

Will Free Trade Solve the Food Crisis?

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Views from Africa

- “the continent [Africa] must drop its reliance on food imports and learn to feed itself. [...] Africa imports about US\$25 billion worth of food and receives about a third of the world’s food aid. The food crisis cannot be solved by the continuation of charity.”

Mafa Chipeta, FAO sub-regional coordinator, Africa

- “Agriculture-led development is fundamental to eradicating hunger, reducing poverty, generating economic growth and minimising the burden of food imports while opening the way to expansion of exports and employment opportunities.”

Kenyan Agriculture Minister, William Ruto



Who Benefits from Free Trade?

- Around 85% of agriculture trade is controlled by five companies.
- Around 75% of cereals trade is controlled by 2 companies (Cargill and Archer Daniels Midland).
- 50% of world coffee comes from small-scale farmers but 40% of the trade is controlled by 4 companies.
- On 14 April 2008, Cargill announced that its profits from commodity trading for the first quarter of 2008 were US\$1.3billion, 86% higher than the same period in 2007
- Since 2006, Cargill, ADM and Bunge, have increased their profits by 36 percent, 67 percent and 49 percent respectively.



The Doha Round Will Not Solve the Food Crisis

- Doha will increase dependence of LDC's on food imports
- Doha will increase volatility of food and agriculture prices
- Doha will strengthen the power of transnational agribusinesses
- Doha will not discipline financial speculation



What About Doha and Food Aid?

- **Food Aid Monetization – sale of food aid to generate cash**
- **July 10 Modalities Text - broadens the scope for food aid monetizations**
- **Alternative language?**



What will solve the food crisis?

- **Review the Uruguay Round Agreement on Agriculture and the Doha mandate**
- **Address Volatility in Food and Agricultural Prices**
- **Create Global Competition Rules**

