

## Andean Report by Edilson Herrera

### Free trade vs. food production

*Bush's free-trade model for the hemisphere is dutifully embraced in Colombia, which will soon be without food.*

If the Gaviria government's embrace of free-trade economics is not modified, the production of rice—a staple in every Colombian's diet—could disappear from the national territory, as occurred two decades earlier with wheat, according to Alvaro Hernán Ruíz, president of the Federation of Rice Processors (Induarroz). This could occur despite the fact that Colombian rice production is one of the most efficient in the world, in both productive and technological terms.

During the 1970s, especially beginning with the Alfonso López Michelsen government (1974-78), wheat production disappeared from the Colombian economy when the government decided to import subsidized wheat as an alleged means of "fighting inflation." Today, Colombians have even forgotten how to grow wheat.

Today, using the same discredited excuse, the Gaviria government has decided to massively import rice. Induarroz spokesmen report that the government's tariff reduction on rice imports from 35% to 20%, and the subsequent import of 30,000 tons of rice by the state marketing agency IDEMA, has forced many growers to cancel plans to sow their first crop of 1992, which accounts for a full 70% of national production.

Further, they report, continuation of the government's monetary policies is forcing yet another substantial contraction in the area sown. According to the National Federation of Rice Growers, Fedearroz, area under cultivation declined last year by 50,000 hectares, while national pro-

duction of the grain fell by 250,000 tons. This year, the remaining 25,000 hectares under cultivation is expected to drop to a mere 2,000!

The elimination of subsidized development credit (at interest rates below market level); the "economic opening" (*apertura*) and dropping of import barriers; the dismantling of the Agrarian Fund and therefore of the various technological inputs the Colombian countryside enjoyed; and the effective elimination of price supports, are some of the monetarist measures the Gaviria government has undertaken in compliance with George Bush's "Enterprise for the Americas" initiative. While the international financial agencies are offering Gaviria their "good housekeeping seal of approval," Colombia's agricultural federations are warning that a grave crisis of food insufficiency is imminent.

Rice is by no means the only crop affected by these policies. A forecast by the Center of Agricultural and Livestock Studies (CEGA) warns that as of June, there will be a lack of eggs, chicken, sorghum and soy to meet national consumption requirements. According to a spokesman for the National Federation of Grain Growers (Fenalce), "the government doesn't seem to understand us, and thus is pushing an economic opening which is shrinking production to worrisome levels and is leaving us with no maneuvering room." Sorghum and soy producers in the fertile Cauca Valley report that they are sowing nearly 30,000 fewer hectares this year than last.

Not a single hectare of the once highly lucrative cotton crop will be planted in southern Cesar province this year, where last year 15,000 hectares were cultivated. Cotton growers in Tolima are reducing last year's area under cultivation from 80,000 to 12,000, and in Cauca Valley, from 30,000 to 7,000.

To this can be added the critical situation afflicting Colombia's coffee sector, which is facing a zero, and even negative, growth rate. This collapse in coffee production, thanks in large part to Gaviria's "peaceful revolution" which has permitted the country's narco-terrorists to terrorize growers and sabotage the coffee industry while preserving futile "peace talks," is forcing growers to choose between replacing their coffee crops with poppy—that is, joining the ranks of the narco-farmer—or swelling the ranks of the unemployed.

The cattle industry is facing a similar problem. Not only are Colombian ranchers prime kidnap targets of the narco-terrorists, but the so-called protection tax ranchers must pay them is being carted off—on the hoof—in cattle trucks! Further, according to the country's premium growers association, SAC, government plans to import meat would severely cripple current efforts to build up domestic cattle herds, while simultaneously threatening Andean Pact export opportunities.

The fruit of Gaviria's economic policies has not only been the bankrupting of Colombian agriculture, but also a rise in inflation due to food shortages. The combined inflation increase of January and February was nearly 7%, largely a result of food price hikes. Instead of correcting its errors, the government has chosen to resort to imports, assuring the burial of the agricultural sector in short order.