FOOD CRISIS RESPONSE
ENTRENCHES
CORPORATE INFLUENCE
ACKNOWLEDGEMENTS
The authors would like to express their profound gratitude and deepest appreciation to all the organizations, people, and Indigenous Peoples, on the ground for sharing their struggles, pain, and hope. Special thanks to the Centre for Environmental Initiatives - Ecoaction in Ukraine; we stand in solidarity with all of you. We would also like to thank Sofía Monsalve Suárez and Emily Mattheisen (FIAN International) for reviewing this briefing.

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OCTOBER 2022

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“Local farmers in the south of the country are usually part of the resistance to occupiers, it’s something ancient for Ukraine … farmers, peasants are historically the resistance in the country. They are responsible for the food security in their region and the liberation of their people.”

Mykhailo Amosov, Ecoaction
1. INTRODUCTION

Hunger has been rising globally since the war in Ukraine started. The war has not caused a new global food crisis but exacerbated the structural failure of the dominant corporate-led capitalist economies and food systems. This failure becomes evident in continuing, multi-layered and recurring crises such as the current food price crisis – the third in 15 years. But it also manifests in climate collapse, public health emergencies, and ever-rising levels of poverty and inequality.

The main impacts of the war are the acceleration of rising food prices, drastically inhibiting access to food, increasing inequalities within and between countries, and a push for a global food security strategy based on global trade and agroindustry, further discriminating against small-scale food production and agroecology.

In propping up a failing global economic system, governments and corporations are taking advantage of the crisis to further entrench corporate power in food systems through several strategies. These include promoting corporate-led charity, which is often based on donations of corporate food waste and ultra-processed products and is accompanied by corporate deregulation, tax and other financial incentives for food corporations in the name of addressing food security.

Another strategy involves corporate monetary donations, for example Cargill’s $10 million grant to World Food Program USA in support of the United Nations World Food Programme (WFP)’s response to the global hunger crisis. The effects of the war in Ukraine have also been used to consolidate commodity trading on a global scale. With the crisis as a pretext, giant loans have been granted to agribusinesses. One example is the US$200 million loan from the International Finance Corporation (IFC) to Olam Agri, the food, feed, and fiber agribusiness subsidiary of Singapore-based Olam Group to ensure the flow of key food commodities from top Global North exporting countries such as Canada, Germany and the US to developing and emerging countries. This stands in strong contrast to the lack of support for small-scale agroecological food production.

This briefing paper is a follow up to FIAN International’s report in May, War in Ukraine: Recurring Food Crises Expose Systemic Fragility, which illustrated the flawed nature of the international response to this growing hunger crisis. The report called on governments and

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2 Please see FIAN Monitoring Reports on the Impact of COVID-19 on the RTFN of April and June 2020 that indicate the demand for a systemic change.

3 Please see International Responses to the Food Crisis: Assessment from a Right to Food Perspective, FIAN International, 2009. FIAN Fact Sheet “Hungerkrise menschengemacht” (only available in German), FIAN Germany, 2012
the UN to address the structural drivers fuelling hunger and malnutrition, as well as war, armed conflicts and widespread violence, in order to prevent recurrent global food crises. Unfortunately, these calls have not been heard as people and communities around the world find themselves in deepening levels of food insecurity, poverty, and cycles of violence.

The aim of the briefing is to present a range of people’s voices and stories – especially those of small-scale food producers in the most affected countries – giving their assessment of government responses to the crisis. The People’s Monitoring Toolkit for the Right to Food and Nutrition, developed by the Global Network for the Right to Food and Nutrition, provided the methodological basis for this briefing. FIAN conducted ten interviews with Ecoaction (Ukraine), National Fisheries Solidarity NAFSO (Sri Lanka), Sierra Leone Network on the Right to Food - SiLNoRF, YAC Nepal, as well as with national FIAN entities in Nepal, Uganda, Zambia, Haiti, Colombia, Brazil, and Ecuador between July and August 2022. Furthermore, the briefing is based on FIAN International’s analysis of initiatives taken by UN agencies and governments at the global level. It draws upon FIAN’s interactions within the UN system as well as experience and work with organizations of people in rural areas, especially those of small-scale food producers and Indigenous Peoples.

