

Capitalism & Food

A Food Crisis is to be expected in the Capitalist System

Part 1: The Reality of the Food Crisis

"We are deeply concerned by how Putin's war in Ukraine has caused major disruptions to international food and agriculture supply chains, and the threat it poses to global food security. We recognize that many countries around the world have relied on imported food staples and fertilizer inputs from Ukraine and Russia, with Putin's aggression disrupting that trade." (White House Joint Statement by the US President Joe Biden and EU President Ursula von der Leyen)

The latest food crisis is, unsurprisingly, being blamed on the Ukraine Crisis. This claim has an aspect of truth to it- rising fuel and fertilizer prices and disrupting food supply chains. But it will be an oversimplification to say that the Russian invasion of Ukraine prompted this 'unprecedented food crisis'.

It's beginning to look like some bad actors are deliberately taking steps to guarantee a coming global food crisis. Every measure that the Biden Administration strategists have been making to "control energy inflation" is damaging the supply or inflating the price of natural gas, oil and coal to the global economy. This is having a huge impact on fertilizer prices and food production. That began well before Ukraine. Now reports are circulating that Biden's people have intervened to block the freight rail shipping of fertilizer at the most critical time for spring planting. By this autumn the effects will be explosive. (Source: [FoodSecurityPortal](#))

Once again we are all suffering as a result of the power struggle between the Capitalist States. And as always, in order to justify their actions these states are creating a narrative that moves our attention away from the systemic problems within Capitalism and focuses it on individual events and their perpetrators.

We shouldn't ignore the convenient trend that emerges with an analysis of such situations - to take a political issue and blame it for the problems that we are facing. It takes our attention away from the root of the cause and focuses us on a specific event in time so that we hope that once the issue goes away, the problem will too – it won't. Its impacts and consequences may recede but only until another crisis (and there will always be another crisis) rears its ugly head.

The Capitalist system is severely flawed. It's always been flawed but the events over the last few years have created a situation where we can clearly see all the cracks that exist in the system. Cracks that they are trying to patch up in an attempt to fool us into following the ideology – an ideology that will never, and can never provide us with our basic needs, security and justice.

Economic Crisis are an innate part of the Capitalist System, and so are food crisis. It's not because we don't have enough food – the world has plenty- it's because of a lack of management and accessibility.

It's true that some of these problems are inevitable, resulting from how interconnected the world has become with the development of technology.

It's not that there is a global shortage of these things, it's that many are in the wrong place, being stored in importing country ports after Covid-19 forced many ships to dock. As the location of ships and containers goes through the painful (and slow) process of realigning with supply and demand, the cost of moving grain between major markets has more than doubled from pre-pandemic levels. Some are referring to the simultaneous rise in food and freight costs as a "double whammy" for food import-dependent nations. (Source: [CSIS](#))

But that doesn't mean that this 'unprecedented' crisis was unexpected.

Over the last few decades the global prevalence of moderate or severe food insecurity has been slowly on the rise. Reduced incomes and disrupted supply chains, chronic and acute hunger were on the rise due to various factors, including conflict, socio-economic conditions, natural hazards, climate change and pests. And all of this predated both the COVID crisis and the recent Ukraine issue.

“The estimated increase of food insecurity in 2020 was equal to that of the previous five years combined. Nearly one in three people in the world (2.37 billion) did not have access to adequate food in 2020 – that’s an increase of almost 320 million people in just one year.” (Source: [FAO](#))

Globally, hunger levels remain alarmingly high. In 2021, they surpassed all previous records as reported by the [Global Report on Food Crises 2022](#), with close to 193 million people acutely food insecure—nearly 40 million more people than during the previous high reached in 2020. Conflict and insecurity are identified as the main drivers of increased food insecurity. (Source: [Worldbank](#))

In 2020, “approximately 323.3 million people in Africa or 29.5% of the population ran out of food or went without eating that year.” (Source: [The Food and Agriculture Organization](#))

“Eight of the countries facing the most severe food shortages are in Africa, affecting over 81 million Africans. DRC 25.9 million people, Afghanistan 22.8 million, Nigeria 19.5 million, Yemen 19 million, Ethiopia between 14-15 million, South Sudan 7.7 million, Somalia 6 million, Sudan 6 million, Pakistan 4.7 million, Haiti 4.5 million, Niger 4.4 million and, lastly, Kenya 3.4 million” (Source: [Global Report on Food Crisis 2022](#))

Admittedly, the issue of food insecurity is quite complex as there are numerous factors involved in its existence. And so researching into the topic sends you down a rabbit hole of information, justifications, theories and possibilities. But when you sit down and sift through the information, a few things become very clear, very quickly.

The Capitalist System isn’t focused on protecting the people- it’s designed to exploit them. And so while we have food (or rather we have the means to make sure that everyone is fed), the policies that Capitalist states have put in place result in approximately 8.9% of the world's population — 690 million people — going to bed on an empty stomach each night.

These facts are acknowledged as being a constant in the current system- yet time and time again, there is a lack of care, concern or preparation to avoid millions of people from reaching the point of starvation- or dying from it.

“There was indeed record wheat output in the face of relentless global lockdowns. However, most governments did little to build or expand their food stockpiles.” And as a result they were not prepared for problems in the supply chains. This is despite the fact that they had prior experiences with such problems (as a result of the Arab Spring and its bloody aftermath). They had ample opportunity to establish new national granaries- which is important because well-maintained granaries can store wheat and corn, amongst others, for more than 10 years. Individuals can extend this shelf-life to a whopping 31 years under proper conditions.” (Source: [Global Research](#))

In fact, rather than focusing on feeding them, the current policies are increasing the cost of food through inflation, which is increasing the number of people who are falling below the already- pathetically low poverty line and falling into starvation.

