What's Behind the Global Food Crisis?

How Trade Policy Undermined Africa's Food Self-Sufficiency

food&water watch

About Food & Water Watch

Food & Water Watch is a nonprofit consumer organization that works to ensure clean water and safe food. We challenge the corporate control and abuse of our food and water resources by empowering people to take action and by transforming the public consciousness about what we eat and drink. Food & Water Watch works with grassroots organizations around the world to create an economically and environmentally viable future. Through research, public and policymaker education, media, and lobbying, we advocate policies that guarantee safe, wholesome food produced in a humane and sustainable manner, and public, rather than private, control of water resources including oceans, rivers, and groundwater.

Food & Water Watch
1616 P St. NW, Suite 300
Washington, DC 20036
tel: (202) 683-2500
fax: (202) 683-2501
foodandwater@fwwatch.org
www.foodandwaterwatch.org

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The 2008 global food crisis is compromising the survival of 860 million undernourished people and threatens to push a hundred million people into extreme poverty, erasing all of the gains made in eradicating poverty in the last decade. Record high prices have put food out of reach for the poorest people in the developing world, many of whom already spend more than half their income on food. Growing food insecurity is undermining tenuous civil stability in at least 33 countries, about one sixth of United Nations member countries.[1]

Real food prices are at near-record highs — and are approaching the levels of the food crisis of the early 1970s. The UN's Food and Agriculture Organization reports that grain prices jumped 88 percent between March 2007 and March 2008. Currently, high agricultural production costs, tight commodity supplies and increased demand have all contributed to food price escalation. All-time high oil prices increase fuel costs for freighters and farm equipment. Unusually poor weather conditions have undercut rice and grain production in Australia, Northern Europe, Central Asia and America's wheat belt. The growing diversion of food crops to produce biofuel and increased demand in booming economies have helped drive up commodity prices.

But rising production costs are not the only culprits in the food crisis. The globalization model that prioritizes cash crop exports over food self-sufficiency has helped make Africa and other developing regions vulnerable to volatile global food prices.

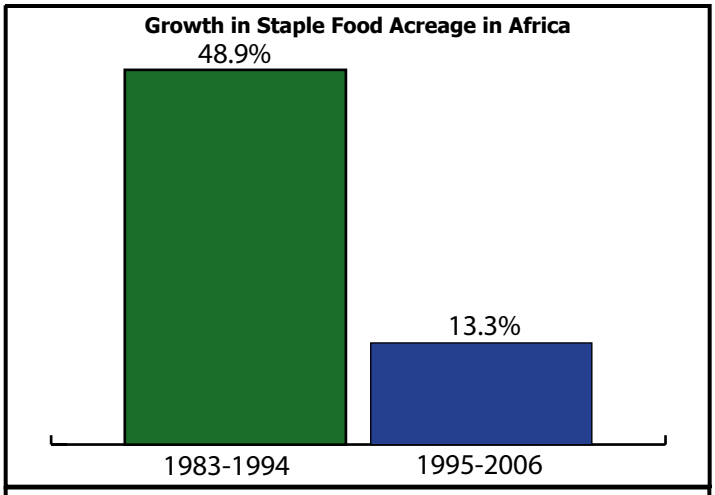
In the last dozen years, the World Bank and the World Trade Organization encouraged developing countries to switch from growing food for domestic markets to growing cash crops for export to industrial countries. Traditional African food crops like sorghum, cassava, yams and millet are not traded internationally, so they typically were ignored by international agribusinesses and globalization proponents. Instead, farmers were encouraged to grow crops like coffee, sugar, cocoa beans, tea and cotton and then use the export earnings to purchase food, often low-priced imports from industrial countries. Globalization cheerleaders viewed food self-sufficiency as obsolete. Although imported food benefited consumers in the developing world when prices were low, local farmers were often displaced by low-priced imports. Now that imported food prices are rising, consumers cannot afford sustenance and there is too little local production to provide food for local markets in many countries.

