THE GLOBAL FOOD CRISIS
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HOW TO MANUFACTURE A GLOBAL FOOD CRISIS: LESSONS FROM THE WORLD BANK, IMF, AND WTO
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When tens of thousands of people staged demonstrations in Mexico last year to protest a sharp increase of over 60 per cent in the price of tortilla, the flat unleavened bread that is Mexico's staple, many analysts pointed to biofuels as the culprit. Owing to US government subsidies, turning corn into ethanol had become more profitable than growing it for food consumption, prompting American farmers to devote more and more of their acreage to it, in the process sparking off a steep rise in corn prices.

The diversion of corn from tortillas to biofuel was certainly one of the proximate causes of the skyrocketing prices, though speculation on likely trends in biofuel demand by transnational middlemen may have played a bigger role. (1) However, an intriguing question escaped many observers: How on earth did Mexicans, who live in the land where corn was first domesticated, become "dependent" on imports of US corn in the first place?

ERODING THE MEXICAN COUNTRYSIDE
The Mexican food crisis cannot be fully understood without taking into account the fact that in the years preceding the tortilla crisis, the homeland of corn had been converted to a corn importing economy by free market policies promoted by the International Monetary Fund (IMF), World Bank, and Washington. The process began with the debt crisis of the early eighties. One of the two biggest developing country debtors, Mexico was forced to beg for money to service its debt to international commercial banks from the World Bank and the IMF. The quid pro quo for a multibillion dollar bailout package was what a member of the World Bank executive board described as a program marked by "unprecedented thoroughgoing interventionism" that was designed to pay off the amount advanced by the Bank and the Fund while doing away simultaneously with the high tariffs, state regulations, and government support institutions that the

ascendant neoliberal doctrine identified as the barriers to economic efficiency. (2)

As a portion of total government expenditures, interest payments rose from 19 per cent in 1982 to 57 per cent in 1988 while capital expenditures dropped from an already low 19.3 per cent to 4.4 per cent. (3) The contraction of government spending translated in the countryside into a protracted process of dismantling a system of state credit, government-subsidized agricultural inputs, price supports, state marketing boards, and extension services. Contributing to the destabilization of peasant producers were the effects of a program of unilateral liberalization of agricultural trade.

This blow to peasant agriculture was followed by an even bigger one in 1994, when the North American Free Trade Agreement (NAFTA) went into effect. Although NAFTA had a 15-year tariff phase-out of protection for agricultural products including corn, highly subsidized US corn flooded in, bringing prices down by half and plunging the corn sector into chronic crisis. Today, largely as a result of this 14-year-old agreement, Mexico's status as a net food importer sourcing 40 per cent of its food in foreign markets has been firmly established.

With the shutting down of the state marketing agency for corn, distribution of both US corn imports and Mexican grain has come to be monopolized by a few transnational traders such as the US-owned Cargill and the partly US-owned Maseca operating on both sides of the border. This has given them tremendous power to speculate on trade trends, so that real movements in biofuel demand can be manipulated and magnified many times over price-wise, as seems to have happened during the tortilla price crisis. At the same time, monopoly control of domestic trade has ensured that a rise in international corn prices does not translate into significantly higher prices paid to small producers at the local level. (For a comprehensive treatment on the role of speculation by the transnational middlemen in the Tortilla Crisis, see Ana de Ita, "Fourteen Years of NAFTA and the Tortilla Crisis," America Program, Center for International Policy, January 10, 2008; http://americas.irc-online.org/am/4879.)

Yet, against all odds, three million farmers continue to grow corn, many of them sustained in a money-losing operation by remittances from relatives working in the United States. Year by year, however, it becomes more and more difficult for these farmers to avoid the fate of many of their fellow corn cultivators and the large numbers of smallholders in sectors such as rice, beef, poultry, and pork who have gone under owing to the advantages conferred on subsidized US producers by NAFTA. According to a 2003 Carnegie Endowment report, imports of US agricultural products threw at least 1.3 million farmers out of work, many of whom found their way to the United States. (4)

What are the prospects of a change for the better? Not much, and not least among the reasons is the fact that a state controlled by neoliberals continues to systematically dismantle an agricultural support system for peasant producers that was a key legacy of the Mexican Revolution. As Food First Executive Director Eric Holt Gimenez sees it, "It will take time and effort to recover smallholder capacity, and there does not appear to be any political will for this--to say nothing of the fact that NAFTA would have to be renegotiated." (5)

CREATING A RISE CRISIS IN THE PHILIPPINES

That the current global food crisis stems mainly from the free-market restructuring of agriculture in the developing world emerges more clearly in the case of rice. Unlike corn, less than 10 per cent of rice produced globally is traded. Moreover, there has been no diversion of rice from food consumption to serving as a biofuel feedstock. Yet, this year alone, prices nearly trebled from $380 in January to over $1000 in April. Undoubtedly, the price inflation stems partly from speculation by powerful cartels of wholesalers at a time of tightening supplies. However, as in the case of Mexico and corn, the big puzzle is why a number of rice-consuming countries that used to be self sufficient have come to be severely dependent on imports.

The Philippines provides a grim example of how neoliberal economic restructuring transforms a country from a net food exporter to a net food importer. The country is now the world's biggest importer of rice, regularly sourcing 1-2 million tons of its annual rice requirements in the international market. Manila's desperate effort to secure rice supplies at whatever price has become front page news, and pictures of soldiers providing security for rice distribution in poor communities have become emblematic of the global food crisis. Yet this was a country that as late as 1993 was a net food exporter that had only intermittently imported relatively small quantities of rice. What happened to make this country slip into a greater and greater dependency on rice and other agricultural imports?

The broad contours of the Philippine story parallel are similar to that of Mexico. The dictator Ferdinand Marcos was guilty of many crimes and misdeeds, including failure to follow through on land reform, but one thing he could not be accused off was starving the agricultural sector of government support. To head off peasant discontent, the regime provided farmers with subsidized fertilizer and seeds, launched credit schemes, and built rural infrastructure, with land under irrigation rising from 500,000 hectares in the mid-sixties to 1.5 million in the mid-eighties. Owing to these investments, the Philippines achieved self sufficiency in rice for most of the Marcos period, though in its last full year, 1985, it had to import over 500,000 tons. When Marcos fled the country in 1986, however, it was reported that there were 900,000 metric tons of rice in government warehouses. (6)

Paradoxically, the next few years under the new democratic dispensation saw government investment capacity gutted drastically. As in Mexico, the World Bank and IMF, working on behalf of the country's international creditors, pressured the administration of President Corazon Aquino to make repayment of the foreign debt of $21.5 billion the national economic priority instead of development. Aquino acquiesced, though she was collectively warned by the country's top economists that the "search for a recovery program that is consistent with a debt repayment schedule determined by our creditors is a futile one and should therefore be abandoned. (7)

In the critical period 1986-1993, an amount coming to some 8 to 10 per cent of GDP left the Philippines yearly in debt service payments—roughly the same proportion as in Mexico. To service a foreign debt that stood at $21.5 billion in 1986, some $30 billion flowed out of the country during the period. (8) This outflow was supported by a radical restructuring of the national budget: interest payments as a percentage of government expenditures rose from 7 per cent in 1980 to 28 per cent in 1994; capital expenditures or investment plunged from 26 per cent to 16 per cent. (9) Debt servicing, in short, became the national budgetary priority, and this was legally enshrined by an "automatic appropriations law" that obligated the government to place payment of the debt falling due ahead of all other obligations.

Among the items to be cut most sharply was spending on agriculture, which fell by more than half, from 7.5 per cent of total government spending in 1982 under Marcos to 3.3 per cent in 1988 under Aquino. (10) The World Bank and its local acolytes were not worried, however, since part of the purpose of the whole belt-tightening exercise was to get the market and the private sector to march into the breach and energize the countryside. But the country's agricultural capacity quickly eroded. The amount of cultivated land covered by irrigation stagnated at 1.3 million out of 4.7 million hectares. By the end of the nineties, only 17 per cent of the Philippines' road network was paved, compared to 82 per cent in Thailand, and 75 per cent in Malaysia. Crop yields across the board were anemic, with the average yield in rice of 2.8 metric tons per hectare way below yields in China and Vietnam, (11) where interventionist governments took an active role in promoting rural production. Already weak and riddled with loopholes, the post-Marcos agrarian reform program shriveled, deprived of funding for support services that had been the key to successful land reforms in Taiwan and Korea.

What this discouraging panorama underlines is that as in Mexico, what peasants were confronted with in the Philippines was the comprehensive retreat of the state from being a provider of comprehensive support—a role that their success in production had come to depend on.

As in the case of Mexico, the cutback in agricultural programs by IMF and World Bank-imposed adjustment was followed by trade liberalization, with the Philippines' entry into the World Trade Organization (WTO) in 1995 playing the role that adherence to NAFTA played in Mexico.

