Brazil pays debts with its daily bread

The growth of food exports from Brazil has been achieved at the expense of the hunger of Brazilians. Luís Barbosa and Lorenzo Carrasco report.

Brazil is the world's fifth-largest food producer, behind only the United States, Canada, U.S.S.R., and Australia. It is also in fifth place in malnutrition, behind only India, Pakistan, Bangladesh, and Indonesia, according to the Brazilian Federation of Nutrition (FEBRAN).

This cruel paradox results, in large part, from increasing implementation of an agricultural policy which gives priority to exports. This is coherent with the International Monetary Fund (IMF) order that Brazil generate large trade surpluses in order to service the country's $118 billion foreign debt.

The policy of exporting everything also coincides with the barely disguised intentions of the international grain cartel—controlled by companies like Cargill, Bunge and Born, Continental, and Louis Dreyfus—to turn those developing countries which, like Brazil, have large territories, into export platforms for food to the U.S. and Europe.

This harms the inhabitants and farmers of the poorer countries, while helping the cartels wipe out family farming in the richer countries. It is no surprise that such precepts are in line with the projections of the infamous Carter administration *Global 2000* report, which anticipated the continuing reduction of raw materials prices and of food supplies to developing sector peoples, and whose consequences, foreseen with "scientific" precision, are malnutrition and increasing mortality rates in those countries.

In recent years, the Brazilian government—with the exception of former Finance Minister Dilson Funaro—has taken an extremely weak position in the face of international bankers' demands. Thus, it has worked hard to consolidate such a genuinely genocidal policy. This year, as the latifundist oligarchy congregated in the Brazilian Rural Society has trumpeted, food exports will hit about $12-13 billion, an amount almost identical to the interest Brazil is paying this year on its foreign debt.

This policy is responsible for the rapid growth of land areas cultivated with "export" products like soybeans and coffee, at the expense of the area devoted to basic domestic food crops like rice, beans, corn, wheat, potatoes, and manioc. The shift away from food crops has been intensified by Proálcool, Brazil's program of substituting home-grown alcohol for imported gasoline. Proálcool has caused sugar cane acreage, the source of the ethanol, to expand from under 1 million to more than 4 million hectares (10 million acres) since 1976.

Thus, while basic food crop area has expanded 20% since 1970, going from 22 million hectares then to 27 million in 1985, the area used for export crops and sugar cane jumped 220%, from just over 5 million hectares to more than 16 million (see **Figure 1**). Soybeans, the girl in the agro-exporters' dreams, is a good example. Fields planted to soy (a crop which *could* be used for feedstock, but is only produced in Brazil for export) jumped from 1.3 million hectares in 1970 to 10.4 million in 1988. It is predicted to expand to 12.5 million hectares in 1989, an expansion of more than 800%

