

IMPORTING INSECURITY

THE GOVERNMENT OF INDIA has announced that food security of the nation shall be maintained at any cost. If necessary, imports will be made at higher price. The Government had issued tenders for import of wheat recently. Quotations have been received at a price of about Rs 21 per kg. Can food security be established by such imports?

Food security cannot be established from imports. There is always danger in food imports—a war or natural calamity can hinder supplies. There is always doubt as well. Wheat was available at Rs 12 per kilo about two months ago. Today the price is Rs 21. There is doubt what the price may be after another two months. One cannot be confident of imports either. Thus establishing food security from imports is beyond comprehension. Indeed, one may rely on imports to tide over immediate problems but that can hardly be called 'security'.

But the Government is happily presenting food insecurity as food security. Western economists have taught Manmohan Singh that India should capture the benefits of free trade and establish her food security through foreign trade. And Prime Minister does not see what Western countries like America are doing. Instead he listens to what advice they give. America is giving huge subsidies to its farmers in order to maintain her food security. It is exporting wheat in order to kill the food security of other countries and make them dependent on America. America is producing wheat expensive and exporting it cheap in order to avoid anxiety about availability of cheap imports; to be confident about food supplies, etc. That country is not adopting free trade in agriculture. Wheat is produced cheaper by Indian farmers. Yet America chooses not to import cheap Indian wheat.

The Government of India is unwilling to raise domestic price of wheat to increase domestic production and to establish true food security. Instead, it is lowering the domestic price of wheat to kill domestic production and then resorts to imports to ensure food security, rather insecurity.

The situation is similar in many other developing countries. A paper by Oxfam cited the case of Haiti. The import tariff on rice was reduced to a nominal 3%. As a result, says Oxfam, "rice imports, mainly subsidized rice from the US, have increased thirty-fold, but the price of rice in Haiti has hardly fallen and malnutrition affects 62% of the population. Only big rice traders and American farmers have benefited."

Sophia Murphy of Institute of Agriculture and Trade Policy mentions the case of Burkina Faso. Trade liberalization has pushed up the number of rural traders but most gains of liberalization, she says, have been "captured by companies in the distribution chain, rather than by consumers." She also cites the case of Mexico where maize cultivation is the main source of livelihood for some 3 million producers. The Mexican government made the maize trade tariff-free. As a result, "A massive influx of US maize ensued, leading to a sharp reduction in the price paid to Mexican producers. By August 1996, prices had fallen by 48 per

cent...". "Greater pressures on maize farmers... have produced a sharp increase in land concentration... with a few of the richer farmers buying out the rest."

Instead of importing wheat at Rs 21 a kilo, the same should be paid to domestic farmers to establish food security. □□□

[Contributed]