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Hunger explodes. War does not explain everything. Speculation, the essential cause of hunger in the world.

Social movements: Stop playing in bags with food prices!

La Via Campesina reiterates that agriculture in the world produces enough to withstand a longer period of crisis. The problem, according to this organization, is not the lack of food, but the fact that the big capitalist companies that dominate the world financial and distribution market have transformed the trade in food and agricultural products into a highly speculative market.



On Monday, August 21, two merchant ships with a total of 30,800 metric tons of grain destined for Greece and Egypt were authorized from the Ukrainian port of Chornomorsk.

A first ship chartered by the World Food Programme with 23,000 tonnes of wheat had set sail on 16 August for Africa from the Ukrainian port of Yuzhny near Odessa.

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First world Food Programme ship to depart on Tuesday, August 16 from Ukraine for Africa _ This is the Brave-Commarder. Photo Anastasiia-Honcharuk-PMA.

According to world Food Programme (WFP) spokespersons, these maritime movements mark an initial phase of the *Black Sea Grain Initiative*. An important step in the fulfillment of the agreement signed by Russia and Ukraine on July 22, validated by Turkey and the United Nations (UN). Thanks to it, the exit of grains, blocked since the end of February when the war in Eastern Europe broke out, will be accelerated. The Joint Coordination Centre (JCC), made up of the two parties to the conflict, plus the UN and Turkish representatives, is responsible for coordinating the departure of cereals from ports in conflict zones.

These shipments carry a particular symbolic value. They are the beginning of a process of unlocking one of the quagmires of the war that has the greatest impact on several countries that need to feed the supplies of both Ukraine and Russia.

Russia and Ukraine are among the world's major agricultural powers. Its corn, wheat and sunflower, as well as other grains, are essential for the supply of populations that historically depend on them. It is estimated that, as a result of the conflict, 20 to 25 million tons of grain in Ukraine alone have been blocked.

Hunger, inhuman drama

In 2019, according to United Nations (UN) figures, 135 million people suffered from "severe food insecurity", a rhetorical form to call the human drama of hunger. Three years later, at the beginning of 2022, this figure had more than doubled: 298 million people suffer from this social scourge. Different international organizations estimate that the number of hungry people could exceed 345 million, in 82 countries, by the end of 2022.

Gian Carlo Cirri, Deputy Director of the World Food Programme (WFP), based in Geneva, Switzerland, presented this dramatic picture just a few weeks ago, during an online conference-debate organized by the Swiss NGO SWISSAID.

The NGO recalls that, since the beginning of the war and the consequent disruption of global supply chains, access to basic food has become extremely complicated in several regions of the world, especially for many populations in the South.



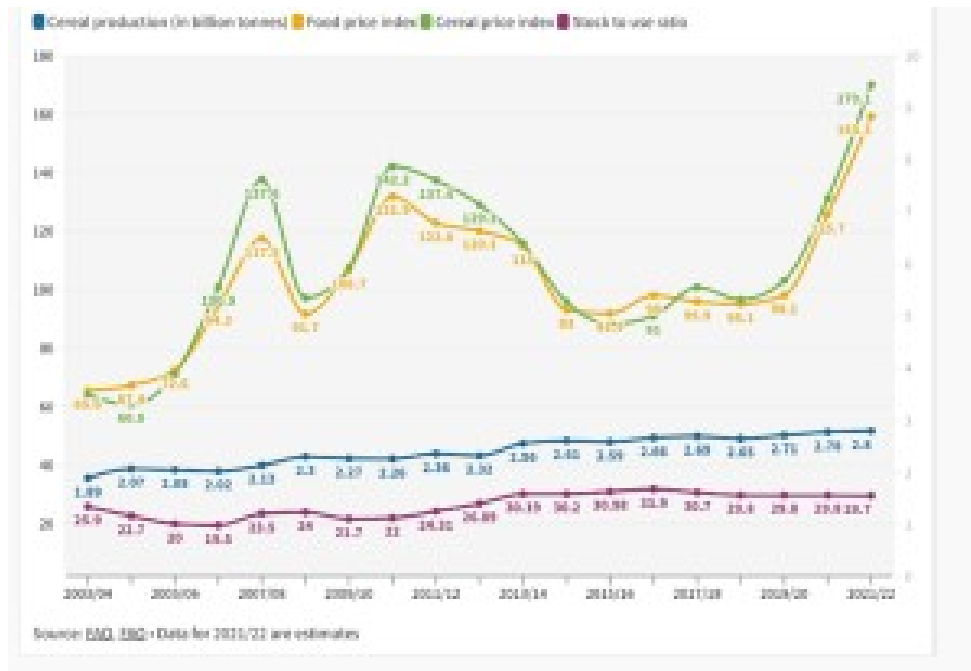
World social organizations warn about the risk of an uncontrolled increase in hunger in the world as a result of the speculation of food prices. FAO Photo

Five countries produce 78% of cereal exports. Russia and Ukraine control 30% of wheat exports. "Since the war, prices have skyrocketed, products disappear from shelves [in certain countries] and wallets are desperately empty. But the situation was already tense before," recalls SWISSAID. For his part, the WFP spokesman introduces a more global interpretation of the current food crisis and recalls that there are four fundamental causes, the "4 Cs", as Cirri calls them: conflict, climate, COVID and costs. In his view, this is an unprecedented situation and cannot be reduced to a single factor.

Food is not lacking, but with speculative prices

In recent weeks, new data and analyses have been published to better understand the global food reality, the NGO Grain ("Grain", in French, points out in a July document. [This organization supports small and medium-sized rural producers and peasant social movements.](#)

Demystifying the almost generalized and linear reading that identifies the current famine solely with the conflict in Eastern Europe, Grain asserts that "we are facing a price crisis, not a food shortage."