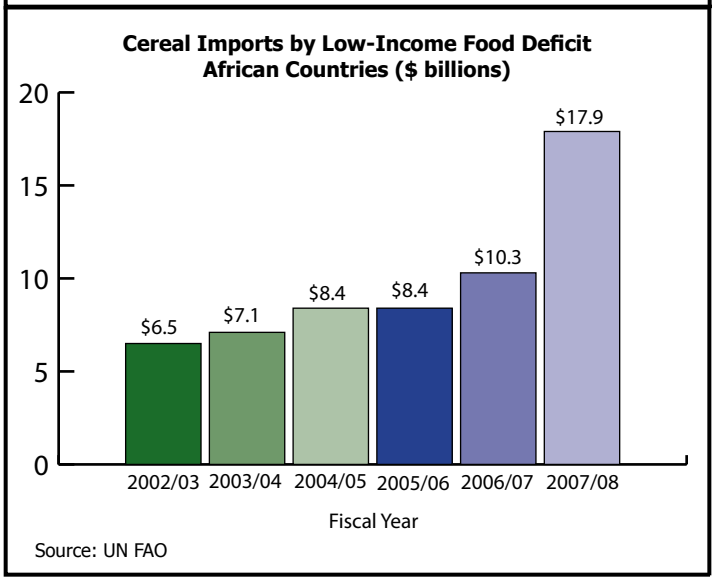
While the WTO ostensibly offered "carrots" to entice countries to transition to export-oriented agriculture, the World Bank used its power as a stick. The WTO promised increased access to markets in rich countries, encouraging farmers in the developing world to shift to tradeable

agricultural commodities instead of local food staples. At the same time, the World Bank invested in cash-crop enterprises in the developing world while it pressed developing countries to eliminate government programs supporting domestic agriculture, ultimately reducing the productivity of the food staple sector.

The shift to export-oriented agriculture has contributed to developing country dependence on imports of staple crops like corn, wheat and rice. Africa is at ground zero in the global food crisis in no small part because resources were diverted from food crop production to cash crop investments. About half (40 of 82) of the countries designated low-income food deficit countries by the FAO are in Africa.[2] Africa is now more reliant on food imports than before the WTO went into effect, and food imports are more expensive than ever.

Food & Water Watch analyzed African crop production over the past quarter century and found that since the WTO went into effect in 1995, African cash crop cultivation has grown rapidly while food staple cultivation has slowed. Although African agriculture is not monolithic, the overemphasis on cash crops is widespread on the continent and has accelerated over the past decade. This shift from food production to cash crop production has compromised Africa's food security. For example, since 1995, Africa added twice as many acres of new cotton production as new acres of corn and nearly fifty percent more new acres of cocoa beans than new acres of millet.[3] Other key findings include:





Cash Crop Acres Exceed Staple Food Crops: Combined, Africa cultivated 37.3 million acres of coffee, cocoa, sugar, cotton, rubber, tobacco and tea (the key traditional cash crops) in 2006, a considerably larger area than was planted with most key food staples. There were twice as many acres planted in cash crops as yams and sweet potatoes combined (18.6 million acres); 42 percent fewer rice acres (21.8 million acres) than cash crop acres; a third fewer wheat acres (25.1 million) than cash crop acres; and 20 percent fewer cassava acres (29.9 million acres) than cash crop acres.

Cash Crop Cultivation Grew Rapidly After WTO: In the dozen years before the WTO went into effect (1983 to 1994), the cultivated acreage for cash crops was nearly constant, declining by 0.2 percent from 28.8 million acres in 1983 to 28.7 million acres in 1994. After the WTO went into effect, cash crop acreage jumped by 17.7 percent from 31.7 million acres in 1995 to 37.3 million acres in 2006.

Growth in Cultivated Food Acres Faltered After WTO: Cultivated acres planted in African food staples (corn, millet, sorghum, cassava, wheat, rice, yams and sweet potatoes) grew by half, rising 48.9 percent from 165.8 million acres in 1983 to 246.8 million acres in 1994. After the WTO went into effect, food staple cultivation grew by only 13.3 percent from 238.3 million acres in 1995 to 270.1 million acres in 2006.

