



Learning from the Coffee Crunch in Nicaragua

by Magda Lanuza

In September 2001, Dora joined thousands of people who left their homes in the mountains of Matagalpa in the North for the main roads to claim jobs, land, and food. This time, these people wanted to be seen by the national and international media, the politicians, and the Nicaraguan people. They were living on the road at the mercy of the sun and rain for weeks, surviving on with roots.



Illustrations by Jim Marpa

Like Precious Beads. Much of Nicaragua's agricultural industry has become dependent on coffee, that a downturn on its global trade may mean hunger and even indebtedness.

Photo courtesy of Christian Kadluba from Wikimedia Commons.

Dora was a coffee picker, mother of six children who now join her to work for four months in the coffee plantations. However in 2001, she did not have a farm to spend four months of her life, because the farmer decided to leave the coffee beans on the trees. Dora also owned a small plot of land yet she could not grow beans which were then too expensive. She was also losing the land since she could not pay her loans to the banks, as she was bound to fail to recover a cent: "We needed food but there was no work."

The small support she had from her husband, who also was a coffee picker, vanished when they were not able to work in the farms. Even when Dora and her family were spending a high proportion, if not all, of

their income on food, they were forced to buy less and went hungry.

Dora's family went back to the coffee farms of Matagalpa after coffee prices recovered at some level. But she is now facing another crisis. The prices of staple foods such as rice, corn and beans have continued to rise since last year.

There are so many reasons behind the food crisis that have not been exposed by mainstream media. These include the manipulation of world markets; inaccessibility of technological packages to small and medium farmers; weakened national governmental capacities due to privatisation and concentration of markets to few agribusiness corporations. Finally,



Corporations such as Nestle are the ones who make huge profits whether in times of abundance and crisis. As in all crises, there are losers and winners, but the latter were never constituted by the poorest.

we cannot miss the wrong agricultural policies over the last three decades.

For coffee workers in Nicaragua, the current crisis is more than just the increase of food prices. Structural adjustment programmes (SAPs) and trade liberalisation have played against them. In the last three decades, small and medium farmers lost the capacity to produce food that is enough for consumption, storage and marketing that eventually they lost their jobs and were forced to leave the country. Once on the city streets, they could not buy enough and adequate food. Small farmers could not ask for loans nor technical assistance as governmental institutions were either closed or lacked such services.

Although some programmes were created, these were often not designed to favour the majority, especially the smallest and most impoverished. In fact, some are even facilitating trade liberalisation. For those who are seriously working on alternatives, we are called to look at decades of development history as this crisis did not develop overnight.

The market system of coffee production for export

The Nicaraguan coffee industry rests upon the consumption of the global community. Coffee production has grown two-fold in volume and 3.5 times in value since the 1960s. This cash crop counts on millions of foreign currency in exports. However, the fortunes of the local coffee industry can be more precisely read in terms of unfair international trade.

Memories of the cotton crisis of the 1970s are still fresh. When the international

markets for cotton collapsed, the big producers in many Southern countries turned to coffee. Then when the international coffee crisis sparked, the situation became more complex. Farmers could not just abandon coffee and switch to a more profitable crop. Coffee is a tree crop that takes years to begin yielding beans. Moreover, the entire social sectors are embedded in it. Farmers were once more in the same situation in 2001 as coffee was selling on the world market at US\$50 a bushel, down from US\$140 just two years before.

We also need to examine the production cost of coffee beans in the South. In 2001, Nicaraguan producers were spending nearly twice their selling price. This forced many land-owning farmers to expel their landless workers and decrease their investments in that sector. We need to hold the main players in the international traders of coffee accountable. Corporations such as Nestle are the ones who make huge profits whether in times of abundance and crisis. As in all crises, there are losers and winners, but the latter were never constituted by the poorest.

Markets and other policies that failed to work for the poor

“Food security.” Just a decade ago, FAO strongly promoted international trade to guarantee food security. During the 1996 World Food Summit Declaration, it stated that: “We will strive to ensure that food, agricultural trade and overall trade policies are conducive to fostering food security for all through a fair and market-oriented world trade system.” It declared trade as a key element to achieve world food security. It also cautioned but comforted developing countries, that while the shift to trade liberalisation may have negative effects, these would be short-lived. But a few years later, we realised that this model merely serves corporations at the expense of the people. By 2008, FAO expected a 40 per cent increase in the food bills of 105 developing countries.





Free Trade: Import and Export

International financial institutions such as the World Bank and the International Monetary Fund have been forcing the ideology of free markets, that countries began integrating SAPs. Priority was given to cash crops for exports in order to enable foreign currency to pay external debt. Each country had to specialise in growing specific products: Colombian flowers, Guatemalan broccoli, Brazilian soy, Argentinian corn and wheat, Costa Rican pineapple, Honduran bananas and Nicaraguan coffee. Such process was consolidated in the late 1990s with the free trade agreements signed between Northern and Southern countries.