“Globally, food prices have been rising already for some time and this increase is not just the result of a shortage of food production, as some UN institutions, agro-exporting countries and agri-business corporations have claimed. On the contrary, it is mainly associated with a number of factors such as the COVID-19 pandemic, supply chain disruptions, power concentration in supply chains, rising energy prices, increasing social injustices and poverty, as well as climate disasters, exacerbated by the financialization of food and agriculture and speculation.” (Source: [Relief Web](#))

“Rising food prices have a greater impact on people in low- and middle-income countries since they spend a larger share of their income on food than people in high-income countries.” In some parts of Latin America and Africa, people may spend up to 50 or 60 percent of their income on food. (Source: World Bank)

The situation is made even more horrific how little care or concern there is.

*“Early in the coronavirus pandemic in the U.S., reduced demand for bulk orders of dairy products had the dairy industry pouring raw, unpasteurized milk down drains and dumping it outdoors. At the same time, many slaughterhouses shut down due to COVID outbreaks, which forced a lot of farms to “depopulate” their livestock, aka kill the animals (by gunshot or CO2) and discard their bodies. Additionally, early in the pandemic, fruit and vegetable farmers were essentially forced to trash crops even though food banks were in serious need of food, **because the government refused to give financial assistance to make the donations happen.** And around the same time, one crop farmer told The Wall Street Journal that with the supply chain in disarray, rather than let his crops die in the field, he chose to destroy them.”* (Source: GreenMatters)

Trade isn't the solution – it's the issue

“On April 13, 2022, The heads of the World Bank Group, International Monetary Fund, United Nations World Food Programme, and World Trade Organization released a joint statement calling on the international community for urgent action to address food insecurity, to keep trade open and support vulnerable countries, including by providing financing to meet the most urgent needs.” (Source: World Bank)

We shouldn't look at this and hail it as a success. These solutions are not a way of ensuring that the people across the world are fed- if that happens, it's just a side benefit which will help to keep people happy.

These solutions are simply a way of ensuring that the Capitalist System doesn't collapse on itself - as the current economic system and the strength of the dollar relies on constant cash flow. This is clear from the fact that the restrictions on trade exacerbated the food crisis by driving up wheat prices by 30%. (Source: World Bank)

“If most poor countries are still very vulnerable, it is because their food security depends too much on food imports whose prices are increasingly high and volatile”. Statement made by Olivier de Schutter, special rapporteur of the United Nations on the right to food (Source: BMC)

“Countries in North Africa and the Middle East import more than 90 percent of their food, while sub-Saharan Africa boasts a nearly \$45 billion annual food import bill.” (CSIS)

As a result, these countries are having to deal with local production systems that have been weakened over the last decades and are now heavily dependent on food imports, particularly wheat from Ukraine and Russia, making war and rising prices a major destabilizing factor.

These statistics and facts are made even more horrific by the fact that African nations have abundant hectares of fertile soil and arable land, coupled with many water systems. But despite this, most nations within Africa are farther away from being able to feed their populations through their own production of food than they were during the 1960 and 1970s.

Instead of utilizing the resources, they spend the money on imports and hinder their ability to develop their capacity to eliminate the poverty and food insecurity that exists across the continent.

“Africa's annual food import bill of \$35 billion, estimated to rise to \$110 billion by 2025, weakens African economies, decimates its agriculture and exports jobs from the continent.” (Source: Global Research)

This isn't limited to Africa.

Today, more than 95 countries in the world import more food than they produce. The four leading exporters are the United States, Canada, Australia, and Argentina and they provide about 80 percent of cereal exports on the world market. But in order to import the products from these countries, the rest of the world must have the capital to buy this food. This is made harder as the exporting countries are becoming increasingly protectionist and the importing countries are having problems with their currency value. (Source: APCSS).

So, the trade cycle and associated policies are meant to reduce the developing world's ability to be self-sufficient. If the focus of the developed world is to improve the health and wellbeing of the people in countries like Africa, why not give them the money to develop their untapped potential instead of burying them in debt? And encouraging a situation where they must import the resources that they could easily produce.

But instead of helping these countries, it made them dependent on imported inputs. They struggled to economically sustain these imports and when the oil crisis and debt crisis hit in the 1970s and 1980s, they had to ask for loan packages from the international financial institutions. These loans came with conditions in the form of structural adjustment policies, which led to liberalization on one hand and the conversion of domestic agricultural production for exports on the other. These policies also involved the elimination of public intervention in the agricultural sector, including state-led institutions such as marketing boards, which in the past supported small-scale farmers through credit, inputs and facilitation of market access. Structural adjustments have also encouraged the concentration of agricultural trade and production, which excludes small-scale farmers from business and growth. All of this created a situation where they became dependent on loans...

And multinational companies make the whole situation that much more problematic by badly aggravating the food crisis and raising food prices.

We often hear that the companies within the private sector have an immense influence but many of us don't actually consider what this means.

"The chemical-intensive agriculture the Union Carbide (an American chemical corporation) promoted, we can now see the (immense negative) impacts...And yet – whether it involves new genetic engineering techniques or more pesticides – there is a relentless drive by the agritech conglomerates to further entrench their model of agriculture by destroying traditional farming practices with the aim of placing more farmers on corporate seed and chemical treadmills. (Source: Global Research)

And they are aided by in their attempt to control the supply chains, and gain profit at the expense of people's lives.

The "solutions" prescribed by international organizations (like the World Bank and the WTO) are rooted in the same policies and technologies that created the problem in the first place: increased food aid, de-regulated global trade in agricultural commodities, and more technological and genetic fixes. These measures only strengthen the corporate status quo controlling the world's food." (Source: FoodFirst)

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