2. INTERNATIONAL RESPONSES TO GLOBAL FOOD CRISIS IN 2022: ENTERENCING UNFAIR RULES

In response to food price increases which were accelerated by the war in Ukraine, the UN Food and Agriculture Organization (FAO) continued taking measures to attend to both the emergency in Ukraine and to a global response that focused on maintaining trade in food commodities and fertilizers. FIAN’s May briefing highlighted this trend which did little to promote agroecology or a transition out of fossil-fuel based inputs.

The FAO is increasingly joining forces with the International Monetary Fund (IMF), World Bank Group (WBG), World Food Program (WFP), and World Trade Organization (WTO), as seen in their Second Joint Statement on the Global Food Security and Nutrition Crisis. The statement’s main recommendations are to keep trade open and to accelerate a market-based transformation of food systems through innovation, transparency, and investments. Furthermore, these organizations congratulate the Un Secretary General (UNSG)-Turkey initiated Black Sea Grain initiative, which facilitates exports of grains and fertilizers from Ukraine and Russia. This initiative ensures commercial agricultural exports but does not include a mechanism to intervene in the grain market, for instance, for re-directing a substantial proportion of these grains to the countries most in need. Instead, between August 1 and September 27, the large majority of vessels (182 out of 231) went to the EU and Turkey. In contrast, countries such as Lebanon, Djibouti, Sudan, Yemen, Somalia, and Afghanistan accounted for only ten vessels. Several shipments to Turkey are likely to been re-exported to other countries, though there is a lack of clear data on this.

The Global Crisis Response Group (GCRG) on food, energy, and finance is a major new initiative established by the UN Secretary-General. It is a high-level multi-stakeholder space to

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exchange information on the crisis and has issued three briefings that contain policy recommendations. However, the GCRG is not an intergovernmental space to discuss and change rules and policies and, therefore, cannot have a tangible impact on changing the root causes of the crisis. Support for the Black Sea Grain Initiative has been the main food activity of the group to date.

Furthermore, the Group of Seven (G7) Presidency and the WBG jointly initiated a Global Alliance for Food Security (GAFS) at a G7 Development Ministers meeting on May 19 2022, and held a ministerial level conference entitled "Uniting for Global Food Security" in Berlin on June 24. The GAFS, as a G-7 initiative, inherently lacks global legitimacy as less powerful countries are unlikely to oppose their initiatives. Furthermore, it foresees a non-inexistent or marginal role for the Committee on World Food Security (CFS) in this initiative which risks undermining legitimate multilateral UN bodies.

In contrast, the United States convened a Global Food Security Ministerial Meeting at the United Nations Headquarters in May 2022, where they issued a roadmap entitled the Global Food Security—Call to Action in support of the GCRG, the GAFS, and the UN Food Systems Summit, which 102 countries have endorsed. At a Global Food Security Summit on September 20, 2022, leaders from the Governments of Spain, and the United States of America, the African Union, the European Union, Colombia, Germany, Indonesia, and Nigeria renewed their support for the roadmap and urgent action in a final declaration urging for increased humanitarian support, open and transparent markets, higher fertilizer production while also calling for a sustainable transformation of agriculture and food systems.

At the same time, China, which drives worldwide demand for grain, presented a Global Development Initiative (GDI) during a CFS High-Level Intersessional Event on the food crisis on July 18, 2022 in New York aimed at supporting developing countries and small-scale food producers. China previously launched the initiative in 2021 in response to the pandemic and progress towards achieving the Sustainable Development Goals (SDGs). The China International Development Cooperation Agency (CIDCA) is the development institution for the initiative and counts on the support of the United Nations Industrial Development Organization (UNIDO). China’s commitments issued at the High-Level Dialogue on Global Development at the BRICS Summit on June 24, 2022, are within the framework of the GDI and include increased South-South cooperation. However, the GDI does not have a mechanism for meaningful participation of the people most affected by hunger. Although the initiative calls for multilateralism, collaboration, and consensus, it is another initiative creating parallel structures outside CFS decision making processes.
The food crisis was also debated at the **WTO Ministerial Conference** in Geneva in June 2022. However, long-standing issues such as the rights of developing countries to build public food reserves through public procurement and remunerative support prices were yet again postponed to the next meeting.