Now, WTO leadership and trade ministers from industrial countries have seized on the global food crisis as justification for jumpstarting the stalled WTO negotiations in Geneva. Australia's Trade Minister stated that the food crisis should provide a "big jolt" to push the stalled Doha WTO round to completion.[4] The WTO Chairman Pascal Lamy recently stated that because of the current food crisis, "the conclusion of the Doha Round is more urgent today than it was yesterday."[5] The European Trade Commissioner, Peter Mandelson, suggested that finalizing a new WTO deal was "absolutely essential" to bring down food prices.[6]

However, food prices in the developing world are unlikely to fall even if the Doha negotiations are finalized. Today's global food crisis is partly the result of trade liberalization

and global commerce in agricultural commodities at the expense of domestic food production and food self-sufficiency. Expanding or tinkering with the current export-oriented model will not increase food security in the developing world. Developing countries need more flexible domestic tools to increase their own food security and more fully develop their food sectors. Rather than restart the Doha Round, international leaders should examine the impact of their domestic policies (including the impact of food aid their country sends to the developing world and the "dumping" of low price commodities on developing countries' markets, both practices which disrupt local markets).

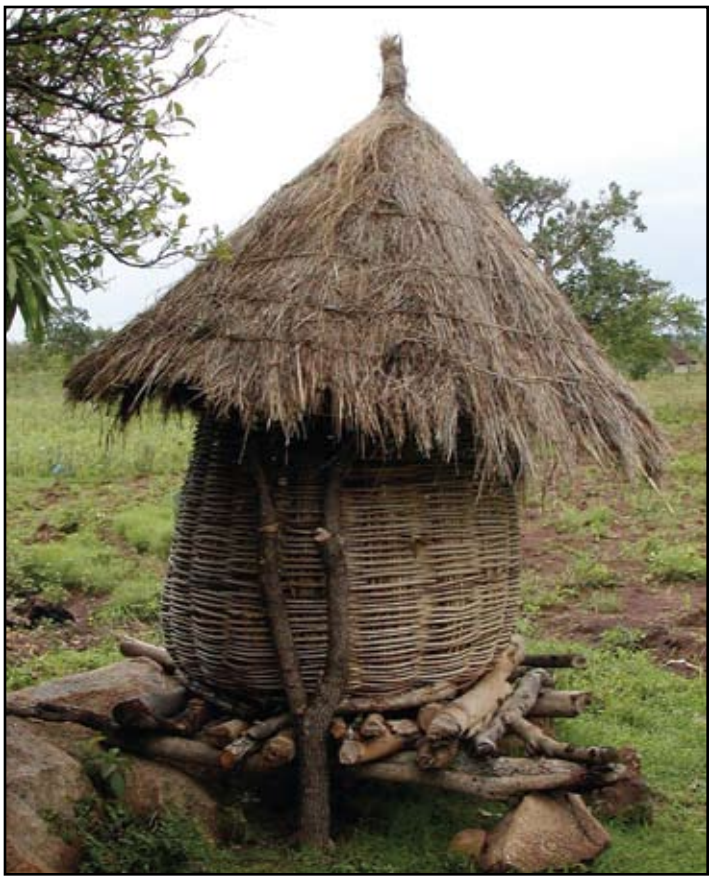
Background: Prices, Protests, Poverty and Hunger

In 2008, protests over the rapid escalation in food prices erupted across Africa, Latin America, the Caribbean, Asia and Eastern Europe.[7] In Africa, protests over food prices began in Senegal and Mauritania in late 2007 and spread to at least seven more countries. Demonstrators were killed in Senegal, Cameroon and Mozambique in 2008.[8]

This civil unrest is fueled by steep and seemingly endless increases in food prices. By May 2008, agriculture commodity prices reached the highest levels in three decades. Unlike prior inflationary periods that primarily affected only a few crops, prices are rising sharply for nearly every agricultural staple.[9] After a decade of generally low commodity and food prices, global food prices began to rise in 2006 and the increase has accelerated since 2007. Between 2006 and March 2008, the United Nations' Food and Agriculture Organization food price index grew by 73 percent.[10]

Prices for staple commodities have been growing faster than the overall food index. The FAO cereal price index jumped 88 percent from March 2007 to March 2008.[11] International prices for traded staples like wheat from the United States rose 130 percent, and rice from Thailand grew 74 percent for white rice and 98 percent for broken rice (unmilled rice that is too damaged for markets in industrialized countries) between March 2007 and March 2008.[12] U.S. corn and sorghum export prices increased by 38 percent and 36 percent, respectively, over the same period. Although the FAO projects that food prices will moderate slightly over the next few years, prices are expected to remain high and volatile.[13]

