

Brasília, May 30th, 2008.

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Your Excellency, Mr. President of the Republic

The National Food and Nutrition Council in a plenary meeting on May 29<sup>th</sup>, 2008, analyzed the present global food system crisis and its consequences to the food and nutrition security in Brazil and the world. Giving continuity to the Explanatory Statement no. 2, of April 14<sup>th</sup>, 2008, the Council's expectation is to contribute to the Brazilian Government's decisions in facing this crisis, as well as its positioning during the "High Level Conference on Food Security: Challenges of the Climatic Changes and Bio-energy", organized by FAO from the 3<sup>rd</sup>-5<sup>th</sup> June 2008, and other international events.

The world is going through a critical moment which is compromising the accomplishment of the human right to healthy and adequate food in great parts of the population. The increase in the international food prices reaches especially the more vulnerable populations and destabilizes the food supply in almost all the countries in the world. By believing that the increase in prices expresses more than a maladjustment between the world offer and demand, it is a crisis of the global model of the production of food and consumption that questions the sovereignty and food and nutrition security of peoples, and compromises the initiatives of social inclusion of significant parts of the needy populations, therefore CONSEA submits to your appreciation, Your Excellency, the following considerations, as well as the propositions resulting from them:

1. The organization of the world production, the commercial flows and the terms of the international agreements have been dictated by policies adopted by the European Union and the United States, who have favored the transnational oligopolies of the seed markets and of agricultural raw materials and the consequent empowerment of the great corporations in determining the standards of production and consumption.
2. The option for the commercial liberation and deregulation of markets reduced the regulatory power of the State in most countries, depriving them from economic policy instruments able to deal with nowadays crisis.
3. In this situation, negotiations such as the World Trade Organization's Doha Round, founded under the aegis of trade liberation, become out of context, and could generate more destabilizing effects to the production and food trade in various countries.
4. The present day crisis already affects food consumption, with repercussions on the nutritional state and health of the population, due to the loses of the diversification of diet, local culture foods and nutritional quality of food.

5. The increase in the food prices is caused by various factors, but subjacent to them there are development policies ruled by market values and not by human rights achievements. In this sense, the commercialization of food has favored the advance of the speculative capital over the agriculture products market, increasing the price instability and eliminating the structure of production and supply systems of these markets.
6. Among the determining factors of the food price increases, we find the continuous increase of food demand, resulting from the income increase in great emerging countries (China, India and Brazil, among others). Added to this, there are crop failure occurrences due to climatic changes in countries which are essential for the international supply. This picture has been aggravated by the destination of basic grains such as corn, soy and other food goods, for the production of ethanol. In Brazil, the availability of unused or degraded agricultural areas has been used to justify the reproduction of a model of monoculture (sugar cane), as well as hiding the fact that in many regions, the production of food is losing ground for that of agro-fuels.
7. Another factor is the high increase of the oil price which more than doubled last year alone, contributing to the increase in agriculture production costs, especially for fertilizers and transport charges.
8. The impacts in Brazil have been weakened due to the production increase supported by various public policies, especially those related to family farming (PRONAF and PAA), responsible for about 70% of the food consumed in the country. Added to these policies, there are the areas of social welfare, social assistance, income transfer, school meal program and the minimum salary restructuring.
9. By being a large exporter, Brazil positions itself as a possible beneficiary of this conjuncture from a mere mercantile point of view. The country has adopted a predominant standard of intense agriculture production of agrochemicals, in a large scale, concentrator of land and income and user of a small amount of labor. This concept does not face the high rise of prices neither maintains the conquests related to the access to food and accomplishment of the human right to adequate food for most of the Brazilian population. It is necessary to think over the present standard of production for its socio-environmental impacts, as well as the conception of a food security sitting on the false idea of free trade.
10. The evident consequence of the high price is the increase of the cost of living, especially among the poorest and most vulnerable, especially children, women, indigenous peoples, afro Brazilian population, “quilombolas” (afro Brazilian communities descendant of escaped slaves) and other traditional people, with the probable increase of the profit margins in the agro-industrial and commercial chains.

The above diagnosis on the seriousness and depth of the present crisis, has taken Consea's Plenary to conclude that in order to face this situation, the use of instruments of immediate effect are required, in a coordinated manner with the revision of the medium and long range strategies. Furthermore, the internal and international

responsibilities of Brazil, with the notoriety acquired in this field, require more than a commercial answer aiming to benefit from the profits offered by the economic conjuncture.

The deliberations approved by the III National Conference on Food and Nutrition Security, point out priorities which can contribute to facing the crisis in the global food system, such as the recovering of the State's regulating capacity, giving value to the public interest, the conditioning of exporting basic food to the need of guaranteeing the sovereignty and food and nutrition security, as well as the implantation of a national policy of supply and the strengthening of family farming.

Brazil has the privilege of already having as a regulatory framework, SISAN (National System for Food and Nutrition Security), making it indispensable for CONSEA and the Inter Ministry Chamber of Food and Nutrition Security to have an important role in defining this policy.

In this sense, we respectfully submit to Your Excellency, the following propositions oriented by the approach on food and nutrition security as well as the human right to food:

1. For immediate terms: (i) monitoring of the trade flows of export and import, especially those of corn and rice; (ii) realignment of prices on the price guarantee policy; – PGPM and the Food Acquisition Program – PAA; (iii) return of the policy of public food stocks, including investments in the infrastructure of storage and transport, management improvement, aiming to increase the access to food for the most vulnerable families; (iv) realignment of values transferred from the Family Welfare Program, taking as a base the due inflation on the increases in the cost of the basic basket program (cesta básica); (v) realignment of the per capita values of the School Meal Program – PNAE, according to the increase of food prices.
2. To strengthen the instruments of family farming support, pisciculture (fish farming) and small scale fishing with a recent expansion which has contributed to ease the crisis effects.
3. To implement a supply policy, having as a reference the proposition presented by CONSEA to the federal government in 2005, aiming to increase the access of quality food, promote adequate and healthy food as well as the diversity of food habits by the population.
4. To promote new bases for the production and consumption model, guaranteeing technical assistance and the financing necessary for agro-ecological base family farming, assuring the increase of diversified food production, giving value to agro biodiversity, strengthening the regional culture and food habits, democratizing the access to the land and intensifying the national policy of agrarian reform, access to water and other natural resources, as well as guaranteeing the decentralization of food distribution and commercialization.
5. To establish an effective regulation on the expansion of monocultures, especially those directed for the production of bio-fuels and, prohibiting public financing to

those which expand over food production areas or even provoke the dislocation of other cultures to food production areas or areas of forest preservation.

6. To revise the international trade regulation policy promoted by the WTO, excluding the food security products from tariff reductions and guaranteeing an effective special safeguard for countries which are developing as regards import outbreaks.
7. To advance the forms of cooperation and technical support among the countries in the food and nutrition field, as well as donation of food. To give special attention to MERCOSUL, with the institution – starting from the High Level Meeting on Family Farming (REAF) – and MERCOSUL’S Food Security Work Group (GT).
8. To restrict the acquisition of land by foreigners, including national companies of foreign capital.
9. To resume the proposal of creation of a world program of food and nutrition security guarantee and actions against hunger, as well as supporting the “Aliança América Latina e Caribe sem Fome” (Latin America and Caribbean Alliance against hunger), taking as a base the experience of the Zero Hunger Program (Fome Zero) and in successful projects developed by other countries.

Therefore, Mr. President, CONSEA hopes to be contributing for the search of solutions to this serious crisis, in the expectation of strengthening even more, the sovereignty and food and nutrition security in Brazil and in the world.

Respectfully,

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