

What are the root causes of the global food crisis? How does the crisis manifest in Latin American countries?

After the 2007-2008 food crisis, attention was drawn to the novelty of the disastrous effect food price fluctuations had on the hunger and livelihood of global populations, which was seen through social unrest and political and economic instability in third world countries; however, farmers and peasant populations knew that this was just “the old crisis with a new face.” This “old crisis” has existed, Peter Rosset argues, as far back as the colonization era (MHC). These causes may be summarized into three overarching and interrelated factors: a vulnerable industrial food system, industrial monopolization, and financialization of the food system (Holt-Gimenez; Nicholls).

The industrial global food system is most notably characterized by large-scale monoculture, land grabbing, deforestation, nutrient depletion of soil, heavy use of pesticide toxins, GMOs, and energy emission increase (Nicholls). This system maximizes commodity crop (soy, maize, wheat, rice, cotton) production so that grain traders and retailers may purchase these crops at low prices; this system inevitably leads to overproduction and displaces small farmers who can’t afford expensive inputs like chemical fertilizers, herbicides, commercial purchased seeds, etc. (Holt-Gimenez; MHC). In creating this industrial agriculture system, intra-regional and foreign forces alike “dismantled the productive capacity of food in peasant and family farm sectors” (MHC). Motivated by Global North demand and debt relief assistance programs, like the IMF’s/World Bank’s Structural Adjustment Program (SAP), Latin American countries like Argentina have pushed for fewer import regulations and more government subsidies for Trans-National Corporations (TNCs) to easily produce more agro-export and agrofuels; to support this system, Latin American countries resort to defunding public services, reducing accessible credit for small farmers, cutting pro-consumer and domestic food production policies, and privatization (Nicholls; Pengué). The growing demand for crops like soy and corn by the agrofuel industry promotes more crop overproduction, which in turn displaces the production of other crops, encourages land grabbing, threatens the livelihoods of small farmers, and takes crops that could instead be used for food (Magdoff; Pengué). Trade agreements, like NAFTA between Mexico, the US, and Canada, secure policies that help maintain this industrial food system in Latin American regions and allow for further exploitation of the land and its nation's citizens. Land grabbing in Latin America driven by intra-regional investors--(Trans-) Latin American Companies (TLCs) often in alliance with international capital and central

states--has also contributed to the growth of industrial agriculture, and thus helped set the stage for the global food crisis (Borras).

We see the food crisis encroach upon Latin American countries through consumers, farmers, and those in power--elites and agribusiness leaders. Those in power establish policies and negotiate trade deals which further consolidate industrial agriculture monopolization. The farmers, meanwhile, experience loss of livelihoods and join the "ranks of hungry consumers" as industrial agriculture displaces small peasant and family farmers who can not meet the production costs for crops exported to the global market (Holt-Gimenez). Consumers in these regions struggle to afford food and face increasing hunger and malnutrition due to the volatility of the food market that is in the hands of TNCs and monopolies; one form of food market manipulation is increasing food prices through the creation of artificial shortages by hoarding national grain reserves--SAP initiatives encourage countries to privatize the grain reserves. These tactics by foreign forces undermine government authority and weaken national self-sufficiency in the process (Rosset).

Growing financialization and market concentration in the agrifood sector has also resulted in soaring profits for those who can afford to gamble on essential food production and has increased poverty in farming, rural and peasant communities. The increase of trade liberalization policies in Latin American regions through the promotion of SAP allows for an enormous inflow of cheap foreign food products which push small farmers out of business as they are unable to compete with the low prices in their domestic markets. This deregulation of international trade in foodstuff causes fluctuation in the market as industrial monopolies set prices that best suit them (Rosset). In the midst of the 2008 food crisis, there were record high harvests, profits and *hunger*; financial investment between January 2006 and February 2008 pushed the prices of crops much higher than they would normally reach (Nicholls). This persistent entry of speculative capital in commodity future markets and artificial shortages/hoarding by private sector monopolies contributes to the food crisis and significantly damages small farmers and poor global communities (Rosset).

At the core of the global food crisis is overproduction, fueled by a vulnerable industrial food system, industrial monopolization, and financialization. In response to this crisis, however, we see growing resistance from peasant farmers and rural and indigenous populations who demand food sovereignty policies, such as La Via Campesina; they pave the way for a more sustainable and equitable global food system (MHC).

Works Cited

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