Higher food prices are reversing progress towards reducing hunger and poverty in the developing world. About 40 countries are already suffering from serious hunger or are at risk in the short term.[14] Even before food prices began to rise, the number of undernourished people in the developing world was growing. The FAO estimates that 860 million people cannot meet their daily nutritional needs in 2008.[15] Hunger in Africa remains persistent and prevalent. More than a third of all people in sub-Saharan Africa suffer from chronic hunger, and the number of undernourished people rose to 213 million by 2004.[16] The UN estimates an additional 130 million people worldwide will become malnourished because of the high price of food during the current food crisis.[17]



A Kenyan grain storage facility. Photo by John Gardiner.

The globalization model that prioritizes cash crop exports over food self-sufficiency has helped make Africa and other developing countries vulnerable to volatile global food prices.

A Tanzanian plantation worker sorts through harvested coffee beans as they dry. Photo by Bruce Block/iStockphoto.com.

Food price escalation threatens to erode the slow improvements in the global efforts to reduce poverty over the past decade.[18] In the developing world, many families spend more than half their income on food; the poorest families spend nearly three quarters of their income on food.[19] These households cannot afford to shift more of their limited earnings to continually increasing food prices. World food price escalation is projected to drive an additional 105 million people below $1-a-day poverty levels, erasing the modest gains against poverty in the last decade.[20]

Short Term Causes of Skyrocketing Global Food Prices

The immediate cause of rising food prices has been a short-term supply disruption (due to shortages) along with sustained growth in demand. Additionally, surging petroleum prices have increased the cost of both agricultural production and global transportation costs, which the World Bank estimates has pushed up food prices by 15 percent.[21] Over the longer term, chronic disinvestment in food crop production in the developing world and an over-emphasis and reliance on trade in agricultural cash crops has undermined food security worldwide.

Most analysts attribute the bulk of the food price increase to a decline in farm production and higher oil prices. Weather disruptions, including drought in Australia and America's wheat region, West African floods, late frosts in China and unusually hot weather in Europe, have led to lower global supplies.[22] The poor 2007 weather reduced crop yields for the second year in a row.[23] These lower supplies were compounded by historically low grain reserves, as countries encouraged by trade liberalization turned to imports to make up for any shortfalls rather than maintaining their own crop reserves.[24]

Higher demand from consumers in rapidly expanding economies as well as the diversion of food crops to biofuel refineries is also increasing global food prices. Strong economic growth in China and India has increased global demand for agricultural commodities.[25] The larger middle classes in these countries are demanding more meat and dairy products, which drives up global demand for grains such as corn and soybeans that are used to feed livestock.[26]

The recent emphasis on increasing the use of biofuels by governments, investors and farmers has contributed to the increased demand for corn and soybeans. In the United States, the push for corn-based ethanol has increased demand for corn and cultivated land, which has created

a rippling demand for all U.S. commodities. In 2008, an estimated 4 billion bushels — a third of the U.S. corn crop — are expected to be diverted to ethanol refineries.[27] The U.S. Council of Economic Advisors estimates that global corn-based ethanol production caused a third of the 37 percent increase in the cost of corn.[28] The Carnegie Endowment estimates biofuel crop demand has only had a modest impact on food prices to date, but that long-term effects are likely to rise.[29]

Globalization Model A Significant Contributor to Global Food Crisis

The globalization model that prioritizes cash crop exports over food self-sufficiency has helped make Africa and other developing countries vulnerable to volatile global food prices.

