

Clinton Raises Alarm on Rising Food Prices
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ROME – U.S. Secretary of State Hillary Rodham Clinton warned Friday that global shortages of food and spiraling prices threaten widespread destabilization and is urging immediate action to forestall a repeat of the 2007 and 2008 crisis that led to riots in dozens of countries around the developing world.

Clinton told a meeting of the U.N.'s Food and Agriculture Organization that urgent steps are needed to hold down costs and boost agricultural production as food prices continue to rise.

Although the situation is not yet as dire as it was four years ago, she said the consequences of inaction would be "grave."

"We must act now, effectively and cooperatively, to blunt the negative impact of rising food prices and protect people and communities," she said at the FAO's headquarters in Rome.

The U.N. estimates that 44 million people have been pushed into poverty since last June because of rising food prices, which could lead to desperate shortages and unrest. Clinton said the world could no longer "keep falling back on providing emergency aid to keep the Band-Aid on."

Speaking to a room full of ambassadors to the Rome-based U.N. food agencies, Clinton warned that some countries had adopted "unwise" policies such as export bans during the 2007-2008 food crises "that only made matters worse" by driving up prices, encouraging hoarding and panic buying and discouraging farmers from producing more.

During the 2008 crisis, the world's biggest rice producers — Thailand, Vietnam and India — curbed rice exports to protect domestic supply, leading to record high prices. The price of wheat, meanwhile, shot up last year when Russia imposed an export ban after severe drought damaged harvests. Ukraine, another major grain exporter, also imposed export quotas because of the drought.

"Rising food prices can have a positive effect if they send a signal to farmers to grow and sell more. But that can only happen if there is transparency in markets and stocks, so signals about prices and food supply are accurately received," Clinton said.

She called for countries to adopt better policies this time around and said the United States was working with developing and industrialized nations "to encourage everyone to respond to rising food prices not with failed policies of the past but with a sounder approach."

Countries should share information about food production and stocks and resist the temptation of imposing export bans "no matter how attractive they may appear to be," and use export quotas and taxes "sparingly if at all."

Clinton said she was well aware such measures are difficult to sell politically given budget cuts.

"I think that's fair to say about my own country right now," Clinton said. "But we need to do all we can together to find the best ways for markets to work more efficiently and deliver results."

The FAO has been echoing that call and has been holding regional meetings around the world to try to encourage governments to avoid resorting to export bans and other policies that can end up exacerbating the problem.

Jacques Diouf, FAO's director-general, thanked Clinton for raising the issue and said the FAO, backed by the Group of 20 countries, was working on a series of studies about how to better manage the risks associated with food price volatility.

France holds the Group of Eight and G20 presidencies this year and has made battling high food prices a priority agenda item.

Associated Press writer Nicole Winfield contributed.

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