The Food "Surplus": A Staple Illusion of Economics; A Cruel Illusion for Populations

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Abstract: Disjunction between market surpluses of food and worldwide nutritional shortfalls appears to be symptomatic of underlying vulnerabilities, raising questions about the sustainability of agricultural production.

When is "surplus" less than plenty? How is it true that, "Due to advances in agriculture in many countries, there is now a substantial world surplus of food" (Abelson, 1987) while at the same time more people than ever before are undernourished or malnourished (Chandler, 1985; Wortman, 1980)?

"Surplus" in the sense that buyers do not exhaust supply at any price acceptable to sellers is standard usage in economics. With food, the term denotes that a few countries have become net exporters of certain foodstuffs around which there is intense sales competition on the world market. While this is an important consideration for American agriculture, which produces many of those foodstuffs and competes on the world market, it says nothing about whether the world's growing human population can be adequately fed by any likely increases in food production. Used in con-
nection with world population, world carrying capacity, or sustainable production, "food surplus" is misleading or worse. Unfortunately, the erroneous connection is widely made (see Abelson, 1987).

Only from the producers' point of view is there surplus. From many potential consumers' standpoint there is shortage. Some go hungry even in countries that are net exporters of food (Poleman, 1975). There is surplus largely because millions of malnourished persons do not have the financial wherewithal to create an economic demand sufficient to acquire a nutritionally adequate share (Street et al., 1980; Wortman, 1980). For example in India, a Green Revolution “success” story, the National Institute of Nutrition estimated in 1987 that as many as 50% of rural households and 55% of urban slum households do not have enough food to meet daily energy requirements ("India’s Farmers." 1988).

The real costs associated with producing the market surplus suggest that far more than a distributional problem is involved. “New and better crop varieties” are cited as the most important factor in the increase in world food supplies (Abelson, 1987), but these new strains require expensive and nonrenewable resource inputs. Besides being expensive to produce, the new varieties have themselves contributed to poverty and malnutrition in third world populations through changing labor and landholding patterns. Finally, yields may not be sustainable, and the crop monoculture associated with new varieties is not without risk.

The introduced crops and accompanying technology may destabilize countries because they are most successfully adopted by wealthier landholders and tend to widen the gap between rich and poor agriculturalists. Large aggregations of land are required for efficient mechanization, and the new grain varieties depend upon expensive petroleum-based inputs that only wealthier farmers can afford. The cost of fertilizer, pest control agents, and fuel for irrigation systems and other farm machinery ultimately depend on world oil prices (Wade, 1973; 1974b). (Coal is not foreseeable substitutable for most agricultural uses of oil, so significantly higher prices will reflect the shrinkage of oil reserves that will almost certainly become apparent within the next decade (Gever et al., 1986).)

The initially greater return from the new crop varieties tends to drive small producers of vegetables and other traditional foodstuffs off the land. Peasants, become landless, no longer can practice subsistence agriculture, and their cash earnings as agricultural labor barely support a family in good times; in years of natural calamity, such as drought, jobs vanish and food prices rise beyond reach of this sector of the populace (Poleman, 1975; Street et al., 1980; Wade, 1973; 1974b).

Once large agricultural units are established, it is usually more profit-