

The food emergency and food myths

Why Bush is wrong to blame Indians for the rise in food prices



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United States President George W. Bush has a new analysis of the global rise in food prices. At an interactive session in the US state of Missouri on the economy, Bush argued that prosperity in countries like India had triggered increased demand for better nutrition. “There are 350 million people in India who are classified as middle-class. That’s bigger than America. Their middle class is larger than our entire population. And when you start getting wealthy, you start demanding better nutrition and better food so demand is high and that causes the price to go up.”

The myth that Bush is propagating is that of growth. It is being repeatedly stated that the rise in the price of food is due to “surging demand” in emerging economies like China and India. The argument is that, since the economies of China and India have grown, their people have become richer and are eating more, and this increased demand is leading to a price rise. This story might succeed in diverting US political debate away from the role of US agribusiness in the current food crisis, both through speculation and through the hijacking of food into biofuels, and in presenting economic globalisation as having benefited Indians, but the truth is that President Bush’s statement is false on many counts.

First, while the Indian economy has grown, the majority of Indians have become poorer because they have lost their land and livelihoods as a result of globalisation. Most Indians are, in fact, eating less today than a decade ago, before the era of globalisation and trade liberalisation. Per capita availability of food has declined from 177 kilograms per person per year (485 grams per day) in 1991 to 152 kg per person per year (419 g per day) today. Economic growth has gone hand in hand with growth in hunger. One million children in India die every year for lack of food.

Secondly, nutrition has deteriorated, even for the middle classes, from how it was before globalisation. The poor are worse off because their food and livelihoods have been destroyed. The middle classes are worse off because they are eating less healthily, as junk food and processed food enter India through globalisation. India is now at the epicentre of the problems of both malnutrition of the poor, who do not get enough food, and malnutrition of the rich, whose diets are being degraded. India has today not only the world’s largest number of hungry children but also the world’s largest number of diabetics.

India is perceived as an economic superpower with 9 per cent growth. Yet because this growth is based on a large-scale takeover of the land of tribals and peasants and large-scale destruction of the



livelihoods of millions in agriculture, textiles and small-scale industry, poverty has grown.

In the past Indian farmers had seed security because 80 per cent of seed was farmers' own seed, and 20 per cent came from the public sector seed farms. Globalisation has forced India to allow biotech giants such as Monsanto into the seed market. And Monsanto's growth comes at the cost of farmers' lives. More than 150,000 have committed suicide as they have got trapped in debt created by high cost, non-renewable, unreliable seed.

Indian farmers had market security. While producing the diverse crops they ate, they also used to grow rice and wheat for the national food security system, which, while paying the farmers a remunerative price, also provided the poor with affordable food through the Public Distribution System (PDS). Globalisation has destroyed the security of both the producers and the poor by integrating the local and domestic food economy into the speculative global commodity trade controlled by agribusiness.

Force-feeding is not free trade

While Indians are eating less, India is buying much more soya and wheat on the international market. These imports have been forced on India by US agribusiness, aided by the pressure of WTO rules and the US government. Such imports were not necessary before, because India was self-sufficient in wheat and edible oils.

The new food imports are the not the result of "demand" from India, but of the imposition of bad food. In 1998 India imported soya, even though we had adequate edible oils. With the US product benefiting from subsidies of nearly US\$200 per tonne, these imports amounted to dumping. Millions of India's coconut, mustard, sesame, linseed and groundnut farmers lost their market, their incomes and their livelihoods. And India's healthy edible oils were replaced by unhealthy, genetically engineered soya oil and palm oil – industrial oils that have not been eaten in any traditional culture.

In 2005 India imported wheat as part of the US-India agreement on agriculture, even though India produced 74 million tonnes of wheat and did not need more. These imports are designed to destroy domestic production to create markets for US agribusiness. This is force-feeding, not free trade. The US wheat was declared unfit to eat, but the US arm-twisted India to dilute its health standards. Destruction of domestic production

worldwide can only result in food scarcity and food insecurity. When food gets into the hands of global agribusiness, which makes profits through price fixing and speculation, a food emergency is inevitable.

We are seeing the serious consequences of the forced integration of the world's food systems into a global commodity market through access rules of "free trade" controlled by agribusiness. The perturbations this is causing in local food systems are serious. Production everywhere is getting destabilised by speculative trade, creating both an absolute decline in local food production capacity and a relative decline in the entitlement of the poor, because of rising food prices.

The absolute decline in food production arises from three factors. First, the transformation of ecological biodiverse systems to chemical monocultures that produce more commodities but less food for the household and for local economies. Second, the shift from food crops to cash crops for export. Third, the vulnerabilities created by climate change, to which industrial farming and globalised food systems make a significant contribution.

Food security requires a strengthening of local and domestic food economies, the defence of rural livelihoods and small farmers, and the reining in of the global grain giants and their price fixing. We need anti-trust action against the agribusiness corporations which are at the heart of the current food crisis.

