

Unifying Our Citizens to Find Solutions For Farmers, Workers, and the Environment

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State and Local officials face problems concerning workers, farmers, and the environment that seem to be intractable. That's because national and international free market policies based on a fundamentalist free market ideology have actually intended to create low farm prices and low wages for the benefit of big business, thus creating problems intractable at the state and local levels. This ideology has even been given a name, the Washington Consensus, because all too often, despite the rhetoric, the leadership of both major political parties subscribe to it and fail to give a rational explanation for our problems or a way that would unify our citizens.

Free Market Supply and Demand
"Supply and demand" is the usual fall back when policy makers or economists offer any explanations at all. The consumer is king on the demand side. Consumers, we are told, always want things "affordable," and multinational corporations are at the ready to supply cheap food and goods by being "competitive." To be competitive multinational corporations have outsourced jobs to cut labor costs. They moved their plants to where the labor is cheapest, labor and environmental laws the most lax, and governments bid against each other to set these plants up in business. Multinational corporate leaders had privileged seats at the negotiating tables of the World Trade Organization and trade agreements like NAFTA to be sure they had carte blanche access to global markets for cheap labor and raw materials, while assuring access to the U.S. consumer market scot-free. Low wages, lack of employment opportunities, environmental degradation, destruction of rural communities, and cross-border migration have been the

legacy of this corporate globalization. In agriculture, free trade agreements set in stone the rules of the "Washington Consensus" that actually abolish every country's food sovereignty. The rules say government can't interfere with agricultural markets, leaving farmers no choice but to produce all out and/or get bigger to try to outpace the tightening vice of lower farm prices and higher costs - the cost-price squeeze. The chemical/seed companies like Monsanto and DuPont-Pioneer export their herbicide resistant crop seed and chemicals to increase the global supply of storable commodities like corn, soybeans and cotton. Approximately 147 million new acres came into production worldwide during this last price boom. Now farmers receive prices that are below cost of production, can do nothing except keep planting fencerow-to-fencerow, and watch their equity drain away as land and used machinery prices slip lower and lower. As we witnessed in the farm crisis of the 1980's, politicians, the Farm Bureau, and the commodity organizations, insist there is no farm crisis-farmers going broke is natural and consolidation in agriculture is the norm. Like the 1980's, only when farm economic conditions begin threatening banks and then the greater economy will admit there is a "farm crisis."

An Indefensible System
The agribusiness leaders want today's farmers and the public to "Defend Ag." This is because today's agricultural system - of their creating - is indefensible. Let's look at today's agricultural system honestly. We have bigger and bigger crop farms where most of the land is rented and require more and more chemicals as genetically engineered crops fall victim to inevitable

resistant weeds and pests. Most of the livestock is owned by packing companies or their vertical integrating corporate partners in confinements or giant feedlots - livestock factories. The resulting pollution from the inevitable straight jacket of the corn and soybean rotation and the over application of manure from their livestock factories inexorably increases the number of the State's bodies of water suffering declining water quality. Voluntary programs like the Iowa Nutrient Reduction Strategy can never replace a balanced agriculture, because farmers, competing with each other for rented land, won't take the risk or added expense of prescribed practices such as cover crops. To think that technology and more chemicals from monopolistic chemical companies will offer solutions mean we are just headed down the same disastrous road.

Today's agricultural system is the result of free market ideology, a rejection of the New Deal policies that gave farmers and workers a genuine economic footing. The titans of industry would like us to think that "Farming is just another business," and to take on their values of unlimited greed by abandoning our most basic values of respecting our neighbors and the land. Increasing exports, a logical goal of big business, is often touted as the way to help farmers. Nevertheless, farmers don't export anything themselves, and the prices are determined at the Chicago Board of Trade based on *international* supply and demand. Consequently, our nation actually exports grain at a loss to the farmer and the national economy itself. To expect farmers to be stewards of the land in this system is folly. (continued on pg.9)

So while state and local officials struggle with intractable problems, it behooves every political leader to recognize that family farmers, their families, and communities are victims of international free markets, not simply objects of unwarranted nostalgia. Band aid solutions like subsidies keep cheap corn and soybeans rolling into the corporate food chain while obscuring the extractive, exploitative system that results in victims pointing fingers at each other - big farmer, little farmer; livestock farmer; crop farmer; consumer. To communicate how we got into this mess and how we might remedy the problems at their root requires understanding the corrosive nature of free markets, discrediting the phony finger-pointing explanations, and prescribing the true national and international policies needed to achieve a fair and balanced economy where economically secure workers and farmers can enjoy their lives without sacrificing their values or their families.

