

The Problems of Food on Rise

**“CONCERNS OVER FOOD
INFLATION”**

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THE recent price hike especially of food items has adversely affected the economy. The salaried mass is the worst sufferer. The government has failed to overcome the wheat crisis in it seems to have been caught napping on the food inflation front.

Official statistics released in February 2008 showed 18 % increase in food prices, the highest monthly increase in October. Food inflation has registered 3.04 % increase in January 2008 as compared with increase in the preceding month of December.

The government has recently announced increase in the average labor wages to Rs. 6,000 per month. In we see the price of flour hitting at around Rs. 25 per kg. Rice price per kg has gone up to Rs. 100 and above, sugar about Rs. 28 per kg and mil Rs. 40 per liter and so on and so forth. Nothing is left untouched as far as increase in prices of essential items is concerned.

Minimum wages is set at Rs. 6,000 per month. People within this range of salary are obviously not those who spend Rs. 6,000 in luxuries. This is obviously the class which is even unable to meet two square meals a day. Majority of the people spend more than 50 percent of their salary on kitchen items like flour, rice, milk and vegetables. Meat has become a dream for them. If calculated in detail, an average family consumes about 4-5 kg of flour per day which costs Rs. 100-Rs. 120. If this amount is multiplied by 30 days of a month, it comes to Rs. 3,000-Rs. 34,000 which is half or more of its minimum wage. The other bare necessities cannot be met with the rest of the amount. All this leads to corruption, crime and social unrest. The numbers of suicides are increasing. It is feared that the emerging shortage of food and increase in its prices would create a serious law and order situation in the developing countries including Pakistan. More and more people are being pushed below the poverty line and the middle-class is vanishing gradually. It is feared that if this situation prevails for a longer period, only two classes would be left—the rich and the poor.

Pakistan is listed among 36 countries facing food crises. A global surge in food prices is causing havoc across the developing countries and thousands of poor people are compelled to starve in the developing countries. There is almost no reason for food crisis and food inflation in Pakistan but the poor administrative measures like absence of smooth supply line, and checking hoarding and smuggling pose a serious problem. The market manipulation by hoarders of grains is also a major cause of food price hike.

The point of concern is that prices of flour, the staple food of the people, have more than doubled while the price of edible oil has shot up over 100 percent in one year. Similarly increase in petroleum prices has tremendously added to inflation. Under normal circumstances, there is an increase in employment and salaries, but in our country where inflation is in double digit, the employment rate is still low. It means the government policies are not consistent to support the poor and the middle classes.

In order to control inflation especially food inflation in the country, the government should take corrective measures. If the present situation prevails for long only classes would exist in the country—the rich and the poor. The middle class would vanish.