FOOD FOR PROFIT

American Aid in Guatemala

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If you happen to be in Guatemala and see a funeral procession going by, chances are the body in the casket never reached the age of five. The most probable cause of death? Malnutrition. The nutrition problem throughout Latin America—and the entire world—mainly strikes children under five. Babies grow normally until they are weaned; then the protein gap begins to grow. From breast milk, the six- or twelve-month-old is immediately started on corn or rice, foods with insufficient and low-grade protein. The lack of adequate protein greatly increases susceptibility to the gastro-intestinal infections that are endemic to the area; and children with infections have added body requirements for protein, thus making them further malnourished. This downward spiral often ends in death.

Who is acting to stop these deaths? CARE, Pro-Lac, Foremost, Public Law 480, Incaparina, Ministries of Health, Dos Pinos, Quaker Oats: companies, agencies and governments—local and foreign, rhetorically idealistic or bluntly pragmatic—all competing to feed the sick and hungry children of Latin America. At one end of the feeding process is a listless, scrawny child; at the other end is a glowing green dollar. While Forbes magazine boasts that feeding the world's hungry millions means billions for U.S. business, what it doesn't say is that this caloric imperialism is making any real solution to the malnutrition epidemic even more unlikely.

In Costa Rica, 48 percent of all children under five are considered malnourished; in Guatemala the figure is a staggering 75 percent. At the age of two years, the average child in these countries has reached the weight of a normal one-year-old. The average five-year-old weighs the equivalent of a normal child of two. Each year, in each country, thousands and thousands of these children die, and many more grow up with possibly deficient mental development.

The answer for these children? Enough food containing high quality protein. Milk would seem a likely solution especially since under Public Law 480, the United States has donated several billion dollars of powdered milk and other products to the underdeveloped world. P.L. 480, however, is not primarily a program to help malnourished children. On the contrary, the law was enacted in 1954 to help American farmers sell their huge surpluses. The law's stated purpose is "to increase the consumption of United States agricultural commodities in foreign countries . . . to develop and expand export markets for United States agricultural commodities." Under this law, the U.S. government buys surplus food from farmers and turns it over to voluntary agencies such as CARE, who distribute the food in the recipient countries.

But P.L. 480 has a more damaging purpose than marketing surplus food: its real aim is to stimulate exports of food products. The U.S. food market is saturated—we produce too much, and one means of making more profit on food is to sell it to other countries. Thus most of the food sent overseas under P.L. 480 is sold, not donated. Title I of the law provides for sales of food to foreign governments. Title II, a smaller program, consists of donations. As explained to me by an AID man, the result of the Title II donation program is the establishment of a market for the food—the dependence of a hungry nation upon an American product. Then Title II is cut, and the country must buy the food under Title I. Finally Title I is cut off, forcing the country to buy the food on the commercial market.

And it works. As the AID man pointed out, "We tried to break Korea away from eating rice. We gave them a lot of wheat. Once the taste for wheat flour is there, we sell them the wheat. Eventually the U.S. recovers in sales everything we ever donated. Don't think the U.S. gives away a damn thing."

So the U.S. taxpayer pays for the donations, and the giant food producer makes money on the sales. Although P.L. 480 is generally called Food for Peace, a better name would be Food for Profit.

If P.L. 480 (and the programs it fosters) is no solution, how about the food industries within the hungry nations? Can the local, private companies established on the American model nourish the malnourished?

Costa Rica's milk industry has been the pride of Central American dairy interests. Dominated by the Dos Pinos cooperative, the industry distributes refrigerated

pasteurized milk throughout the country. How did Dos Pinos become so successful? In the 1950s, the Costa Rican government started a program of free powdered milk distribution to children, using milk donated from UNICEF. The UN agency then gave to Dos Pinos machinery to produce powdered milk locally. Dos Pinos pressured the Costa Rican government to prohibit the import of CARE milk from the U.S., and then charged an outrageous price for its locally produced milk. The government could no longer afford the milk feeding program, so the children went hungry. Only when Costa Rican milk production was devastated by a 1963 volcanic eruption was CARE allowed to return, and now both CARE and Dos Pinos supply milk to the government. Costa Rica has had only two choices: cheap foreign products or expensive local ones. The country is caught between long-term dependency on CARE and the profit motive of its own industry.

