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Managua hosted a meeting of South and Central American leaders May 7 to try to come up with a regional strategy to confront the crisis in food costs. The aim was to ensure domestic supplies of staple foods and to find a way of mitigating prices for food products the region exports. The meeting follows an April meeting of member countries of the Alternativa Bolivariana para las Americas (ALBA) in Caracas and one in Managua April 27, both dealing with the same issue.

At the April Managua meeting, Nicaraguan President Daniel Ortega said Central American food prices had reached crisis levels and could cause social upheaval. He told regional agriculture ministers that market forces, farm subsidies in developed nations, and free-trade agreements contribute to the problem and that he wanted "an emergency meeting to take measures in the face of a food crisis, before we have any possible social explosions." The measures were to be aimed at a production and marketing alliance for area agricultural products. Ortega expressed concern at what he said was a paucity of media coverage of the crisis. "The drama of poor nations, where every five seconds a child dies of hunger and malnutrition, doesn't make the news," said Ortega. "When they limit sales of rice in the United States, that is news."

The situation also makes the news when it can be presented in a major newspaper or on a US network as a heart-wrenching human-interest story, replete with no-longer-affordable birthday cakes and footage of kids rooting through mountains of garbage in search of a day's sustenance. At the ALBA meeting, Ortega joined with his counterparts from Venezuela, Bolivia, and Cuba in creating a US$100 million aid program for the region's poor. They also increased Venezuelan oil shipments to countries having an agreement to receive oil under favorable terms. A final achievement of the meetings was a plan to develop production and related business in rice, corn, legumes, oilseeds, meat, milk, water, and irrigation. All these have seen stratospheric price increases in recent months.

At the May meeting, the goal was to put together a plan that would "guarantee fair trade" and to create a fund to boost production, under the theme, "food security and sovereignty." Fair trade, pointedly, is to be the alternative to "free trade," the unbridled system that pits Central American small producers against agribusiness giants with the resources and efficiencies to drive them out of business without ever looking back. A problem arose when Venezuela's President Hugo Chavez, without whom no discussion of financial contributions is complete, notified organizers at the last moment that he would not be coming because of a health issue, said to be a cold and sore throat. In his stead, although this was to be a presidential summit, he sent his Foreign Minister Nicolas Maduro. Chavez missed not only the meeting but also a get-together with Ortega and President Evo Morales of Bolivia at which developed nations were severely criticized for having brought on the crisis. Other presidents who did not turn up were Antonio Saca of El Salvador and Alvaro Colom of Guatemala. Saca said he was sick, and Colom could not come because his vice president was out of

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the country, and Guatemalan law prohibits both officials from being away at once. Both presidents sent their foreign and agriculture ministers. Presidents in attendance were Oscar Arias of Costa Rica, Manuel "Mel" Zelaya of Honduras, Evo Morales of Bolivia, and Rafael Correa of Ecuador. Those sending delegations were Belize, Cuba, the Dominican Republic, Guatemala, Haiti, Mexico, and Panama.

The World Bank has singled out Central America as one of the world's zones most vulnerable to the current food crisis. The World Food Program in Central America has developed a Tortilla Index, based on the price of tortillas in the region. According to this, between March 2006 and March 2008, the price has gone up 54% in Nicaragua, 35% in Guatemala, and 23% in El Salvador. Nicaragua's Agriculture Minister Ariel Bucardo said that a fund to promote regional food self-sufficiency would need at least US$640 million to provide incentives for the 2008-2009 agricultural cycle in Central America and confront shortages. "To address the agricultural cycle in Central America," he said, "in the short term a little more than US$600 million would be needed." Over the long haul, more would be needed, but Bucardo did not give an estimate.

Contributions of land and money needed

Going into the later meeting, the amount available was the US$100 million agreed to at the April meetings, most of which had come from Venezuela. The rest of the money, however, would not be a gift. It would come from the general budgets of the Central American countries. El Salvador's Minister of Agriculture Mario Salaverria said the split would be: El Salvador, US$100 million, Honduras, US$140 million, Panama, US$174.6 million, Guatemala, US$62.1 million, Nicaragua, US $105 million, Costa Rica, US$14.5 million, and Belize US$5.7 million for a total of US$646 million. Salaverria said the project would utilize idle lands in each of the countries for production and take advantages of regional efficiencies like joint purchase of fertilizers, agricultural insurance, using public and private technological networks, and innovative techniques in growing rice, corn, beans, and sorghum. Much of the innovative technology would come from Mexico and Cuba. There would be price-guarantee contracts to ensure profitability for growers. The plan also calls for constructing storage facilities and driers for crops.

By most accounts, there is no real shortage of food products in the region. The problem is affordability for common people. Hedgers, speculators, and other creatures of the markets drive up fuel and fertilizer costs seeking a haven against the decline of the US dollar in international commodities, whose prices are also spurred by biofuel investment. Seeing to their own food security and sovereignty would strengthen regional agricultural sectors, which are now threatened by trade-agreement-facilitated imports of commodities at prices with which they cannot compete.

Central America on the losing end

In the midst of plenty in the markets of Managua, food retailers say people are buying less and even, said one seller, rooting through garbage to find still edible foods. As oil-producing and grain-producing countries of Latin America flourish on the soaring prices, Central America, a net major importer, suffers, and Ortega's warnings of unrest are well-taken. There have been riots in Honduras, marches in El Salvador, and worry in Guatemala as the rainy season approaches, idling agricultural workers hunkered down for an oncoming "hunger season." Nicaragua is staggering

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under high prices for energy, even as Union Fenosa, the private Spanish electric company, has announced forthcoming blackouts. The country has been living this way since 2006. There have been five increases in electricity rates since November. Gasoline in Managua was recently reported at about US$4.70 per gallon, even with help from Venezuela. Inflation, at 17% for 2007, was the highest in the region, and food prices shot past that. Official estimates quoted in the Los Angeles Times showed that poor families in Nicaragua are spending three-quarters of their incomes on food, more than a quarter of the population is undernourished, and more are going hungry every day. The paper quoted Cirilo Otero, sociologist and head of the Centro de Iniciativas de Politicas Ambientales (CIPA) in Managua, as saying, "It's a time bomb. It's an explosive situation."

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