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Food crisis

Causes, consequences and alternatives

- Features - Economic and debt crisis -

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The current food model is from top to bottom subject to a high company concentration, being monopolized by a series of transnational agribusiness interests that place their own economic interests above the good of the public and the community.

Today, the food system no longer responds to the nutritional needs of people, nor to sustainable production based on respect for the environment, but is based on a model rooted in a capitalist logic of seeking the maximum profit, optimization of costs and exploitation of the labour force in each of its productive sectors. Common goods such as water, seeds, land, which for centuries have belonged to communities, have been privatized, robbed from the people and converted into exchange currency at the mercy of the highest bidder.

Faced with this scenario, governments and international institutions have bent to the designs of the transnational corporations and have become accomplices, when not co-profiters, in a productivist, unsustainable and privatized food system. The alleged "concern" of these governments and institutions (G8, World Trade Organization, World Bank and so on) at the increase in the price of the staple foods and its impact on the most disadvantaged populations of the Southern countries [1] only reveals their deep hypocrisy with respect to an agricultural and food model that brings them important economic benefits. A model which is in turn used as an imperialist instrument of political, economic and social control by the major economic powers of the North, the United States and the European Union (as well as their agro-alimentary multinationals) with respect to the countries of the global South.

Food crisis

The food crisis situation seen in 2007 and 2008, with a sharp increase in basic food prices highlights the extreme vulnerability of the current agricultural and food model.

A food crisis which has left after another 925 million hungry, according to the United Nations Food and Agriculture Organization (FAO). As its director-general Jacques Diouf puts it: "the number of people suffering from malnutrition before the rise in the price of food in 2007 was 850 million. In that year alone it increased by 75 million to reach 925 million" [2] A figure that will rise to 1.2 billion hungry in 2017, according to the US Department of Agriculture (ETC Group 2008). But in fact, the current food crisis is already affecting directly or indirectly half of the population worldwide, more than three billion people (Holt-Giménez, 2008).

And the price of food hasn't stopped going up. According to the FAO food price index there was an increase of 12% from 2005 to 2006, 24% in 2007, and a rise of about 50% in January and July 2008. Figures from the World Bank point in the same direction: prices have increased 83 % in the last three years. Grains and other staples which are eaten by broad strata of the population especially in the countries of the global South (wheat, soy, vegetable oils, rice and so on) have undergone the most significant increases. The cost of wheat has gone up by 130%, soya by 87%, rice 74% and maize 31% (Holt-Giménez and Peabody, 2008) [3]. . In spite of the good estimates for cereal production, the FAO estimates that prices will remain high in the coming years, and as a result, the poor countries in the main will continue to suffer the effects of the food crisis [4] .

Taking this data into account, it is not surprising that there have been hunger riots in the countries of the South, as it is precisely the basic commodities that feed the poor which have experienced the biggest price rises. In such countries as Haiti, Pakistan, Mozambique, Bolivia, Morocco, Mexico, Senegal, Uzbekistan, Bangladesh and Niger

people have gone onto the street to say: "Enough" in riots that have left dozens of people dead and wounded. These uprisings remind us of what happened in the 1980s and 1990s in the countries of the South in reaction to structural adjustment policies imposed by the World Bank and International Monetary Fund. The causes, once again, are rising prices for food, transportation and public services, that worsen the living conditions of the majority of the peoples of these countries and make their struggle for daily survival more difficult. History repeats itself and neo-liberal policies still leave millions hungry.

But the problem today is not the lack of food, but the inability to gain access to it. In fact, throughout the world cereal production has tripled since the 1960s, while the population on a global scale has only doubled (GRAIN, 2008a). Never in history has there been so much food as today. But for millions of people in the countries of the global South who spend 50-60% of their income to purchase food, a figure that can rise to 80% in the poorest countries, the increase in the price of food has made it impossible to gain access to it [5].

Short term causes

There are conjunctural reasons which have been given and which partially explain this dramatic increase of prices in recent years: droughts and other meteorological phenomena linked to climate change in producer countries like China, Bangladesh and Australia, that have affected crops and will continue impacting on food production; the increased consumption of meat, especially in the countries of Latin America and Asia, due to a change in eating habits (following the model of Western consumption) and a resulting multiplication of facilities for the fattening of livestock; imports of cereals by countries which were until now self-sufficient like India, Vietnam and China, due to the loss of cultivated land; the fall in grain reserves in national systems that were dismantled in the late 1990s all mean that today countries depend fully on volatile world grain markets (Hernandez Navarro, 2008; Holt-Giménez, 2008). All this helps explain in part the causes that have led us to the situation of food crisis but these are partial arguments, which have sometimes been used to divert attention from the underlying causes. Authors such as Jacques Berthelot (2008), Eric Toussaint (2008a) and Alejandro Nadal (2008), among others, have challenged some of these arguments.

From my point of view, there are two short-term causes which have been determinant in rising food prices and should be highlighted: the increase in the price of oil, which would have had an effect directly or indirectly, and growing speculative investment in raw materials. Both factors have finally unbalanced an agri-food system which was extremely fragile. Let's go into detail.

