

Perspective

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WINTER SPECIAL

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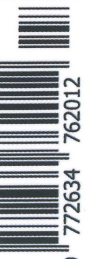
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The cost of China's squid game

By Wade Graham

One of my favourite seaside pleasures is tucking into a plate of fried calamari – salty, crunchy on the outside, soft and creamy on the inside. My pleasure is magnified by the thought that it's fresh, caught in local waters. At night, at certain times of the year I sometimes see the squid boats fishing just offshore, their bright lure lights glowing like Japanese festival lanterns in the darkness, reflecting off the glassy water. But most of the time I've probably been wrong. The squid on my plate was far more likely to have been imported from China, as is the vast majority of squid consumed in the US, the UK and Europe. And the situation is even more complex: there is a good chance that it had been pulled from my local Californian waters then exported to China for processing – China's cheap labour and cheap sea cargo make the round trip profitable. The unfortunate molluscs are counted as a US export, then recounted as an Asian import.

Squid make up just one flow in the byzantine world of international trade in food, which includes nearly a quarter of all the food humans eat. Trade makes possible the dizzying variety of food options we in the developed world now enjoy, and the fact that our supermarkets no longer have seasons. But all of it requires dizzyingly complex supply chains, without which even the most mundane menu items would be impossible. Think of the cheeseburger – without the supermarket how would one assemble it? Wheat for buns is harvested in late summer. Cows are typically slaughtered in the autumn. Tomatoes peak in August, lettuce in winter. And what of the condiments? A Burger King hamburger can contain ingredients from 200 or so suppliers around the globe – beef from Australia, Brazil, Canada, Chile, Costa Rica, Honduras, Ireland, Japan, Mexico, Nicaragua, New Zealand or Uruguay; wheat gluten from Australia, Belgium, Canada, China, Czech Republic, France, Germany, Kazakhstan, Lithuania, Netherlands, Poland, Russia, Switzerland, Thailand, the UK or Ukraine; garlic powder from Brazil, Canada, China, Germany, India, Israel, Japan, Mexico or South Korea; vinegar in the special sauce from any of 32 countries, and so on.

But, as anyone familiar with military history knows, with long, complex supply lines comes vulnerability that can quickly turn deadly. The covid pandemic and Russia's invasion of Ukraine have demonstrated the fragility of our supply chains and how quickly the threat of food insecurity, hunger, famine and conflict can



Industrial fishing fleets are notorious for overfishing, illegality and labour abuse

materialise. Most commodities pass through just a few choke points: the Panama and Suez canals, the Dover strait, Gibraltar, Bab el-Mandeb, Hormuz, Malacca and of course the Turkish straits between the Mediterranean and the Black Sea. A problem at just one can have huge, destabilising effects on global food supply.

Russia's war on Ukraine sent oil and food prices soaring, pushing hundreds of millions of people closer to hunger. Before the war, the two countries accounted for nearly a quarter of the world's wheat exports; Ukraine alone provided half of all sunflower oil, and Russia alone shipped fifteen per cent of all fertiliser – made with methane gas – just one example of the global link between the prices of oil and gas and those of food.

Like much else, the pain of food supply disruptions is felt most by the poor. Much of the developing world does not feed itself and depends on imports, especially of wheat, maize and rice, which together account for more than half the calories consumed by humans. Even as global food supply has been massively increased since the 1960s due to the "green revolution", using fossil-fuelled machinery, fertiliser and chemicals to pump up yields, nearly one billion people still face hunger, mostly due to imbalances and distortions in supply chains; and the world is more vulnerable than ever to shocks. The developed world isn't immune: major cities have just a few days' worth of critical supplies such as baby formula on hand, having come to rely on demand-driven, just-in-time logistics.

