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As Food Prices Soar, Mercy Corps Establishes Global Food Crisis Fund

- Agency reports escalating hunger and poverty due to skyrocketing food prices

- Calls for increased food aid and more investment in local agriculture

Portland, OR- The global relief and development organization Mercy Corps has established a Global Food Crisis Fund to combat the negative impact that rising food prices are having on the world's poor. Mercy Corps noted that the food price increase - recently characterized as a "global crisis" by United Nations Secretary-General Ban Ki-moon - is making poverty and hunger worse in countries like Niger, Tajikistan and Afghanistan.

"The prices of basics like wheat, rice and corn have shot up significantly. The poor - who spend much of their income on food - are hit hardest," said Penelope Anderson, Mercy Corps' director of food security. "For many people, this will mean cutting down from two meals to one, or making desperate choices between food or health care or education for their children."

Reports from Mercy Corps staff around the world confirm that the situation is dire - and has the potential to grow much worse. The agency has seen the impact in several countries including:

- In **Niger**, prices of bread, powdered milk and wheat flour have spiked, exacerbating the West African nation's precarious food situation. Currently about two-thirds of the population is at serious risk of going hungry, with shortages pushing the country closer to famine.

- In **Afghanistan**, wheat prices in March were 84% higher than just one year before. Coming on top of a harsh winter, the price hike has pinched the meager resources of the nation's many poor.

- In **Syria**, spiraling food prices have forced Mercy Corps to cut back on the amount of food it can buy and distribute to hundreds of Iraqi refugee families.

- In **Tajikistan**, where we recently distributed blankets and generators to help residents keep warm during an unusually harsh winter, 61% percent of households are down to no

more than one warm meal a day. Neighboring Kazakhstan has suspended wheat exports - shutting off Tajikistan's primary supply of the grain.

The Global Food Crisis Fund will raise and distribute funds to countries where Mercy Corps works and people have been most severely impacted by rising food prices.

The crisis is the result of several factors: drought and other climate-related problems that whittle down harvests; the rise of the middle class in India and China and an increased demand for food, especially meat; the diversion of crops from food production to biofuels; higher fuel prices; declining investments in agricultural productivity; and export bans that have been instituted in some major grain-producing nations.

The resulting price increases have been extreme. According to the UN Food and Agriculture Organization (FAO), the world's poorest countries can expect the cost of imported food to rise 56 percent, and 37 countries face food crises and consequences like malnourishment, starvation and civil unrest. Riots have already broken out in Haiti, Egypt, Senegal and other countries.

Mercy Corps says this is a long-term problem that needs to be tackled with increases in food aid, as well as investments in local agriculture and economies so that communities can feed themselves. "Unfortunately, the food crisis will likely be with us for years to come," explained Anderson.

Mercy Corps is also working to educate Americans about global hunger and poverty through its Action Center to End World Hunger, due to open in New York City in fall 2008. This first-of-its-kind space will offer visitors the opportunity to go beyond the headlines and explore the root causes of global hunger and poverty, what efforts are being made to combat these challenges, and how they can get involved. More information on the Center is available at www.actioncenter.org.

HOW TO HELP:

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Mercy Corps works amid disasters, conflicts, chronic poverty and instability to unleash the potential of people who can win against nearly impossible odds. Since 1979, Mercy Corps has provided more than \$1.5 billion in assistance to people in 106 nations. Supported by headquarters in North America and Europe, [remove Asia if not already removed] the agency's global programs employ 3,500 staff worldwide and reach more than 16.4 million people in more than 35 countries. Over the past five years, more than 89 percent of the agency's resources have been allocated directly to programs that help people in need. For more information, visit www.mercycorps.org.