The increase in the price of oil, which doubled in 2007 and 2008 and caused a big rise in the price of fertilizers and transport related to the food system, has resulted in increasing investment in the production of alternative fuels such as those of plant origin. Governments in the United States, the European Union, Brazil and others have subsidized production of agro-fuels in response to the scarcity of oil and global warming. But this green fuel production comes into direct competition with the production of food. To give just one example, in 2007 in the United States 20% of the total cereal harvest was used to produce ethanol and it is calculated in the next decade that this figure will reach 33%. We can imagine the situation in the countries of the South.

In April 2008, the FAO recognized that "Eurosoein the short term, it is highly likely that the rapid expansion of green fuels worldwide will have a significant impact on Latin American agriculture" (Reuters, 15/04/08)." And the diversion of 5% of world cereal production to the production of agro-fuels leads directly to the increase in the price of grains. To the extent that cereals such as maize, wheat, soy or beet have been diverted to agro-fuels, the supply of cereals on the market has fallen and consequently prices have increased. According to various sources, the impact has been greater or lesser, but always key: the US Department of Agriculture believes that agro-fuels have generated an increase in the price of grains of between 5 and 20%; the International Food Policy Research Institute

(IFPRI) considers that the figure is around 30% while a World Bank report says that the production of agro-fuels would have led to an increase of 75% in the price of grains (Holt-Giménez, 2008).

Another conjunctural cause to be taken very much into account as a generator of this rise in prices has been the growing speculative investment in raw materials since the crash in the dotcom and real estate markets. After the collapse of the high risk mortgage market in the United States, institutional investors (banks, insurance companies, investment funds and so on) and others have sought safer and more cost-effective places to invest their money. To the extent that food prices have risen, they will direct their capital to the futures market pushing the price of grains upwards and further worsening food price inflation (Holt-Giménez, 2008).

Today it is estimated that a significant part of financial investment in the agricultural sector has a speculative character. According to the most conservative data, this figure would be 55% of the total, a volume which increases as the liberalization of agricultural production deepens. Note, also, the study by Lehman Brothers indicating that from the year 2003 the index of speculation in raw materials (integrated at 30% for agricultural materials) increased by 1,900% (García, 2008a).

Structural causes

Beyond these short-term elements, there are underlying reasons that explain the current deep food crisis. The neoliberal policies applied indiscriminately in the course of the last thirty years on a planetary scale (trade liberalisation at all costs, payment of the foreign debt for the countries of the South, privatization of public services and goods and so on) as well as a model of agriculture and food at the service of a capitalist logic bear the primary responsibility for this situation. In fact, we have a deeper systemic problem with a global food model which is extremely vulnerable to economic, ecological and social shocks.

As Eric Holt-Giménez (2008) puts it, the economic "development" policies driven by the countries of the North from the 1960s onwards (the Green Revolution, structural adjustment programmes, regional free trade treaties, the World Trade Organization and agricultural subsidies in the North) have led to the destruction of food systems.

Between the 1960s and 90s, the so-called "green revolution", promoted by various international institutions and agricultural research centres, took place, with the "theoretical" objective of modernizing agriculture in non-industrialized countries. Early results in Mexico and, subsequently, in south-east Asia were spectacular from the point of view of production per hectare, but this increase in land yield did not have a direct impact on the reduction of hunger in the world. Thus, although world agricultural production increased by 11 %, the number of hungry people in the world also rose by 11 per cent, from 536 million to 597 (Reichmann, 2003) [6].

As Rosset, Collins and Moore Lappé (2000) put it: "the increase in production which was at the centre of the green revolution was not enough to relieve hunger because it does not alter the concentration of economic power, access to land or purchasing power... the number of people who are hungry can be reduced only by redistributing purchasing power and resources among those who are malnourished... if the poor have no money to buy food, increased production will solve nothing".

The Green Revolution had negative collateral consequences for many poor and medium peasants and for long-term food security. Specifically, the process increased the power of agribusiness corporations in the market chain, caused the loss of 90% of agro and bio diversity, massively reduced water levels, increased salinisation and soil erosion, and displaced millions of peasants from the countryside to the slums of the city, while dismantling traditional agricultural

and food systems which guaranteed food security.

In the 1980 and 90s, the systematic application of structural adjustment programmes [7] in the countries of the South by the World Bank and International Monetary Fund, so that they could pay the foreign debt, aggravated further the already difficult living conditions of the greater part of the population in these countries. The programmes had as their main focus the subordination of the economy of the country to the payment of debt by applying the maxim "export more and spend less".

The shock measures imposed by these programmes consisted of forcing the governments of the South to withdraw subsidies to commodities such as bread, rice, milk and sugar and a drastic reduction in public spending on education, health, housing and infrastructure. Devaluation of the national currency was forced, making products cheaper to export, but reducing the purchasing power of the domestic population while interest rates were increased in order to attract foreign capital with high rates of remuneration, generating a speculative spiral. Ultimately, a series of measures which led to the most extreme poverty for the peoples of these countries (Vivas, 2008a).

At the trade level, the programmes promoted exports to boost foreign currency reserves, increasing monocultures for export and reducing agriculture for local consumption with a consequent negative impact on food security and dependence on international markets. Thus customs barriers were dismantled, facilitating the entry of highly subsidized products from the United States and Europe which sold below their cost price, at a price lower than local products, destroying local production and agriculture, while economies were fully opened to the investments, products and services of the multinationals. The massive privatization of public enterprises, mostly to the benefit of Northern multinationals, was widespread. Such policies had a direct impact on local agricultural production and food security, leaving these countries at the mercy of the market, the interests of transnational corporations and the international institutions promoting these policies.