Membership in the WTO required the Philippines to eliminate quotas on all agricultural imports and allow a certain amount of each commodity to enter at low tariff rates. While the country was allowed to maintain a quota on rice imports, it was nevertheless required to admit the equivalent of one per cent of domestic consumption in 1995 rising to 4 per cent in 2004. In fact, due to the gravely weakened state of rice production owing to its being starved of state support, the government imported more than it was obligated to under the WTO's Agreement on Agriculture in order to supply local needs. These imports, which rose from 263,000 metric tons in 1995 to 2.1 million tons in 1998, had the effect of depressing the price of rice, discouraging farmers and keeping the growth in rice production at a rate far below those of the country's two top suppliers, Thailand and Vietnam. (12)

Entry into the WTO destabilized rice production, but it barreled through the rest of Philippine agriculture like a super-typhoon. Corn farmers in Mindanao, reported trade analyst Aileen Kwa, "have been wiped out. It is not an uncommon sight to see farmers there leaving their corn to rot in the fields as the domestic corn prices have dropped to levels [at which] they have not been able to compete." (13) Swamped by cheap corn imports, a large part of it subsidized American grain, it was not surprising that farmers would sharply reduce the land devoted to corn from 3,149,300 hectares in 1993 to 2,510,300 hectares in 2000. (14) The travails of corn were paralleled in other sectors: massive importation of chicken parts nearly killed the chicken parts industry while surges in imports destabilized the poultry, hog, and vegetable industries. (15)

During the campaign to ratify WTO membership in 1994, government economists coached by their World Bank handlers promised that the losses in corn and other traditional crops would be more than compensated by the emergence of a new export industry specializing in the production of so-called "high-value-added" crops such as cutflowers, asparagus, broccoli, and snowpeas. This did not materialize. Neither did the 500,000 new agricultural jobs that was supposed to be created yearly by the "magic" of the market; instead, employment in agriculture dropped from 11.2 million people in 1994 to 10.8 million in 2001. (16)

The magic didn't work. All that came from the one-two punch of IMF-imposed adjustment and WTO-imposed trade liberalization were the swift transformation of a largely self-sufficient agricultural economy into one that was permanently import-dependent and the steady marginalization of small farmers. It was a wrenching process, the pain of which was captured by a Philippine government negotiator during one of the sessions of the WTO's Agricultural Committee in Geneva. "Our agricultural sectors that are strategic to food and livelihood security and rural employment," he told the body, "have already been destabilized as our small producers are being slaughtered by the gross unfairness of the international trading environment. Even as I speak, our small producers are being slaughtered in our own markets, [and] even the more resilient and efficient are in distress." (17)

THE GREAT TRANSFORMATION

The experience of Mexico and the Philippines was paralleled in one country after another that was subjected to the fatal combination of IMF-imposed structural adjustment and WTO-mandated trade liberalization. A study of 14 countries by the Food and Agricultural Organization (FAO) found that the levels of their food imports in 1995-98 exceeded those in 1990-94. (18) This was not surprising since one of the main goals of the WTO's Agreement on Agriculture was to open up developing country markets so they could absorb surplus production in the North. As then US Agriculture Secretary John Block put it at the start of the Uruguay Round of trade negotiations in 1986, "the idea that developing countries should feed themselves is an anachronism from a bygone era. They could better ensure their food security by relying on US agricultural products, which are available, in most cases at lower cost." (19)

What Block did not say was that the lower cost of US products stemmed from subsidies, and this became more massive with each passing year, despite the fact that the WTO was supposed to phase out all forms of subsidy. From $367 billion in 1995, the first year of the WTO, the total amount of agricultural subsidies provided by developed country governments rose to $388 billion in 2004. (20) Subsidies now account for 40 per cent of the value of agricultural production in the European Union (EU) and 25 per cent in the United States. (21)

The apostles of the free market and the defenders of dumping may seem to be at different ends of the policy spectrum. However, the effects on developing countries of the policies they advocate are the same: the globalization of capitalist industrial agriculture. The system to which agriculture in developing countries is being integrated is one where export-oriented production of meat and grain is undertaken in large industrial farms such as those run by the Thai multinational CP; where technology is continually upgraded by advances in genetic engineering from firms like Monsanto; and where the elimination of tariff and non-tariff barriers brings into being a profitable global agricultural supermarket of elite and middle-class consumers serviced by globe-spanning giant grain-trading corporations like the US-owned Cargill and Archer Daniels Midland and transnational food retailers like the British-owned Tesco and the French-owned Carrefour.

There is little room for the hundreds of millions of rural and urban poor in this integrated global market. They are confined to giant suburban favelas where they contend with prices that are often much higher than the supermarket price of food or to rural reservations where they are trapped in marginal agricultural activities and increasingly vulnerable to hunger. Indeed, within the same country, famine in the marginalized sector may coexist with prosperity in the globalized sector—a situation that evokes Frances Moore Lappe and Joe Collins' classic description of Ethiopia in the early eighties, where vast acreages of prime land were producing cotton and sugar cane for export while poor subsistence farmers were starving in adjacent areas. (22)

Small-scale peasant production stands in the way of this structural transformation and has to go. What is taking place is not simply the erosion of national food self-sufficiency or food security but what the Oxford Africanist Deborah Bryceson calls "de-peasantization"--the progressive phasing out of a mode of production to make the countryside a more congenial site for intensive capital accumulation. (23) This transformation is a traumatic one for hundreds of millions of people throughout the world since peasant production is not simply an economic activity. It is a way of life, a culture, which is one key reason why in India, peasants displaced or marginalized by trade liberalization and corporate agriculture have taken to committing suicide. In the state of Andra Pradesh alone, farmers' suicides rose from 233 in 1998 to 2,600 in 2002. (24) One estimate is that some 150,000 farmers in India have taken their lives. (25) Severe economic distress linked to, among other things, collapse of prices from trade liberalization and loss of control over seeds to biotech firms like Monsanto, is part of a more comprehensive problem behind the suicides, says Vandana Shiva: "[Un]nder globalisation, the farmer is losing her / his social, cultural, economic identity as a producer. A farmer is now a "consumer" of costly seeds and costly chemicals sold by powerful global corporations through powerful landlords and money lenders locally." (26)

ADJUSTING AFRICAN AGRICULTURE

De-peasantization is at an advanced state in Latin America and Asia. And if the World Bank were to have its way, Africa would travel in the same direction. As Deborah Bryceson and her colleagues correctly point out in a recent article, the World Bank Development Report for 2008, which touches extensively on agriculture in Africa, is practically a blueprint for the transformation of the peasant-based agriculture of the continent into large-scale commercial farming. (Kjell Havnevik, Debkorah Bryceson, Lars-Erik Birgegard, Prosper Matandi, and Atakilte Beyene, "African Agriculture and the World Bank: Development or Impoverishment?", Pambazuka News, March 11, 2008; http://www.pambazuka.org/en/category/features/46564.) The problem is that, as in many other places today, the Bank's wards are moving from sullen resentment to outright defiance.

At the time of decolonization in the sixties, Africa was not just self sufficient in food but was actually a net food exporter, its exports averaging 1.3 million tons a year between 1966-70. (27) Today, the continent imports 25 per cent of its food, with almost every country being a net food importer. (28) Hunger and famine have become recurrent phenomena, with the last three years alone seeing food emergencies break out in the Horn of Africa, the Sahel, Southern Africa, and Central Africa. (29)

Agriculture is in deep crisis, and the causes range from wars to bad governance, lack of productivity-enhancing agricultural technology, and the spread of HIV-AIDS. However, as in Mexico and the Philippines, a very important part of the explanation was the phasing out of government controls and support mechanisms under the structural adjustment programs to which most African countries were subjected as the price for getting IMF and World Bank assistance to service their external debt.

Instead of triggering a virtuous spiral of growth and prosperity, structural adjustment imprisoned Africa in a low-level trap in which low investment, increased unemployment, reduced social spending, reduced consumption, and low output interacted to create a vicious cycle of stagnation and decline.

Lifting price controls on fertilizers while simultaneously cutting back on agricultural credit systems simply led to reduced applications, lower yields, and lower investment. Moreover, reality refused to conform to the doctrinal expectation that the withdrawal of the state would pave the way for the market and private sector to dynamize agriculture. Instead, the private sector saw reduced state expenditures as creating more risk and failed to step into the breach. In country after country, the opposite of that predicted by neoliberal doctrine occurred: the departure of the state "crowded out" rather than "crowded in" private investment. In those instances where private traders did come in to replace the state, an Oxfam report noted, "they have sometimes done so on highly unfavorable terms for poor farmers," leaving "farmers more food insecure, and governments reliant on unpredictable aid flows." (30) The usually pro-private sector Economist agreed, admitting that "many of the private firms brought in to replace state researchers turned out to be rent-seeking monopolists." (31)

What support the government was allowed to muster was channeled by the Bank to export agriculture to generate the foreign exchange earnings that the state needed to earn to service its debt to the Bank and the Fund. But, as in Ethiopia during the famine of the early 1980's, this led to the dedication of good land to export crops, with food crops forced into more and more unsuitable soil, thus exacerbating food insecurity. Moreover, the Bank's encouraging several economies undergoing adjustment to focus on export production of the same crops simultaneously often led to overproduction that then triggered a price collapse in international markets. For instance, the very success of Ghana's program to expand cocoa production triggered a 48 per cent drop in the international price of cocoa between 1986 and 1989, threatening, as one account put it, "to increase the vulnerability of the entire economy to the vagaries of the cocoa market." (32) In 2002-2003, a collapse in coffee prices contributed to another food emergency in Ethiopia. (33)

As in Mexico and the Philippines, structural adjustment in Africa was not simply underinvestment but state divestment. But there was one major difference. In the Philippines and Mexico, the Bank and Fund confined themselves to macromanagement, or supervising the dismantling of the state's economic role from above, leaving the dirty details of implementation to the bureaucracy. In Africa, where they dealt with much weaker governments, the Bank and Fund micromanaged, reaching down to make decisions on how fast subsidies should be phased out, how many civil servants had to be fired, or even, as in the case of Malawi, how much of the country's grain reserve should be sold and to whom. (34) In other words, Bank and IMF resident proconsuls reached to the very innards of the state's involvement in the agricultural economy to rip it up.