Vulnerability isn't the only problem. Inequity is baked into the current system. The globalised market rewards pre-existing advantage: producers in the developed world enjoy access to capital, technology, subsidised fuel, fertiliser and chemicals, direct government subsidies and robust transportation networks. And they are protected by lopsided trade agreements that allow them to overwhelm smaller producers in the developing world. Following the sure, miserable pattern of centuries of globalisation, small farmers and fishers are wiped out wherever the global market touches, leading to migration to cities and overseas. The destruction is exacerbated by global warming and consequent instability. Even large producers in the global south are hemmed in by disadvantages. Most can't escape the trap of over-exporting, producing either low-value, unprocessed crops such as palm oil, copra, soy and corn to feed animals, or luxury crops for consumption in wealthier countries – not food for people at home. Commodity dependency brings vulnerability to price swings, especially to oil (which is linked to the price of food since so much oil is required to produce it), trade imbalances and environmental damage.

Advantage follows colonial patterns: Europe and the "neo-Europes", Canada, the US and Australia, continue to profit from colonial arrangements that gave them access to land, ports and trade patterns. Their biggest food corporations hold a global monopoly: just four multinational corporations control at least 70 per cent of food markets: Archer-Daniels-Midland, Cargill, Bunge and Louis Dreyfus; China's state-owned COFCO is ▶

Walden

edging in. Profits have been booming, even as food prices have skyrocketed and hundreds of millions have sunk into food insecurity in the past few years. Cargill saw revenues jump nearly a quarter in 2022; in the second quarter of that year Archer-Daniels-Midland posted its highest-ever profit.

All of it is based on environmental destruction: fossil fuels, soil loss, chemicals, fertilisers, pesticides, herbicides and unsustainable groundwater pumping. While animal raising in particular has come under criticism for its carbon footprint, it is dwarfed by the global trade in fishery and aquaculture products. Totalling \$164 billion in 2021 according to Rabobank data, seafood is the most globally traded animal protein, roughly 3.6 times the size of the beef trade, five times that of pork and eight times that of poultry.

On the high seas, industrial, long-distance fishing fleets operating in international waters are notorious for rampant overfishing, illegality and labour abuse. China's industry is the worst offender; the country consumes a third of the world's fish, much of which it catches itself, deploying a fleet that has been called "the largest maritime operation the world has ever known". It is made up of hundreds of thousands of vessels, including a long-distance fleet it counts as 2,700 ships; these can stay at sea for up to two years, serviced by refrigerated "gather" vessels that resupply the ships and bring the catch back to China. However, the number may be as high as 17,000 ships according to one estimate. The US by contrast has 300. China catches two million tonnes of seafood a year, worth \$35 billion. More than 70 per cent of it is exported, accounting for a fifth of international seafood trade.

The largest part of the catch is squid, mostly taken unsustainably. The irony – or outrage – is that long-distance squid fishing is not even economical, but is made possible by massive fuel subsidies provided by the Chinese government. (A grim but strangely beautiful image of this reality comes from a recent documentary film made by the *New Yorker* magazine: of hundreds of Chinese squid boats arrayed across the ocean, their lights blazing, fishing lines churning madly and smokestacks belching black clouds.) China isn't alone in its practices. It is just, by far, the biggest to take advantage of a world of scant law enforcement and general ignorance on the part of consumers of the realities of where their food comes from – and at what true cost.

As I munch away on my calamari, I reflect on the fact that Americans didn't eat squid, apart from in a few fancy restaurants in coastal cities, until 1974; that was when a business-school student named Paul Kalikstein wrote a thesis proposing that people would eat more squid if it were breaded and deep-fried and renamed "calamari", from the Italian, thus finding an industrial substitute for fast-vanishing traditional fish stocks. Now Americans eat 100,000 tonnes of the stuff a year. As one of them, I'm complicit. It isn't a good taste.

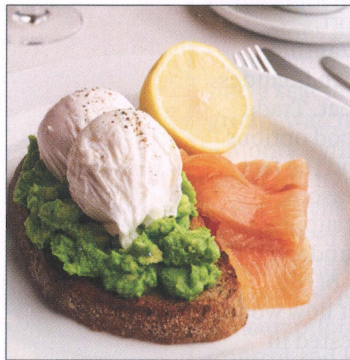
Wade Graham is an author, environmentalist and academic. He lives in LA

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