The World Trade Organization (WTO), established in 1995, consolidated the policies of structural adjustment programmes by means of international treaties, subjecting national laws to its designs. Trade agreements administered by the WTO like the General Agreement on Trade and Tariffs (GATT), the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) further consolidated the control of the countries of the North over the economies of the South.

The WTO policies forced developing countries to eliminate tariffs on imports, end protection for and subsidies to small producers and open their borders to the products of transnational corporations while the markets of the North remained highly protected. In the same way, regional treaties like the and North American Free Trade Agreement (NAFTA) Central America Free Trade Agreement (CAFTA) deepened trade liberalization, leading to bankruptcy for the farmers of the South and making them dependent on food imports from the countries of the North.

US and European agricultural subsidies, directed mainly towards the agri-food industry, obliterate the small local producer. This support to agribusiness accounts for a quarter of the value of agricultural production in the US and 40% in the European Union (Holt-Giménez, 2008). In the Spanish state, the main recipients of this aid are the larger holdings: seven producers, including the Duchess of Alba, are the biggest beneficiaries of the European Union's common agricultural policy. It is estimated that 3.2% of major producers in Spain receive 40% of this direct aid (Intern Oxfam, 2005), while family holdings, supporting rural areas in Europe and millions of farmers in South, have virtually no support and suffer from the unfair competition of these highly subsidized products.

From exporting countries to importers

These "development" policies driven by international institutions with the blessing of the respective governments and at the service of the transnational corporations have ended up with a local and sustainable production system being replaced by a model of intensive industrial food production subject to capitalist interests that have led to current situation of crisis and food insecurity.

The countries of the South that until forty years ago were self-sufficient and even had agricultural surpluses amounting to billions of dollars today have become fully dependent on the international market and import an average of \$11,000 million in food annually [8]. . As noted by Eric Holt-Giménez (2008): "The increased food deficit in the South reflects the increase in food surpluses and expansion of the market in the industrial North as well as its agro-industrial complex. In the 1960s, for example, Africa exported \$1,300 million in food, today the continent imports 25% of its food."

The cases of Haiti and Mexico

The case of Haiti is revealing. As Bill Quigley (2008) puts it, up until thirty years ago this country produced all the rice needed to feed its population, but in the middle of the 1980s, faced with a situation of acute economic crisis (when the Haitian dictator Jean Claude "Baby Doc" Duvalier left the country, emptying its coffers), it began lending from the International Monetary Fund. A spiral of "domination" began that took the country deeper into political and economic dependency on the international financial institutions and, in particular in relation to the United States.

For these loans, Haiti was forced to apply a series of structural adjustment policies and trade liberalization with the reduction of tariffs protecting the production of crops, including rice. This opening allowed the indiscriminate entry of subsidized US rice sold far below the price at which local farmers could produce it. As explained by Bill Quigley (2008) quoting the Haitian priest Gerard Jean-Juste: "during the 1980s, imported rice entered the country at a price much lower than that at which our farmers could produce it. They lost their jobs and fled to the cities. After a few years of cheap imported rice, local production dropped miserably". A fact which led to the most absolute misery for Haitian peasants who, unable to compete with this rice, abandoned their crops. Today, Haiti has become one of the main importers of US rice.

Accordingly, when in April 2008, the price of rice, beans, and fruit rose by more than 50% in Haiti; this made access to them impossible for most of the population. Several days of riots in the poorest country in Latin America, where the adult diet is 1,640 calories (640 less than the required average according to the UN World Food Programme), highlighted the extent of the tragedy. Faced with the impossibility of buying food, they eat tortillas made of mud with salt.

What interest could the US have in the Haitian rice market when it is the poorest country in Latin America? In Haiti, 78 per cent of the population lives on less than two dollars a day, and more than half on less than a dollar a day, while life expectancy is 59 years. But, according to the US Agriculture Department, in 2008, Haiti was the third largest importer of US rice, highly subsidized by the US Government by billions of dollars per year. And who are the beneficiaries? Between 1995 and 2006, for example, a single producer, Riceland Foods Inc., received \$500 million in grants. According to the Washington Post in 2006, the US government paid at least 1.3 billion dollars in grants since 2000 to individuals who had never grown anything including 490,000 dollars to a Houston surgeon who had purchased a field near a locality that once had cultivated rice (Quigley 2008). With regard to tariffs, the United States sets a direct tariff barrier from 3% to 24% of rice imports, exactly the same protection it demanded that Haiti abandon in the 1980s and 90s.

Mexico, the cradle of maize, is another textbook example of the wrenching away of food sovereignty. The tortilla

crisis at the beginning of 2007, with the abrupt increase in prices by 60%, due to the rise in the cost of maize, the basic component of the tortilla, placed Mexico on the edge of economic crisis and led to global alarm. The US government subsidies to the production of agro-fuels meant that producing maize for ethanol was more profitable than food production and consequently pushed its price up.

But the tortilla crisis, like the food crisis today, has deeper roots and cannot be understood without analyzing the impact of free market policies imposed by the World Bank, the International Monetary Fund (IMF) and Washington in recent years that converted Mexico into an importing economy dependent on the United States for maize.

