The other "pandemic"

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In early May 2009, the Asian Development Bank's (ADB) board of governors met in Bali for their annual meeting. Outside the venue, at the Asia–Pacific People's Tribunal on ADB, social movements, NGOs and other groups condemned the Bank for its lending policies and economic prescriptions that have undermined people's livelihoods and exacerbated poverty across the region.[1] In the middle of the tumult, the Bank released the following statistic: more than 56,000 children in the Asia–Pacific region will die this year due to the financial crisis alone.[2]

The financial crisis is indeed rumbling on, taking people's jobs, homes and savings with it. The International Monetary Fund estimates that the total amount of bad assets behind the meltdown is around US$4.1 trillion.[3] The US government alone has signed off about US$14 trillion so far to prop up the big banks and get the economy moving again. In the midst of the economic devastation, a much anticipated swine flu epidemic erupted from US-owned factory farms in Mexico and spread around the globe.[4] Some scientists believe that this new virus could infect as many as one out of every three people on the planet, and international agencies and governments remain on full "pandemic" alert. But what about that other "pandemic" ravaging the globe for more than a year now – the world food crisis?

Agribusiness as usual

The food crisis that exploded in 2007–8 has not gone away. It is tightening its hold in many countries and threatening to rear its ugly head in the form of new price hikes later this year, according to experts. The United Nations estimates that more than one billion people are now permanently hungry.[5] That's one in six people, every day – most of them in Asia (62%). According to the UN's Food and Agriculture Organisation, the financial crisis alone added 104 million people to this pit.[6] And, in the words of their Special Rapporteur on the Right to Food, 80% of the hungry are either farmers or farm labourers, those who produce our food. How can this have come about?

When you look at what has been done to address the food crisis, more than a year on, the picture is rather depressing. It is true that some governments have been open enough to invite farmers and social organisations into a planning process that would achieve some plurality of thinking (*see* page 32). But in most places, the responses have been one-sided and top-down. As GRAIN documented amply last year, the food crisis has been misrepresented as basically a production problem, and all the answers amount to the same imperative: produce more food. In monopoly capitalist thinking, that means commercial seeds, vast uniform lands for monoculture, lots of chemicals and unfettered trade and investment routes. As a result, a lot of money is being thrown at this recipe to "feed the world", even though that recipe got us here in the first place.

Throughout the latter part of 2008, donors and UN agencies called incessantly for "more investment in agriculture" as the solution to the food crisis. A lot of conferences were held and some pledges were made.[7] This year brought more of the same, though the funds are becoming more sophisticated. The French government has just set up, through the African Development Bank, a new private

1 See Asia–Pacific Research Network, "People's week of action against ADB (1–5 May 2009)". http://tinyurl.com/lbeuce

2 Agence France-Presse, "56k kids will die due to crisis", *Straits Times*, 3 May 2009. http://tinyurl.com/lmwjv9

3 Mark Landler, "IMF puts bank losses from global financial crisis at $4.1 trillion", *New York Times*, 21 April 2009. http://tinyurl.com/c8lpo3 ADB puts the total financial losses, for 2008, at US$50 trillion. http://tinyurl.com/lpmvpa/

4 See GRAIN, "A food system that kills: swine flu is meat industry's latest plague", Against the grain, April 2009. www.grain.org/articles/?id=48

5 Reuters, "UN: Higher prices push hungry over 1 billion", MSNBC, 12 June 2009. http://tinyurl.com/lmwvdr

6 Associated Press, "Financial crisis could bring number of those hungry to 1 billion", *Boston Globe*, 7 May 2009. http://tinyurl.com/nnwp5q

7 For example, the European Union created a €1 billion Food Facility, of which two-thirds would be new funding. The Asian Development Bank in Manila promised to double its lending to Asian agriculture in 2009 to US$2 billion.