Some Latin American food-exporting countries such as Brazil and Argentina have indeed gained from this process. We might even be poised to think that the winners have been all farmers. But a different reality actually emerges: In 2008, Argentina was swept with protests over this process. In Central America, which usually has efficient rice production, Guatemala imported 735.15 metric tonnes of rice mainly from United States (US) in 2006, a six-fold increase from the 177.25 metric tonnes of imported rice a decade earlier. By allowing more imports to flood the national markets, more and more small and medium-scale farmers are going out of business.

Food aid poured into Southern countries

The US sends most of its aid in the form of food. By law, 75 per cent of US food donations must be produced, processed, and shipped by US companies. But once these are distributed in communities which do not require them, local food systems are disrupted.

Contrary to the common perception that food aid is given to countries with an absolute lack of food, hunger can occur in places where there is plenty of food if segments of the population lack purchasing power. If food aid arrives at harvest time, the influx of free or cheap food can push down the price of local crops.

After the June 2008 High-Level Conference on World Food Security: Climate Change, and Biofuels, US President George W. Bush asked Congress for an emergency request of US\$700 million in food aid. This was an indication of a poor understanding of the real solutions for the South. Such solution will only divert attention from the deep structural faults in global food production, distribution, and consumption.

A clear and strong call: food sovereignty

Even before world leaders recognised the failure of the agricultural policies,

Via Campesina

Via Campesina is an international peasant movement that was established in Mons, Belgium in 1993. Meaning "peasant way," Via Campesina consists of farmers, small- and medium-sized producers, landless, rural women, indigenous people, rural youth and agricultural workers from 56 countries in Africa, America, Asia and Europe. Via Campesina aims to develop solidarity and unity among small farmer organisations in order to promote gender parity and social justice in fair economic relations; the preservation of land, water, seeds and other natural resources; and sustainable agricultural production based on small and medium-sized producers

Food sovereignty has been one hallmark of the movement. It extends concepts such as the individual's right to food and food security especially in the context of neoliberal trade. Food sovereignty is the right of peoples, countries, and state unions to define their agricultural and food policy without the "dumping" of agricultural commodities into foreign countries. It demands that food production and consumption be organised according to the needs of local communities, giving priority to production for local consumption.



organisations were already mobilising towards structural changes. Via Campesina, for instance, forwarded the concept of food sovereignty.

In the Latin American region, this concept is moving forward. The recently approved Constitution of Ecuador includes the right to food sovereignty. The Presidential Summit, with the theme, “Sovereignty and Food Security: Food for Life” was held in Managua, Nicaragua in May 2008. Most Latin American and Caribbean head of states attended while leftist governments stressed the need to step up agricultural production and abandon neoliberal food import policies. The event ended with a declaration where governments pledged to work on national and regional policies and programmes that will prioritise local food production, local markets and small and medium-scale farmers.

In 2007, the Sandinista government introduced, Hunger Cero, a programme for enhancing women’s role in food sovereignty. Under this programme, technical aid and direct support are given to a rural woman who is also awarded livestock such as cow, pig, and chickens and seeds. In just two years of implementation, improvements are manifested in the local economies and the very lives of women. Women have been able to further contribute to the communities and have adapted a healthier diet for themselves and their families.

Women are part of the solution

In Latin America, women are responsible for 45 per cent of household food production. The two decades of SAPs have truly been devastating for women farmers. Some have become embedded in the production of cash crops for export. But many others were displaced from their lands and became members of the contractual labour force in urban areas. With the current food crisis, women have become more vulnerable.

Nevertheless, many social movements and women’s organisations are seeing the opportunity to expose the failures agricultural policies that have only favoured large agribusiness sectors. At the same time, they are further

demanding the restructuring of both national and global agricultural policies by prioritising national food production and recognising women’s role in ensuring food security.

During the 12th UN Conference on Trade and Development (UNCTAD), held in Ghana in April 2008, Via Campesina organised a workshop titled “Women and Food Sovereignty: Understanding the Issue and Moving to Action.” A month before, the first Asian Rural Women’s Conference was also organised in India. These are just two of so many events, large and small, organised all over the world. Feminist and social movements are raising awareness on allowing poor women to take part of their own choices in food and agriculture.

Recommendations

With the challenges of the current food crisis:

Feminist and social movements should demand more than pieces of sustainability, development assistance and farmers representation in international debate.

World leaders and advocates of human rights-based approach to the current crisis should be work towards long-term solutions, learning from the legacies of trade liberalisation in agriculture.

Food sovereignty must be reflected in the different national programmes on land distribution and agrarian reform as well as the productivity and sustainability of all practices related to food production, consumption, processing and distribution.

Any alternative model must recognise the role of women, creating programmes and projects whose impacts are equitable and beneficial for both women and men. ■

Magda Lanuza is a Nicaraguan analyst, writer and feminist activist with a Master’s Degree from Brandeis University in Boston. She has worked with numerous national and international organisations on sustainable development and for social and economic rights. She is currently the facilitator for Latin America of the Agribusiness Accountability Network.