In August 1982, the Mexican government declared itself bankrupt to repay its foreign debt, but the situation of social and economic crisis forced the government to indebt itself with commercial banks and international institutions. In exchange for the funds provided to service its debt, the IMF and World Bank imposed on Mexico a series of conditions under a structural adjustment programme: opening of markets, elimination of tariffs and state regulations, contraction of public spending, dismantling of the state credit system, subsidies to agricultural inputs and guaranteed prices, and an end to state services in collection, marketing, warehousing and insurance of harvests, among other things (Vivas, 2008a; Bello, 2008) [9].

This coup, as noted by Walden Bello (2008), followed another which was even more significant: the entry into force on January 1, 1994 of the North American Free Trade Treaty (NAFTA) that resulted in a massive influx of highly subsidized US maize, flooding markets, undercutting local maize prices and plunging the sector into a deep crisis.

With the closure of the state agency for marketing maize, the distribution of maize in Mexico, both US and indigenous, was in the hands of a few transnationals like Cargill and Maseca, who had an immense power to speculate with commercial trends. This monopoly sector allows means, for example, that a substantial rise in international maize prices is not translated into significantly higher prices for small local producers (Bello, 2008; Patel, 2008). This situation has generated the massive abandonment of the Mexican countryside by small producers of maize and rice and stock breeders who cannot compete with the subsidized US products and flee to the "planet of slums" (Davis 2008). It is estimated that a total of 1.3 million peasants had abandoned the countryside eight years after the entry into force of NAFTA, a significant number of them emigrating to the United States (Polaski, 2004).

But the cases of Haiti and Mexico are extrapolated to many other countries of the South, where the systematic application of neoliberal policies in recent years has not only finished off a system agricultural production, farming and indigenous food production but also any type of protection and support to communities, industries and public services. Following these same mantras in Sri Lanka, for example, the World Bank proposed ending the production of rice, a traditional crop for more than two thousand years and the basis of local food production, because it was cheaper to import it from Vietnam or Thailand (2006 Houtart). In the Philippines, the neoliberal economic restructuring of the state in the 1990s transformed a net exporter of food into the largest importer of rice in the world, buying annually on the international market between one and two million of tons of rice to supply domestic demand (Bello 2008). The logic of the free market has condemned these countries into a spiral of domination and misery.

Impact in the North

The consequences of the global food crisis have their echo in the countries of the North. In the course of 2008 farmers, fishers, hauliers, livestock breeders and others took to the streets due to the increase in the cost of fuel and raw materials and to demand fair remuneration for their produce, while the prices of foodstuffs grew incessantly.

In January 2008, thousands of stock breeders demonstrated in Madrid, at the initiative of the Coordination of

Organizations of Farmers and Stockbreeders (COAG) to demand concrete solutions to the crisis in the sector. COAG pointed out that the main problem was the rise in the price of feed and the trend to lower prices at source. A situation that endangered the viability of 400,000 small and medium-sized farms unable to translate the increase in production costs into sale prices (EFE, Jan 24, 2008).

At the beginning of May 2008, some 9,000 farmers and ranchers demonstrated in Madrid to demand that the government introduce a new law on trade margins that limited the difference between the price paid at origin and the price of sale to the public, today averaging up to 400%. Mass distributors through supermarkets, hypermarkets, and discount chains are those who benefit most at the expense of the producer and the consumer.

At the end of that May, about 7,000 fishers gathered before the Environment Ministry building in Madrid to protest against higher fuel prices and lack of aid (petrol prices had risen by more than 320% in five years while the price of fish was constant). During the protest, the fishers, who had come from all over the state, gave away twenty thousand fish kilos of fresh fish. The current situation in the sector makes continuing to fish virtually unsustainable (Reuters, 30/05/08). Hauliers also joined the protests, blocking motorways and roads, due to the rise in the price of diesel fuel, which had already added 50% to their costs (El Mundo, 10/06/08). Examples could continue.

At the same time, in recent years the prices of the products that are part of our food basket have not stopped rising. In 2007, the price of milk increased by 26%, onions by 20%, sunflower oil by 34%, chicken by 16%, and this has been the trend for most foods, according to data provided by the Ministry of Industry, Tourism and Commerce at the end of 2007, while the consumer price index only reflects an increase of 4.1% in that same year.

It is obvious is that the effects of food crisis at both ends of the planet are hardly comparable. In the North, we are only spending one 10 and 20% of our income to purchase food, while in the South this figure rises to 50-60% and can even reach 80%. But this does not remove the importance of noting the impact that this rise in prices has here, while the profits of the multinationals continue to rise and the governments advocate greater economic liberalisation.

The situation gets worse every day. In the last ten years in the Spanish state almost ten farms a day have disappeared and the active rural population has been reduced to 5.6% of the total, with mostly older people remaining. With these figures, in the next fifteen years, Spain will have to import 80% of the food needed to feed its population (Terra Foundation, 2006). Agricultural incomes have fallen incessantly and today amount to 65% of average income. Not surprising when, for example, the consumer price index rose by 4.2% in 2005, while the sale price of agricultural products declined. A trend repeated year after year (2007 DOE). Source prices of agricultural products have multiplied by up to eleven times and it is estimated that more than 60% of the final profit from the price of the product is focused on the last part of the chain, the supermarket (2007 COAG).

Who gains?

The global food crisis benefits the multinationals that monopolize each one of the links in the chain of production, processing and distribution of food. Indeed the economic benefits for the major seed, fertilizer, marketing and processing multinationals in the food area and the retail distribution chains have increased incessantly. It is a global agro-industrial complex that has been growing for half a century, supported by public funds, international cooperation and international agricultural "Eurodevelopment" policies.