World Bank Forces African Countries to Eliminate Farm Programs

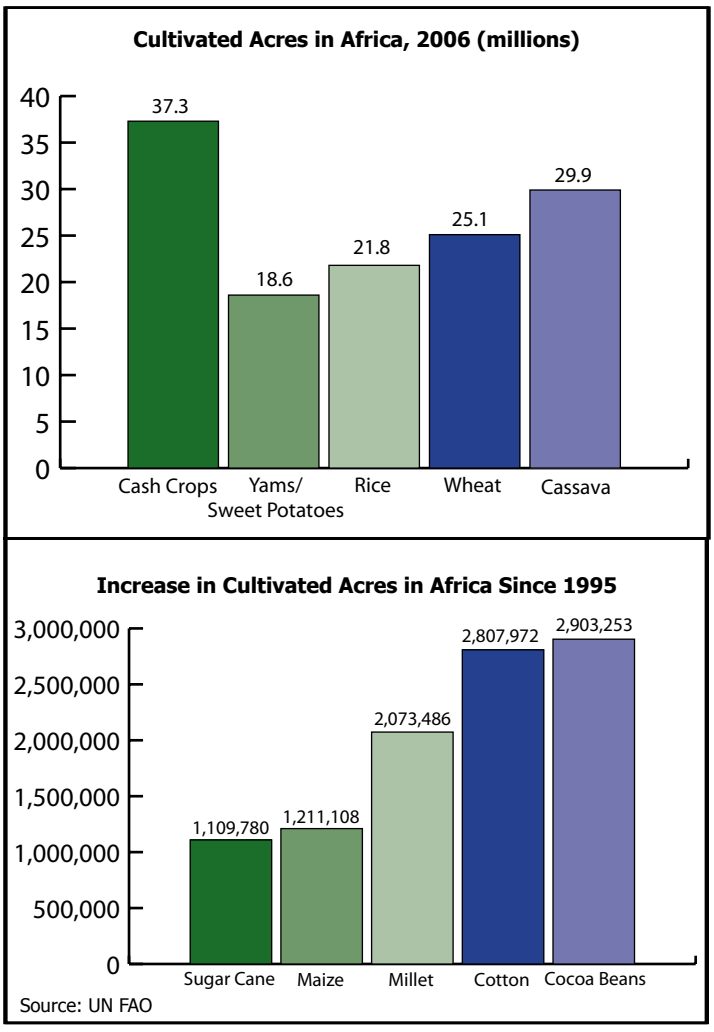
During the 1980s and 1990s, the World Bank required developing countries to curtail government spending – including vital spending on farm programs – as a condition of continuing to receive loans. Africa's high debt burden, which reached a peak of $340 billion in 1995, put great pressure on governments to comply with World Bank demands to cut domestic programs.[30] These mandates have kept African countries from making needed investments in agriculture. In 2004, agriculture-dependent developing countries invested less than 4 percent of public spending on agriculture, less than half the investment of countries, such as China and India, that were transitioning from agrarian to more industrial economies spent during the 1980s.[31] This low level of agricultural investment cannot generate sustained growth in the farm sector that can provide a base for broader economic growth. Countries reduced or eliminated support for farm credit, seed and fertilizer subsidies, and crop distribution and reserve programs.

These programs helped farmers increase agricultural productivity, invest in their operations and promote their crops in regional and export markets. When African governments rapidly withdrew from supporting these farm programs, agricultural productivity declined, as farmers were unable to secure loans, afford high-value seeds and fertilizers, or deliver their crops to more distant markets.[32]

Credit Programs Cut: The World Bank mandated that developing countries end programs that ensured access to agricultural loans for farmers. Small farmers rely on loans to make productivity-enhancing investments such as irrigation systems or new equipment and finance up-front operating costs like seeds, fertilizer and tools. When African governments stopped supporting farm lending, credit evaporated and investments in productivity largely disappeared.[33]

Seed and Fertilizer Supports Slashed: The elimination of seed and fertilizer subsidies was a keystone of World Bank fiscal austerity policy.[34] Developing countries had subsidized these high-value inputs to encourage farmers who could not afford seeds and fertilizer to adopt more productive practices. When African countries cut this support, farmers abandoned higher-yield seeds and crop yields and production declined. Eliminating fertilizer price controls and credit programs in Africa made fertilizer unaffordable for farmers, lowered production, and effectively deterred private investment in the farm sector.[35] For example, when Zambia eliminated corn seed and fertilizer programs, corn acreage and fertilizer application both declined sharply.[36]

