



# *horizons* no.2

## Global Food Shortage and Organised Crime

### Key points

- ***Organised crime seeks opportunities to exploit vulnerable markets, including scarce commodities, for gain. Global food shortages provide this opportunity.***
- ***Drivers – supply and demand factors are driving food shortages.***
- ***International – with the exception of North America and Australia all continents have countries currently requiring external food assistance. In addition to poverty, famine, riots, civil wars and population displacement many of these countries are experiencing both predictable criminal and organised criminal exploitation.***
- ***Australia – a domestic food shortage is highly unlikely in the near future and certainly not before 2050 (excluding any random catastrophic event). Potential criminal activities would comprise a combination of predictable criminal activities and organised criminal exploitation.***

This Horizons report is one of a series of provisional reports on emerging areas of **potential** exploitation by organised crime. It is based on possibilities rather than probabilities and seeks to promote discussion on emerging trends and issues.

The information contained in this report has been derived from open source information and as such this does not constitute a dissemination under the ACC Act 2002.

For further information or to make a comment or suggestion regarding this product please contact the ACC Strategic Outlook Team on +61 2 6243 6668 or email [outlook@crimecommission.gov.au](mailto:outlook@crimecommission.gov.au). The ACC is committed to continual improvement and would appreciate your feedback.

## Drivers

Drivers of the current global food crisis include:

### Supply

- lack of investment in agriculture and agricultural research, development and extension
- poorly developed or ageing infrastructure
- government policy actions (in particular on trade), and increasing energy costs and climatic variability
- land pressures

### Demand

- rising population
- rising incomes and hence rising consumption
- use of food crops for biofuels

## Criminal exploitation of international food shortages

The number of countries subject to food shortages are increasing.

Predictable criminal activities include opportunistic criminal activity, personal food hoarding, low level corruption and bribery. Potential organised criminal exploitation includes people trafficking (for labour and sexual servitude), market manipulation, commodity hoarding, cross-border smuggling, manufacture and sale of fake, contaminated or counterfeit foods (for example, the recent contaminated milk powder scandal), commodity theft and monopolisation (including organised theft of food aid), high level corruption and bribery and organised fraud (identity, charity, insurance).

Countries subject to food shortages are also becoming increasingly vulnerable to extreme environmental disasters and consequential criminal exploitation.

## Criminal exploitation of domestic food shortages

A domestic food shortage is highly unlikely to be a major risk for Australia before 2050, excluding any random catastrophic event. Possible drivers for domestic food shortages include temperature increases, extended droughts, destruction or displacement of arable land, labour shortages, regional pressures and catastrophic environmental disasters.

Over the coming years, temperature increases due to climate change will have an impact on domestic food production (for example, Murray-Darling Basin).

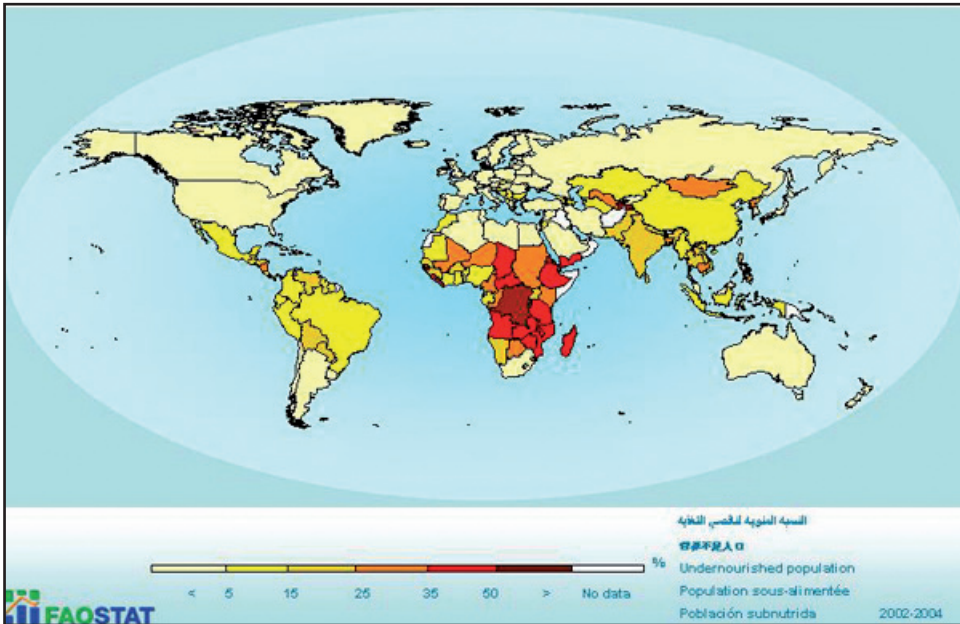
In addition to the predictable criminal activities described under international food shortages there is a future possibility of organised criminal exploitation including use of specialists as facilitators (economists, accountants, traders etc), market manipulation, commercial level commodity hoarding, high level corruption, bribery and fraud.