Compounding the negative impact of adjustment were unfair trade practices on the part of the EU and the United States. Trade liberalization simply allowed low-priced subsidized EU beef to enter and drive many West African and South African cattle raisers to ruin. With their subsidies legitimized by the WTO's Agreement on Agriculture, US cotton growers offloaded their cotton on world markets at between 20 to 55 per cent of the cost of production, bankrupting in the process West African and Central African cotton farmers. (35)

According to Oxfam, the number of people living on less than a dollar a day more than doubled to 313 million people between 1981 and 2001—or 46 per cent of the whole continent. (36) The role of structural adjustment in creating poverty, as well as severely weakening the continent's agricultural base and consolidating import dependency, was hard to deny. As the World Bank's Chief Economist for Africa admitted, "We did not think that the human costs of these programs could be so great, and the economic gains would be so slow in coming." (37)

That was, however, a rare moment of candor. What was especially disturbing was that, as Oxford University political economist Ngaire Woods pointed out, the "seeming blindness of the Fund and Bank to the failure of their approach to sub-Saharan Africa persisted even as the studies of the IMF and the World Bank themselves failed to elicit positive investment effects." (38)

MALAWI: FROM COMPLIANCE TO DEFIANCE

This stubbornness led to tragedy in Malawi. It was a tragedy preceded by success. In 1998 and 1999, the government initiated a program to give each small-holder family a “starter pack” of free fertilizers and seeds. This followed several years of successful experimentation in which the packs were provided only to the poorest families. (39)The result was a national surplus of corn. What came after is a story that will definitely have to be enshrined as a classic case study in a future book on the ten greatest blunders of neo-liberal economics.

The World Bank and other aid donors forced the drastic scaling down and eventual scrapping of the program, arguing that the subsidy distorted trade. (40) Without the free packs, food output plummeted. In the meantime, the IMF insisted that the government sell off a large portion of its strategic grain reserves to enable the food reserve agency to settle its commercial debts. The government complied. When the crisis in food production turned into a famine in 2001-2002 there were hardly any reserves left to rush to the countryside. About 1500 people perished. (41) The IMF, however, was unrepentant; in fact, it suspended its disbursements on an adjustment program with the government on the grounds that “the parastatal sector will continue to pose risks to the successful implementation of the 2002/03 budget. Government interventions in the food and other agricultural markets… crowd out more productive spending.” (42)

When an even worse food crisis developed in 2005, the government finally had enough of the Bank and IMF’s institutionalized stupidity. A new president reintroduced the fertilizer subsidy program, enabling two million households to buy fertilizer at a third of the retail price and seeds at a discount. The results: bumper harvests for two years in a row, a surplus of one million tons of maize, and the country transformed into a supplier of corn to other countries in Southern Africa.

But the World Bank, like its sister agency, still stubbornly clung to the discredited doctrine. As the Bank’s country director told the Toronto Globe and Mail, “All those farmers who begged, borrowed, and stole to buy extra fertilizer last year are now looking at that decision and rethinking it. The lower the maize price, the better for food security but worse for market development.” (43)

FLEEING FAILURE

Malawi’s defiance of the World Bank would probably have been an act of heroic but futile resistance a decade ago. The environment is different today. Owing to the absence of any clear case of success, structural adjustment has been widely discredited throughout Africa. Even some donor governments that used to subscribe to it have distanced themselves from the Bank, the most prominent case being the official British aid agency DFID, which co-funded the latest subsidized fertilizer program in Malawi. (44) Perhaps the motivation of these institutions is to prevent their diminishing influence in the continent from being further eroded by their association with a failed approach and unpopular institutions at a time that Chinese aid is emerging as an alternative to World Bank, IMF, and Western government aid programs with all their conditionalities.

Beyond Africa, even former supporters of adjustment, like the International Food Policy Research Institute (IFPRI) in Washington and the rabidly neoliberal Economist acknowledged that the state’s abdication from agriculture was a mistake. In a recent commentary on the rise of food prices, for instance, IFPRI asserted that “rural investments have been sorely neglected in recent decades,” and says that it is time for “developing country governments [to] increase their medium- and long-term investments in agricultural research and extension, rural infrastructure, and market access for small farmers.” (45) At the same time, the Bank and IMF’s espousal of free trade came under attack from the heart of the economics establishment itself, with a panel of luminaries headed by Princeton’s Angus Deaton accusing the Bank’s research department of being biased and “selective” in its research and presentation of data. (46) As the old saying goes, success has a thousand parents and failure is an orphan.

Unable to deny the obvious, the Bank has finally acknowledged that the whole structural adjustment enterprise was a mistake, though it smuggled this concession into the middle of the 2008 World Development Report, perhaps in the hope that it would not attract too much attention. Nevertheless, it was a damning admission:

> "Structural adjustment in the 1980s dismantled the elaborate system of public agencies that provided farmers with access to land, credit, insurance inputs, and cooperative organization. The expectation was that removing the state would free the market for private actors to take over these functions—reducing their costs, improving their quality, and eliminating their regressive bias. Too often, that didn’t happen. In some places, the state’s withdrawal was tentative at best, limiting private entry. Elsewhere, the private sector emerged only slowly and partially -- mainly serving commercial farmers but leaving small-holders exposed to extensive market failures, high transaction costs and risks, and service gaps. Incomplete markets and institutional gaps impose huge costs in forgone growth and welfare losses for small-holders, threatening their competitiveness and, in many cases, their survival.” (47)

FOOD SOVEREIGNTY: AN ALTERNATIVE PARADIGM?

But it is not only defiance from governments like Malawi and dissent from their erstwhile allies that are undermining the IMF and the World Bank. Peasant organizations throughout the world have increasingly been vocal and militant in their resistance to the globalization of industrial agriculture. Indeed, it is on account of pressure from farmers’ groups that the governments of the South have refused to grant wider access to their agricultural markets and demanded a massive slashing of US and EU agricultural subsidies, bringing the WTO's "Doha Development Round" of negotiations to a standstill.

Farmers' groups have networked internationally, and one of the most dynamic networks to emerge is Via Campesina (literally translated from the Spanish as "the Peasant's Path"). Via does not only seek to get "WTO out of agriculture" or oppose the paradigm of a globalized capitalist industrial agriculture promoted by the Bank. It proposes an alternative: "food sovereignty." Food sovereignty means first of all, the right of a country to determine its production and consumption of food and the exemption of agriculture from global trade regimes like the WTO. It also means the consolidation of a smallholder-centered agriculture via protection of the domestic market from low-priced imports, remunerative prices for farmers and fisherfolk, abolition of all direct and indirect export subsidies, and the phasing out of domestic subsidies that promote unsustainable agriculture. (48) Via's platform also calls for an end to the Trade Related Intellectual Property Rights TRIPs regime that allows corporations to patent plant seeds, opposes agro-technology based on genetic engineering, and demands land reform. (49) In contrast to the integrated global monoculture being created by capitalist industrial agriculture, it offers the vision of an international economy marked by diverse national agricultural economies relating to one another but focused primarily on domestic production.

Once regarded as relics of the pre-industrial era, peasants are now leading the opposition to the paradigm of capitalist industrial agriculture that would consign them to the dustbin of history. They have become what Karl Marx described as a politically conscious "class- for-itself," contradicting Marx's own predictions about their demise. With the current global food crisis, they are moving to center stage—and they are not without allies and supporters. For as peasants fight de-peasantization and refuse to "go gently into that good night," to borrow a line from Dylan Thomas, developments in the 21st century are revealing the panacea of globalized capitalist industrial agriculture to be a nightmare. With environmental crises multiplying, the social dysfunctions of urban-industrial life piling up, and capitalist industrial agriculture creating more and more food insecurity, the farmers' movement increasingly has relevance not only to peasants but to everyone threatened by the catastrophic consequences of global capital's vision for organizing production, community, and life.

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HUNGER AND FOOD CRISES: A VIEW FROM THE GROUND

Shalmali Guttal*

In a press conference in Timor Leste's capital city Dili on May 14, top UN officials declared that the country is not at a risk of starvation from the global food crisis. According to the World Food Programme (WFP) Country Director Joan Fleuren in Timor Leste, "The Government is working hard to increase its imports" and sell it at subsidised prices in an effort to manage the situation and ensure that there is no food crisis. (1) The Ministry of Agriculture estimates that annual rice consumption in Timor Leste averages about 83,000 metric tones (mt) of which, 40,000 mt are produced domestically. The shortfall is made up through imports which are already at 50-60,000 tones and rising. Acting Special Representative of the Secretary-General to Timor Leste, Reske-Nielsen, suggests that rice imports provide the Timorese Government with time to come up with medium and long term solutions. (2)

This view, however, differs significantly from that of many Timorese analysts, who fear that the country is locked into a dangerous dependency on imports to meet its food needs and already displays the early symptoms of a chronic food crisis. About four months ago, before the onset of the food crisis, the price of rice was 14$ - 16$ for a sack (about 35 kg). Now it averages about $25 a sack in Dili and is significantly higher in rural areas -- if it reaches there at all. And despite the Timorese Government's recent move to subsidise rice prices, there simply isn't enough subsidised rice to go around. Most of it is swallowed up in Dili and according to Dili locals, a significant portion is sold at much higher prices by rice traders, especially in rural areas. Like most net food importing countries, Timor Leste does not have control over the import prices of rice and other staples. Equally serious, it does not have an effective public distribution system to ensure that food imports reach its rural population. Relying on private companies to handle distribution, the Government cannot even ensure that those who need subsidies most are actually able to avail of them. According to Elda Guterres da'Silva from KBH, a Timorese organisation dedicated to vocational education, (3) "The new government is out of touch with problems in the rural areas; it seems intent to put in a market system and this will increase the number of poor people. Only those with money can buy rice."