Elimination of Storage and Distribution Programs: The World Bank required that governments stop provid-



ing distribution, storage, transportation and marketing programs that served farmers in remote areas. The lack of roads connecting rural farm communities to ports and cities isolates farmers from markets and can increase urban food prices.[37] Some African governments operated regional storage silos where farmers could sell their crops and delivery networks to get crops to market. Without reliable distribution from more remote rural areas, farmers had no incentive to produce more food than local communities can eat.[38] When trucking subsidies were cut in Malawi, significant distribution gaps quickly emerged that private trucking companies did not serve.[39]

At the same time that African governments reduced spending on agricultural programs, overall World Bank investment in agriculture projects was declining. The World Bank made 30 percent of its lending to agriculture projects in 1980 but only 12 percent in 2007.[40] Chronic underinvestment in agriculture — both by donors like the World Bank and the governments of developing countries — eroded the ability of many developing countries to maintain agricultural production and contributed to reliance on imported food.[41]

Reducing Agricultural Trade Barriers Increased Agricultural Dumping

The World Bank and WTO advocates also promoted liberalizing global agricultural trade as an opportunity for farmers in the developing world. Lower agricultural tariffs were expected to increase global integration, generate export earnings for developing country cash crops and make imported food cheaper for consumers. Rich countries would reduce import taxes (tariffs) on agricultural goods, which would allow developing countries to export their agricultural products. In exchange, developing countries were required to lower import restrictions to bulk agricultural commodities and food from the industrial world.

Prior to the establishment of the WTO Agreement on Agriculture (AoA) in 1995, most countries had a range of policies to govern the flow of imported agricultural products into their markets. The WTO's precursor, the General Agreement on Tariffs and Trade, largely focused on industrial products and did little to meddle in agricultural trade restrictions. The AoA prohibited countries from maintaining limits on the volume of agricultural imports through bans or quotas (such as prohibiting rice imports altogether or limiting the tonnage of imported rice) and directed countries to lower tariffs on imports. Lowering import barriers left developing countries more vulnerable to low-priced agricultural goods that undercut domestic markets.

Developing countries reduced their agricultural import barriers at the same time that global commodity prices collapsed. Global agricultural commodity prices declined steeply and steadily after the WTO AoA went into effect. By 2001, the global export price of rice was 46 percent lower than in 1995, wheat export prices were 28 percent lower and corn prices were 27 percent lower.[42] Many industrialized countries increased payments to farmers during this period, which allowed commodities to be exported to the developing world below the cost of production, a practice referred to as "dumping." In 2002, the U.S. exported wheat at 43 percent below the cost of production, soybeans at 25 percent below the cost of production, corn at 13 percent below the cost of production and rice at 35 percent below the cost of production.[43]

The flood of cheap farm imports made subsistence production in the developing world uncompetitive and financially untenable. Many farmers in the developing world migrated to cities or emigrated to other countries.[44] When farmers leave the land, the farm sector contracts and agricultural production declines, making developing countries more dependent on food imports. The erosion of domestic agricultural production in the developing world allowed industrialized agricultural powers to essentially capture the markets in developing countries.

Growth in African Food Acres Faltered After WTO: Food & Water Watch examined the growth in food crop cultivation in Africa before and after the WTO went into effect and found that the growth in staple food acreage slowed after the WTO. In the dozen years before the WTO went into effect, cultivated acres planted in African food staples (corn, millet, sorghum, cassava, wheat, rice, yams and sweet potatoes) grew by half, rising 48.9 percent from 165.8 million acres in 1983 to 246.8 million acres in 1994. After the WTO went into effect, food staple cultivation grew by only 13.3 percent from 238.3 million acres in 1995 to 270.1 million acres in 2006. For some key staples produced by the industrialized world, the decline in cultivated acres was stark. Between 1983 and 1994, 18.7 million new acres of corn were brought into production, but between 1995 and 2006 Africa added only 1.2 million new acres, a 94 percent reduction. Demand for food staples continued to mount during this period, along with growth in population. And this demand is projected to continue to rise. According to the World Bank, Africa's demand for staple foods is expected to double between 2000 and 2015.[45]

As the growth in staple crop production slowed, low-priced imports made up the difference.[46] Many developing countries that once produced their own food became net food importers when agricultural tariffs were reduced and agricultural programs were eliminated.[47] Grain imports by

low-income food deficit African countries increased by 30 percent between 2003 and 2006, even before food prices surged.[48] Cereal imports are projected to double from $8.4 billion in the 2006 to an estimated $17.9 billion in 2008. Africa is expected to import more than one fifth (22 percent) of global cereal exports in 2008.[49] Now that import prices have exploded, the reliance on imports has put the cost of food beyond the reach of many African families.[50]

Cash Crop Mirage Undermined Food Security in Africa

The promise of the WTO AoA was that lowered agriculture tariffs in the industrial world would allow developing countries to increase their agricultural exports and provide desperately needed hard currency. Developing countries were expected to use their competitive advantage in producing tropical products to expand agricultural export earnings. Export earnings from these cash crops could be used to purchase corn, wheat and rice on the international market.