8 African Press Organisation, "African Development Bank promotes agribusiness investment funds", Tunis, 28 January 2009. http://tinyurl.com/ntblku The Asian Development Bank is under a lot of criticism for its strategy to invest in private equity funds and its lack of transparency around this. One such vehicle is the JS Fund, which aims to invest in agriculture in Pakistan. See Polya Lesova, "New private-equity fund targets untapped Pakistani market", Market Watch, 10 January 2008. http://tinyurl.com/lg3zhr

equity fund to invest in African agriculture. With a starting capital of €200 million and a goal of €500 million, the Agence Française de Développement will channel money from private investors and sovereign wealth funds into the new fund against a guaranteed rate of return of at least 5%. The African Development Bank is putting its own capital into private equity funds, such as Agri-Vie, to spur agribusiness ventures on the continent; the Asian Development Bank is doing the same.[8] The World Bank is increasing its agricultural spending from US$4 billion in 2008 to US$12 billion in 2009–10.[9] At the same time, its commercial arm, the International Finance Corporation, has teamed up with Altima Partners to create a US$75-million fund to invest in agribusiness "to increase food supplies".[10]

It is true that more donors are talking about the importance of small farmers and family farms in this new investment rush. A number are aware that large-scale plantation-type agriculture is likely to bring environmental and socio-economic problems. A few are even specifically concerned about threats to biodiversity from monocultures and genetically modified (GM) seeds. But the big picture is that most of this food crisis money is being targeted to develop agribusiness in developing countries, not family farming or local community-oriented markets, which many believe are the only way forward if people are to feed themselves well. The same is true of the massive land-grab deals being pushed to produce basic food crops abroad.[11]

With all of this going on, the impression may linger that these official initiatives to end the world food crisis amount to public money for public benefit. This impression should be dispelled. In reality, most of the investment is going into agribusiness development. There's a barrage of new agribusiness funds and investment vehicles that do things like channel pension savings into farmland across the world, drawing in the big pool of dollars desperately seeking alternatives to stocks. The agricultural adviser to the New Partnership for Africa's Development (NEPAD) recently stated that foreign investor interest in African farming is so strong today that it is "almost a social movement".[12] Overall private sector figures are hard to come by, but in the meantime we can see that official development assistance itself is increasingly going private. All these funds and programmes emphasise getting corporate seeds, a handful of Western livestock breeds, and crop chemicals (especially fertilisers) on to the fields, so it is not hard to see who the big winners are. The agricultural input suppliers must be rubbing their hands with glee over these new indirect subsidies.

Scavenging grows as the number of hungry swells

The system fails to feed, let alone provide health

Feeding people is only a distant preoccupation of this investment rush into agriculture. If anything, it is consumers in export markets who are being considered, and a big chunk of the money isn't even going into food production at all, but into the production of biofuels.

The investments are not so much about producing more food but about changing the way food is produced and who it is produced for. Take China, for instance. Beijing has made the political decision that it wants big agribusiness, not peasants, to supply its growing market for meat and dairy. All levels of government are doing everything possible to lay out a red carpet for food corporations, both Chinese and foreign, from providing subsidies to rewriting land laws and food regulations. Investment in the Chinese dairy and livestock sectors has exploded as a result, as has the number of factory farms, which already topped 53,000 in 2003.[13] A small number of Chinese corporations and foreign joint ventures are emerging as the titans of the industry, often bankrolled by high-rolling foreign private equity firms such as Goldman Sachs, Morgan Stanley and Kohlberg Kravis Roberts (KKR). Meanwhile, the tremendous feed requirements for these farms are supplied by the likes of Cargill and Bunge, who import GM soya from their operations in the Americas. The integration of China into the global agribusiness web is so complete that COFCO, the country's largest grain company, is rumoured to be negotiating to take over US-based Smithfield Foods, the largest pork producer in the world, of which COFCO already owns 5%.

9 World Bank, "World Bank to invest $45 billion in infrastructure to help create jobs and speed crisis recovery", press release, Washington DC, 23 April 2009. http://tinyurl.com/mpmemt

10 Lesley Wroughton, "IFC to invest in new agribusiness fund", Reuters, 12 February 2009. http://tinyurl.com/lrvgkj

11 See GRAIN's resource page on the new land grabbing trend: www.grain.org/landgrab/. The International Food Policy Research Institute in Washington DC estimates that, worldwide, 15–20 million hectares of fertile farmland have been, or are in the process of being, leased or sold off under this new trend.

12 Dr Richard Mkandawire, quoted in Yaw Adu-Asare, "What experts say about agriculture underdevelopment in Africa", My Joy Online, Accra, 6 May 2009. http://tinyurl.com/mhtaae

13 Mia MacDonald and Sangamithra Iyer, "Skillful means: The challenges of China's encounter with factory farming", *Brighter Green*, August 2008, 20 pp. http://tinyurl.com/mzh9co

While agribusiness thrives in China, people are suffering, particularly peasants. Zhou Guanghon, a professor at Nanjing Agricultural University, predicts that with China's current policies the national share of meat produced by small farmers will fall from the current 80% to 30% by 2020, and that hypermarkets will move from a 15% market share of the retail market for meat to a 40% share over the same period.[14] Millions more peasants will be driven off the land, even as the collapse of jobs in export manufacturing is sending equal numbers of peasants back to the countryside in desperation.

