

Press Release

A response to the Global Food Prices Crisis: Sustainable family farming can feed the world

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(Rome, 14 February 2008) Consumers around the world have seen the prices of staple food dramatically increasing over the past months, creating extreme hardship especially for the poorest communities. Over a year, wheat has doubled in price, maize is nearly 50% higher than a year ago

However, there is no crisis of production. Statistics show that cereals' production has never been as high as in 2007 (1).

Prices are increasing because part of production is now diverted into agrofuels, global food reserves are at their lowest in 25 years due to the de-regulation of markets by the WTO, and extreme weather has effected crops in some exporting countries such as Australia. But prices also increase because financial companies speculate over people's food as they anticipate that agriculture prices will keep rising in the near future. Food production, processing and distribution falls increasingly under the grip of transnational companies monopolising the markets.

The tragedy of industrial agrofuels: they feed cars and not people

Agrofuels (fuels produced from plants, agriculture and forestry) are presented as an answer to the peak in production of oil and global warming alike. However, many scientists and institutions now recognise that their energy benefits will be very limited and that their environmental and social impact will be extremely negative. However, the whole business world is rushing into that new market that is directly competing with people food's needs. The Indian government is talking of planting 14 millions hectares of land with Jatropha, the Inter-American Development Bank says that Brazil has 120 million hectares that could be cultivated with agrofuel crops, and an agrofuel lobby is speaking of 379 million hectares being available in 15 African countries (2). Current demand for corn in order to produce ethanol already represents 10% of the world consumption, pushing up world prices.

Industrial agrofuels are an economic, social and environmental nonsense. Their development should be halted and agricultural production should focus on food as a priority.

All farmers do not benefit from higher prices

Record world food prices hit consumers, and contrary to what can be expected, they do not benefit all producers. Stock breeders are in a crisis due to the rise in feed prices, cereal producers are facing sharp rises in fertiliser's prices and landless farmers and agricultural workers cannot afford to buy food. Farmers sell their produce at an extremely low price compared to what consumers pay. The Spanish coordination of farmers and stock breeders (COAG) calculated that consumers in Spain pay up to 600% more than what the food producer gets for his/her production.

The first to benefit from higher agricultural prices are the agro-industry and large retailers because they increase food prices much more than they should. Will food prices decrease when agricultural prices go down again? Large companies are able to stock large quantities of food and release them when the markets prices are high.

Small farmers and consumers need fair and stable prices, not the current high volatility. Small farmers cannot produce if prices are too low, as has often been the case in the last decades. They therefore need market regulations, the opposite of the WTO policies.

Agriculture trade “liberalisation” leads to crisis

The current crisis reveals that agricultural trade “liberalisation” leads to hunger and poverty.

Countries have become extremely dependant on global markets. In 1992, Indonesian farmers produced enough soya to supply the domestic market. Soya-based tofu and ‘tempeh’ are an important part of the daily diet throughout the archipelago. Following the neo-liberal doctrine, the country opened its borders to food imports, allowing cheap US soya to flood the market. This destroyed national production. Today, 60% of the soya consumed in Indonesia is imported. Record prices for US soya last January led to a national crisis when the price of ‘tempeh’ and tofu (the <>) doubled in a few weeks. The same scenario applies to many countries, for example for corn production in Mexico.

Deregulation and privatisation of safeguard mechanisms are also contributing to the current crisis. National food reserves have been privatised and are now run like transnational companies. They act as speculators instead of protecting farmers and consumers. Likewise, guaranteed prize mechanisms are being dismantled all over the world as part of the neo-liberal policies package, exposing farmers and consumers to extreme price volatility.

Time for Food Sovereignty!

Due to the expected growth of world population until 2050 and the need to face climate change, the world will have to produce more food in the years to come. Farmers are able to meet that challenge as they have done in the past. Indeed, the world population doubled in the past 50 years but farmers have increased cereal production even faster.

Via Campesina believes that in order to protect livelihoods, jobs, people’s health and the environment, food has to remain in the hands of small scale sustainable farmers and cannot be left under the control of large agribusiness companies or supermarket chains. GMOs and industrial agriculture will not provide healthy food and will further deteriorate the environment. For example, the new “Green Revolution” pushed by AGRA in Africa (new seeds, fertilizers and irrigation at large scale) will not solve the food crisis. It will deepen it. On the other hand, recent research shows that small organic farms are at least as productive as conventional farms, some estimates even suggest that global food production could even increase by as much as 50% with organic agriculture (3).

To avoid a major food crisis, governments and public institutions have to adopt specific policies aimed at protecting the production of the most important energy in the world: food!

Governments have to develop, promote and protect local production in order to be less dependent on world food prices. This implies the right for any country or union to control food imports and the duty to stop any form of food dumping.

They also have to set up (or to maintain) supply management mechanisms such as buffer stocks and guaranteed floor prices to create stable conditions for producers.

According to Henry Saragih, general coordinator of Via Campesina and leader of the Indonesian Peasant's Union, "farmers need land to produce food for their own community and for their country. The time has come to implement genuine agrarian reforms to allow family farmers to feed the world.">.

Ibrahim Coulibaly, president of the National Coordination of Peasant's organisation in Mali said: "Increasing food imports will only make us more dependent on the brutal fluctuations of the world market".

Via Campesina believes that the solution to the current food price crisis lies in food sovereignty. Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and the right of their governments to define the food and agriculture policies of their countries, without damaging agriculture of other countries. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations. Food sovereignty prioritises local and national economies and markets and empowers peasant and family farmer-driven agriculture and food production.

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(1) Les Chambres d'Agriculture - France: <http://paris.apca.chambagri.fr/>

(2) Grain: www.grain.org

(3) "Shattering Myths: Can sustainable agriculture feed the world?": www.foodfirst.org

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