FIGURE 1
Brazil: Area sown to major crops 1970-89

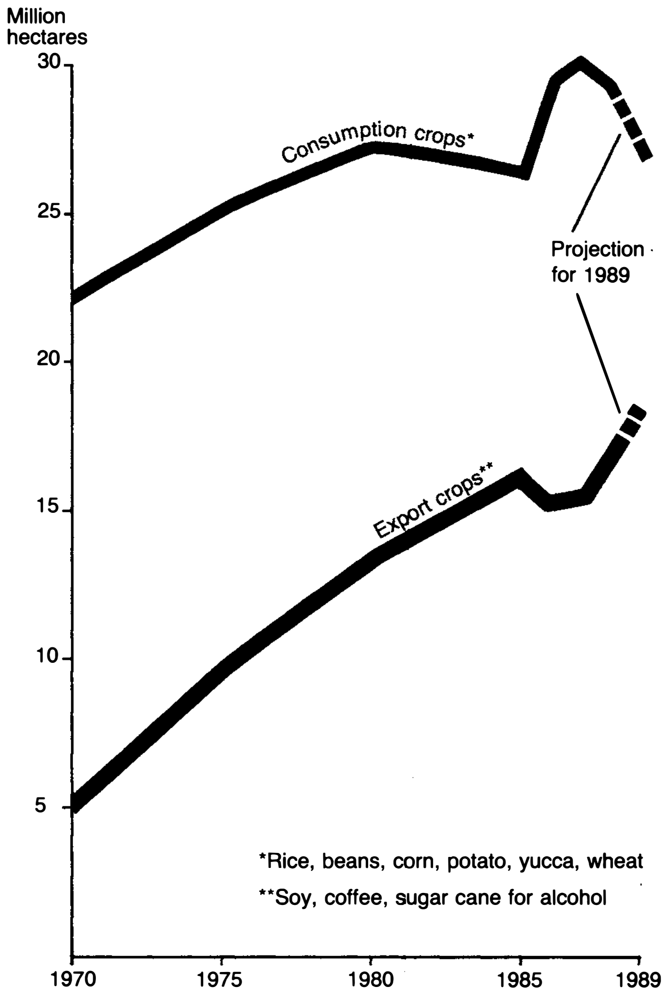
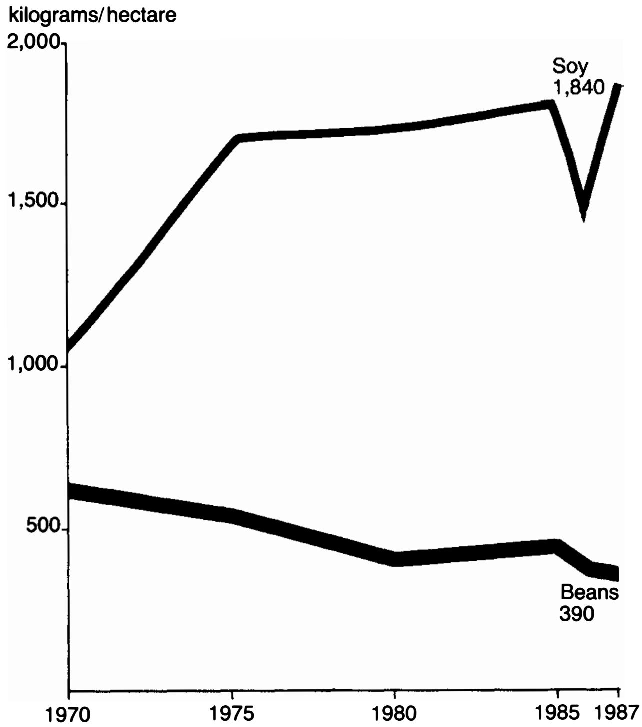


FIGURE 2
Comparative yields of soy and beans in Brazil, 1970-87



since 1970.

Best resources go for exports

Export agriculture has grabbed all the best resources. It has displaced food production from the best lands near the cities into marginal lands like clearings in the Amazon jungle. It has taken the most skilled technicians and the bulk of capital investment. The results are measured in productivity figures. The average productivity of beans, one of the mainstays of the Brazilian diet, for example, fell from 0.68 tons per hectare in 1960 to 0.39 in 1987. In contrast, soybeans rose from 1.14 to 1.84 tons per hectare during the same period (see **Figure 2**).

In recent years, even foods traditionally destined for internal consumption, such as rice, beans, and corn, have begun to be exported, although in relatively small quantities. In 1987, some 20% of food production was exported, according to the Brazilian Food Industry Association (ABIA). Now, for the first time, even milk has been added to the export list. From January to May of this year, more than 3,000 tons of powdered milk were exported; at the same time the program providing milk to needy families was one of the first targets of budget cuts made by the government—supposedly to "fight the budget deficit" and thus reduce inflation.

Brazilians go hungry

The most visible consequence of this policy is the reduction of food consumption. That comes from the fact that less

