

**Address by the President of the Republic, Luiz Inácio Lula da Silva**  
**at the opening of the**  
**Thirtieth Regional Conference for Latin America and the Caribbean**  
**Palácio Itamaraty, 16 April 2008**

My dear Jacques Diouf, Director-General of FAO,  
Ambassador Celso Amorim, Minister for Foreign Affairs,  
My dear Noori Naeeni, Independent Chairman of the Council of FAO,  
My dear Reinhold Stephanes, Minister for Agriculture, Livestock and Food Supply,  
My dear Guilherme Cassel, Minister for Agrarian Development,  
My dear Altemir Gregolin, Special Secretary for Aquaculture and Fisheries,  
Mrs Arlete Sampaio, Acting Minister for Social Development and the Fight Against Hunger,  
My dear José Graziano, FAO Regional Director for Latin America and the Caribbean,  
Ladies and Gentlemen,  
Distinguished Ministers from the countries of Latin America and the Caribbean,  
Honourable Delegates,  
Excellencies,  
Friends from the Press,

Welcome to this Regional Conference of FAO.

The fight against hunger and poverty has returned to the headlines and to the attention of the international community.

The visibility of this serious problem, which I have denounced and fought since the first day of my government, is due to the global increase in food prices. An increase which in recent days, has led many people, desperate for food, to demonstrate in the streets of several cities in the developing world.

There is not just one explanation for this situation. It has resulted from a combination of factors: the higher price of oil; lower harvests in many countries, caused by adverse climatic events; increase in the cost of freightage; changes in exchange rate; speculation on financial markets and increased consumption of food in developing countries, such as China, India and Brazil and many other poorer countries.

We must avoid generalizations and simplifications if we are to address this problem properly.

The impact of weather, for example, is part of the history of world agriculture. The novelty, which is very welcome, is that more people are eating and eating better. That shows progress in the fight against hunger, poverty and inequality.

We need emergency solutions to mitigate the current crisis. But, above all, we need long-term actions to reduce the vulnerability of many countries to an aggravation of those problems.

The situation is serious in parts of the world. In our region, Haiti is severely affected. Last week Brazil sent 14 tonnes of food to that country and has contributed to the World Food Programme so it can buy and distribute food to the Haitian people. We hope that these initiatives will be followed by other countries. We also hope that this tragic situation will convince the rich countries that stability in Haiti must necessarily be based on its economic and social viability.

The crisis in world food security requires an urgent expansion of resources to combat hunger and poverty. Brazil has begun to play its part. In the framework of the International Action against Hunger and Poverty, we proposed the creation of innovative financial mechanisms. We obtained results in the area of health, but we are far from having sufficient instruments to deal with challenges of this magnitude.

The financing of development gained prominence in the agendas of the UN, the World Bank, the IMF and the G-8. But unfortunately the developed countries only react with greater resolve in emergency situations.

The so-called world food crisis is above all a crisis of opportunity and distribution. Each day 854 million men, women and children sleep in hunger. That is intolerable to us all.

In my government, the right to food became a central plank of its public policy agenda. We are extending agrarian reform, support to family farming, the provision of loans and technical assistance to the marketing of agricultural products. Adoption of the Food and Nutritional Security Act, in 2006, made access to food a permanent policy of the Brazilian State. We are applying social policies that increase people's income.

The "Bolsa Família" (Family Fund) is the largest programme of transfer of income in the history of Brazil. It now benefits more than 11 million poor families in our country. By providing minimum income and good nutrition to so many Brazilians, we are helping to make them more productive, more healthy and to give better conditions of education for their children.

We are making progress. Latin America and the Caribbean might be the only region to achieve the 2015 commitments of the World Food Summit and the first Millennium Goal of reducing the number of hungry people.

But we want more: we want to eradicate hunger from our continent. The “Hunger-Free Latin America and the Caribbean Initiative” which Brazil and Guatemala launched in 2006 reflects that political commitment.

Mr dear Diouf,

The structures that have been created by the international community are not prepared for the millions that are being socially included. We need to produce more and to distribute better. Brazil, as an agricultural power, is keen to increase its production. But that is not enough.

The world also requires global policies that are committed to overcoming the problem and not merely palliatives and sticking plasters.

The inability of many countries to produce their own food is the result of decades, if not centuries, of distortions in international trade of agricultural products. Protectionism is a burden. Equally burdensome are the subsidies to agriculture of the rich which undermine the competitiveness of the small farmer. Such distortions create dependence, when not dismantling entire production structures.

