

GLOBAL ALLIANCE FOR THE

FUTURE OF FOOD

AGAINST CHEAP FOOD

An Aide-Memoire from the Global Alliance's International Dialogue, Milan, May 2015

By Raj Patel, Rapporteur

Disclaimer:

This aide-memoire was commissioned by the Global Alliance for the Future of Food from Raj Patel on the occasion of its International Dialogue in Milan, May 2015 to stimulate information-sharing, learning, and collective action. The Global Alliance has chosen to make it available to the broader community to contribute to thinking and discussion about sustainable food and agriculture systems reform. It constitutes the work of an independent author and any views expressed in this aide-memoire do not necessarily represent the views of the Global Alliance or of any of its members.

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AN AIDE-MEMOIRE

“What,” asked Million Belay, the Ethiopian director of the Movement for Ecological Learning and Community Action, “about poor people?”

We'd just heard from Duncan Pollard, Nestlé's AVP for Stakeholder Engagement on Sustainability, about how the world's biggest food company had done its own internal audit of the true environmental and social costs of its business. The number was high. So high that releasing it to the public would result in the company being 'crucified'. The costs are bigger than profits and 'trend towards revenue'. Last year, the company's profits were \$15bn, and its revenue was \$98 bn.ⁱ The number is big.

This isn't just Nestlé's problem. It's a food industry problem. KPMG released a report in 2012 looking at how much environmental harm was 'externalised' by industries, calculating the price of damage done but not paid for. The food industry had the highest costs - \$200 billion. And that's 224% of their profits.ⁱⁱ The consequences are enormous:

There's no business model where the food industry produces cheap food without destroying the environment.

Either we accept cheap food at the grocery store, and have people – invariably poor people - pay for environmental damage in health, social and economic costs incurred elsewhere. Or we have more expensive food that reflects the full costs of its production. The food industry is, Pollard told us, not averse to doing the right thing and internalizing these costs. But no individual food company wants to go first. If they get together and figure out how to coordinate, they fall foul of anti-trust laws.

“But what about poor people?” is the right question.

When you pull at the price of cheap food, the food system unravels. Cheap food helps keep wages down. If food prices go up, even more people will go hungry than the 850 million we already have.

Pollard's answer was that “there needs to be social safety nets”.

It's a systemic solution of a kind. Let the industry continue in a new economic reality, adapting and changing for the better, and make governments transfer money to poor people, so they can afford to buy the same things as before.

There's a theory of change here, of a kind. In a world where prices reflect environmental damage, you reward good behavior. If you internalize costs, agroecological food at your local farmers market ends up being cheaper than the packages at a supermarket. Fossil-fuel stops being the life-blood of agriculture, replaced by the sun.

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AN AIDE-MEMOIRE

Helmy Abouleish of Sekem knows the difference intimately. He's done the math through his potato farming in Egypt. A LE 1.70 kilo of industrially produced potatoes ends up costing LE 2.12 if you include hidden environmental subsidies, whereas an organic kilo currently costs LE 1.77 and would end up costing LE 1.90, 7% more than before, 10% less than industrially produced potatoes. If we get prices right, sustainable food can compete on a level playing-field, and win.

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But if you're starting to value the environment, why not include the health care costs associated with industrial food? Diabetes is a global problem – every 30 seconds, someone loses a foot because of amputation due to the disease. Put a dollar value to that if you must.

And if health matters, surely so do the workers and the social systems that make work possible. If you raise wages, you make it possible for farmers and farmworkers to live well too. And why not value the cultural benefits of polyculture and diversity too? Food cultures and seeds don't live in cookbooks and seed banks but *in vivo*, in the living communities of which they're part.

And if you're looking at malnutrition and hunger, then you can't ignore gender. Shiny Varghese, at Institute for Agriculture and Trade Policy, noted that globally, less than 20% of all reductions in childhood stunting can be traced to increased energy from food. More important than increased calories, at nearly 30%, is women's education and empowerment. In South Asia, women's education and empowerment has been responsible for 45% of the decrease in chronic child malnutrition.ⁱⁱⁱ

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And if you're imagining all this, then you've got to see the barriers to systemic change, in everything from public infrastructure deficits, austerity, shrinking social programs and corporate pushes for 'free trade', lower environmental and labour standards, and the way we ourselves behave and allow this destructive food system to be reproduced.

There's much work to do. Systemic solutions emerge from a systemic view of the problem, touching everything from health to workers' rights to government purchasing.^{iv} But there are still plenty of difficult questions.