**To sum up**, there is currently no multilateral and human rights-based, globally coordinated, response to the hunger crisis that prioritizes the voices of the most affected countries and peoples. Instead, the initiatives described above overlap and compete for visibility and resources. This hinders urgently needed coordinated actions to respond to the crisis and avoid future food crises. This fragmented response is all the more disturbing because there is a UN multilateral body with a mandate to coordinate and give policy responses and provide for the official participation of the most affected groups: the Committee on World Food Security (CFS).

None of these initiatives align with the CFS. Powerful governments and corporations are using the global food crisis to undermine global food governance further and strengthen multistakeholderism.\(^5\)

It is clear that the governments with the most economic power, especially from agro-exporting countries, take partial measures and use political spaces they control, such as the G7, GDI, Bretton Woods institutions, and the WTO, to impose responses that benefit them, and further increase inequalities within and between countries. Instead of addressing structural reforms to the global economy, they introduce piecemeal and ineffective initiatives because they are unwilling to address the root causes of a failing system that serves their interests. This becomes evident as the different initiatives do not propose any policy or normative changes aimed at addressing the structural drivers of the current global food crisis – particularly regarding deregulated trade and financial markets, speculation on agricultural commodities, tax injustice, debt injustice, and ecological destruction.

Instead, the Rome Based UN Agencies\(^6\), GCRG, GDI, G7, and financial institutions frame the current global food crisis almost exclusively from a market and production perspective that further entrenches the dominant global economic and food systems, as well as the structural failures creating and perpetuating poverty, hunger and inequalities.

They focus on solving food security by keeping trade open without addressing the problem of unjust trade rules, inequalities of access through prices, or restrictions in public budgets due

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\(^6\) The three United Nations Rome-based Agencies (RBAs) are the Food and Agriculture Organization of the UN (FAO), the International Fund for Agricultural Development (IFAD), and the World Food Programme (WFP).
to indebtedness. They ignore the fact that food import dependency means vulnerability, especially for poor countries and peoples. The "solutions" they are proposing, such as the facilitation of grain exports from Ukraine, do not address the problem of access to food and rising food prices but instead focus on increasing large-scale industrial food production and maintaining a food security strategy based on overdependence on global trade, commodity crops, and monocultures.

Furthermore, there is no mention of the need to regulate the participation of corporations, identify conflicts of interest, or hold them accountable in crisis responses. In ad hoc multistakeholder spaces like the GCRG Food workstream, interest groups, such as the Global Food Banking Network, and other corporate-backed initiatives can easily participate without restrictions on their conflicts of interest. Long-term solutions to the crises the world is facing cannot be found under such conditions of unregulated power and control of dominant food systems players and wealthy governments.

3. Peoples' voices and stories: Inadequate and insufficient national responses from governments

Unless otherwise specified, the eleven interviews that FIAN International conducted with partners and members of the GNRtFN form the basis of this section. Interviewees tackled questions along two axes: their national government’s responses to the latest food crisis and their assessment of the responses and the factors impeding better responses.

Regarding rising prices in food, fuel, and agricultural inputs, few governments are taking action to regulate prices. The only reported action consists of subsidies for agricultural inputs for small-scale producers in Nepal and lowered prices for fuel in Brazil as part of the presidential electoral campaign.

When interventions exist, they mostly focus on social security and food emergency programs. These include cash transfers or food distribution to marginalized groups in Nepal, Zambia, Sierra Leone, and Sri Lanka and farming inputs in Zambia.

