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INDUSTRIAL AGRICULTURE: LAND LOSS, POVERTY AND HUNGER

By Anuradha Mittal

According to free market ideology, the best way to fight global hunger and improve the economic situation of farmers in developing countries is through trade and investment liberalization, production for export, and cuts in domestic support. These policy changes, however, have severely undermined food security and the livelihoods of small farmers in developing countries.

DISPLACEMENT AND LANDLESSNESS

In India, according to the Indian government's own estimates, over two million small and marginal farmers now lose their land or are alienated from it each year. The number of landless in rural areas has multiplied over the past few decades from 27.9 million in 1951 to over 50 million in the 1990s. Many of the displaced farmers have ended up as daily-wage laborers for the Public Works Department, working on national highways, suffering from poisonous fumes, heat and dust, and earning less than a dollar for a whole day's toil. Hundreds of thousands of other displaced farmers have tried to find refuge in large cities such as Delhi and Bombay, eking a miserable livelihood through piecemeal work away from their families. Others send their young children to work in factories or sell them as child beggars, or even sell their own body parts to make ends meet. And the situation is only set to become worse. According to World Bank projections, the number of people migrating from rural areas into the cities will soon exceed the combined populations of the United Kingdom, Germany and France.

IMPORTS AND LUXURY CROPS

Part of the reason for this trend can be traced to the impact of imports. In August 1999, for example, soybean and soy oil import policy was liberalized in India. As a result, subsidized imports of soybeans were dumped on the Indian market. These imports totaled three million tons in one year (a 60 percent rise compared to earlier years) and cost nearly $1 billion. Within one growing season, prices crashed by more than two-thirds, and millions of oilseed-producing farmers had lost their market, unable even to recover what they had spent on cultivation. The entire edible oil production and processing industry was also destroyed. Millions of small mills have closed down. Another reason for massive farmer displacement is that food-growing land is being taken over from small farmers by an elite of large companies to produce cash crops such as flowers, or luxury commodities such as shrimp, for export. For those farmers that remain on the land, this corporatization of agriculture has clearly increased poverty, locking them into a new form of bondage with unfair and unequal contracts that deprive them of the majority of the revenue generated by the exports.

RISING INPUT COSTS

The phasing out of fertilizer subsidies under IMF conditionalities and the increase in the price of farm inputs have also pushed a large number of small-and medium-sized Indian farmers into bankruptcy. One result has been an epidemic of suicide among small farmers in India, desperate to escape the humiliation that comes with bankruptcy and indebtedness. In 1999, more than 500 cotton farmers from Andhra Pradesh, Maharashtra, Karnataka, Punjab and Haryana sacrificed their lives. Removal of food subsidies in India, meanwhile, has led to a decrease in the amount of food purchased from the public distribution system. The off-take of rice declined from 10.1 metric tons in 1991-92 to 6.9 metric tons in 1995-96 and the off-take of wheat went down from 8.8 metric tons to 3.8 metric tons. And all while cereal exports have gone up from 1.4 percent to 3.4 percent.

The High Cost of Export-Led Development

The victims of free market dogma can be found all over the developing world. An estimated 43 percent of the rural population of Thailand now lives below the poverty line, even though agricultural exports grew an astounding 65 percent between 1985 and 1995. In Bolivia, following half a decade of the most spectacular agricultural export growth in its history, by 1990, 95 percent of the rural population earned less than a dollar a day.

Similarly, in Brazil during the 1970s, agricultural exports, particularly soybeans, (almost all of which went to feed Japanese and European livestock), were boosted phenomenally. At the same time, however, the hunger of Brazilians spread from one-third of the population in the 1960s to two-thirds by the early 1980s. Even in the 1990s, as Brazil became the world's third largest agricultural exporter— the area planted to soybeans having grown 37 percent from1980 to 1995, displacing forests and small farmers in the process—per capita production of rice, a basic staple of the Brazilian diet, fell by 18 percent.

The Mexican government, meanwhile, has put over 2 million corn farmers out of business over the past few years by allowing imports of heavily subsidized corn from the United States. A flood of cheap imported grain has also driven local farmers out of business in Costa Rica. From 1984 to 1989, the number growing corn, beans, and rice, the staples of the local diet, fell from 70,000 to 27,000. That is the loss of 42,300 livelihoods.

The same has taken place in Haiti, which the IMF forced open to imports of highly subsidized U.S. rice at the same time as it banned Haiti from subsidizing its own farmers. Between 1980 and 1997, rice imports grew from virtually zero to 200,000 tons a year, at the expense of domestically produced staples. As a result, Haitian farmers have been forced off their land to seek work in sweatshops, and people are worse off than ever: according to the IMF's own figures, 50 percent of Haitian children younger than five suffer from malnutrition and per capita income has dropped from around $600 in 1980 to $369 today.

Kenya, which had been self-sufficient until the 1980s, now imports 80 percent of its food, while 80 percent of its exports are accounted for by agriculture. In 1992, EU wheat was sold in Kenya for 39 percent cheaper than the price paid to European farmers by the EU. In 1993, it was 50 percent cheaper. Consequently, imports of EU grain rose and, in 1995, Kenyan wheat prices collapsed through oversupply, undermining local production and creating poverty.

Far from ending hunger and promoting the economic interests of small farmers, agricultural liberalization has created a global food system that is structured to suit the interests of the powerful, to the detriment of poor farmers around the world. ❧

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