disaster

Biofuel production is pushing huge amounts of land out of food production. One sixth of the grain grown in the US this year will be "industrial corn" for ethanol. One third of US maize is now used for biofuel and there was last year a 48% increase in the amount of farmland devoted to biofuels. During that time hardly any new land was brought under the plough to replace the lost food production.

There is only a difference in scale in China, Indonesia and Brazil where primary forests are being cleared to plant energy crops. Yet, after fossil fuel use, deforestation is the largest single source of CO<sub>2</sub>.

The competition for water is likely to favour the biofuel producers as their crop, being subsidised, commands higher prices than corn or soya. Ethanol has roughly 70% the energy content of gasoline while costing 40% more to produce.

In Australia, if all our wheat and sugar output was diverted to ethanol it would supply less than 30% of our fuel needs. As these crops now feed 80 million people, what will they eat instead?

It is argued that Australia could increase its biofuel capacity by using marginal land, but Mick Keogh, executive director of the Australian Farm Institute, said: "A close examination of global biofuel experiences shows they are only viable with high levels of government support, and have at best a limited capacity to meet future energy needs."

The attraction of biofuels for politicians is obvious: they can claim they are doing something useful to combat global warming without demanding any sacrifices from business or the voters. For voters the attraction is that they can continue to drive their cars without a thought for the consequences. The attraction for business is that they can make lots of money out of biofuels, and be subsidised to do so.

A straight switch is happening from food to fuel. As oil prices rise - and Peak Oil guarantees they will - it pulls up the price of biofuels as well, so it becomes more attractive for farmers to switch from food to fuel.

Lester Brown of the Earth Policy Institute says: "The stage is now set for frontal competition for grain between the 800 million people who own automobiles, and the world's two billion poorest who will need it to survive."

The real answer is to consume less, drive less and to fund high-tech hybrid and electric cars so we don't panic for ethanol as oil production declines. Let's not forget that ethanol is NOT a renewable product: just consider the fuel and water required to produce and distribute it, and the clearing of the forests to grow it that is now releasing huge amounts of CO<sub>2</sub>.