The concept of food security has been distorted by some to justify protectionist practices that affect countries suffering from lack of food and economic options.

Food aid must be complemented by productive cooperation and by the opening of new markets and opportunities.

Real food security needs to be global and based on cooperation. It must be forged from a combination of measures that work in emergency situations, such as this one, but, above all, it requires long-term solutions.

Overcoming the present obstacles obviously requires a successful and early conclusion to the Doha Round of the WTO. An agreement that stops treating agricultural trade as an exception to the rules. That allows the poorest countries to generate income from their production and exports.

It also requires greater cooperation in agriculture, as Brazil has done with its African partners and with its partners in Central America and the Caribbean. An expansion of this type of initiative can benefit enormously from new partnerships that permit triangular cooperation.

Brazil has also focused on the enormous potential of biofuels, as an instrument of economic and social change in the poorest countries. Biofuels generate income and employment, especially in rural areas. They produce clean and renewable energy. They are an example of sustainability, of balance between environmental, social and economic aspects. That is the project in which I place great hope, especially for the future of many countries of Africa, Asia, Central America and the Caribbean.

It is therefore with growing concern that I see attempts to create a relationship of cause and effect between development of biofuels and shortage of food or increase in food prices.

My concern is all the greater when I see little mention of the negative impact of higher oil prices on the cost of producing and transporting food, on the cost of producing fertilizer. When I see that few criticize the harmful and lasting impact of subsidies and protectionism. That many criticize, rather than celebrate, increased food consumption in the more dynamic developing countries.

It is always easier to opt for simplistic answers; to conceal economic interests and political agendas behind supposed social and environmental concerns. It is difficult to discuss these issues on the basis of facts.

Biofuels are not the villain that is threatening the food security of the poorest nations. On the contrary, if developed with care and in accordance with the reality of each country, they can act as a crucial instrument for generating income and lifting countries out of food and energy insecurity. That is what our friend Sachs says: the role that bioenergy can play in containing the negative impacts of climate change, in creating employment opportunities in rural areas and in building alternative models of development.

Brazil's production of ethanol from sugar cane occupies a tiny part of its agricultural land; it does not reduce the food production area; and it does not use that land for its production. Its expansion has been based on productivity gains and on better use of land used for pasture. There is no risk of production in the Amazon region, nor of displacement of production. The same applies to biodiesel, which we are increasingly anchoring in family farming.

In all cases, we fence biofuel production with guarantees on the environment, labour and food security.

Other countries will have to conduct their studies and decide whether or not they can produce biofuels, and on what scale. They will need to define which plants are best suited to

their needs. They will need to select projects on the basis of economic, social and environmental criteria.

More than 100 countries are naturally suited to the sustainable production of biofuels. In many of those countries, less than 20 percent of the population has access to sources of energy for their basic needs. It is each of those 100 countries that needs to take decisions on the merit or otherwise of adopting biofuels. Those decisions should not be imposed by others through pressures and protectionist measures.

The real “crime against humanity” is to discard biofuels *a priori* and to condemn countries, that strangled by lack of food and energy, to dependence and insecurity.

To ensure that the necessary debate on biofuels is conducted in a balanced manner, I am inviting government authorities, scientists and representatives of civil society from all interested countries to participate in the International Conference on Biofuels, which will take place next November in the State of São Paulo in Brazil. We wish to discuss, in a candid and informed manner, the challenges and the opportunities that lie before us.

The role of FAO, my dear Diouf, in this work of clarification is extremely important. I hope that I can continue to count on the balanced approach of its Director-General and his staff.

Dear companions,

My dear Diouf and other partners,

The countries of Latin America, the Caribbean, Africa and Asia cannot and should not flee from this debate, from discussion of food security or from discussion of biofuels. This is a debate that needs to be conducted in a rational manner, without emotion, and without ideological bias, either from the right or from the left. We need scientific facts so we can discuss the direction we will offer to the world in coming years.