GMOs are a problem for food security, not a solution

There is increasing reference to new seeds and GMOs as a solution to the food crisis. GMOs, however, are part of the cause of the food crisis. *Bt* cotton has destroyed food production in India and has pushed farmers to suicide. Cotton used to be grown as an intercrop with food crops. Now it is a monoculture. With high production costs and low prices for their crops, farmers are trapped in both debt and hunger. GMOs do not, in any case, produce more food. There are only two traits commercialised in twenty years – herbicide resistant crops, and *Bt* toxin crops. Neither is a trait to improve yield. In fact, research shows a yield drag in GM crops. In India we see high risks of crop failure, with average yields of *Bt* cotton at 300–400 kg/acre, not the 1,500 kg/acre advertised by Monsanto.

It is a myth that industrial, chemical agriculture produces more food. Industrial monocultures



produce more commodities, not more food. This is good for Cargill, ADM and Conagra. It is bad for farmers, the poor and the planet.

Food sovereignty is the answer to the food emergency

The current food emergency is a result of half a century of farming unsustainably, and one and a half decades of trading unfairly in food. The United Nations called an emergency meeting in early June 2008 to address the food emergency. Even the World Bank felt the need for an urgent response. Will the response intensify unsustainability and injustice, or will the global community use the crisis to advance sustainability, justice and fairness?

There are already signs that global agribusiness, which has created the crisis both historically and currently, will use it to increase its stranglehold on the world food system. Reducing import duties has been one response of governments to deal with rising food prices. But lowering import duties encourages the destruction of domestic markets and domestic production, thus aggravating the agrarian crisis, pushing more farmers into poverty and leading to an overall decline in food production. The crisis of rising food prices is a direct result of countries being forced by the World Bank, the WTO and regional

and bilateral agreements to import food from US agribusiness that they did not need. Mexico was forced to import maize. India has been forced to import soya oil and wheat.

The World Bank's call for contributions to the World Food Programme to increase by US\$500 million and President Bush's request to Congress to add US\$770 million to the country's food aid could become another subsidy to Cargill and ADM if the additional money is not accompanied by the creation of fair markets for farmers at local and regional levels. Emergency food aid cannot correct the distortions, unfairness or unsustainability of the food system as it is currently organised. Both trade rules and the paradigm of food production need to be changed.

The globalised system under corporate control is a recipe for food disasters and famines. Either we stop the damage through food democracy and rebuild food sovereignty by strengthening local economies and sustainable agriculture, or the corporate powers that have created the emergency will use it to deepen and expand their profits and control, while billions are condemned to starvation and death. And while people suffer, the corporations' close allies, such as Bush, will continue to put a false spin on the causes of the food crisis.

China not to blame

GRAIN

Vandana Shiva argues forcefully that Indians are not eating better and, despite what President Bush says, the food crisis cannot be blamed on their "better nutrition" and "better food". But it is also true that a small elite in both India and China are eating more meat. As Vandana Shiva points out, much of this meat is being consumed in the form of junk food and is thus less healthy, but could this additional demand nonetheless be contributing to the food crisis?

Daryll Ray, an investigator at the University of Tennessee, shows that this is not the case with respect to China. In a recent policy article, he looked at meat consumption in China.¹ Beef consumption indeed rose from 1.1 million tonnes in 1990 to 7.4 million tonnes in 2007. However, China supplied this additional demand with additional domestic production, even achieving a small surplus, which it exported. The same with pork: consumption increased from 23 million tonnes to 45 million tonnes, but once again domestic production met the demand. It is almost the same with poultry: chicken consumption rose from 2.4 million tonnes to 11.5 million tonnes, with domestic production satisfying all the increased demand until 2007, when a small quantity (124,000 tonnes) was imported.

What about rice? Did China import a lot, thus causing scarcity elsewhere? Again the answer is "no". Consumption rose from 124 million tonnes in 1990 to 134 million tonnes in 1999, but domestic production met the additional demand and provided a surplus, which was exported. And maize for animal feed? Yet again, China covers its own consumption and is an important exporter. Daryll Ray concludes: "The data do not support the often-stated implication that the sharp increase in grain prices is attributable to the Chinese diet change."

So what does lie behind the food crisis? University lecturer Alejandro Nadal, commenting on Daryll Ray's figures in an article in the Mexican newspaper *La Jornada*, has no doubts: "Today conglomerates like Archer Daniel Matthews, Cargill, Bunge, Monsanto and Syngenta have so much control over markets and infrastructure that they can manage stocks, invest in grain futures and manipulate prices on a world scale so that they can obtain huge profits. But neither the WTO or the FAO are interested in tackling this problem."²

1 <http://agpolicy.org/weekcol/408.html>

2 Alejandro Nadal, "Precios de alimentos: adiós al factor China", *La Jornada*, 11 June 2008, <http://tinyurl.com/5lr3k8>

