Exercise Economics

'World Food Crisis' a Direct Product of the British Empire

by Marcia Merry Baker

March 1—Alongside the hyper-speculation in food and related commodities that must be stopped urgently, there is a related feature of the food crisis to be eliminated: the now-extreme globalization of the food chain. This has come about under the control of a select few commodities and logistics cartels, operating above and against national governments and the interests of their populations. Nations have been forced into dependence on food from hundreds and thousands of miles away; now it isn't there to be had. Genocide *is an intent* of this system, not a side-effect.

Governments and financiers today, prominently including Federal Reserve chairman Ben Bernanke, are notorious for saying that the current spike in food prices, and the growing shortfalls are simply a result of "increased demand," i.e., "market forces." They are maliciously lying.

What "markets"? The way it works is that these cartel companies' activities and practices are what is meant, when "the markets" are cited. The companies are, in fact, the hard-product wing of the financial interests, best called the neo-British Empire.

How It works

- They dominate the export and import of basic foodstuffs—wheat, soy, corn, rice, sugar, dairy, tropical products, etc.
 - They intervene to determine where crops are



India has seen repeated protests against Monsanto and Cargill, over their insistence on imposing their seeds and onerous conditions-of-use for their BT (biotech) seeds, including patent and trait rights, etc. Shown, Indian farmers protest against Monstanto in 2003.

grown, which they call "export sourcing," and "value chain" development.

- They engage in, and often set, speculation on the commodity exchanges.
- They dominate world crop and livestock research and genetics with wrongful patent/intellectual property rights, to seeds, breeds, and even biotech procedures.
- They dominate fertilizer and other agro-chemicals—development, pricing, and availability.
 - They dominate food processing.

March 4, 2011 EIR Economics 19

- They position their operations to control retail—final distribution of food—and dictate prices and standards to suppliers.
- And, of course, they thwart any and all attempts at national food self-sufficiency.

If this sounds like a replay of the British East India Company, dictating conditions and trade in rice, indigo, cotton, tea, opium, and other goods of their time, it should. Beyond gargantuan profiteering, the result of today's cartel practices is genocide. On every continent, potential food productivity, through national water, power, and agro-industrial improvements has been deliberately subverted, to the point now of mass hunger and starvation.

The Deadly Details

The following summarizes some of the aspects of the degree of control and ruination of today's world food situation by these commodity cartels.

Grains. Of the total 2,182 million metric tons of grains produced worldwide, some 272 mmt are traded, about 80% of which is dominated by a very few firms, principally Cargill Inc., ADM, Bunge, and Louis Dreyfus.

Several of these same firms dominate grain processing, and are also heavily involved in biofuels. For example, ADM and Cargill are in the forefront of corn for oil, HFCS (corn sweetener), and corn ethanol.

In the U.S.—the world's single largest corn grower—nearly 40% of production is now going to ethanol, instead of the food chain, *This is the policy of Cargill, ADM, and London*.

Earnings and profits are up over 20% in recent months for all these firms, while shortages and hunger worsen.

Seeds. Through wrongful seed and biotech patenting, a small group of agro-chemical companies exerts extreme control over crop genetics, including Monsanto/Cargill, DuPont, BayerCropScience, and Syngenta.

Meats. A very few mega-firms now dominate large shares of meat slaughtering, both for export, and for domestic sale, the world over. For example, only four mega-firms account for most meat packing in the U.S.: JBS, Tyson, Smithfield, and Cargill.

Dairy. Leading names in the world dairy cartel: Nestlé (headquartered in Switzerland), Dean Foods (U.S.A.), Danone (France), Fonterra (New Zealand/British Commonwealth), Unilever (U.K./Netherlands), Kraft (U.S.A.), and Lactalis (France).

Specialty Crops. The production and shipment of a

whole range of fruits, vegetables, nuts, and other specialty crops of all kinds, are increasingly organized by cartel-associated commodity networks into what they call supply "value chains" for looting. This is epitomized, for example, by temperate crop vegetables and fruits (onions, peppers, etc.), going from Africa to Europe; the same from Central and South America to the United States, and so on. In 1990, Egypt exported 60,000 tons of onions; by 2005, it was up to 270,000 tons.

For other more specialized crops—nuts, spices—the degree of control is also dramatic. Olam International, started in 1989, and now based in Singapore and London (14% owned by Temasek, the Singapore quasi-government holding company), is the world's largest "supply chain manager" for sesame seeds, cashews, and cocoa beans. It operates in 60 countries, for 20 products, with 13,000 employees. Olam recently bought the largest peanut processor in the world, Universal Blanchers LLC in the U.S.A., in its drive to dominate global peanut supplies.

Events in just one case—Haiti—show the impact of public/private "value chains" imposed as a supposed benefit to poor farmers. Last October, a mangoes-for-export project began in Haiti, as a joint venture with Coca-Cola, funded by USAID. The same week, cholera broke out. This is *the intent* of globalization.

The Way Out

The combined impact of all this, is to be seen today in the fact that world production of staple cereals of choice—rice, wheat, and corn—is at *half the volume* required for decent levels of direct and indirect consumption (through the livestock feed chain); fruits, vegetables, and oil crops likewise. At the same time, large areas of farmland are suffering the depletion of their soils and water-resource base.

None of this is "natural." It is the result of allowing the continuation of the de facto British East India Co. farm policy.

The way out is to cancel it, and launch long-deferred improvements on a vast scale. For immediate relief: Cap food prices. At the same time, establish collaboration among nations for a new credit system, as defined by FDR's 1933 Glass-Steagall law, to replace the dead monetarist regime now killing nations and peoples.

The funding can then flow to continental-scale projects for massive agro-industrial development, such as that embodied in the North American Water and Power Alliance (NAWAPA).

20 Economics EIR March 4, 2011