In 2007 the main seed companies, Monsanto and Du Pont, declared increased profits of 44% and 19% respectively for the previous year. The largest fertilizer companies, Potash Corp, Yara and Sinochem saw profits grow by 72%, 44% and 95% between 2007 and 2006. The same happened with the main food processors like Nestlé with profits

up by 7% in the same period. The big commercial distributors also boosted their margins. The main supermarket chain in Great Britain, Tesco, declared an increase of 12.3% in their profits in this period, while Carrefour and Wal-Mart identified sales of food as their main source of income (GRAIN, 2008a; Vivas, 2008b). The 2007 annual report by the US supermarket chain Safeway showed that net income rose by 15.7% between 2006 and 2007.

The key lies in the practice of these multinationals: selling large volumes with small margins and supplying themselves directly from the producers. The increase in the price of cereals triggered, according to GRAIN (2008b), "a fever in the world of big business for more control throughout the food chain". The agribusiness multinationals and the retail distribution companies deepened their control of the productive chain, especially through the direct trading of agricultural production, with the aim of reducing procurement costs and guaranteeing profits.

The whole of the agri-food chain is subjected to a high business concentration. In the year 2007, the value-added of mergers and acquisitions in the global food industry (including manufacturers, distributors and sellers) was approximately \$200 billion, double what it was in 2005. These mergers reflect the global trend upward in the creation of monopolies in the food industry (ETC Group 2008).

If we start with the first link of the chain, seeds, we observe that ten of the largest global companies (Monsanto, DuPont, Syngenta, Bayer and so on) control half of their sales. It is a market with a value of approximately 21 billion dollars a year, a relatively small sector compared to pesticides or pharmaceuticals (ETC Group, 2005a), but we must bear in mind that this is the first link in agri-food and, consequently, the risks its control involves for food safety. Intellectual property laws giving companies exclusive rights over seeds have further stimulated business concentration and have eroded the basic rights of farmers to maintenance of native seeds and biodiversity. In fact, 82% of the market in commercial seeds throughout the World consists of patented seeds (subject to exclusive monopolies such as intellectual property) (ETC Group 2008).

The seed industry is closely linked to that of pesticides. The bigger seed companies also dominate the pesticides sector and, frequently, the development and marketing of both products is done together. But in the pesticide industry monopoly is even higher and the ten largest firms control 84 per cent of the global market (ETC Group, 2005b). Mergers and acquisitions of companies have the aim of achieving optimal economies of scale to compete on the world market. Agreements of the "Euro-technological cartel" type, for example, are increasing. In 2007, as the ETC Group (2008) has noted, the world's biggest seed company and biggest chemical company, Monsanto and BASF, undertook a collaboration agreement in research and development to increase performance and tolerance to drought in corn, cotton, rape and soy. These agreements allow companies to enjoy all the benefits of oligopolist markets without anti-monopoly restrictions.

This same dynamic is observed in the big distribution sector with a high business concentration. In Europe, between 1987 and 2005, the market share of the ten biggest multinationals has been increasing and is currently 45% of the total, and it is predicted that this could reach 75% in the next 10-15 years (IDEAS 2006). In countries like Sweden, three supermarket chains control about 95.1% of market share; and in countries like Denmark, Belgium, Spain, France, Netherlands, Great Britain and Argentina, a few companies dominate 45-60% of the total (García and Rivera, 2007) [10]. Megamergers are the usual dynamic. The large corporations, with their matrix in Western countries, absorb smaller chains worldwide ensuring their expansion internationally, especially in the countries of the global South.

This monopoly and concentration allows strong control to determine what is eaten, at what price, in what way, and how it is prepared and so on. In 2007 the world's biggest company in terms of sales revenues, according to the Fortune Global 500 list, was the retail multinational Wal-Mart (number one in the list) [11], ahead of the oil and car giants like Exxon Mobile, Shell, British Petroleum or Toyota. Further down, Carrefour (number 33), Tesco (number 51), Kroger (number 87), Royal Ahold (number 137), and Alcampo (number 139), among others. This retail

distribution model exerts a strong negative impact on the actors involved in the food chain: farmers, suppliers, consumers, workers, and so on (Montagut and Vivas, 2008).

Institutional complicity

This set of multinationals that control each of the links of the agri-food chain have the explicit support of the political elites and international institutions that prioritise the profits of these companies over the nutritional needs of people and respect for the environment. A few corporations rake in big profits thanks to a liberalized and deregulated agri-business model.

International institutions like the World Bank, WTO, IMF, FAO as well as the Alliance for the Green Revolution in Africa, the government of the United States, the European Union and the big multinationals in the sector say that the cause of the global food crisis lies in the lack of food production. Number two at the FAO, JosÃ© MarÃ¡a Sumpsi made it very clear in saying it was a problem of supply and demand due to increased consumption in emerging countries like India, China or Brazil (El PaÃ­s, 21/04/08). The same line was taken by the Secretary-General of the United Nations, Ban Ki-Moon, at the FAO's high-level summit on food security held in Rome in June 2008, claiming that it was necessary to increase food production by 50% while rejecting constraints on the exports of countries affected by the crisis.