What's the link between rural and urban areas? How do those geographies relate to one another, and to national politics? Many countries with endemic hunger are bound by debt to export markets, using their land to export commodities they exchange to buy cheap food. How can change happen without thinking about the international trading regime? And how do different levels of government, society and movements relate to one another in the change to a more just, healthy and sustainable world?

AN AIDE-MEMOIRE

Faced with the difficulty of these questions, it might be tempting to retreat to one's urban garden, to hide out with one's favourite solution and hope that everyone else is doing their part. This is a mistake. Piecemeal solutions are ripe for cooptation. They're ready to be included into a system that has shown itself remarkably resilient in the face of its failures.

Those failures are so serious that we're already living beyond the earth's capacity, and beginning the 'sixth extinction'. The situation is bad enough to demand emergency action, driven by Martin Luther King's "fierce urgency of now." But even here, it's important to have one's eyes to the horizon lest the politics of today's firefighting prevent tomorrow's flourishing.

Movements for social change have been imagining that future for generations. The Brazilian landless rural workers' movement (MST) has, for instance, been occupying land and farming agroecologically for over 30 years. But they are also part of coalitions that have instituted terrific federal programmes like the school meal undertaking, which guarantees at least 20% and up to 70% of children's nutritional requirements by buying from local farmers and providing a premium for food grown agroecologically.^v

Those ideas can, and should, spread. With the right support, movements for systemic change help build a bridge between today's system and the next. But how?

Olivier De Schutter reminds us that "the word power is one you will not see at the end of documents adopted at the end of international conferences." Confronting power is, by definition difficult. Yet without the courage to find one's place in that confrontation, systemic change remains a dream while in the real world, people suffer.

Poor people have borne the cost of the global food system for far too long, a system that some of the world's largest governments, companies and philanthropists helped to hone.^{vi} Their movements for change may not be perfect, but their visions offer a compass to guide change accountably.

Million Belay is right. Think systemically, radically, accountably and with hope, and the question "What about poor people?" can lead to an entirely different food system.

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ABOUT THE GLOBAL ALLIANCE

The Global Alliance for the Future of Food cultivates healthy, equitable, renewable, resilient, and culturally diverse food and agriculture systems shaped by people, communities, and their institutions.

The Global Alliance is a unique coalition of foundations committed to leveraging our resources to help shift food and agriculture systems towards greater sustainability, security, and equity. Plurality is the strength of the Global Alliance bringing together foundations, despite differences, from countries across the globe with diverse interests and expertise, spanning health, agriculture, food, conservation, cultural diversity and community well-being. At the core of the Global Alliance is a shared belief in the urgency of advancing sustainable global agriculture and food systems, and in the power of working together and with others to effect positive change.

ABOUT THE AUTHOR

Raj Patel is an award-winning writer, activist and academic. He is a Research Professor in the Lyndon B. Johnson School of Public Affairs at the University of Texas, Austin and a Senior Research Associate at the Unit for the Humanities at Rhodes University (UHURU), South Africa. He has degrees from the University of Oxford, the London School of Economics and Cornell University, has worked for the World Bank and WTO, and protested against them around the world. He has been a visiting scholar at UC Berkeley's Center for African Studies, an Honorary Research Fellow at the School of Development Studies at the University of KwaZulu-Natal and continues to be a fellow at The Institute for Food and Development Policy, also known as Food First. Raj co-taught the 2014 Edible Education class at UC Berkeley with Michael Pollan. He was also an IATP Food and Community Fellow from 2011-2013. He has testified about the causes of the global food crisis to the US House Financial Services Committee and was an Advisor to Olivier De Schutter, the United Nations Special Rapporteur on the Right to Food. In addition to numerous scholarly publications in economics, philosophy, politics and public health journals, he regularly writes for The Guardian, and has contributed to the Financial Times, LA Times, NYTimes.com, The San Francisco Chronicle, The Mail on Sunday, and The Observer. His first book was Stuffed and Starved: The Hidden Battle for the World Food System and his latest, The Value of Nothing, is a New York Times best-seller. He is currently working on a ground-breaking documentary project about the global food system with award-winning director Steve James.

ENDNOTES

i https://www.nestle.com/asset-library/documents/library/documents/annual_reports/2014-annual-report-en.pdf

ii <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/Documents/building-business-value.pdf>

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iv <http://www.futureoffood.org/wp-content/uploads/2015/05/GlobalAlliance-AdvancingHealthWellbeingCompendium-April2015.pdf>

v Roberta Sonnino, Camilo Lozano Torres and Sergio Schneider, 'Reflexive governance for food security: The example of school feeding in Brazil', *Journal of Rural Studies*, 36 (2014), pp. 1-12.

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