However, these actions are often not targeted to extremely marginalized groups and therefore do not cater to their needs, as is the case in Sierra Leone and Haiti. Furthermore, often the support programs are either directly carried out by companies or benefit corporations. For example, in Sri Lanka, relief packages are distributed by the microfinance company LOLC, which is headed by a billionaire, and seed provisioning for home gardening is carried out by businesses without government oversight, leading to low quality seeds being distributed
while the companies reap the profits. The Ecuadorian government also pursues a corporate-led charity strategy, redirecting corporate food nearing expiration to foundations or groups in need. In Uganda food aid is procured from commercial agricultural suppliers instead of small-scale producers.

Additionally, often food aid is not culturally adequate, such as donations of ultra-processed edible products to Indigenous Communities in Ecuador, or a donation of dates from Saudi Arabia to Uganda. Also, food aid distributed by the WFP in Ukraine does not have a high nutritional quality. Therefore, people rely on food sharing or solidarity from household gardens to have a healthy diet. Foreign governments also help communities directly with food and water, but the help is not systematic as there is no national coordination system for this kind of aid.

The Ukrainian government does not provide social security programs but instead offers cheap loans. Furthermore, local farmers are obliged to grow and sell their products at low prices in Russia and occupied Crimea, as well as to occupying troops as there are no other available markets. Farmers are desperate to keep their land, so they are willing to come to agreements with occupying forces. Haiti is facing a humanitarian crisis and the government has yet to take action to support those unable to buy food. There is also a lack of communication between the government and the population, leaving people without information about public policy actions. In Brazil, the president started a support program during the pandemic entitled "Aid to Brazil" ("Auxilio Brasil"), which unfortunately replaced the existing and effective, rights-based program "Family Purse" ("Bolsa familia") and there have been no guarantees regarding its duration and budget.

The interviews clearly illustrate that food aid is insufficient and inappropriate, but importantly, government responses are largely inadequate as they address only short-term solutions to fix the problem of the immediate emergency.

In none of the countries is the government taking long-term action to transform the food system towards more small-scale, agroecological food production and away from fossil-fuel-based inputs. On the contrary, in Ukraine, Sri Lanka, Ecuador, Brazil, Nepal, and Sierra Leone, the crisis is deliberately used to push for industrial agriculture and to uphold the global food and economic systems that created the crisis. Some examples include the easing of restrictions on imports of chemical fertilizers in Sri Lanka, hampering access to land in Brazil and Ukraine, invisibilizing and disincentivizing family agriculture in Brazil and Ecuador and failing to
support domestic food production in Nepal. In discussions within the National Council for the Recovery of Ukraine from the War, the government’s position is to put environmental concerns aside to prioritize intensive, industrial agricultural production.

However, the interview information also clearly illustrates that the lack of adequate responses from governments is not their responsibility alone. There are structural factors that impede a better government response. Among these are existing trade rules that favor export-oriented actions, such as the Free Trade Agreements (FTA) in Ecuador or the restrictions on taking action on price inflation due to arrangements with the International monetary fund (IMF). Global trade and consolidation of markets and production have created weaknesses in the global food supply chain and caused a lack of diversified production in countries, dependency, and lack of diversified suppliers and sources.

Foreign and domestic debt is also impeding the capacity of states to respond in several countries: Ukrainians are demanding an urgent debt cancellation, as debt servicing is only possible if the government denies its people the fulfilment of their most urgent needs. Ukraine’s foreign debt stands at US$125 billion and the debt servicing expenditure for 2022 is expected to be about US$6.2 billion, equivalent to approximately 12% of all state budgetary expenditure.⁷