The results of the summit reflected the consensus reached between the United Nations, the World Bank and the IMF to maintain economic and trade policies of South-North dependency and support the agri-food multinationals. Recommendations in favour of greater openness of markets in the South, subsidized imports of food to aid development and a new green revolution point in this direction (Vivas, 2008c). And the "solutions" recommended by these bodies are the causes of the current food crisis: further liberalization of international agricultural trade, introduction of more technological and transgenic packages and so on.

As Eric Holt-GimÃ©nez (2008) notes: "these measures simply strengthens the corporate status quo that controls the food system". The solution cannot be freer trade because it has been demonstrated that freer trade involves more hunger and less access to food. Nor it can be argued that the problem today is the lack of food, never in history has there been a bigger production of food in the world. There is not a crisis of production, but a total inability to access that production for extensive sections of the population who cannot afford current prices.

Capitalism in crisis

The situation of acute food shortages exists in a context of a systemic crisis of capitalism with multiple facets: economic, ecological, social, food, energy and so on. Capitalism has demonstrated its inability to meet the basic needs of most of the world's population (access to food, housing, decent public health and education services) as well as its total incompatibility with the maintenance of the ecosystem (growing loss of bio and agro diversity, increasing climate change) (Antentas and Vivas, 2008). This has been more dramatic in the countries of the South, which have been hardest hit by the food crisis, aggravating structural poverty they have experienced for decades.

It is clear where what has for more than fifteen years been presented as a triumphant and victorious ideology, as the only possible ideology, has in a relatively short time suffered a very serious crisis of credibility and legitimacy. But even so, neo-liberal policies continue and intensify in a framework of inter-imperialist global competition and tension between the imperialist countries and the new emerging powers such as China and India.

In the current situation of ecological and social crisis, according to Reichmann (2008) three broad phenomena converge: (a) an anthropogenic climatic crisis, created by humans, as a result of greenhouse effect gases. (b) an energy crisis due to our dependence on fossil fuels which today is approaching dramatically toward its end. A dynamic which will shortly also affect natural gas and coal (Fernández Durán, 2008) (c) a crisis of biodiversity with the disappearance of species of animals and plants and the degradation of ecosystems that could lead to a "sixth mega-extinction", the previous ones occurring by externally caused disturbances of the biosphere and which would lead to an almost complete disappearance of life on the planet, this time resulting from human activity. A situation which is attributable to the very poor insertion of human systems in natural systems.

Industrial agriculture and climate change

The current model of agricultural production and industrial ranching contributes to deepening the global ecological crisis with a direct impact on the generation of climate change. As the Stern report (2006) states, agro-industry is one of the main sources of the generation of greenhouse gases, ahead even of energy and transport. As the García report (2008b), based on that of Stern, states, if we take the impact of deforestation (which generates 18% of greenhouse gases) and the impact of the current agricultural and livestock model (which causes 14% of these gases), both concepts together are responsible for 32% of greenhouse gases. A figure that can be attributed certainly to the model of intensive and industrial agriculture which is primarily responsible for climate change globally, ahead of the energy (24%) and transport (14%) sectors. These figures highlight the strong impact of the current agricultural model on the erosion of the environment and its contribution to the ecological crisis.

Not forgetting the elements that characterize this food production system: intensive, industrial, involving extensive mileage, oil-dependent and so on. In detail, intensive because it is based on an over-exploitation of soils and natural resources causing the release of greenhouse gases from forests, crops and pasture. To place productivity ahead of care for the environment and the regeneration of the land breaks the balance whereby soils capture and store carbon, contributing to climate stability. Thus, this balance is broken and intensive farming ends up generating CO₂ (Robert 2002).

Industrial because it consists of a mechanized production model with use of agrochemicals, monoculture, and so on. The use of giant tractors to till the soil and process food certainly helps the release of more CO₂. The unavoidable chemical fertilizers in agriculture and modern ranching generate a significant amount of nitrous oxide (NO₂), one of the main sources of greenhouse gas emissions. The use of these synthetic fertilizers on the land leads to a chemical reaction and the release of NO₂ (García, 2008b). Likewise, the burning of forests and jungles to create pasture or monocultures seriously affects biodiversity and contributes to the massive release of carbon.

Oil dependent and involving extensive mileage because it is a delocalised production of goods in search of cheaper labour and looser environmental laws. The food we eat travels thousands of miles to get to our table with the consequent environmental effect in terms of fossil fuels used for transport. It is calculated that most food today travels between 2,500 and 4,000 kilometres before consumption, 25% more than in 1980. We face a totally untenable situation where, for example, the energy used to send a few Almería lettuce to Holland is three times superior to that used to cultivate them (Fundación Terra, 2006). According to the British study Eating oil: food supply in a changing climate (Jones, 2001) a typical British Sunday meal might involve strawberries from California, blueberries from New Zealand, veal from Australia, potatoes from Italy, beans from Thailand carrots from South Africa generating 650 times more emissions of carbon due to transport than if the same meal had been made with locally grown food. An irrational practice, given that much of the food imported is produced at the local level.

But food voyages do not only entail growing environmental pollution, but also induce harmonisation and productive standardisation. For example, if until a few years ago in certain regions of Europe hundreds of varieties of apple

existed, today in a supermarket you may only find ten types throughout the year. This has led to the abandonment of the cultivation of indigenous varieties for those with a greater demand for big distribution in terms of characteristics of colour, size and so on (Patel 2008). A situation that might be applied to many other foods such as maize, tomatoes, potatoes and so on, where the commercial and productive approach has predominated over what is ecological and sustainable.