The poor countries can no longer carry the guilt for the actions of the rich countries. They agreed, under Kyoto, that everyone would contribute towards reducing global warming, but responsibility is being placed on the backs of the poor countries. They tell the poor countries that they cannot clear their forests because they created something called carbon credit, that will finance the poor countries. And I should like to know how many poor countries have already received carbon credit to finance their development without affecting forest. Similarly, poor countries are not responsible for the higher price of oil, poor countries are not responsible for the emission of CO<sub>2</sub>. But the poor countries are the victims of those policies. In the first place, the policy of protecting their markets, precisely when we are about to reach agreement on the Doha Round of WTO. One of the points of the G-20, also

represented by our Minister Celso Amorim at the negotiation table, is that if there is no opening of the European agricultural market to the agricultural products of the poor countries, it will be very difficult to have an agreement and someone is going to have to assume the historic responsibility. If there is no reduction in the agricultural subsidies that the rich countries use to finance their producers, it will be difficult for the poor countries to be competitive on the agricultural market.

Now, if we do not have technology, if we do not have oil, and I am not speaking for Brazil, because as far as agriculture is concerned, Brazil is as competitive as any country in the world. I am speaking for tens and hundreds of other countries that do not have technology, that do not have a developed industrial policy and that do not have technology for agriculture. And worse still, when the poor countries gather their harvest, what they gather is very often not enough to pay for the fertilizer they bought from the multinational companies that are usually in the rich countries of this world.

Either we have this discussion in earnest or, whenever something occurs such as in Haiti, we introduce an emergency measure to send a spot of food to temporarily satisfy the hungry and then wait for the next occurrence. It is very odd that an agricultural producing country, that (inaudible) should have a commodity market if only to adjust the price of soybean, to adjust the price of millet, to adjust the price of rice, of beans. We have to look at the prices determined in Chicago.

If the globalized world is undergoing changes, I believe that the countries considered to be developing and the poor countries need to enforce their logic. The logic of placing our problem at the centre of debate. I will give you an example: in the 1980s and 1990s, every delegate here today must have seen an IMF delegation descend on his or her country calling for fiscal adjustment, care of interest rates, reduction of the State, otherwise the country would go bankrupt. Curiously I never saw the IMF issue a single opinion on the American crisis. How much longer are we going to accept the role of bit players on the international scene? How much longer?

I hope my dear Diouf, and you know how attached I am to FAO, you know that here, in our country, we have in recent years accomplished a revolution in social inclusion that is unprecedented in our history. We know we cannot rectify the errors of 500 years in 5, 10 or 15 years; we know it is a process. But Brazil wants to be proud to be the first country to meet all the Millennium Goals set in Rome. And we will meet those goals because we are in a position to do so, and because we want to set an example for other countries to give priority to the politics of inclusion.

Today, in Brazil, many people are afraid because consumption in the Northeast is higher than consumption in the southern region of the country. But for one reason: for a long time those people had no access to the minimum ration of food. But today those same people are entering supermarkets and taking food home. Because, besides being able to work, those people are beginning, through the policy of transfer of income, to receive a modicum of dignity. If they had received that dignity throughout the last century, Brazil would already be a great power and not an emerging country.

I wish to say to my friend Diouf that he convinced me to go on 3 June to the FAO Conference in Rome. And I will, my dear Diouf, with the intention of entering the debate with all the seriousness that it requires. I understand the concerns, I do not criticize those who fear the danger of biofuels replacing food production. Because I believe that a citizen who ceases to fill his “tank” of food to fill his “tank” of fuel needs very serious treatment.

So, we must not accept the logic and dynamic of those who only view the world from within their continent. I have said in many discussions in Europe on biodiesel, that they should not look at their own territory where everything is so orderly. There are countries so developed that their agriculture, their production is so precise it looks like the home of newly weds. I tell them, look at those policies for the African continent, look at the world from the logic of the African continent, that no longer has the right to spend the 21<sup>st</sup> century as the victim of hunger it was in the 20<sup>th</sup> and in the 19<sup>th</sup> century. Look at Latin America, at all the poor countries, a few miles from the United States, that are also hungry. Because those who determine the logic of production are not the countries themselves. Those who determine the logic of fertilizers are not the countries themselves. Now therefore, what we need... I am looking here at my colleague Maluf, President of the CONSEA (National Council of Food and Nutritional Security), what we need to do, my dear Maluf, is to create a CONSEA in each country of the world, so that food security becomes State policy, not the fortunate policy of combatants such as yourself. In Brazil, we have already done that. I hope that the world will do so because, who knows, Celso will find it easier in the Doha Round to approve an agreement in which Brazil does not need to win, but where Europe and the United States need to give way, and those that need to win are the poorest countries of the world.

Thank you very much and good luck.