Hunger is not new to Timor Leste. In 2004, reports of severe hunger and starvation were reported among tens of thousands of households in at least five districts and people in eleven out of thirteen districts survived largely on food aid. (4) Majority of Timor Leste's population of one million (approximately 80 percent) resides in rural areas and is engaged in subsistence agriculture. Local production is not sufficient to meet the population's food needs throughout the year and in 2001, about 80 percent of villages were estimated to face food shortages at some time during the year. (5) While food shortages during the lean period of an agricultural cycle are common in subsistence economies, a combination of historical factors and recent government policies are entrenching what many Timorese fear will be a long term, chronic, food crisis. Although reliable updated consumption statistics are difficult to come by, reports from some rural areas indicate that there is already not enough food and people can only eat once a day.

The problem is not only imports, but also rice itself. According to Arsenio Pereira of HASATIL (6), a Timorese organisation committed to sustainable agriculture, "There is too much dependency on rice. Indonesians promoted this dependency. Before Indonesian occupation, there were a variety of staples that Timorese people ate, especially in dry and mountainous areas, but the Indonesians insisted that everyone grow and eat rice; current government food policy is also focussed on rice." This view was echoed by other people I talked with in Dili last week, who pointed out that even today in rural areas, there are many other staples that are consumed -- what they call traditional foods. Pereira explained, "Rice is important, but not the only food. We have more than 10 varieties of beans, 20 varieties of maize, and varieties of yams, cassavas, bananas and sweet potato. But if these traditional foods are not given importance, they will be lost and we will be entirely dependent on rice."

Although Timor Leste's rural areas are generally cut off from even the minimal level of services available in Dili, hunger is as high in Dili as in many rural areas. Dili residents are almost entirely dependent on rice as their staple food, unlike rural communities for whom traditional foods still form an important part of their daily diets.

INDEPENDENECE BRINGS DEPENDENCE

But Timor Leste's food shortages have as much, if not more, to do with the country's policy regime as with low production. Upon the insistence of international donors, the World Bank and the International Monetary Fund (IMF), the country's post-war reconstruction has been modeled on free market economics with severe restrictions on direct governmental involvement in providing public services, price supports and building up a strong domestic economy through investment in public infrastructure in crucial areas such as agriculture, food security, education and local cottage industry. The economy has been radically liberalized and the government is seeking to make the country a haven for private investors through tax holidays, land concessions and other privileges. Job creation, which could have received a boost through public investment, has been left to the dynamics of free market competition.

At least a quarter of the country's arable land is being handed over to private companies (mostly foreign with some local collaboration) for growing agro-fuels, particularly sugarcane and jatropha. Agricultural land is also dogged by intensifying conflicts among competing claimants, and among farmers and private concessionaires. Timorese locals report that import contracts for rice and other goods and economic concessions are routinely handed over to foreign companies without a public tender process and to "single sources" that are personal contacts of the country's senior leadership. Rural communities do not usually even know that their lands -- which are their only assets -- are now the "property" of a private company and that they are soon to become contract labour on the lands that they have tended for generations. In the upland district of Ermera, conflicts remain unresolved between local coffee producers and Timor Global, a private company that secured a 25 year concession on all coffee growing lands in the district. According to Antero da'Silva, a professor at the National University, "The government's plans are oriented towards making farmers more dependent on markets, imports and free trade, and not on independence."

In the agriculture sector, the World Bank and bilateral donors (particularly Australia and the US) have focussed almost entirely on rice and a handful of cash crops such as vanilla and coffee and at the cost of other staples that constitute the country's traditional foods. However, decades of intensive and chemically driven rice production during Indonesian occupation have resulted in serious soil degradation in several rice growing areas, bringing down yields and rendering the land unsuitable for producing other crops. "Land used for rice production during Indonesian times cannot be used now, it was destroyed because of too many chemicals to intensify rice production. The soil needs to be regenerated," says Gutteras da'Silva.

Such ecological considerations seem not to be a priority under the post-independence donor regime in which official agriculture policy has continued to promote intensive, chemical inputs driven agriculture, but under free market conditions. Over the past six odd years, production inputs and rural transportation have become so costly that that locally produced rice cannot compete with imported rice in price and quality. Genetically modified seed trials are now reportedly being conducted in Betano and Maliana districts by "experts" from an Australian company through a project called Seed of Life. "The donors and WB trying to increase production using hybrid seeds, chemical fertilisers, etc. Their emphasis is not on increasing food security through internal capacity and resources, or by promoting local foods, but by importing rice and food from outside, including food aid from WFP and FAO," adds Pereira.

The combination of land conflicts, rising and unaffordable agricultural production costs, and hunger has prompted many rural people to move to Dili and large towns looking for jobs. But life in the city is as much, if not more of a struggle as back home in the village. The adoption of the US dollar as the national currency has inflated the prices of even the most basic food necessities. And then there is the international aid industry that set up shop in Dili immediately after the 1999 referendum. Timor Leste recieved over US$ 3 billion in "reconstruction assistance," much of which went to pay for bloated salaries and facilities for international "experts." Faithfully following market signals, the food and service industries adapted themselves to servicing the needs of an international community flush with reconstruction cash. A domestic, business elite emerged from among those who had land and houses to rent to expatriates and assets to invest in restaurants, hotels, supermarkets private security, etc. The upshot of all this was the cost of living in Dili rocketed way above the average salary of ordinary Timorese -- US$ 30-60 per month. Even the earlier "pre-crisis" cost of rice (which is now remembered fondly by the Timorese) of US$ 14-16 per sack was a big burden on an a family with children and elderly to feed.

The promised foreign investment that was supposed to create jobs did not arrive. Start-up and operating costs are high in Timor Leste, as water, electricity, telecommunications and equipment are all extremely expensive. Restaurant owners and expatriates prefer to shop at supermarkets that sell imported products rather than local produce and meat markets, citing concerns of hygiene and quality. The lack of public investment in education and vocational training has resulted in an extremely small number of young people who are considered employable by the aid industry and its private sector appendages. According to Rigoberto Monteiro, General Secretary of the Timor Leste Trade Union Confederation and member of the National Labour Board, only 500 jobs are available every year in the public and private sectors. Majority of those looking for work in the city end up in a weak and unpredictable informal sector, without secure and sufficient income.

Little wonder then that hunger and malnutrition are as high in Dili, alongside markets filled with food, as they are in the country's villages.

In 2005, Ben Moxham, a researcher with Focus on the Global South based in Timor Leste poignantly observed, “While Timor's harsh climate is partly responsible, the question that screams to be asked is why a nation of just under a million people, which in the last five years is supposed to have received more donor funds per capita than anywhere else in the world, is going hungry." (7)

COWBOY CAPITALISM RIDES THE RANGE

Further to the west, in a country that underwent a similar process of post-conflict reconstruction 17 years earlier than Timor Leste, severe hunger and malnutrition are become increasingly visible alongside an explosion of affluence and a concentration of wealth. As a ward of the international reconstruction and development industry since 1991, Cambodia too adopted the free market model demanded by international donors, the World Bank and the IMF. What has resulted is a cowboy capitalist economy where practically everything is for sale to the highest bidder. Small pockets of plentiful consumption are surrounded by large areas of scarcity and deprivation.

Economic growth has averaged at 11 percent over the past three years, spurred by booms in the tourism, garment manufacturing and real estate sectors. But not everyone has benefitted from these booms. Agriculture and fisheries, the mainstays of the majority of Cambodia's population, have been systematically assaulted by free market policies, privatisation and liberalisation. The private sector has been aggressively promoted in every possible sphere -- the economy, environment, agriculture, education, health, water supply, etc. Cambodia's multilateral creditors, the World Bank, IMF and the Asian Development Bank (ADB), have demanded and achieved complete government “disinvestment” in essential public infrastructure, supports and services, and exhorted the country's peasant farmers and artisanal fishers to compete in a free market that they are completely ill equipped for. As a result, farming and fishing has become increasingly precarious occupations for rural families, driving them into debt traps and eventually forcing them to abandon agriculture altogether.

Ruling elites in the Cambodian Government have facilitated a frenzy of land-grabbing in both rural and urban areas creating landlessness, homelessness and destitution at a scale never envisaged by ordinary Cambodians who really believed that they were in for better times. Vast tracts of fertile agricultural lands and rich forests (ranging from 10,000 to 300,000 hectares) have been given away as economic land concessions to foreign companies under 99-year leases for industrial tree plantations, agribusiness activities, tourist resorts, golf courses and other recreational facilities. Economic concessions extend to fishing areas, wetlands and even the country's coast and islands. A growing, wealthy, domestic middle class has also joined the band-wagon, buying up land from small farmers and fishers unable to meet the rising costs of agricultural production, health care and food. Many of the country's powerful bilateral allies (for example, China, Vietnam, Thailand and Singapore) have also claimed their piece of the prosperity pie through exclusive, no-bid contracts for infrastructure, energy, mining and oil and gas projects.

The prosperity of the domestic (largely urban) elites and foreign land owning companies classes has resulted in severely negative impacts among the rural and urban poor and even the middle classes, creating new vulnerabilities and poverty. Inflation is high (almost 11 percent at official count, though locals say that it is actually higher) and the cost of food and staple goods have increased sharply, creating twin crises of hunger and malnutrition. According to Boua Chanthou, the Director of PADEK, a Cambodian NGO working on integrated community development in more than 500 poor villages in Cambodia, “A crucial factor related to food is land; Cambodian farmers do not own enough land. A recent study shows that 60 p[ercent of Cambodian farmers are either landless or own less than half a hectare. How can they produce enough food for even their own consumption? A family of five people needs at least two hectares of land to be able to produce enough food. The Government needs to act quickly to implement social land concessions and redistribute land to the farmers.”