Many African food staples like millet, cassava, yams, sweet potatoes and sorghum are not traded internationally or on the commodity futures markets. Liberalization of trade and the erosion of developing country farm programs created incentives for farmers to shift from staple food production to more tradeable cash crops like cotton, coffee and cocoa.[51] Although total World Bank investment in agricultural products has been declining, the Bank did make investments in many cash crop projects in Africa. Since 1980, the World Bank invested at least $757 million in 30 African projects promoting cocoa, cotton, coffee, sugar, rubber and tea.[52] These investments have contributed to the global oversupply of these crops, which has helped drive down world prices.[53] The World Bank estimates that the global overcapacity in cash crop production will exceed global demand for the foreseeable future, keeping prices and export earnings for these crops low for years.[54] Food & Water Watch analysis of FAO data demonstrates that Africa has shifted agricultural capacity into cash crops since the WTO went into effect at the expense of food security.

Cash Crop Acres Exceed Staple Food Crops: Combined, Africa cultivated 37.3 million acres of coffee, cocoa, sugar, cotton, rubber, tobacco and tea (the key traditional cash crops) in 2006, a considerably larger area than was planted with most key food staples. There were twice as many acres planted in cash crops as yams and sweet potatoes combined (18.6 million acres); 42 percent fewer rice acres (21.8 million acres) than cash crop acres; a third fewer wheat acres (25.1 million) than cash crop acres; and 20 percent fewer cassava acres (29.9 million acres) than cash crop acres.

Cash Crop Cultivation Grew Rapidly After WTO: In the dozen years before the WTO went into effect (1983 to 1994), the cultivated acreage for cash crops was nearly

An Ethiopian famiy removes the chaff from their grain. Photo by Niall Crotty.

constant, declining by 0.2 percent from 28.8 million acres in 1983 to 28.7 million acres in 1994. After the WTO went into effect, cash crop acreage jumped by 17.7 percent from 31.7 million acres in 1995 to 37.3 million acres in 2006.

New Cotton and Cocoa Acres Exceed New Corn and Millet Acres: Since 1995, cultivated cotton acres increased by 2.8 million acres and cocoa bean acres increased by 2.9 million acres, but corn acres increased by only 1.2 million and millet acres grew by only 2.1 million acres. Africa has added a new acre of sugar for each new acre of corn since the WTO went into effect. Cultivated sugar cane acres increased by 1.1 million acres since 1995, about the same as the 1.2 million increase in corn acres.

A Congolese woman prepares foufou, a traditional West African dish made with maize. Photo by Stock.Xchng.

Recommendations

Emergency Response

Provide Emergency Assistance: The UN estimates that an additional $15 to $20 billion is needed annually to overcome the food crisis in the short term.[55] Industrialized countries must commit to meeting this need, and stick to their promises once the stories of food shortages fade from the headlines. The aid should be in cash wherever possible, to avoid disrupting local markets, but where shortages exist, emergency food aid should be delivered.

Shift Food Aid to Local Food Purchases: When donor countries purchase food in local and regional markets where food aid is needed rather than shipping commodities, the food aid can not only maximize the donation but also foster local food production. Local and regional procurement allows food aid to be delivered more quickly and at lower cost, reducing the overhead costs of shipping food over long distances. Transportation costs consumed 65 percent of U.S. emergency food assistance even before oil prices jumped.[56] The UN World Food Program has had successfully used local purchasing strategies to deliver aid. In the recently passed 2008 Farm Bill, a pilot project was established that uses a small proportion of the U.S. food aid budget in cash instead of commodities. This percentage should be increased immediately, rather than waiting until the next Farm Bill.