In 1970 a major crisis swept over the Costa Rican milk industry, and milk production dropped sharply. Dairymen sold their cows and sought more profitable businesses. As the dairying hope of Central America started to sour, milk lobbyists beseeched the government to help. The government responded by raising milk prices, which drove milk consumers to public demonstrations. The number of dairy cows has already dropped an astonishing 65 percent. Thus, even when a private industry has enough of a monopoly to force out cheap, competitive milk imports and keep milk prices high, it cannot supply Costa Rica with all the milk it needs.

The reason for the failure of the Dos Pinos experiment is clear—milk isn't as profitable as other commodities. And "other commodities" means exports—exports to the rich United States. The Costa Rican milk crisis has a simple genesis: the U.S. recently began to import large quantities of beef. Since the American middle class pays more for beef than Costa Rican peasants do for milk, dairy farmers have been switching from raising milk cows to beef cattle. Thus, as it works out, the livestock resources of Costa Rica are vanishing from the country,

while its children die from malnutrition which milk cows could solve.

In Guatemala, per capita milk production is one-half that of Costa Rica. Production might be doubled except for the Pro-Lac story. Pro-Lac is a government-run milk plant producing both fluid and powdered milk. Like Dos Pinos in Costa Rica, it was set up by UNICEF in the 1950s. But unlike Costa Rica, CARE was not excluded, and cheap American powdered milk flooded the country. Seeing little need for local milk, the government allowed Pro-Lac to fail; it is producing milk at only 30 percent capacity. In the meantime, several large private Guatemalan dairies were capturing the fluid milk market, where the prices are far above the means of the rural peasants and marginal urban dwellers who could afford powdered milk. One of the two largest of these plants, American-owned Foremost Dairy, sends 95 percent of its profits back to the U.S. The other large plant, La Pradera, is run by the largest dairy farmer in Central America, who recently stated, "I don't make much money on my milk cows; I'm thinking of changing to beef cattle." Another major milk producer for La Pradera, who comes from Guatemala's richest family, told me: "If I could find someone who'd buy my dairy cattle, I'd sell them all tomorrow."

When the Guatemalan government considered rejuvenating the faltering Pro-Lac, the reaction of Foremost and La Pradera was predictably destructive. Fearing competition from government-subsidized milk, the indications are they bribed Pro-Lac's manager to keep production low. A similar squeeze is placed on Incaparina, Guatemala's high-protein milk substitute. Because of the high cost and unavailability of milk in Central America, the Institute of Nutrition for Central America and Panama (INCAP) developed this cheap, locally-produced mixture based on cottonseed flour. Incaparina is now sold commercially in Guatemala, but in its ten years of existence, it has failed to make an impact on the malnutrition problem. Though six times as cheap as milk, it is still more expensive than the staple food, corn. So the greatest use of Incaparina is among middle-class families rather than the poor. The government rarely buys Incaparina for poor families because of the availability of milk and CSM, another milk-like product, from CARE. Without question, the CARE program impedes the spread of Incaparina.

The company producing Incaparina —owned by Guatemala's richest family which, coincidentally, is also in the milk business—will push this milk substitute only if it can see a clear profit. Thus far they have lost money. As with milk, the price of Incaparina is too low to make large profits, yet too high for malnourished people to buy. Part of the Latin-American problem is that production of these critical foods is controlled by a few wealthy people (many of them in the same family) who have no commitment to continue producing if the money does not come in.

The milk situation illustrates the overwhelming dependency of these small countries upon the U.S. dominated world market. There are two markets for milk (or Incaparina) in Costa Rica and Guatemala. One is the small middle-class

market for fluid milk which, one would think, could be satisfied by supply and demand. Yet even the limited demand for expensive milk is unfulfilled because the economy is geared to foreign rather than domestic needs. A simple decision of the U.S. to import meat has drastic effects on milk production in Central America. The other market is a public one, in which the government buys milk and gives it to the poor. This market is voraciously sought by U.S. industries through CARE, by local milk industries such as Dos Pinos, or by such substitutes as Incaparina. Thus far, U.S. pressure plus cheapness of government-subsidized products, has enabled CARE to corner a sizeable portion of that market. The net effect has been to retard the Costa Rican and Guatemalan governments from initiating any nutrition policy at all.