Chinese consumers are also being hit hard. While the government has been forced to step in to keep prices of meat and dairy down, to the extent of setting up the world's only state meat reserve, food safety problems are spiralling out of control. Last year's melamine scandal, which left at least six infants dead and another 300,000 ill, was a direct result of the rapid industrialisation of production and supply. The growth of factory farms has also generated new, more lethal diseases, such as bird flu, that are not only deadly for humans, but hugely disruptive for China's meat supply. The country's poultry industry says that bird flu is a major reason why poultry numbers are down by about a third in the first quarter of this year.[15] A couple of years ago, an epidemic of a new lethal strain of blue ear disease laid waste to upwards of a million pigs in China and was seen as a key factor in the spike in pork prices.

It would be unfair to single out China, though, since this is a global phenomenon. In the United States, the shining star of the agribusiness model and its modern food-"safety" system, one in eight Americans went hungry in 2007 – and that was before the current economic tailspin began.[16] Moreover, one in four Americans suffers from a food-borne illness every year, a number that does not include those whose health is affected by other parts of the industrial food chain, such as the estimated 45,000 agricultural workers who are poisoned by pesticides every year.[17] The swine flu epidemic has focused attention on how the factory farms of the US multinational meat companies are incubators for deadly human diseases. The World Health Organisation said in late June that 311 people had so far died from the swine flu outbreak, but a shocking 18,000 people in the US die each year from a "superbug" called MRSA (methicillin-resistant Staphylococcus aureus), which is rampant in US pigs and pork sold to consumers. MRSA is believed to have evolved through the overuse of antibiotics in industrial pig farms.[18] Today, the same corporations are taking advantage of trade and investment agreements to set up or relocate their gigantic factory farms in poorer countries, where labour is cheap and regulations lax or non-existent – such as Mexico, Romania and China.

This deadly food system is being sold as the answer to the global food crisis, and these corporations are being tasked, and financed, to carry out the job.

Wrong leadership

In this context, it is easy to conclude that the international community is failing miserably to deal with the food crisis. Back in 1996, heads of state gathered at the World Food Summit committed themselves to halve the number of hungry people in the world by the year 2015. Back then, the number of hungry people in the world stood at 830 million. Today, 13 years later, it becomes clear that we are probably heading towards doubling, not halving, that number. States also committed themselves to implementing policies to improve nutrition and food safety. Again, we have been heading in quite the opposite direction.

A fundamental reason why this is happening is that small farmers' organisations and the social movements are not being listened to. Not in the towns, not in the capitals, and certainly not at the glitzy international fora. Instead, the political class is listening to the financial and commercial barons who got us into this mess in the first place, and fixated on clearing the way for corporations and investors to transform "undeveloped" farming sectors into industrial operations. Last year, the UN set up a High Level Task Force to coordinate efforts to solve the food crisis. In addition to various UN agencies, the World Trade Organisation, the International Monetary Fund and the World Bank were given a lead role in this group. In January this year, at yet another high-level ministerial meeting, this time in Madrid, proposals were on the table to bring the private sector directly into the fold of those responsible to stop the growing hunger.

A new wave of expansion of what is in fact a dangerous, wasteful and unsustainable food system, from which local communities are being expelled at an alarming rate, is upon us. Unless radical action is taken soon to stop these processes and let leadership and change emerge from the grassroots, we seem to be in for more pain. For it is at the grassroots that genuine capacity and know-how exist about producing and marketing food in a way that not only respects the environment but really feeds people and promotes social justice.

14 Zhou Guanghong, "The changing dynamic in China: the development of meat industry and consumers", Presentation, Chinese Society of Animals Products Processing, 18 April 2006.

15 "China's industry squeezed by bird flu, global crisis", food.com, 5 March 2009. http://tinyurl.com/lxxll7

16 David Schechter, "Report: 1 in 8 Americans went hungry last year," CNN, 21 November 2008. http://tinyurl.com/64h86z

17 Michael Moss, "Food companies are placing the onus for safety on consumers", *New York Times*, 14 May 2009. http://tinyurl.com/o46zbh

18 Nicholas D. Kristof, "Our pigs, our food, our health", *New York Times*, 11 March 2009. http://tinyurl.com/cbhymj