FIGURE 3
Production of food crops in Brazil stagnated or fell, 1970-88

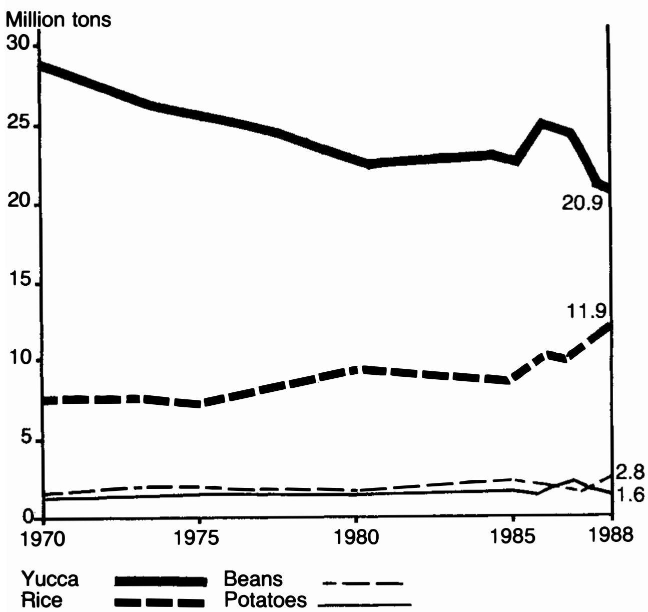
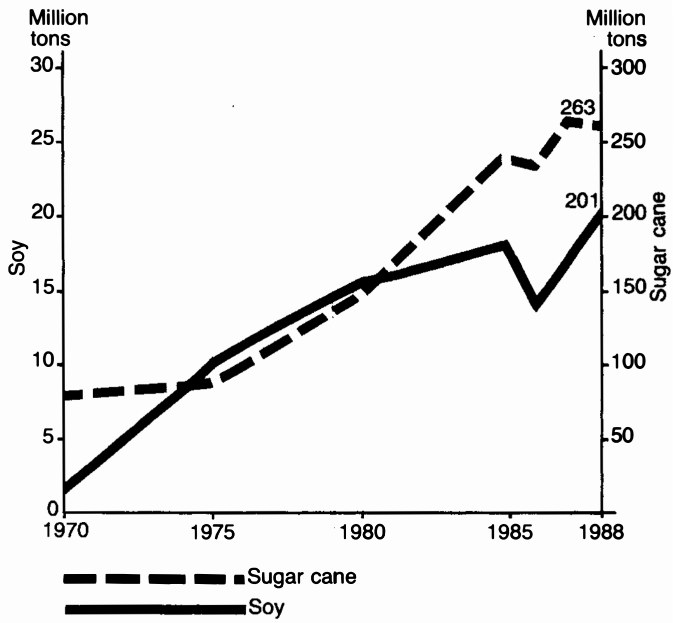


FIGURE 4
Production of non-food crops in Brazil rose sharply, 1970-88



food is supplied to the internal market (see **Figures 3** and **4**) and from drastic cuts made in Brazilians' buying power. Inflation, largely a result of the monetary emissions needed to subsidize exports, has reached devastating rates of over 20% monthly, corroding incomes.

Food prices are rising even faster than overall inflation. According to the São Paulo Institute of Agricultural Economics, the cost of a basic market basket for a family of four rose 388% during the 12 months ending in July, while overall inflation was 336%. The bottom line is alarming: According to ABIA, the same amount of food was consumed by the 144 million Brazilians in 1988 as the 123 million living in 1981.

The drop in food consumption is shown in supermarket sales falling 15% in the first half of this year from the same period in 1987 and 40% from that of 1986, when Funaro's much-maligned Cruzado Plan was in effect. According to ABIA, the 15% cut in the past year includes 9% less milk, 12% less meat, 6% less coffee, 17% less butter. Rice and beans, the basic diet of the undernourished majority of Brazilians, fell more than 15%. Proving that debt service is taking the bread from Brazilians' tables is the fact that bakery sales fell about 40%.

The government recognizes the spread of malnutrition. The Planning Ministry's Economic and Social Planning Institute (IPEA) reports the proportion of Brazilians who consume less than 2,240 calories daily grew from 38% in 1963 to 65% in 1984.

The growing malnutrition from the reduction in internal food consumption can be readily correlated with the pauperization of Brazilians' general health levels. This impact was analyzed in the recent nutrition seminar sponsored by the Rio de Janeiro Nutritionists Association. Researcher Maria Tereza Vasquez showed a direct relation between malnutrition and immunological deficiencies. She suggested that the increase in AIDS cases in Brazil could be linked to food deficiencies. (Brazil is currently the second in rank of reported AIDS cases.) She also attributed the resurgence of previously controlled epidemic diseases such as dengue and yellow fever partly to nutritional deterioration.

Malnutrition promotes infant mortality. The Health Ministry reports that more than 85% of children under the age of five have some degree of malnutrition. A study made a few years ago in the northeastern state of Ceará found less than 30% of children had adequate nutrition and infant mortality was over 250 per 1,000. Even in the states considered much richer, there are belts of misery like the Baixada Fluminense on the outskirts of Rio, where infant mortality is reported at 150 per 1,000 and many deaths go unreported.

Unfortunately, perspectives for this picture to improve in the near future are remote. President José Sarney's government, ever more committed to "Brazil's insertion into the international economic system," rapidly forgot the aspiration synthesized in the dictum of the late President Tancredo Neves: "The debt may not be paid with the hunger of the people."