

# Food prices

Are you finding less change in your pocket after your weekly trip to the supermarket? Or even worrying if you're going to be able to put anything at all on the table for dinner tonight? If so, you're not alone. Food price inflation is a global problem – maybe the biggest one of all. Food prices have been climbing over the last decade and the last half of 2010 alone saw another sharp rise. The fact is that simply getting something to eat and drink has never been so expensive – and it looks as if it's going to stay that way.

The whole situation is like an economics lesson in the law of supply and demand. Demand is growing, of course, because if there's one thing everyone needs, it's food. Expanding populations mean more mouths to feed. And developing economies are hungry too – for energy. Soaring fuel costs make it more expensive to grow and transport food and this also means that land which was once used to produce food is now used for the production of biofuels. And if that wasn't bad enough, 2010 saw natural disasters in some of the world's biggest food producers – fires in Russia, droughts in Argentina and floods in Australia. What a year!

Rising prices and increasing demand should mean good business for farmers and food-exporting countries, of course. However, the poor, who spend a large proportion of their incomes on food and fuel, are facing a hard year. The recent price rises have pushed more than 100 million extra people in developing countries into hunger. And hungry people are unhappy people, which is a challenge for governments. It is also possible that the economic recovery could be slowed down, since more money spent on food means less money to spend on everything else.

There's little we can do to control the weather, of course, but our technology for forecasting it may need to be upgraded. In developing countries, enhanced access to water and markets would certainly help local farmers, who produce over 80% of the food there. Perhaps developed countries could also do more to produce food locally, which would reduce fuel costs. But in the short term, maybe we can all take a long hard look at our own habits. Do we really need that hamburger and soft drink? And those of us lucky enough to have gardens could maybe do more there than just sit in the sun!

**1** Which paragraph of the text (1–4) answers each of these questions.

- 1 What can we do about this problem? \_\_\_\_\_
- 2 What is causing this problem? \_\_\_\_\_
- 3 Who are most affected by this problem? \_\_\_\_\_
- 4 What is the problem? \_\_\_\_\_

**2** Read the article again and write *C* next to the *causes* of the high food prices and *E* next to the *effects* of the high food prices below.

- 1 growing hunger \_\_\_\_\_
- 2 population growth \_\_\_\_\_
- 3 high fuel prices \_\_\_\_\_
- 4 slower economic recovery \_\_\_\_\_
- 5 natural disasters \_\_\_\_\_
- 6 production of biofuels \_\_\_\_\_

3 Read the article again and decide whether these sentences are true (T) or false (F). Circle the correct answers and correct the false statements.

- |   |     |
|---|-----|
| 1 Food prices increased most between January and June 2010. | T/F |
| 2 More land is now being used to produce biofuels.          | T/F |
| 3 Natural disasters have increased demand for food.         | T/F |
| 4 Food exporting countries benefit from higher prices.      | T/F |
| 5 100 million people in poor countries suffer from hunger.  | T/F |
| 6 Most food in developing countries is produced locally.    | T/F |

4 Find words in the article that express increases and improvements and fill in the missing letters below.

- |                 |                 |
|-----------------|-----------------|
| 1 s _ _ r       | 5 g _ _ w       |
| 2 e _ h _ _ c _ | 6 e _ p _ n _   |
| 3 u _ g _ a _ e | 7 r _ s _       |
| 4 c _ i _ b     | 8 d _ v _ l _ p |

5 Circle the correct words needed to complete the sentences below.

- 1 The company needs to *upgrade* / *climb* its telephone system.
- 2 Fuel prices are *developing* / *soaring* because of supply problems.
- 3 Demand has been so strong that we are hoping to *expand* / *rise* our business.
- 4 Sales have *upgraded* / *grown* by 50% since we started advertising.
- 5 Our new model offers *enhanced* / *expanded* safety features.
- 6 Prices are likely to *climb* / *soar* slightly in the coming months.
- 7 The team is working hard to *develop* / *enhance* new medicines.
- 8 Crime has *expanded* / *risen* sharply during the recent economic crisis.

6 Discuss these questions with your partner(s).

- How much of the food you eat is produced locally?
- How has the increase in food prices affected you personally?
- What changes could you make personally to reduce your food costs?

## Glossary

**inflation** (*noun*) - the problem of increasing prices

**supply** (*noun*) - how many goods and services are available

**demand** (*noun*) - how much people want the goods and services which are available

**expand** (*verb*) - become larger

**soar** (*verb*) - going up very high and very fast

**biofuels** (*noun*) - fuels produced from plants - for example, ethanol

**drought** (*noun*) - a period of time with very little rain

**forecast** (*verb*) - say what is going to happen in future

**upgrade** (*verb*) - make something better by using modern methods or technology