

Rising prices argue for local, organic

MY LAST COLUMN discussed some of the ecological issues leading to the high food prices that we find at the grocery store, including droughts, floods and unusual weather patterns. All of these reduce the crop yields that farmers produce, which raises food prices through economic market forces.

"Economics is a lot like nature. It's all about balance," explains Martin Medeiros, an economist who teaches for UC Berkeley Extension. When things are unbalanced, it creates a "tenuous situation between food supply and food demand," he says. And because economic and ecological cycles are linked via agriculture, "any extended period of harsh weather can lead to both crop failure and stormy economic times." Stormy economic times is econo-speak for high prices.

Mando Giotta of Golden Gate Meats, a local organic and sustainable meat wholesaler, has seen exactly that. Golden Gate Meats has experienced price increases across the board from the ranchers they work with. "In our case, most of the cost increases are from the food for animals and fuel for transportation," Giotta says. And it's tough for farmers and ranchers to pass on the increased costs they face. "There's a real possibility that a lot of small operations in particular will slow production or go out of business entirely until prices stabilize." While food prices have been increasing across the board, it is the commodity grain crops — wheat, corn, rice and soybeans — that are rising the most. These crops are heavily traded on the international market and are a common input for the animal feed Giotta was discussing.

Much of the price increase in corn, in particular, has been blamed on biofuel production. Any grain used for fuel is taken away from food markets, driving prices up. But Anuradha Mittal, executive director of the Oakland Institute, asserts that "biofuels are not the main culprit." Instead, she says, long-term policies are what determine commodity food prices.

By way of example, Mittal notes that in the 1970s, developing countries were net exporters of food, while now they are importing tens of billions of dollars of food each year. In the past few decades, many developing countries have created a middle class that eschews farming while increasing demand for food.

The end result is that less food is now grown in these developing countries, and there are more countries dependent on imported food

for example, farmers made around \$270 per ton of wheat, while the global trading price was more than \$520.

Closer to home, those rising fuel prices we are so acutely aware of raise food costs in several ways. Transportation is certainly a major cost for many foods we eat, as our supermarkets have become globalized, but it is just one of the major energy uses. Less discussed are the fertilizers and chemicals used in traditional farming, both of which require copious amounts of fuel. For example, the price of natural gas accounts for 90 percent of the cost of producing commercial fertilizers, and natural gas prices have risen more than five-fold in the last decade.

Farmers are increasingly looking for ways to reduce these expensive inputs, and this is one area where organic farmers have the advantage. With the exception of some uncommonly used "narrow range oils" that basically suffocate pests, all of the petroleum-intensive fertilizers and chemicals are prohibited from organic fields. Instead of chemical fertilizers, organic farmers rely on natural crop rotation to slowly build up nutrients in the soil. And while this can take some time, these practices yield significant cost savings.

In the long run, these savings at the farm could start to equalize the price gap between organic and conventional foods. This is one case where what benefits farms and farmland can also benefit our pocketbooks. And by buying locally from these organic farmers, we can circumvent the impact of commodity pricing and high transportation costs.

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to meet their needs.

Eric Holt-Gimenez, executive director of the Institute for Food and Development Policy, says the current food crisis is a result of the last 50 years of world food policy. Additionally, he adds, few farmers or consumers benefit from global agricultural trading — it often drives prices down on the farm and up on the trading floor. Last year,