This model, as well as its high use of oil, involves a strong dependence on fossil resources. As a result, to the extent that the agricultural and ranching productive model depends heavily on oil, the food and energy crises are intimately linked and the causes of the first are also responsible for the second.

Financial crisis and food crisis

In the course of 2007 and 2008 the biggest international financial crisis since 1929 broke out. The crisis of subprime mortgages in mid-2007 was one of its detonators, leading to historical stock exchange collapses worldwide, numerous financial bankruptcies, constant unprecedented interventions by central banks and government bailouts, an unprecedented deterioration of the real economy that meant entry into recession for some of the world's most industrialized economies. As Toussaint (2008b) notes, "If there was no massive and concerted intervention by the public authorities bringing aid to the thieving bankers, the current crisis would have already acquired major proportions", and he adds that "this economic and financial crisis that has struck the whole planet will increasingly affect the developing countries".

The financial and food crises are the result of the same policies of deregulation and have supplemented each other. This liberalization of markets increased their vulnerability. With the crisis of high risk mortgages in 2007 investors began to seek safer places to invest, like agricultural products and oil. This led to the increase in the prices of food and agricultural supplies, contributing to the situation of food crisis and pushing 2008 prices upward (Holt-Gimenez, 2008).

Despite the fact that the financial and economic crisis has led to a decrease in speculation in raw materials and resulted in a reduction in their prices, this has not had a direct impact on the final cost of food. According to Eric Holt-Gimenez the economic crisis has exacerbated the food crisis, because governments and international institutions claim that there can be no more economic resources to alleviate the situation of famine and the price of food in supermarkets has not fallen, although they promote the sale of low-cost products through various mechanisms [12].

The financial and food crises have triggered what GRAIN (2008c) has called a "new world cycle of appropriation of lands". The situation of food insecurity has led certain governments like Saudi Arabia, Japan, Korea, Libya, Egypt, and other countries reliant on food imports to acquire farmland in different parts of the world with the objective of producing food themselves for domestic consumption. They are buying land in countries such as Cambodia and Sudan, where there is a serious food crisis situation. In Sudan, the UN World Food Programme attempts to supply food to 5.6 million refugees, while in Cambodia some hundred thousand families, a half a million people, lack food.

But these Governments see the sale of land as an economic opportunity and as a way to get new foreign investment.

Viewing business opportunities, the agri-food industry and private investors have followed a similar dynamic. The purchase of agricultural land is regarded as a stable income option in a situation of economic crisis. According to GRAIN (2008c): "in many parts of the world food prices are high and land prices are low. And most of the solutions to the food crisis talk of extracting more food from the land we have. And it is clear that it

will be business that will have control of the best lands, near available water supplies". So there is a growing privatization process and concentration of fertile agricultural land to further threaten the world's food security.

There are alternatives

But there are alternatives. Faced with the usurpation of natural resources, there is the argument for food sovereignty: that communities control agricultural and food policies. Land, seeds, water and soon have to be returned to farmers so that they can feed themselves and sell their products to local communities, the surplus being assigned to fair international trade. We are talking about practices that have been carried out for centuries and have guaranteed food security for broad sections of the population through diversification of crops, care of the land, the use of water, the creation of local markets and community food systems. The methods of production and distribution of equitable and sustainable food supplies already exist, we only need the political will to implement them (Vivas, 2008d) Furthermore, a comprehensive agrarian reform of the ownership and production of land is necessary, together with nationalization of natural resources.

The restoration of agriculture into the hands of the peasantry will allow us to ensure universal access to food. The results of a comprehensive international consultation that lasted four years and involved more than 400 scientists, carried out for the International Assessment of Agricultural Science and Technology in Development (IAASTD), a system of assessment set up by the World Bank in partnership with the FAO, the UNDP, UNESCO, representatives of governments and private, scientific, social institutions, concluded that agro-ecological production provides income, food and money to the poor while generating a surplus for the market, being a better guarantor of food security than transgenic production. In the same way, a study by the University of Michigan concluded that agro-ecological farms are highly productive and able to guarantee food security throughout the planet, contrary to industrialized agricultural production and free trade (Holt-Giménez, 2008).

And several studies show that peasant production on a small scale can yield a high performance while using fewer fossil fuels, especially if food is marketed locally or regionally. As a result, investment in household peasant production is the best guarantee of eradicating poverty and hunger, and more so when ¾ of the of the world's poorest people are small farmers (Holt-Giménez, 2008).

Governments should support small-scale and sustainable production, not through mystification of "small" or ancestral forms of production, but because it will allow us to regenerate soils, save fuel, reduce global warming and achieve food sovereignty. Currently, we are dependent on the international market and the interests of agro-industry and the food crisis is the result. As the coordinator general of *via Campesina*, Henry Saragih, states, it is necessary for national governments to give "absolute priority to domestic food production to reduce dependence on international trade. Small farmers would have to be supported with the best prices for their products and more stable markets to produce food for themselves and their communities, which would mean an increase in investment in the production of food of peasant origin for local marketing" [13]. Public policies must promote indigenous farming which is sustainable, organic, free of pesticides, chemicals, and transgenics, and for products not cultivated locally to employ fair trade instruments at the international level. It is necessary to protect agro-ecosystems and biodiversity which are seriously threatened by the current model of agriculture.