The problem is not lack of food *per se*, but lack of access to food and the means to produce food among rapidly increasingly numbers of people who are being systematically stripped of their abilities to feed themselves. While it is true that much of Cambodia's agriculture (including fisheries) is small-hold and susceptible to weather and climate conditions, Cambodia is a rice and food exporter and till recently, it was the sixth largest rice exporter in Asia. Large agribusiness companies such as Thailand's Charoen Pokphand (CP) have established operations in Cambodia for producing animal feed as well as pig and chicken farming. High grade Cambodian rice is grown under contract for Thai businesses in the western part of the country while Vietnam buys lower grade rice grown in the eastern part of the country. Fish from Cambodia's Great Lake, the Tonle Sap, is exported to neighboring countries and to the numerous restaurants and resorts that cater to the tourist industry.

And yet, the people who produce this food are poor, hungry and malnourished. Since agricultural production does not provide sufficient food for the entire year, nor does it bring them enough income, they don't have the cash to buy rice and food from markets that are over-flowing with food. Other important sources of food for rural families are the natural commons such as forests, wetlands, rivers and lakes from which they harvest food and medicinal plants. But the enclosure of these resources by private interests, as well as their degradation resulting from over-use has cut off rural communities from their last, fall back source of food and nourishment.

A Food Security Atlas launched in February 2008 by the WFP (8) shows high levels of hunger and malnutrition in the country, especially in areas plagued by land-grabbing, economic land concessions and extractive industry. Included in the 10 "hot-spot" provinces that are considered the most food insecure and vulnerable is Siem Riep, home of the famous Angkor era temples and the tourist mecca of the Mekong region. Province residents say that the boom in the tourist industry has served as a massive suction pump, sucking away resources from local communities and leaving them poor, hungry and vulnerable.

Says Chanthou, "The open market system to export rice is not working in favour of the poor, who do not have enough money to buy food when prices go up. Therefore, the Government needs to intervene. The Government has taken some positive action recently, but should have done more."

CHRONICLES OF CRISES FORETOLD

In both Timor Leste and Cambodia, the roots of severe hunger, malnutrition and starvation were planted a long time ago. In the case of Timor Leste, they can be traced back to Portuguese colonialism and the imposition of plantation agriculture on a traditional, multi-crop agricultural system. But what we see today in both countries are not simply ghosts from distant colonial pasts. There have been significant (and nightmarish) events over the past few decades that have entrenched food deprivation among innocent civilians.

The report of the Committee for Truth and Reconciliation (CAVR) Chega! documents how famine was induced in Timor Leste in 1977-78 by Indonesian military occupation and the war against Timorese independence forces. (9) According to Pat Walsh of the post-CAVR Technical Secretariat in Dili, at least 80,000 people died of hunger and related diseases during this time as military objectives were more important to the Indonesian military than the lives of occupied peoples. During the same period in Cambodia, millions of Cambodians were brutalised and starved by the Khmer Rouge in labour camps that were set up -- ironically -- to grow rice for the Khmer Rouge and its most important ally, China. In both countries, food and agricultural systems were militarised and fractured, and food itself became a weapon by which power was wielded.

The transitions of both Cambodia and Timor Leste to independent, "post-conflict" nation states did not result in freedom from hunger for the majority of their populations. Certainly, gains were made on many fronts -- social, economic and political -- but these gains were not equitably shared by all , nor did they include rebuilding the potential of families and communities to feed themselves. On the contrary, the economic blueprints devised by donors and creditors emphasised cash crops over food crops, and placed domestic producers and workers at the mercy of markets in which they had no leverage or space to maneuver. The World Bank, IMF and ADB were more interested in whether commodity markets functioned efficiently and whether suitably "enabling environments" for the private sector had been created, than whether local people had enough to eat.

Today, all the global trends related to rising food prices are reproduced at local levels in Timor Leste and Cambodia: rising costs of fuel and essential goods, doubling of the price of staples, diversion of grain to bio-fuels and animal feed, the conversion of agricultural lands to industrial, housing and tourism estates, the hoarding and manipulation of food supply by traders, profiteering by speculators through futures trade, etc. And as in every developing country, rising prices of rice, wheat, soy, corn and other staples have not translated into higher prices for small-scale producers or into increased food security for them. On the contrary, middlemen, traders, speculators and agribusiness companies are making a killing -- literally.

But even when world food prices come down, unless economic and agricultural policies are drastically amended in both countries, food shortages, hunger and malnutrition are not likely to abate. "Now we can see the negative impacts of the free market" said Mateus Tilman from Kdadalak Sulimutuk Institute (KSI), an organisation working on land reform in Timor Leste. According to Tilman and HASATIL's Pereira, resolving land conflicts and governmental investment in rural infrastructure are crucial steps to tackle food shortages and hunger. "Our dream is to have comprehensive agrarian reform and empower our farmers. Land must remain in the hands of the farmers," Tilman adds. KSI works closely with HASATIL, whose members are promoting food sovereignty as a long term solution to the country's food crisis. “We need to plant more local food crops, build independence in food and reduce dependence on imported seeds and fertilisers. We also need to promote local knowledge among farmers -- use and nurture their local knowledge and build more; and we need to provide information to farmers about climate change, trade and other related issues.”

Unfortunately, there are few such visionaries in Cambodia. Most development NGOs are reluctant to take on the country's elite power structures and confront national economic policies that are accelerating land and resource crises and reproducing the food crisis. However, local farming, fishing and indigenous communities are organising and federating in an attempt to build a strong and collective national voice.

Mirroring trends elsewhere, the tragedy in both countries is not that there is not enough food, but that the food does not reach everyone who needs it. Even in instances of actual food shortages, food is available in neighboring areas and countries, and with timely governmental intervention, serious food crises can be averted. But as has become evident over the past year, the world can have record grain production as in 2007 (2.3 billion tons) and still people can be impoverished by rising food prices. (10) The high profits recorded by agribusiness companies and futures traders in 2007 show that food has become a commodity for speculation and profit making. While governments in developing countries, especially net food importing countries, are finally taking some actions to protect their economies and food stocks, it is uncertain whether they will have the courage to move away from the economic orthodoxy of free market theory preached by the World Bank and the IMF, and commit to the drastic transformations of national economic, agricultural and food policies needed to build genuine, long term food security.

It is extremely important that we start to rebuild the capacities of our communities and societies to feed ourselves. La Via Campesina's proposed paradigm of peoples' food sovereignty offers the most appropriate and adaptable selection of strategies to do this. For Timor Leste and Cambodia, peoples' food sovereignty can ensure that independence, national reconstruction and peace building find longer-term, sustainable and home-grown expression in freedom from hunger and starvation.

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NOTES

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6. HASATIL is the acronym for Hametin Agricultura Sustentavel Timor Lorosai which means 'Strengthening Sustainable Agriculture in Timor Leste in Tetum, one of Timor Leste's national languages.'
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FOOD CRISIS EXPOSES FAILINGS OF INDIA'S ECONOMIC REFORMS

Afsar Jafri*

The recent escalation in food prices is the latest calamity to hit the poor and marginalised communities in India. The price of food and other essentials has been rising for the last 12 weeks and the current inflation level is the highest witnessed since November 2004. Retail prices of some essential food commodities have seen a sharp increase. Retail prices of gram, sugar, mustard oil, vanaspati and onions have increased by up to 11 per cent in the national capital in last one month, pushing inflation to a 39-month high of seven per cent. (1)

"SHINING INDIA" AT THE COST OF "SUFFERING INDIA"

Facing public outrage on rising food prices, the United Progressive Alliance (UPA) government, took refuge by issuing statements that inflation is a global phenomenon. Even though it is a global phenomenon and food riots have been witnessed in more than 30 countries, the food crisis in India is primarily caused by the pro-market biased policies of the government. Indians (along with the Chinese) have been accused of eating more due to rising prosperity resulting in the global food shortages. But the per capita food consumption and calorie intake indicates that irrespective of the current inflationary trend, majority in India are facing hunger and starvation since liberalisation policies were introduced.

The irony is that though signs of the food and agriculture crisis were evident, policy makers continued with neoliberal policies to benefit corporations. The government is witness to the increasing schism between 'shining India’ and ‘suffering India’ but their mantra has always been that only the pro-capitalist, corporation driven economy can bring sustained economic growth which will trickle down to benefit the disadvantaged sections of the population. Despite looming inflation, the Economic Advisory Council to the Prime Minister of India believes that robust investment growth and strong corporate performance would drive India towards prosperity. It also says that “in the current year, the strong growth in agricultural GDP has come mostly from activity other than food grain production, namely commercial crops, horticulture and animal husbandry." (2)

This paradigm shift in foodgrain production was introduced under the World Bank direction which "required India to move away from the existing subsidy-based regime and instead, invest in building a solid foundation for a highly productive, globally competitive and diversified farm sector." (3). The report recommended the removal of subsidies related to grain procurement and Public Distribution System (PDS), diversification of Indian agricultural development, increased space for the private sector in agriculture extension services, contract farming and for agro-industry in general. Interestingly during the recent crisis the Indian government severely criticised the World Bank for their advice to countries to shift from food crops for domestic population to cash crops for exports. (4) Addressing a special meeting of the United Nations Economic and Social Council to consider the issue of rising food prices, India's UN Ambassador Nirupama Sen, said that the "tradition of these institutions' advice was partly responsible for the crisis in the first place".

The corporate led growth regime has contributed to mass displacement of mainly small and marginal farmers, leading to loss of livelihood opportunities and employment generation for the common people. The widespread farmers' suicides, which reached 150,000 (5) in just eight years (1997-2005), is a manifestation of the ongoing corporatisation and mindless deregulation of the agricultural sector. Though India is seen as a rising economic power and it is hoped that a trickle down effect will benefit the poor and marginalized, in reality the gap between 'Shining India' and 'Suffering India' is widening: 77 percent (6) of the Indian population who survive on Rs. 20/- (half a US dollar) a day, does not figure in this 'booming Indian economy'.