With energy costs rising, and partly because of it, food prices have been rising globally, mostly affecting the poorest and most vulnerable sectors. Grain argues that, in reality, there is no shortage of food, and that some countries, such as China or India, have large reserves, the result of their food security strategies promoted for years.

According to Grain, in addition, there is an absolute distortion of prices and supply, a consequence of increasingly industrialized and specialized food systems, which generate overproduction and enormous waste. Examples abound: 60% of European wheat production is used for livestock, while 40% of U.S.-grown corn goes to automotive fuel. 80% of the world's soybean crop is processed into animal feed, while 23% of the world's palm oil is transformed into diesel gasoline.

From a global perspective, Grain insists, it is not that grain production is lacking, but that prices have increased excessively and there are also problems of labor and distribution. On the other hand, he denounces, "pressure groups have implemented the crisis and, with the argument that it is necessary to produce more food, they seek to reverse certain political reforms in food matters and other objectives related to climate change."

The European Union's new "Farm to Fork" strategy, which aims to align agricultural practices with sustainability criteria, is now the target of questioning and pressure. In many countries, proposals are emerging to eliminate the biofuel production targets that had been imposed to reduce climate emissions. Many European programmes aimed at definitively eliminating nuclear or fossil energy are rapidly moving into the dustbin on the

grounds that the crisis in the supply of Russian gas and fuels demands it. The European Union has just proposed plans for a 15% reduction in fuels during the next continental winter (December 2022 to March 2023). In this context, the fight for the defence of the climate and the reduction of this type of energy is relegated to the background due to the growing concern of the European citizen about the "sacrifices" that he could face in the field of electricity.

As for the very causes of the food crisis, Grain insists that they are structural and go beyond the war in Ukraine. And it warns about the responsibility of the four transnationals that concentrate the grain business worldwide (Archer Daniels Midland, Bunge, Cargill and Louis Dreyfus) in the marking of international grain prices.



While it is true that part of this sector has been affected by the war, it is in countries with internal conflicts of their own, such as Afghanistan, Yemen, Syria, Eritrea, Somalia and the Democratic Republic of the Congo, where the greatest increase in hunger is concentrated. Reality that has no relation to the situation in Ukraine, says this NGO, which makes its own the words of the peasant leader Ibrahima Coulibaly of Mali: "Stop spreading fake news: Africa does not need the wheat of Ukraine". This reaction on Coulibaly's part is due to the use of war as an excuse to promote what he calls "Western agricultural imperialism", which he blames for "the destruction of forests, farmland and food diversity throughout the global South".

A system that plays with the food of those in need

Available data show that the current food price crisis did not begin with the war in Ukraine and that it is the result of a broader set of factors. Among them, the Covid-19 pandemic (with its consequent and still persistent disruption in supply chains internationally), the climate crisis and speculation in financial markets.



Convincing studies by [FAO](#) itself show that rising food prices are decoupled from both food production and supply. So why are prices going up? In part, because large investors – whether banks, pension funds or simply individuals – are buying bonds and shares linked to commodities. They bet on future prices of certain commodities, but with real effects on their current world price. Cereals, of course, are at the very center of stock market speculation.



The prices of basic grains subject to busatil speculation. Photo Fao

In a recent article published by Greenpeace Mexico with the title "Who benefits from hunger?", its author responds that "these companies, which claim to be angels of food and energy security, sow the seeds of poverty, hunger, disease, climate collapse, the destruction of biodiversity and the suffering of indigenous peoples and local communities."

And it [concludes that grain traders](#) are making huge profits due to rising commodity prices. Just like [fossil fuel companies](#), with record profits as the cost of living skyrockets. These are [the companies that profit from famine](#) by speculating on commodity prices. The big oil corporations, as well as their premiums, the big agricultural companies, have strong lobbies to oppose any form of regulation since they are not really interested in fixing a system that doesn't work. In fact, they do just the opposite, and not only through their powerful lobbies, but also through corporate capture of the state and other multilateral institutions. (f).

Social movements for the end of the war and speculation

La Via Campesina, the main organization of rural movements at the international level, does not underestimate the impact of the Russia-Ukraine war (or other current world conflicts) on the current food crisis. However, in one of his latest pronouncements he also agrees that ["currently, the crisis is not linked to food shortages worldwide, but to price speculation"](#).



Countries that now depend on food imports can no longer afford sky-high cereal prices on international markets.

La Via Campesina reiterates that agriculture in the world produces enough to withstand a longer period of crisis. The problem, according to this organization, is not the lack of food, but the fact that the big capitalist companies that dominate the world financial and distribution market have transformed the trade in food and agricultural products into a highly speculative market. Most internationally traded commodities are now subject to futures contracts, which can be bought and sold on the stock market several hundred times a day. Hence, the final price of these products for countries that desperately need them has no relation to the true costs of production or to the purchasing and import capacity of those countries.

With this reading of reality, the most representative peasant organization on the planet – with 200,000,000 members in more than 80 countries – calls for "the intransigent defense of life and peace." It calls for the "defense of the sovereignty of peoples or nations against war and against the destruction of their social structures." And at the same time, it proposes that "an end to speculation with food products and the suspension of their quotation on the stock exchanges" be put to an end. Future contracts on agricultural products should be banned, he adds. And it concludes that the price of internationally traded food must be related to production costs and follow the path of fair trade, both for producers and consumers.



Small production ensures food. Exchanges speculate on their international prices. FAO photo.

Sergio Ferrari, from the UN, Geneva, Switzerland for La Pluma, August 24, 2022

Edited by [María Piedad Ossaba](#)

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