

# Home and the World: The Creation of an Integrated World Market for Rice

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In recent years the field of food studies has become quite trendy in academic circles. Strong support for this statement can be found in the increased number of scholarly papers, monographs, and periodicals devoted to food--the slick new journal *Gastronomica* comes immediately to mind--that have appeared over the course of the past decade or so. Although a great deal of information can be gleaned from this ongoing project, it needs to be pointed out from the outset that most of the new work on food has focused on questions relating to food consumption and the cultural meaning of various foodstuffs rather than on questions relating to food production or trade. I seek in this paper to remedy this "problem" to some degree at least by tracing the creation of an integrated world market in one cereal--rice--in the period between the late seventeenth century and about 1920, and some of the economic implications of this development.

Prior to the late seventeenth century the rice trade was characterized by numerous local and regional markets, the most important of which, not surprisingly, were centered in Asia. Even today, most of the world's rice is consumed very close to sites of production, but, clearly, impressive amounts of rice figured into long-distance trade both in China and along various maritime routes in the South China Sea, the Arabian Sea, and the Bay of Bengal. Significant trades existed in parts of the Levant and in West Africa, as well as in southern Europe, particularly on the Iberian and Italian peninsulas. These diverse trades were all driven by local and regional conditions, and real prices for similar rice "products" varied considerably from market to market.

Rice found a significant market in the West beginning in the seventeenth century. As indicated above, rice traded in Europe before that time, particularly in southern Europe and in the eastern Mediterranean, but its market was quite limited. In the seventeenth century, though, population and income in parts of Europe led to an increase in demand necessary and sufficient to broaden and transform considerably the market for rice. Demand grew most rapidly in northern Europe and this area, the Germanies in particular, became the focal point of the continental rice trade for centuries thereafter.

Despite its seventeenth-century gains in the market place, rice never held a tight grip on consumers in the West. Whereas the cereal's power was virtually complete in parts of the East, in the West rice--once considered an "exotic"--became nothing more or less than a versatile and cheap dietary substitute, supplement, or complement, particularly useful for feeding *lumpen* groups (orphans, soldiers, sailors, the poor, etc.) or animals in the absence of, or instead of more desirable foodstuffs. Unlike the small grains so beloved by Europeans, rice was, thus, deemed dispensable and unlike products such as sugar, tobacco, and cotton, which also rose to market prominence in Europe in the early modern period, it had many close substitutes.

If these qualities limited its power, they also made rice vendible throughout the West and we eventually find the cereal being traded in significant quantities over a vast area stretching from Peru and Argentina to the shores of the Black Sea. Moreover, the market for rice in the West was powerful enough to make and, alas, to break a number of economies between roughly 1700 and 1920.

Prior to the eighteenth century most of the rice traded in Europe originated in Italy, primarily in the rich alluvial valleys of the upper Po, that is to say, in Piedmont and Lombardy. Some Spanish rice also found its way to European markets and, intermittently, Indian rice via the Levant did as well. None of these areas was dependent on rice exports, however, and the strength of international demand for rice did not determine their economic health.

Over the course of the next two centuries, though, a series of new suppliers were brought into the Western market, each the result in large part of the expansion and elaboration of European capitalism. Since the economic fate of most of these new suppliers was closely tied to international demand for rice, it is not surprising that in time such seemingly disparate areas as South Carolina and Lower Burma, Georgia and Siam, would find their fates inextricably linked.

That the rice market in the West after the early eighteenth century was increasingly the product of the so-called periphery illustrates the degree to which imperial and neo-imperial hopes had been rendered into reality. Whether one prefers to explain patterns of international specialization of pleading comparative advantage or metropolitan domination, one finds that the southeastern part of the United States, northeastern India, and Southeast Asia--the principal sites of rice export in the eighteenth and nineteenth century--contained sizable areas that conform closely to, indeed, seem almost caricatures of textbook examples of export-oriented, staple-producing economies.

To be sure, there is nothing inherently flawed about economies structured in this way. At times, strategies based upon staples and exports may in fact lead to sustained development via

what Hirschman famously labeled an “unbalanced” path to growth. In most parts of the regions mentioned above, however, staple production for external markets led elsewhere, however, which is precisely what I wish to explain.

Many of the economies in the above regions benefited initially from specialization in rice production for external markets. The rice district of South Carolina and Georgia, for example, was arguably the wealthiest agricultural region in the world between 1770 and 1820. Moreover, the British-inspired transformation of the “Burma delta” from a frontier into the greatest rice-export complex in the world certainly raised the incomes of Burmese cultivators, at least between 1855 and about 1900. Indeed, it is likely that Bengal and Cochinchina, and perhaps even Java, benefited for a time from increased rice exports.

But long-term development in each of these areas ultimately was held back by specialization in the export of rice. This was particularly true of those areas that sent rice mostly to the West, where the product, as we have seen, was a minor and (for a cereal) relatively price-elastic commodity with many close substitutes. Each of these areas, furthermore, was left with an unfortunate legacy that hindered development efforts for years afterwards: a poor, rigid, and unbalanced economy marred by what development economists (somewhat infelicitously and euphemistically) call factorial distortions and economic asymmetries.

In this paper I trace the process by which an integrated world market in rice was created and analyze the disparate effects integration brought to producers and producing areas (as well as to consumers) around the world. The paper is based on archival research in Europe, Asia, and

the Americas, and both qualitative evidence and cliometric data are employed. The principal findings are that: (a) by about 1920 rice prices around the world had converged significantly and were moving together (various statistical tests are employed to demonstrate that said price convergence was not the result of spurious correlation); and (b) integration's effects on various producing areas, though deleterious for many such areas, were nonetheless complex, unpredictable, and uneven, and certainly not reducible to stylized models from the classic literature in development economics.