



THIRD PANAMERICAN CONGRESS OF THE ASOCIACION LATINOAMERICANA DE SUPERMERCADOS (ALAS)

The Food World Crisis
Antigua Guatemala, Guatemala
September 4 and 5, 2008

Declaration of Antigua Guatemala

In the city of Antigua Guatemala, Guatemala, the 4th and 5th of september of 2008, various international organizations, private companies, and representations of the pan American retail commerce, as well as government authorities, analyzed and expressed their point of view about the food world markets.

Attendants to the ALAS Congress coincided in a set of thesis that are grouped in the following five consensus.

First consent

All the exponents agreed in identifying the causes of the increase in the prices of food as a complex mix of several factors:

- Price increases in energy products and their derivatives, such as fertilizers and others
- Continuous dollar depreciation
- Substantial increase in food demand in Asian countries
- The use of grains in the production of biofuels
- Changes in global weather
- International trade barriers

It is impossible to force the future intensity and duration of the changes registered in the food markets. We are living dramatic moments of change; we are entering a new food era. In any case, there is a concurrence in an elemental diagnosis: the convulsion has been so intense, that things will never again be as they were in the past. We have reached the end of the inexpensive food era. Markets will be characterized by their price volatility.

Second consent

The topic of the wealth distribution should wake the sensibility of the society, government and social organizations to promote effective solutions. In a lot of Latinamerican countries the percentage of population living in extreme conditions can surpass 40%. There is a very clear awareness of the regressive character of the price increases in food. The progress achieved in social matters could easily be lost in case of lack of adequate protection for the less favored population.

Third consent

The exponents unanimous opinion during the Congress, is that the markets and fair competition among them, should be strengthened: As many markets as possible; and Government participation only if imperative, seems to be a commonly adopted motto. Such stance reveals a fundamental change in the economics philosophy of the continent's countries, detached from government interventionism in the economy and very distant from the language – what was named- of the *lost decade* of the 80's in Latinamerica, known for government intervention with fixed price policies that led to disaster. As it happens repeatedly, in numerous scopes of human experience, our countries have made a virtue out of necessity. And it is because the global world is very demanding with the nations that would like to join it; otherwise, the penalties translate in not being competitive, lack of growth, the loss of wellbeing and the creation of bigger levels of poverty.

It was also determined that with the appropriate legislative support, the Latinamerican governments can promote the development of Food Banks. At this time there are already more than 1,000 Food Banks that favor 20 million people in several countries. These mechanisms have been developed by the civil society and are supported by the food production, distribution and retail chains.

Fourth Consent

The safeguard of the market powers also assumes a parallel acknowledgement of the power of public policies.

It is imperative that the governments direct their attention and budgets to support the poorest. In a lot of countries, support programs focused in low income population have been proven as successful mechanisms to assist them in fulfilling their food, health education and basic needs.

Likewise, the role of the latinamerican public sectors is essential to boost the competition and competitiveness of the productive apparatus of the private sector, among these the farming sector, through legal and regulating frames that can facilitate development and investment policies for this sector, guaranteeing juridical certainty for the country.

In this sense they are extremely pernicious, because of the enormous social costs caused by taxes, subsidies, trade barriers, and, particularly, price controls

that, pretending to go around the markets, inexorably end diminishing the social welfare.

Fifth consent

The space of the entrepreneurial private sector and the civil society provides a huge extent of solutions for the alimentary problems. The latinamerican retail sector together with its suppliers has been known for constant productivity and efficiency increases throughout the supply chain. Besides, the supermarket chains are one of the most effective sensors to understand the people's needs and offer ample product options in terms of price, quality, and safety of the food.

Consumers and clients of latinamerican supermarkets are mostly formed by low and medium economic income groups. Therefore, due to the actual price increases of food, it is essential to offer attractive options regarding product brands, presentation, sizes and formats.

Retailer chains also offer valuable opportunities for the supply chain development and for the growth of small and medium enterprises within the continent. (Pymes)