

World Food Prices Record High in Jan

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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.

The Rome-based agency has warned food prices could climb even higher, expressing concern about global weather patterns.

Severe drought in the Black Sea last year, heavy rains in Australia and dry weather in Argentina and anticipation of a spike in demand after unrest in north Africa and the Middle East has helped power grain prices to multi-year highs.

The worst winter storm for decades in the US grain belt kept up pressure on wheat futures on Wednesday.

Surging food prices have come back into the spotlight after they helped fueled protests that toppled Tunisia's president in January and have spilled over to Egypt and Jordan, raising speculation other countries in the region would secure grain stocks to reassure their populations.

Algeria on January 26 confirmed 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.

World leaders at the World Economic Forum in Davos last week warned rising food prices could stoke more unrest and even war. French President Nicolas Sarkozy reiterated calls for regulation to rein in speculation and volatility.

Multi-year highs for grain and sugar futures in January helped push higher spot and physical prices which the FAO uses to calculate the index.

Source: bdnews24.com