A Progressive Alternative
Today's agricultural system and rural communities would look very different if New Deal farm policies based on lessons of the Great Depression and the Dust Bowl had not been dismantled beginning in the 1950's. Billions of bushels of cheap corn and soybeans produced recklessly around the globe would not be fueling the expansion of factory farms. Young farm families raising livestock on the farm with environmentally sound crop rotations would be the norm. Ironically, the final chapter, the final nail in the coffin of family farms was called the Freedom to Farm Act of 1995, but we can see now it was really the Freedom to Fail Act.

The New Deal farm policies, as administered by Iowa's own Henry A. Wallace, US Secretary of Agriculture were based on a few simple easily understood principles that could be implemented today along with a new commitment to create opportunities to expand the family farmer and rural

community populations.

1. Support actual market prices: farmers were assured fair prices, referred to as Parity Prices that were adjusted for inflation, just as a living wage for workers could be today. A floor under actual market prices (a price support) was guaranteed by taking that year's surplus off the market to be isolated in the nation's grain reserve. This worked by making available a non-recourse loan at the price support rate to the farmer with stored grain as the only collateral. If in the farmer's locality, it was not possible to sell the grain at a price high enough to pay off the loan with interest, the farmer would forfeit the grain to the national reserve. Thus the market prices would stay above the loan rate, because no farmer would have to sell their grain below the loan rate. Government payments, or subsidies, are not substitute for actual price support. Since subsidy payments have no effect on actual grain prices, they continue the production of the huge source of cheap feed that livestock factories can buy with a simple phone call. A subsidy system actually uses taxpayer dollars to eliminate diversified family farms that raise livestock on the farm where the family farmer maintains soil conserving crop rotations and responsibly uses manure as fertilizer.

2. Maintain a National Grain Reserve Known as the Ever Normal Granary, the national reserve was essential to guarantee Parity prices without the threat of making food scarce. A bountiful year was seen as a blessing rather than the cause of every declining prices. Today, with climate change threatening reliable crops every year worldwide, the reserve can prevent sudden price spikes, hoarding or even famine.

3. Conservation-Supply Management
When reserves are at adequate levels, programs can be offered for conservation-supply management to avoid wasteful overproduction and storage

costs. This can involve many different approaches depending on the crop and geographical location of the farm.

4. Fair Trade
Finally, it was recognized that unlimited imports could destroy the Parity price guarantee, so the Secretary was allowed to limit imports. In fact, Henry A. Wallace called for international agreements - like a wheat agreement - to prevent the price war we see today and assure wheat farmers around the world would get fair prices. Today's international Free Trade agreements have just the opposite as a goal - disastrously low prices with government hands tied unable to do any thing about, i.e. the loss of Food Sovereignty. Today's agribusiness thinks farmers around the world are superfluous and can be replaced by the industrial system we see flourishing in the U.S. Provisions through marketing orders and milk sheds can assure parity treatment for producers of local fresh food and make Food Sovereignty Real right down to the grassroots level.

In Conclusion
Candidates for state and local office of goodwill need to draw attention to the common plight of workers and family farmers, our rural communities, together with the un-ecological nature of our current agriculture system. We must educate our fellow citizens and help build a truly progressive movement. This is no time to "Move to the Center" with corporated farms, impoverished workers or fall for bipartisan excuses that nothing can be done. To blame "big farmers" which everyone hates but can't define, lets the free market policy and trade agreements fashioned by corporate America off the hook. The current system will destroy all sizes of farmers replacing them with corporate farms, impoverish worker, and definitely preclude rural America populated with proud diversified family farmers, thriving communities and clean air and water.