MYTH OF GLOBAL MARKET INTEGRATION

Two years of wheat imports have exposed the fallacies of neoliberal policies. India, once a wheat exporting country was forced to become the largest wheat importer through a design to benefit the global food corporations. The declining procurement of locally produced wheat by the Food Corporation of India (FCI) prepared the ground for wheat imports. This was a sea change from the situation during 2001-2002 to 2004-2005, when the country exported 12.4 million tonnes of wheat. Since early 2006, the USA was pressuring India to break its tariff wall and open up for wheat imports. In March, despite predictions of a bumper wheat harvest, the US Wheat Associates (7) said India would import up to 30 lakh tonnes of wheat in that year. (lakh = 100,000). Following this, the government reduced the applied tariff on wheat from 60 per cent to zero for imports by the State Trading Corporation of India (STC) while for private traders, the duty was brought down to five per cent. This led to import of 5.5 million tonne of wheat in 2006 at prices ranging in between US $178.75 to US $228.94 (8) a tonne when the local wheat production was 69 million tonnes. In 2007 the government first scrapped a wheat import tender at an average price of $263 per tonne in June citing high prices but in July, less than 40 days later, it contracted 5.11 lakh tonne of wheat at an average price of $325.59 per tonne. Then again on September 3, it contracted 7.95 lakh tonne of wheat at an average price of $389.45 (9) but only 1.8 million tonnes of wheat finally landed on Indian ports at double the price of last year despite increase in wheat production upto 74.82 million tonnes in that year. Thus the government paid foreign traders exorbitant price upto Rs 16,000 per tonne while the MSP (market spot price) was only Rs. 8500 per tonne. And the main beneficiaries of the India's wheat import were giant grain corporation like Glencore, Toepfer, Cargill and the Australian Wheat Board who gained at the cost of Indian farmers. However, the import of wheat at expensive rates led to the sharp increase in local wheat and wheat flour prices making it unaffordable for the poor.

The story of wheat is not different from what happened in late 1990s in the edible oil sector when under pressure from the USA, India reduced the duty on the crude edible oil to 15 per cent in August 1998. In July 1999 Oil World reported that India was set to replace China as the world's largest vegetable oil importer and projected India's import around 3.6 million tonnes (MT) in 1998-99 oil year. In the first nine months India had imported 3 MT oil and during 1998-99 oil year, edible oil import amounted to a massive 4.4 MT, an increase of 111 per cent over the previous year's 2.08 MT. The increasing reliance on imports considerably weakened the domestic edible oil production.

In spite of the above experiences, early this year the government allowed liberalisation of imports to deal with rising inflation by reducing import duty to zero in respect of articles like pulses, edible oil and maize; withdrawal of four per cent additional duty on edible commodities; reducing import duty on refined oil and vegetable oil by 7.5 per cent; reduction of import duty on butter and ghee to 30 per cent. But does the reduction in import duties and import of food grain help in containing the domestic food prices? In June 2006 the same government had unilaterally liberalised imports to bolster the supply side of essential commodities but this couldn't control inflation. The government's Economic Survey 2006-07 had said that "duty free wheat imports did not help to check price rise, rather the rising global prices impacted the domestic market in a subtle way". A billion plus population of India cannot depend on the 'ship-to-mouth' existence and the government needs to restore its policy to build up food grain reserves in order to serve the farmers and the consumers. Moreover there is greater threat that the unilateral trade liberalisation as a solution to inflation would soften India's position in WTO.

PUBLIC DISTRIBUTION UNDERMINED BY CORPORATIONS

The Public Distribution System (PDS) (10) has been one of the most crucial elements of food policy and food security system in the country. But the Indian government has been deliberately weakening the public distribution system under the World Bank pressure to benefit the agribusiness corporations. India witnessed a shortage of wheat in 2005-2007 because systematically the foodgrain (wheat and rice) buffer stocks were lowered through below target offtake of grains by government from the farmers.

In order to make a case for wheat import under US pressure, the government went slow on the procurement of wheat in 2005-2007 and deliberately kept the government's purchasing price low to allow multinational corporations to enter the trade. In 2006, Cargill India, the Australian Wheat Board, and two Indian based companies with a lot of foreign equity, ITC and Adani Export, procured 30 lakh tonnes of wheat. In 2003-04, government procured 16.8 million tones of wheat which went down to 14.8 million tonnes in 2004-05 and it further reduced to 11.1 million tonnes in 2005-2006 and last year it was just 9.2 million tonnes. (11) The government deliberately created a situation of food insecurity in the country by allowing multinational corporations to move into agro-business and large procurement. However in 2008 it corrected its faulty policy of reduced procurement and procured a record 20.5 million tonnes (12) till 20 May this year, which is a huge jump from a meagre 11.1 million tonnes in the entire season last year, helped by a bumper crop and higher prices. Moreover the government went a step further and Indian Railways decided to stop allocating wagons for transporting wheat from the growing areas by the private trader, impacting their wheat procurement.

The reduced procurement of food grains resulted in reduced amount of off take by the state governments for the subsidized grain distribution through a network of more than 450,000 Fair Price Shops (FPS). An analysis of data from 2005-06 onward reflects a consistent fall in allocation of wheat in the BPL (below the poverty line) category, even while there was a perceptible upward shift in demand. (13) It means that at a time when open market prices of wheat were rising, there wasn't enough wheat in the PDS for those eligible to buy it there for less than the market prices.

COMMODITY FUTURE: TRADING ON HUNGER

Besides the agribusiness, the traders engaged in future trading in commodities were beneficiaries of the declining food procurement and shrinking of buffer stocks. Infact the opposition parties in India claimed that the lowering of procurement and shrinking of buffer stocks was meant to facilitate the speculative trading of foodgrains. Reduction in government stocks is imperative for the private traders and speculators to speculate on prices of foodgrains. Mr. Sitaram Yechury representing the Community Party of India (Marxist), debating the issue of price rise in the Parliament said that, "three billion dollars a day is the speculation that is taking place in the commodity exchange market of futures and forward trading" across three national level electronic exchanges and twenty-one regional exchanges. In just two weeks, from 17 March to 31 March 2008, the total value of trading at these commodity exchanges was Rs. 2,12,465.17 crores (14). The cumulative value of trade in the last financial year, from 1 April 2007 to 31 March 2008 was to the tune of Rs. 40,65,989 crores as compared to Rs. 5,71,759 two years ago in 2004-2005. One firm calculates that the amount of speculative money in commodities futures markets, where investors do not buy or sell a physical commodity, like rice or wheat, but merely bet on price movements – has ballooned from US $5 billion in 2000 to US$175 billion to 2007 (15). The price behaviour of food over 2007 and the first three months of 2008 is more or less explained by such speculation on food products.

But the speculation and bidding in food stocks does not benefit small and marginal farmers. The Economic Survey 2007-08 clearly stated that, "Direct participation of farmers in the commodity futures market is somewhat difficult at this stage as the large lot size, daily margining and high membership fees … work as a deterrent to farmers' participation in these Markets. Farmers can directly benefit from the futures market if institutions are allowed to act as aggregators on behalf of the farmers". Though the government has put a ban on future trading of some crops, it may be opened up anytime, therefore the government must totally ban the futures trading of food commodities as demanded by the citizens groups and left parties.

RETREATING FROM CAPITALIST ECONOMY

The UPA government under the leadership of Manmohan Singh seems to concede the failure of the capitalist system (but it could be a gimmick for the election, which is due in early 2009). The inflation also made him realise the viability of the small farm essential for the survival of millions of small and marginal farmers and to deal with the food crisis. Recently the Prime Minister made a statement which is discordant with the general pro-market reforms push, including promotion of contract farming, that the UPA government has encouraged for the past four years. At the Global Agro-Industries Forum, the Prime Minister said that, "collectivization, corporatization and land consolidation through land alienation are neither possible nor socially desirable, while warning that rising food prices could hamper the country's economic growth…We cannot wish away the existence of economically unviable farms… It is particularly worrisome that the new economics of biofuels is encouraging a shift of land away from food crops". (16) Even two of his colleagues from the cabinet showed their concern on the capitalist economic model when Mr. Kamal Nath (Union Commerce Minister) and Mr. Sharad Pawar (Union Agriculture Minister), stated that if the need arose they were ready to look at invoking the Nehru-era controls built within existing commodity regulation laws. The last few months have witnessed several steps where the UPA government have retreated from its capitalist move and brought in government regulation to check inflation. One can infer from this development that the UPA government headed by Manmohan Singh (a former World Bank governor) has lost the confidence in the neo-liberal trajectory in agricultural reforms.

SMALL-SCALE FARMERS HOLD THE KEY

Given the deepening of agrarian crisis which is causing hunger and malnutrition in rural areas due to unprecedented decline in purchasing power in the rural areas, the first priority of the government should be to strengthen the agriculture sector by increasing public investment, facilitating public control over inputs and market, strictly regulating the corporate investment in agriculture as well as retreating from neoliberal reforms in agriculture.