Do Not Tie Food Aid to Acceptance of Genetically Modified Crops: Some of the emergency food aid proposed by the Bush administration was targeted to develop agricultural production with GM crops.[57] Farmers in the developing world cannot afford the linked-technologies that accompany most GM varieties, like, for example, buying herbicide to treat herbicide-resistant GM crops. Since many industrial countries, such as those in the EU, have banned GM crops, developing countries would be forced to adopt expensive crop segregation management protocols to ensure they could export non-GM crops to markets with GM bans. The UN estimates that nearly 100 countries in the developing world are unable to manage GM crops sufficiently to ensure against biosafety threats or export.[58] It is inappropriate for agribusinesses or governments to use the current food crisis as leverage to force GM crops on unwilling communities in much of the developing world.

Impose a Biofuel Moratorium: Industrialized countries should take a strategic pause in government programs that accelerate biofuel development. Renewable fuel targets that ratchet up the amount of transportation fuel derived from biofuels should be put on hold for the duration of the current food crisis. National governments need to reassess the impact government biofuel policies have on global and national food prices, as well as the extent to which ever expanding biofuel development is sustainable for the long term.

Allow Developing Countries to Exempt Special Products from Tariff Cuts: Developing countries need to be able to promote food self-sufficiency and re-develop stagnant agricultural production by exempting some farm products (known in trade jargon as "special products") from further WTO tariff reductions during the Doha Round. Many developing countries had promoted the right to exempt some agricultural product lines from tariff reductions before the current steep rise in agricultural commodity prices. As more countries recognize the importance of improving domestic food self-sufficiency as a hedge against market volatility and high prices, special product protections are even more necessary to protect investments in the agricultural sector and promote farmer investments.

Uganda adopted policies similar to special product exemptions to help stimulate a domestic rice market to ensure food security and conserve the hard currency with export sales for international purchases other than food, like oil.[59] The Ugandan government promoted a new variety of upland rice that requires less water than paddy-raised rice and raised the import duty on imported rice to 75 percent. The special product protection created an opportunity for Uganda's rice production to grow by nearly 80 percent between 2005 and 2008, and encouraged rice-importing firms to shift to milling operations for domestic crops. Consumption of imported rice has fallen by three quarters between 2004 and 2007, and the price of rice in Uganda in 2008 has remained stable while the rest of the world has faced skyrocketing prices.

Cocoa fruit, a common export crop grown by many farmers instead of staple food crops. Photo by Darias Martin.

Allow the Use of Special Safeguard Mechanisms to Protect Food Sovereignty: Developing countries are also seeking a Special Safeguard Mechanism to prevent domestic producers from being dislocated by sudden surges of low-priced food imports. These SSMs should be able to be deployed swiftly and simply to ensure that domestic productive capacity is not rapidly eroded while complex economic modeling studies are completed and debated in Geneva.

Reforming Global Agriculture Policy

Remove Agriculture from the Doha Round WTO Negotiations: Access to food is too vital to survival to be left to the whims of commodity traders and multinational agribusiness corporations. The WTO's Agreement on Agriculture should be abandoned. Instead, governments must return to a focus on food sovereignty, the principle that people have the right to define their own food and agriculture system. The promise of exporting raw agricultural material from developing countries to industrial countries has provided neither prosperity nor alleviated hunger in the developing world. Development strategies should focus on developing local food production and consumption from sustainable smallholders.

Allow Developing Countries Flexibility in Their Farm Programs: Developing countries should be free to re-institute successful government programs that support farmers, like seed and fertilizer support, farm credit programs and distribution, and marketing assistance. Malawi's subsidized basic inputs, such as seed and fertilizer for smallholders, have successfully provided a floor for smaller producers and ensured local food production.[60] Even the International Monetary Fund supports developing country investment in infrastructure and storage systems to promote local markets, and subsidizing some key inputs like fertilizer.[61]

Access to food is too vital to survival to be left to the whims of commodity traders and agribusiness corporations.

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Food & Water Watch
1616 P St. NW, Suite 300
Washington, DC 20036
tel: (202) 683-2500
fax: (202) 683-2501
foodandwater@fwwatch.org
www.foodandwaterwatch.org