However, U.S. food aid will not continue forever. The gap between food production and food needs in the underdeveloped world is widening to the degree that the U.S. cannot continue to fill it. As this gap continues to grow and America's AID programs fail to pacify Latin America, these programs will be cut off. Thus it is imperative that poor nations begin at once to feed themselves. Yet agricultural per capita in Latin America is presently stable, not increasing. What are Latin American nations doing about this?

Rather than encouraging an increase in food production, the official response has been to start birth-control programs. In Latin America, this is a complete obfuscation of the real issue. By global standards the continent is actually underpopulated, having 16 percent of the world's habitable land and only 6 percent of its population. Only 30 percent of arable land is actually cultivated, and a vast area of forest lands could be converted for food production. Latin America's feeding problem is unrelated to population—it has to do with land use.

GUATEMALA TELLS THE STORY. The most fertile lands belong to large plantation owners (2.1 percent of the farms contain 62 percent of arable land). This land is grossly underutilized, with its per acre yield only one-fourth that of small farms. The absentee landowners have no incentive to use the land well, because they have enough to eat. And it wouldn't make much difference if these lands were to increase their yields—the crime would only be intensified, for these extensive fertile lands in Guatemala are not used to feed Guatemalans, but to grow crops for the developed world.

The vicious character of dependency is readily demonstrated by the manipulative use of land in Guatemala and other Latin American nations. Centuries ago, Guatemalan plantations began to produce a natural blue dye needed by England to color its textiles. Then synthetic dyes took over, and Guatemala converted its land to fulfill the world demand for coffee. Later, bananas found a large market in the U.S., and Guatemalan lands were shifted to that crop. With a glut on the market of coffee and bananas, land shifted to another need of the developed world—cotton. The latest shift in this multi-century series of dependent land development is toward beef. Eventually beef will be cut off, and other products geared toward the developed countries will take over.

But what if these countries were to develop an agriculture which would feed its own people rather than produce coffee (and sugar to put in it) for the American housewife? The masses of malnourished families would still be too poor to buy enough food. Yet the typical response of the U.S. or Central American middle class to this problem sounds like this: "What those people need is to learn what kinds of food are good for them." As one scholarly publication puts it, "Lack of knowledge of the simplest facts of nutrition is at the root of a high proportion of the cases of malnutrition today." Fill 'em up—with education. And the average nutrition program is a futile effort to teach the impoverished housewife how to better feed her children—with foods she could never afford.

Over and over one hears, "These *campesinos*, their chickens lay an egg or two, and rather than eating it they sell it." Well, the *campesino* is far smarter than the nutritionist. He knows that one egg will buy more than enough corn to feed him for a day, and the corn fills him up, which is his first concern. With a quart of milk he can buy one day's supply of corn for a whole family. The Guatemalan Indian doesn't need to be taught the value of milk; if he has a sick child, he will give it milk—to the detriment of the rest of the family. Good nutrition is not a matter of training; it is a luxury for those who have enough to eat.

FOR THE INDIANS OF Guatemala, malnutrition is not a natural condition. It results from centuries of imperialism. Before the Spanish conquest, there was plenty of land, and the Indian diet was nutritionally adequate, including fruits, meat from small forest animals and fish from the streams. When the minerals of the soil were used up, they could migrate to new areas. With the seizing of land by the Europeans and later the Americans, Indians were forced into smaller and smaller areas. In addition, they were forced into a money-economy and would sell foods formerly eaten.

Thus, the food relationship between the United States and Central America is a classic example of imperialism. The best Central American lands are used to grow crops needed by the U.S. and other developed countries. Those who reap profits from these lands are U.S. corporations and the pro-American local oligarchies.

The rich Pacific coast of Guatemala is really part of the United States. Its products go to the U.S., not to Guatemala. Its landowners buy U.S. cars and TV sets. And the taxpayers of the U.S., through P.L. 480, support a small welfare system (or food stamp program) to keep alive the workers on these fields.

The solution to malnutrition in Latin America is not education; it is not birth control; it is not P.L. 480; it is not local capitalist food industries. The people of Latin America must invade the land which is functionally a part of the United States and return it to themselves.

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