Since India is a land of small and marginal farmers, and over 650 million of its over one billion population are directly or indirectly dependent on agriculture, there is urgent need to encourage and strengthen biodiversity based small scale agriculture which are crucial for the food security of the millions of Indians. Infact, it is the small biodiverse farm, which has higher productivity than large industrial farms. Large farmers and industrial farming has serious limitations on increasing agricultural productivity. In the face of a worsening worldwide food-price crisis, even the President of the International Fund for Agricultural Development (IFAD), Mr. Lennart Båge feel that small farmers are now essential to ensure food security, spur economic growth and help mitigate climate change. He said that smallholder farmers are a vital global asset, a key factor for increased food production, economic growth and development, and mitigating climate change. The 2 billion people in rural areas in the developing world can be tremendously more productive. They can be part of the supply response, feeding the world, and also very much a part of the climate change agenda, both in terms of adaptation and mitigation. (17)

In India, small farm based on internal inputs are the only hope to deal with the impending food crisis and can ensure food security and food sovereignty to millions of people living off the farm. A food secure and peaceful India is in the hands of her small farmers.

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PRICE HIKES HIT THE POOR, EVEN IN THAILAND

Jacques-chai Chomthongdi*

When it comes to rice Thailand sees itself as a major player in the world. Nine to ten million metric tons of milled rice leaves Thai ports each year, accounting for almost 30 per cent of the world trade in rice. This puts Thailand as the number one rice exporter, followed by Vietnam and the United States with 5 and 3.5 million metric tons respectively in 2007/2008. When the rice price in the world market started shooting up between the end of 2007 and the beginning of 2008, the Thai government was in a celebratory mood, with the expectation of yielding more popularity among rural constituencies. The rosy picture was, however, short lived. Soaring domestic prices directly hurt the urban population, particularly the poor. Also, there was an increasing skepticism of how much farmers are really gaining from this phenomenon.

There is a public relations effort from the government and agribusiness to let the public believe that the farmers are benefiting significantly. Thus, there is little need for government interventions. After decades of misery, they say, this is the time when the small-scale rural producers have the opportunity to liberate themselves from the vicious circle of debt and poverty altogether.

It is true that the average farm-gate price of paddy jumped to around 14,000 baht per ton in April 2008, from 7,000 baht a year ago. Still, does this mean that Thai farmers got richer by a 100 percent? A closer look at the situation suggests otherwise. Eighty four percent of rice production in Thailand is located in the rain-fed areas where farmers can only cultivate one crop a year. Most of these farmers had already sold their produces by late 2007, prior to the major increase in price. Therefore, majority of the farmers have gained nothing from the current price hike. The rest are those who farm in the irrigated areas concentrated around the central plain where two to three crops a year is possible. They have been receiving high prices for their produce which has been sold during the first four months of this year.

Nonetheless, it does not mean that they all suddenly became wealthier. Far from it: at best, the increase in their income has been marginal and this is because the cost of production has also risen tremendously. On average, the cost of production has increased by almost 100 percent (land rent is up 220 %, labour 60 %, seeds 110 %, fertilizer 150 %, pesticide 100 %, and so on). The scary scenario ahead is if the price of rice decreases in the next harvesting season but the cost of production does not. In this case, farmers will be facing even more debt and will run the risk of losing their remaining land, since they have invested -- at a very high cost -- in both the irrigated and rain-fed areas.

So if the farmers are not making windfall profits, then who is? There are three other main players in the domestic rice business: millers, local distributors, and exporters. Recent investigation reveals that the average miller has been able to increase their return per ton from 400 to 1200 baht, or by 200 %, while operation costs almost have not changed during the last five months compare to the increase in their returns. This figure does not take into account that millers have the capacity to stock rice, which means that a large proportion of the rice in their silo was procured at a much lower price. As for the major local distributors, limit information is available. However, given their capacity to store rice, and the normal advance procurement practice, it is certain that they too are reaping a huge profit from their recent operations.

Regarding the exporters, they do not traditionally stock the rice. They only acquire it after sealing the export order. This limited their ability to speculate in the first few weeks of rising prices, and some of them even lost money. However, after a short period of adjustment, most exporters are now benefiting as well, from an average margin of two per cent per ton of rice they export to around seven per cent presently. If we take into account the fact that price per ton has also increased, we could easily see that large chunk of the gain has landed in the exporter hands as well.

While the businesses are busying dividing the cake, the urban poor are struggling to find affordable rice -- let alone cake -- to feed themselves. They have seen the price of their main food jump threefold in the last five months, while their income has not changed. This automatically means less food and more suffering. This is also true for most of the farmers who have sold all their produce, and now have to buy rice to eat at a higher price.

The private sector and mainstream economists are singing the same song of 'letting the market mechanism do the work'. Thus far, there is almost no government intervention to ease the situation. The only thing that the government has done up until now was to use a small part of the 2.1 million tons of the reserve stock to sell to the people at a lower price. This scheme was not only very late (May 9), but also ineffective since most of the urban poor could not access the rice because of its limited quantity or they could not get to where the rice was being distributed.

The major concern that both the private sector and the officials at the Ministry of Commerce have in common is not the unfair structure of the market nor the people's hunger, but the fear of loosing international rice clients. The worst scenario for them is the change in policy in importing countries, towards more self-sufficiency in rice. Hence, there is a strong pressure on the government as a whole to not send any "unfriendly" signal and to continue facilitating the export of rice.

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PHILIPPINES: SUPPLY CRUNCH ROCKS WEAK AGRICULTURE SECTOR

Mary Ann Manahan*

In various parts of the country, poor Filipinos are lining up for rice, sending out signals that a rice crisis is unfolding in the country. They line up specifically for the subsidized rice sold by the National Food Authority (NFA), the Philippine agency responsible for ensuring food security and the stability in the supply and price of rice in the country. The long lines were triggered by soaring rice prices, which increased by up to 32 percent this month from the year-ago wholesale and retail levels.

The higher prices are due partly to the global crunch in rice supply. According to the United Nations Food and Agriculture Organization, rice stocks have dipped to their lowest level in 25 years. The most optimistic estimates say that global rice supply could slide to 70 million tons, less than half the 150 million-ton inventory in 2000. As a result, global rice prices have surged to historic levels in 20 years, trading in recent months at US $500-700 per ton compared to the US$300 per ton in the year 2000. The rise in prices has been particularly marked since the start of the year. The Philippines, for example, bought rice at US$474.40 per ton in January. By March, this price has increased by 43 percent to US$678.39 per ton.

Various reasons have been blamed for the dwindling global supply and soaring of prices: increases in the cost of oil, transport and fertilizer; rice hoarding; climate change; and the high demand for bio-fuel stock that results in the shrinking of areas planted to rice. Local experts say that the rice crisis is more than just a result of a global phenomenon. According to the Philippine Rice Research Institute and the International Rice Research Institute, failure to achieve rice self-sufficiency is due to the Philippines' geography and booming population. From 60 million in 1990, the country's population has increased to 90 million in 2008. National daily consumption has reached 33,000 metric tons, which is a 14 percent increase from two years ago. This amounts to a per capita consumption of as much as 134 kilos or 2.7 sacks of rice per year.

Based on government figures, rice production has been growing steadily. In 2008, the Philippines is forecast to produce around 17 million metric tons, almost double the production in 1990. However, according to the NFA, the registered growth in palay (paddy or unhusked rice) production is not enough to meet the combined effects of an increase in demand and the need to maintain the required buffer stock by July 1. To contain a surge in rice prices, the country needs to import up to 2.1 million metric tons, one of the largest rice importations in the country's history, to be able to maintain its two-month inventory, which has thinned by 20 percent in the first quarter this year.

NGOs and farmers groups offer alternative explanations for the crisis. According to Centro Saka, Inc., an NGO that works on rural issues, the Philippines' capacity to supply its rice requirements has continued to weaken even as the demand for rice has not increased significantly. It says that the gap between rice supply and demand has hovered at about one million metric tons in the last five years. To cover the deficit, rice importation has steadily increased from 0.7 million metric tons in 1997 to 1.8 million metric tons in 2007. This over-reliance on imports weakens the country's food security and makes it vulnerable to global supply fluctuations such as the one currently being experienced. Land use conversion of rice lands to residential and commercial uses has also been identified as a reason for the crisis. Over the past 20 years, the country has lost nearly half of its irrigated land to urban development. Many claim that at the heart of problem is government's neglect of agriculture over the past two decades and its incoherent food security policy.

These days, civil society watchdogs and rural development advocates are busy urging government to re-prioritize the agriculture sector and address the root causes of the rice crisis. Meanwhile it remains to be seen how effective the Philippine government's immediate response to the crisis is.
It has so far committed to funnel additional 43.7 billion pesos to the rice sector to ensure "abundant, affordable, and accessible" food supply, bulk of which is expected to be spent on rice imports.

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FOOD CRISIS SYMPTOM OF DUBIOUS LIBERALISATION
Aileen Kwa*

GENEVA, May 12 (IPS) - The high food prices that have sparked riots in many parts of the developing world -- from Indonesia, India and Bangladesh to Cameroon, Cote d'Ivoire and Haiti -- should come as no surprise. These are only the latest in a series of events many developing countries have suffered as a result of opening their borders and neglecting domestic agriculture.

A large number of developing countries have conscientiously implemented World Bank and International Monetary Fund (IMF) conditions and World Trade Organisation (WTO) commitments. They have applied the given structural adjustment policies -- and have seen the damaging consequences to their domestic agricultural sector.

The consequence has been the certain erosion of their capacity to produce their own food.

In the era of stronger state control in the 1970s and even the early 1980s, domestic food markets in the developing world were often in the hands of state marketing boards and cooperatives. Marketing boards would guarantee floor prices, and provide fertilisers and seeds. They also controlled import volumes, redistributed food where there were production shortfalls, and purchased commodities from cooperatives.

These marketing boards were not always run in the best possible way; there were many instances of corruption or inefficiency, but they did fulfill certain critical functions. Farmers were provided a market to sell their produce to, which meant they had a livelihood. Prices were stable even though they were often lower than what farmers would have liked.