Faced with neoliberal policies it is necessary to generate mechanisms of intervention and regulation to stabilize market prices, control imports, set quotas, prohibit dumping and at times of over production create specific reserves for times of food shortage. At the national level, countries have to be sovereign to decide their degree of self-sufficiency in production and prioritize the production of food for domestic consumption without external intervention.

Similarly, we must reject the policies imposed by the World Bank, IMF, WTO and bilateral and regional free trade treaties as well as prohibiting financial speculation, trading in food futures and the large scale production of agro-fuels for "green oil". It is necessary to put an end to instruments of North-South domination like the payment of the foreign debt and fight the power of agribusiness corporations.

Faced with the monopolistic nature of the production, processing and distribution of food we must demand regulation and transparency along the chain of product marketing. The agro-industrial complex has very negative effects on all actors involved in the food chain: peasants, workers, traders, suppliers, consumers. We need public policies to support small farmers in ecological agriculture, neighbourhood trade, which defends the rights of workers, meanwhile supporting an "alternative" consumption on the local market, agro-ecological consumption cooperatives, short marketing circuits with a positive impact in the area and a direct relationship with those who work the land.

There are moves towards a responsible consumption related to what we really need, as opposed to a consumerism which is excessive, anti-ecological, unnecessary, superfluous and unfair, promoted by the capitalist system (Sempere, 2009; Ballesteros, 2007). As Jorge Reichmann (2008) says: "There are very strong socio-cultural elements such as this expansive culture of going further that capitalism actively promotes, this emphasis on the unlimited nature of human wishes, the transcendence of limits, the indefinite improvement of the human condition human mistakenly identified with increased consumption of goods and services". Joaquim Sempere (2007) points to some ways out of the current historical situation of collective waste of finite natural resources, obliging us to move towards a "voluntary austerity", in spite of the difficulties that this involves in individual deprivation for the sake of a general benefit, and adds: "the only viable austerity for entire societies is imposed austerity" but the imposer should not be "an authority external to society, but the 'collective will' emerging from society itself through decision-making mechanisms assumed as binding".

More than individual action, which has an important demonstration value and provides consistency to our everyday practice, collective action is essential, breaking the myth that individual actions by themselves generate structural change (Recio, 2006). In the area of consumption, we can participate in consumer cooperatives of agro-ecological products that usually operate at the neighbourhood level on the basis of self-managed work establishing direct purchase relationships with the farmers and producers in our environment with the aim of carrying out an ecological, solidarity-based consumption supporting local farmers.

But it is essential that this political action goes beyond the scope of consumption, to establish partnerships between different sectors of society affected by capitalist globalization and act politically. The situation of systemic crisis of capitalism, with its various facets: ecological, financial, food, energy and so on makes this collective political action more necessary than ever. Partnerships between farmers, workers, women, immigrants, young people and so on are a prerequisite for progress towards that "other possible world" advocated by the social movements.

Political-social action with the aim of achieving real change in the political and economic institutions towards a new model of development and sustainable social and ecological growth is essential: it requires legislation prohibiting the cultivation and marketing of genetically modified products, an end to the monopoly of mass distribution with regulation and transparency throughout the chain of marketing and so on. A paradigm shift in the production, distribution and consumption of food. It will only be possible within a broader political, economic and social transformation and to achieve this is the creation of spaces of resistance, transformation and collective political action is essential.

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[1] See statements of the FAO in the context of the G8 Summit (June, 2008), Rome Summit of the WTO after the meeting in Geneva (July, 2008), Hokkaido or the high-level meeting on food security in Madrid (January, 2009), among others

[2] Statements of FAO Director-general Jacques Diouf before the Italian Senate committees on Agriculture and on Foreign Affairs, September 2007

[3] As of March 2008 and in relation to the previous year

[4] Statements of FAO Director-general Jacques Diouf before the Italian Senate committees on Agriculture and Foreign Affairs, September 2007

[5] It is estimated that in the countries of the North, this figure is 10-20%

[6] If we look at the figures it might seem that the results of the Green Revolution of the 1970- 1990s were successful. According to the FAO, the total food per capita globally increased by 11% and the number of hungry also fell by 11 %. But if we remove from this global analysis China,

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where there was no green revolution but far reaching land reform, then the results highlight that in spite of the vaunted Green Revolution in recent years the number of hungry people went from 536 million to 597, an increase of 11 per cent, according to the FAO (Reichmann, 2003)

[7] Conditions imposed by the IMF and/or World Bank on countries to meet the payment of their foreign debt

[8] 2001 data (Holt-Giménez, 2008)

[9] For more information on the impact of neo-liberal policies on the agricultural production model in Mexico, see the interview in this same book with Alberto G3mez, Executive Coordinator of the National Union of Autonomous Peasant Regional Organisations of Mexico

[10] Some of these figures have changed since 2000.

[11] For detailed analysis of Wal-Mart's practices see Antentas, 2007

[12] Statements by Eric Holt-Giménez, director of Food First, at the workshop on the crisis organized by the campaign "EurosoeNo te comas el mundo" on 29/11/2008

[13] Open letter to the Secretary general of the FAO, Jacques Diouf, the Prime Minister of Japan, Yasuo Fukuda, and the Chairman of the G7 John W. Ashe on the occasion of the G8 Summit in Hokkaido (Japan)