Stringent food standards ensure that Australia has a low vulnerability to opportunistic criminal activity such as contaminated food from international sources. Food safety agencies continue to actively coordinate, investigate and respond to these incidents.

## Current and projected responses

Global food prices are likely to stabilise over the medium term and development responses will include social protection mechanisms designed to help people cope with sustained high prices.

Figure 1: FAO Food Security Map



Source: [http://www.fao.org/es/ess/faostat/foodsecurity/FSMap/map14\\_en.htm](http://www.fao.org/es/ess/faostat/foodsecurity/FSMap/map14_en.htm)

International – Depending on the nature of Australian international aid there is likely to be some predictable criminal activity and consequential strain on resources. While the possibility of organised criminal exploitation is low there are likely to be longer term implications for sustained international aid or enforcement activity and a need for closer international cooperation in response to global food shortages.

Domestic – A domestic food shortage is a long term prospect and responses to predictable criminal activities would fall within the scope of post-disaster recovery activities (for example, maintaining law and order after a natural disaster).

As organised criminal exploitation of a domestic food shortage is an even longer term possibility cooperative responses would be required.

## Indicators of potential organised criminal exploitation

- increased people trafficking from regions suffering from food shortages
- use of specialists to exploit or manipulate food staple markets
- commercial hoarding
- corruption, bribery or fraud related to food shortages

## Some links

<http://www.fao.org/>

<http://www.fao.org/worldfoodsituation/wfs-faq/en/>

<http://www.humansecurity-chs.org/>

[http://www.economist.com/world/international/displaystory.cfm?story\\_id=11049284](http://www.economist.com/world/international/displaystory.cfm?story_id=11049284)

<http://toxicculture.wordpress.com/2008/05/03/food-insecurity/>

<http://www.globaleducation.edna.edu.au/globaled/go/pid/177>

<http://www.ausfoodnews.com.au/2008/05/16/food-shortage-by-2020.html>

<http://www.sott.net/articles/show/154113-Global-food-crisis-looms-as-Asia-s-rice-bowl-empties-and-world-price-soars>

<http://www.guardian.co.uk/environment/2007/nov/03/food.climatechange>

<http://www.marketoracle.co.uk/Article4656.html>

[http://www.crawfordfund.org/publications/pdf/fish\\_aqua\\_food.pdf](http://www.crawfordfund.org/publications/pdf/fish_aqua_food.pdf)

<http://www.crisisgroup.org/home/index.cfm?id=4932#two>

<http://www.turkishweekly.net/news.php?id=54385>

<http://www.lowyinstitute.org/Publication.asp?pid=391>

<http://www.reliefweb.int/rw/RWB.NSF/db900SID/EGUA-7E6MKV?OpenDocument>

[http://www.unodc.org/unodc/en/about-unodc/speeches/speech\\_2004-04-01\\_1.html](http://www.unodc.org/unodc/en/about-unodc/speeches/speech_2004-04-01_1.html)

<http://yaleglobal.yale.edu/display.article?id=10766>

<http://www.france24.com/en/20080425-un-agency-chief-warns-food-crisis-civil-war>

[http://www.businessweek.com/globalbiz/content/apr2008/gb20080428\\_894449.htm](http://www.businessweek.com/globalbiz/content/apr2008/gb20080428_894449.htm)

<http://www.cgfi.org/>

<http://www.theaustralian.news.com.au/story/0,25197,23782274-601,00.html>

<http://www.iht.com/articles/2007/12/17/europe/food.php>

<http://www.foodstandards.gov.au/>

