

Food Sovereignty and the Contemporary Food Crisis

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ABSTRACT *Peter Rosset examines the current global food price crisis, identifying both long- and short-term causes. He argues that to escape the crisis, countries must rebuild and protect domestic peasant and family farmer food production and public inventories. The 'food sovereignty' paradigm put forth by the global peasant and farmer alliance, La Via Campesina, may well offer our only way out of the current conundrum.*

KEYWORDS *food crisis; food sovereignty; La Via Campesina; peasant farmers; agrofuels; hedge funds*

Introduction

In today's world, we find ourselves mired in a global food price crisis that is driving increased hunger and even food riots in several continents. It seems odd that we are in a crisis of high food prices when the past 20–30 years have seen a *crisis* of low prices, prices so low that millions of peasant and family farmers around the world were driven off the land and into national and international migrant streams. To confront this harsh reality, La Via Campesina, the international alliance of organizations of peasant and family farmers, farm workers, indigenous people, landless peasants, and rural women and youth (www.viacampesina.org), developed a comprehensive alternative proposal for restructuring food production and consumption at the local, national and global level, called 'food sovereignty' (Rosset, 2006).

Under food sovereignty, and in contrast to the 'one size fits all' proposals of the World Trade Organization (WTO), every country and people is deemed to have the right to establish its own policies concerning its food and agriculture system, as long as those policies do not hurt third countries, as has been the case when major agroexport powers dump foodstuffs in the markets of other countries at prices below the cost of production, thus driving local farmers out of business (Rosset, 2006). Food sovereignty would allow countries to protect their domestic markets against such practices. But now that we have shifted from a period of artificially low prices to a period of high prices, does food sovereignty still make sense? An examination of the causes of the current crisis, which turn out to be not so different from the previous crisis, shows that it indeed does. In fact, food sovereignty may well offer our only way out of the current conundrum.

Causes of the contemporary food price crisis¹

But, what are the causes of the extreme food price hikes? There are both long-term and short-term causes. Among the former, the cumulative effect of three decades of neo-liberal 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 (Rosset, 2006).

It is peasants and family farmers who feed the peoples of the world, by and large. Large agribusiness producers in most countries have an export 'vocation'. But policy decisions 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 (Rosset, 2006).

Meanwhile, the World Bank and the IMF have forced governments to sell off their public sector grain reserves (Rosset, 2006). 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 far lesser importance, has been changing patterns of food consumption in some parts of the world, such as increased preference for meat and poultry products (Ray, 2008).

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 US, their already desperate search for new avenues of investment led these funds 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 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 designate an area to be planted with agrofuel crops that is equivalent to fully half of the area planted with rice, the mainstay of the country's diet. We really ought to label feeding automobiles instead of people a crime against humanity.

The major global price increase 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 tendency for TNCs and the private sector in general to hoard scarce food items in order to speculate on their prices, as was the case with the so-called 'tortilla crisis' in Mexico in 2007 (Hernández Navarro, 2007, <http://www.jornada.unam.mx/2007/01/30/index.php?section=opinion&article=021a1pol>, accessed 29 July 2008).

Food sovereignty: The only way out of the crisis

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

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semi-progressive governments propose that we reregulate the food commodity markets that were deregulated under neoliberalism. It is also proposed that they be regulated 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, as outlined in Table 1 (Rosset, 2006).

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 encounter 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. This is a key step toward taking our food system back from the TNCs that hoard food stocks to drive prices up (Rosset, 2006).

Countries urgently need to stimulate the recovery of their national food producing capacity, specifically that capacity located in the peasant and family farm sectors. This 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 (Rosset *et al.*, 2006). Also, 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 (Altieri, 2008, <http://www.landaction.org/spip/spip.php?article315>, accessed 29 July 2008). 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 (Schill, 2008, <http://www.ethanolproducer.com/issue.jsp?issue.id=84>, accessed 29 July 2008), much less whose industrial monoculture production model – with pesticides and GMOs – damages the future productive capacity of our soils.

All of these recommendations, which address each of the major causes of the crisis, are part of the food sovereignty proposal (Rosset, 2006;

Table 1. *Food sovereignty policies to address the global food price crisis*

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- Protect domestic food markets against both dumping (artificially low prices) and artificially high prices driven by speculation and volatility in global markets.
 - A return to improved versions of supply management policies at the national level and improved international commodity agreements at a global level.
 - Recovery of the productive capacity of peasant and family farm sectors, via floor prices, improved marketing boards, public sector budgets and genuine agrarian reform.
 - Rebuild improved versions of public sector and or farmer-owned basic food inventories, elimination of TNCs and the private sector as the principal owners of national food stocks.
 - Controls against hoarding and forced export of needed foodstuffs.
 - An immediate moratorium on agrofuels.
 - The technological transformation of farming systems, based on agroecology, to break the link between food and petroleum prices, and to conserve and restore the productive capacity of farm lands.
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La Via Campesina, 2008, <http://www.landaction.org/spip/spip.php?article317>, accessed 29 July 2008). The time seems to have 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 help force the changes in national and international public policy that are so urgently needed.

Note

1 Those assertions in this section that do not include bibliographic citations come from Berthelot (2008, <http://www.landaction.org/spip/spip.php?article316>, accessed 29 July 2008), La Via Campesina (2008), GRAIN (2008, <http://www.landaction.org/spip/spip.php?article321>, accessed 29 July 2008).

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