As a result of these policies, many developing countries were either net food exporters, or at least were nearly food self-sufficient.

All that has changed over the last 20 years. Investment support to farmers was done away with. Small farmers were told to produce for the international market, and their markets were opened to producers from outside. Rather than supporting staple crops, government support went to the export sector. Since all would specialise in the products where they had 'comparative advantage', gains were supposed to accrue all round.

But rather than producing winners, millions of the poorest subsistence farmers were knocked out of their own markets. Imports took over what was previously produced by local people. Over the last 20 years, the production capacity in many countries has severely diminished.

The Philippines has been one prime example of such policies. "During the 60s and 70s, we were self-sufficient," Jowen Berber of Centro Saka, an NGO working on agrarian issues with farmers, told IPS. "That was the time that the government was heavily investing in rice -- irrigation, infrastructure, marketing support and production support such as credits and inputs. But when the government stopped those incentives and subsidies, rice production slowly decreased."

Berber said "the acreage of irrigated land has also been falling because the government has not been maintaining irrigation facilities. We also have a very high level of post- harvest losses in rice -- up to 35 percent because our post-harvest facilities are very old."

Instead of supporting farmers with guaranteed prices as before, Berber said "the government now intervenes to buy less than 1 percent of the domestic rice that is produced. They are buying more imported rice than our own local rice."

A study on import surges by David Pingpoh and Joean Senahoun, commissioned by the UN's Food and Agriculture Organisation (FAO) in 2006, noted that the Cameroon government support to the rice sector was removed in 1994 through implementation of IMF and World Bank policies. The fertiliser market was privatised. Rice yields of poor farmers dropped as fertilisers became unaffordable. Tariffs were liberalised, and annual rice imports doubled from 152,000 tonnes to 301,000 tonnes between 1999 and 2004.

This opening rendered the country vulnerable to the policies of other countries. At the time, India was de-stocking its rice surplus, and rice imports from India increased from 7,900 tonnes in 2001 to 60,300 tonnes in 2002. As a result of this import surge, rice farmers were hard hit, and many left the sector. Land for rice cultivation dropped 31.2 percent between 1999 and 2004.

According to the FAO, Cote d'Ivoire also saw imports flooding in when the market was opened up. As a result of implementing commitments at the WTO, Cote d'Ivoire removed import restrictions on key agricultural goods, particularly rice. Duty on all agricultural products was set at a maximum of 15 percent, except for 25 tariff lines. As a result, rice imports increased at an annual rate of 6 percent from 470,000 tonnes to 715,000 tonnes between 1997 and 2004. Imports were mainly from Thailand, China and India. Domestic production dropped 40 percent over this period.

In Nepal, the civil society organisation ActionAid documents that rice import surges came in 1994, 1996 and 2000, with imports increasing by 175 percent, 55 percent and 800 percent respectively. From 24,500 tonnes imported in 1999, by the year 2000 imports had hit 195,000 tonnes. The porous borders between Nepal and India, and the Nepal-India Trade Treaty were widely seen as the cause of these surges. In certain areas of Nepal, domestic prices fell by nearly 20 percent. The southern belt bordering India saw a multitude of rice plants and rice mills shutting down.

Today, in the latest twist of events, food prices have increased due to global shortfalls. Food production has been redirected towards biofuel production. Drought in Australia has contributed to shortages on the world market. Speculators playing on commodity markets have further increased prices.

Up to 37 countries have been gripped by protests and riots. In Cameroon, seven people were killed in the unrest in February. Food riots also took hold of Abidjan in the Cote d'Ivoire in March this year.

At meetings in Berne in Switzerland to address the global food crisis, UN Secretary- General Ban Ki-Moon, World Bank president Robert Zollick and WTO director-general Pascal Lamy again made a plea for more free trade the panacea. But farmers remain unconvinced that more of the same policies that have contributed to the last two decades of destruction of agriculture can help.

Reacting to the push by the WTO leadership, the World Bank and the UN to stitch up the Doha Round so that further liberalisation can assist in resolving the food crisis, Henri Saragih, international coordinator of the global network of peasant farmers La Via Campesina writes, "Protecting food has become a crime under free trade rules. Protectionism has become a dirty word. Meanwhile, countries have become addicted to cheap food imports, and now that prices are shooting up, hunger is raising its ugly head."

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THE TIME HAS COME FOR LA VIA CAMPESINA AND FOOD SOVEREIGNTY

Peter Rosset*

Around the world it seems more and more that the time has come for La Via Campesina (http://www.viacampesina.org). The global alliance of peasant and family farm organizations has spent the past decade perfecting an alternative proposal for how to structure a country's food system, called Food Sovereignty. It was clear at the World Forum on Food Sovereignty held last year in Mali, that this proposal has been gaining ground with other social movements, including those of indigenous peoples, women, consumers, environmentalists, some trade unions, and others. Though when it comes to governments and international agencies, it had until recently been met with mostly deaf ears. But now things have changed. The global crisis of rising food prices, which has already led to food riots in diverse parts of Asia, Africa and the Americas, is making everybody sit up and take note of this issue.

But, what are the causes of the extreme food price hikes? There are both long term and short causes. Among the former, the cumulative effect of three decades of neoliberal budget-cutting, privatization and free trade agreements stands out. In most countries around the world, national food production capacity has been systematically dismantled and replaced by a growing capacity to produce agroexports, stimulated by enormous government subsidies to agribusiness, using taxpayer money.

It is peasants and families farmers who feed the peoples of the world, by and large. Large agribusiness producers in most any country have an export "vocation." But policy decisiones have stripped the former of minimum price guarantees, parastatal marketing boards, credit, technical assistance, and above all, markets for their produce. Local and national food markets were first inundated with cheap imports, and now, when transnational corporations (TNCs) have captured the bulk of the market share, the prices of the food imports on which countries now depend have been drastically jacked up.

Meanwhile the World Bank and the IMF have forced governments to sell off their public sector grain reserves. The result is that we now face one of the tightest margins in recent history between food reserves and demand, which generates both rising prices and greater market volatility. In other words, many countries no longer have either sufficient food reserves or sufficient productive capacity. They now depend on imports, whose prices are skyrocketing. Another long term cause of the crisis, though of lesser importance, has been changing patterns of food consumption in some parts of the world, like increased preference for meat and poultry products.

Among the short term causes of the crisis, by far the most important has been the relatively sudden entry of speculative financial capital into food markets. Hedge, index and risk funds have invested heavily in the futures markets for commodities like grains and other food products. With the collapse of the home mortgage market in the USA, their already desperate search for new avenues of investment led them to discover these markets for futures contracts. Attracted by high price volatility in any market, since they take their profits on both price rises and price drops, they bet like gamblers in a casino. Gambling, in this case, with the food of ordinary people. These funds have already injected an additional 70 billion dollars of extra investment into commodities, inflating a price bubble that has pushed the cost of basic foodstuffs beyond the reach of of the poor in country after country. And when the bubble inevitably bursts, it will wipe out millions of food producers throughout the world.

Another important short term factor is the agrofuel boom. Agrofuel crops compete for planting area with food crops and cattle pasture. In the Philippines, for example, the government has signed agreements that commit an area to be planted to agrofuels that is equivalent to fully half of the area planted to rice, the mainstay of the country's diet. We really ought to label feeding automobiles instead of people as a crime against humanity.

The major global price increases in the costs of chemical inputs for conventional farming, as a direct result of the high price of petroleum, is also a major short term causal factor. Other factors of recent impact include droughts and other climate events in a number of regions, and a conspiracy involving the CIA to destabilize certain governments not well-liked by Washington. In Venezuela, Bolivia and Argentina, the private sector and the TNCs are working hard to export food items sorely needed by the local population, or otherwise prevent them from reaching market, as a way to delegitimize the leaders of those countries.

Faced with this global panorama, and all of its implications, there is really just one alternative proposal that is up to the challenge. Under the Food Sovereignty paradigm, social movements and a growing number of progressive and semi-progressive governments propose that we re-regulate the food commodity markets that were de-regulated under neoliberalism. And regulate them better than before they were deregulated, with genuine supply management, making it possible to set prices that are fair to both farmers and consumers alike.

That necessarily means a return to protection of the national food production of nations, both against the dumping of artificially cheap food that undercuts local farmers, and against the artificially expensive food imports that we face today. It means rebuilding the national grain reserves and parastatal marketing boards, in new and improved versions that actively include farmer organizations as owners and administrators of public reserves. That is a key step toward taking our food system back from the TNCs that hoard food stocks to drive prices up.

Countries urgently need to stimulate the recovery of their national food producing capacity, specifically that capacity located in the peasant and family farm sectors. That means public sector budgets, floor prices, credit and other forms of support, and genuine agrarian reform. Land reform is urgently needed in many countries to rebuild the peasant and family farm sectors, whose vocation is growing food for people, since the largest farms and agribusinesses seem to only produce for cars and for export. And many countries need to implement export controls, as a number of governments have done in recent days, to stop the forced exportation of food desperately needed by their own populations.

Finally, we must change dominant technological practices in farming, toward an agriculture based on agroecological principles, that is sustainable, and that is based on respect for and is in equilibrium with nature, local cultures, and traditional farming knowledge. It has been scientifically demonstrated that ecological farming systems can be more productive, can better resist drought and other manifestations of climate change, and are more economically sustainable because they use less fossil fuel. We can no longer afford the luxury of food whose price is linked to the price of petroleum, much less whose industrial monoculture production model -- with pesticides and GMOs -- damages the future productive capacity of our soils.

The time has truly arrived for La Via Campesina and for Food Sovereignty. There is no other real solution to feeding the world, and it is up to each and every one of us to join mobilizations to force the changes in national and international public policy that are so urgently needed.

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