In Sri Lanka, debt has played a fundamental role in laying the conditions for the current crisis since its independence as the International Monetary Fund (IMF) has long weaponized Sri Lanka’s growing debt to force through neoliberal policies. By 2019, Sri Lanka had taken 16 loans from the IMF, all conditional on some form of economic restructuring which heavily affected food systems, including through the imposition of the Green Revolution in the 1960s and 1970s. For decades, there has been a chronic deficit between import expenditures and export revenues. This has been financed by foreign borrowings, placing an enormous strain on foreign exchange reserves due to a decline in exports and tourism during the COVID-19 pandemic. Severe government mismanagement further exacerbated the situation.⁸

In Brazil, human rights are deeply impacted by federal public debt, affecting fiscal policy and the public budget. For example, austerity measures introduced in 2016, froze spending on social policies for 20 years. In 2021, over 50% of the public budget was allocated for debt payments, while less than 9% of the budget was assigned to health and social assistance. This has resulted in the dismantling of social policies that had been recognized worldwide for taking Brazil off the Hunger map in 2014, including policies on food and nutrition security, supply, support for agrarian reform, and family

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⁸ https://agrowingculture.substack.com/p/going-organic
⁹ http://www.europe-solidaire.org/spip.php?article63525
¹⁰ https://agrowingculture.substack.com/p/going-organic
farming programs. For instance, the Food and Nutrition Security budget program was reduced by 97% between 2014 and 2021, from 5.2 billion to 148.5 million reais. The measures have significantly affected black women, family farmers, and other groups already in situations of vulnerability. However, it is essential to underline that Brazil has a clear regulatory framework that would allow the government to deal with the crisis. The public debt is domestic, so the country does not depend on the IMF. The national austerity policy limits the response due to the government’s neoliberal and authoritarian political position.

Another factor impeding an effective response to the crisis is corruption and corporate interference. In Sri Lanka and Ecuador, corruption, co-optation of the state by transnational corporations, and power relations that permeate all public institutions lead to action in the interest of the elite political class and not the people. As a result, big businesses benefit from government programs such as the seed provisioning program in Sri Lanka, and a pro-corporate approach impedes an understanding of the value of small-scale food production in Ecuador. The government of Haiti appears unable or unwilling to tackle the crisis. In Uganda, the government prioritises exploiting local resources through mining and export-oriented plantations for the benefit of large corporations rather than local people.

As reported from Brazil and Ecuador, corporate food retailers are using the crisis to donate their ultra-processed edible products and their food waste, including food that is about to expire, facilitated by government programs to combat the crisis. These companies are positioning themselves as the heroes of the crisis. In reality, they receive large benefits as they are creating dependency on their products and on food waste – without addressing human rights and labor practices in their supply chains, the health impacts of junk food, the impact of overproduction and overstocking, or other problematic practices. These private, corporate-led actions are often promoted and supported by governments and public authorities, replacing much needed public action to address food waste and food insecurity as two distinct and separate issues. As laws are passed to deregulate food donations, such as a new bill in Brazil that reduces the liability of those who donate, companies are also not held responsible for the potential health impacts of junk food or perished food items. Also, donated food is often not culturally appropriate, and, importantly, its procurement is not based on alliances with small-scale or peasant agriculture which would be an important vehicle for supporting local economies in times of crisis and for working towards a comprehensive food systems transformation. Instead, these ad-hoc responses often create
permanent institutions of crisis, causing long-term dependency on aid rather than the needed reforms and upscaling of public support programs.

**Climate change and ecodestruction** is another structural factor, such as extreme weather events and biodiversity loss, heavily affecting food production for instance in **Nepal** and **Sri Lanka**.

Interviewees concluded that national governments’ responses to the crisis are insufficient and inadequate. Responses at the national level are limited in part due to the failures of responses at the international level, which correspond to long-standing structural inequalities entrenched in our global economic system and its trade, finance, and investment regimes which caused hunger already long before the war..

This indicates that the current crisis requires a multilevel response across the global economic system’s international trade, finance, and investment regimes to tackle the underlying structural factors.

### 4. CONCLUDING REMARKS

Recurring global food crises clearly illustrate the need for a profound human-rights-based transformation of food systems away from dependency on global trade and fossil-fuel-based inputs and towards agroecological, localized food systems to ensure long-term resilience and overcome structural inequalities.

Recurring global food crises also illustrate that countries must urgently take action to end suffering caused by lack of access to food. They cannot solve the problems alone because structural inequalities in our global economic system prevent governments from taking appropriate and meaningful action. Therefore, global policy coordination within an inclusive and democratic multilateral governance mechanism is needed to address global rules shaping issues such as trade and debt. For instance, to avoid food price spikes and ensure sufficient public budgets are available, there is an urgent need for market regulation and debt cancellation.

Such global policy coordination must consider the inequalities between countries and prioritize the voice of the most affected countries and people instead of being done in non-democratic multistakeholder spaces dominated by the most powerful players, as is currently the case. The CFS plays a key role in this regard, as it is the foremost inclusive intergovernmental and international platform for food security and nutrition and the progressive realization of the right to food in which the different aspects of the multi-dimensional food crisis can be understood and addressed through a Human Rights perspective, as the Civil Society and Indigenous Peoples Mechanism requests.
5. DEMANDS

1. **Bring an end to military invasion and hostilities** in Ukraine and all conflict-affected countries to avoid further harm to civilian populations, and search for **conflict solutions which address structural drivers fuelling hunger and malnutrition**, as well as war, armed conflicts and widespread violence.

2. **Take urgent action to address the food emergency through social policies that prioritize the most marginalized groups and countries.** In order to be meaningful, any emergency interventions must be in line with the much-needed longer-term human-rights based transformation of food systems. Therefore, governments should:
   - **Support** existing people’s responses to the emergency from below
   - Ensure that **food aid**, when needed, is **sufficient and timely, culturally appropriate, free from corporate interference, in support of the local food system and well-coordinated with civil society organisations**

3. **Support local agroecological food production and consumption instead of industrial food production and reliance on imports.** Therefore, governments should:
   - Ensure the **rights to land, water, and seeds; and ensure access to financial resources (i.e., credits)**
   - Support peasant agricultural and fishing inputs, infrastructure, information and commercialization opportunities
   - Uphold their extraterritorial state obligations, e.g. by not exporting domestically prohibited pesticides.

4. **Stabilize food price volatility and revert vulnerability through import dependency.** Therefore, governments should:
   - **Establish public food reserves** at local, national and regional level as a matter of urgency, giving priority to food sourced from agro-ecological, small-scale food producers
   - **Regulate prices of essential goods as well as markets and curb financial speculation**
• Transform trade rules to serve people and planet, not corporations by halting free trade agreements and dismantling WTO agreements
• Reduce and eliminate foreign debt\textsuperscript{11}.

5. **Take urgent action on** addressing the crucial intersection of climate emergency and eco-destruction and the industrial food system as one of their major drivers. Therefore, governments should:
   • Incorporate the just and equitable distribution of land and territories in public policies addressing climate change and biodiversity loss, in order to promote small-scale food producers in their role as ‘stewards of ecosystems’ that is based on their sustainable land and forest management practices (such as agroforestry and agroecology).
   • Implement appropriate public policies to address the high climatic, environmental, economic, food, and nutritional vulnerability of small-scale food producers and other marginalised communities

6. **Ensure the development and implementation of appropriate, human rights-based policies for food systems at all levels.** Therefore, governments should:
   • Ensure the meaningful participation of rights-holders in decision-making processes at all levels
   • Ensure effective regulation to implement existing human rights-based policies
   • Control corporate interference in rights and democratic processes
   • Support the process of the Binding Treaty on Transnational Corporations and Human rights before the UN Human Rights Council, as a key instrument to regulate and hold corporations accountable; and design and implement national policies accordingly
   • Take multilateral coordinated action on addressing the global systemic food crises in the CFS

\textsuperscript{11} See the Summary document of CSIPM ’s *Voices from the ground 2: transformative solutions to the global systemic food crises from October 2022* https://www.csm4cfs.org/wp-content/uploads/2022/09/layout-CSIPM-summary-EN.pdf
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