

# Farmers Seek Defenses Against the Giants of Agribusiness

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Around the world, farm income is plummeting, pushing farmers off the land and into destitution. At the very same time, soaring food prices are putting tens of millions onto starvation diets.

Welcome to the bizarre world of capitalist agriculture, where the drive to boost profits of giant transnational corporations is imperiling the production of our means of survival.

Suzanne Weiss and I sought insight into this crisis by talking to farmers who live close to us — in Grey County, 200 kilometers north-west of Toronto. We had been invited there to [report on farming in Venezuela](#) to the local unit of the National Farmers Union. Our hosts took time to give us an education in Grey County agricultural economics.

“What is the one single measure that would do the most to help farmers in Ontario?” I asked Rae MacIntyre, president of the Grey County local of the National Farmers Union (NFU).

“Open up food markets to local producers,” he replied. “That would transform the situation.”

MacIntyre’s stress on “local food” reveals how much ground has been lost by Grey County’s 160 NFU members — and their 50,000 farmer colleagues across Ontario — during recent decades of big-business attacks on farmers and degradation of the food system. The challenge before farmers is no longer merely low prices for farm products. They are now almost entirely excluded from grocery-store shelves.

Check out your local supermarket: almost every food product has traveled 3,000 kilometers or more to reach the store.

### Exploited producers

But more is at stake. Farmers are working people, exploited by big-business profiteering. Despite the supposed advantages of large-scale farming, Canada has very few capitalist factory-farms worked by hired labour. The great majority of operations are “family farms,” where family members do most or all of the work.

Some working farmers employ seasonal labourers under the government’s oppressive migrant-labour programs. Defense of these workers must be a top priority of the labour movement as a whole. But the primary blame for this shameful system falls on the government that designed it, and the capitalist market that requires it.

Farmers are self-employed and must get by on what their products fetch on a hostile

market. Many farmers have been subjugated by onerous contracts with giant corporate customers. They are exploited by big-business suppliers, buyers, and banks just as workers at General Motors or WalMart are.

The last two decades of cutbacks, layoffs, and concession contracts, which wage workers know as “neo-liberalism,” hit farmers with extra severity. In that time, 25% of Canada’s farms disappeared.

‘No more buying local’

Our Grey County hosts, mostly beef and lamb producers, told us that most of their potential corporate customers had stopped buying from local producers, seeking to cut costs through giant contracts with foreign suppliers. Shawn, who runs a sheep farm, had just lost his marketing contract with a grocery chain that was cutting out local producers. Another NFU member had lost his contract for pumpkins. The buyer told him frankly: “No more buying local.”

Jon Radojkovic, a Grey County grower of shiitake mushrooms told us he has given up trying to sell them to Toronto distributors. Instead, he finds his customers through a local bartering network.

Like most Grey County farmers, Rae MacIntyre raises beef. Not long ago, “there was a slaughterhouse in every county,” he says. That’s all gone now; the only significant purchaser is the corporate goliath, Cargill, which has an abattoir in Guelph, MacIntyre says. Most Ontario beef is sold into the U.S. for whatever it will bring, and these days that’s next to nothing.

Grey County used to be a major supplier of apples. Now few apples are sold, MacIntyre says. “Juice apples ... are often composted or used for animal feed.” Many of the apples we see in stores are flown in from China. The same applies to apple juice and apple sauce, despite the misleading “made in Canada” labels on the packaging.

“Many good farmers have given up,” says Radojkovic. “They were proud and happy; now they have lost hope — killed by low prices.”

The average farm in Canada represented an investment of \$1.3 million in 2006 — more per worker than in any other industry. Yet the average farmer’s “net market income” from this massive investment was only \$13,000. And more than two-thirds must be set aside to provide for depreciation of buildings and equipment.

The NFU calculates that Ontario farmers’ real return on their investment dropped to zero in 1991, and has declined since to “negative \$15,000 per farm” in 2006.

Meanwhile, farm debt has more than doubled over the last two decades. With income levels so low, such debts can usually be repaid only by selling the farm.

Farmers try to compensate by taking off-farm jobs. Small and mid-sized Ontario farms get 90% of their income that way. Even farms with the highest sales get more than a quarter of their total revenue from off-farm jobs.

Given the disastrous economic conditions, few young people are stepping forward to replace Canada’s aging farm work force. In twenty years, the number of farmers under 35 years old

is down 62%.

### Corporate profiteering

The sickness in Canada's farms is rooted in the way the proceeds of agriculture are divided between farmers and workers, on the one hand, and capitalist corporations on the other.

In Canada's hog industry, between 1988 and 2002, and despite inflation, farm-gate prices (including inflation) fell 5% from 1988 to 2007. Packinghouse workers' wages rose a bit, but much less than inflation. Yet the price of pork to consumers went up 39%.

In 2005, the NFU noted that wheat farmers were getting five cents from each loaf of bread, the same amount as thirty years earlier. The income of supermarket workers has been under sharp attack. But the share of each loaf that goes to corporate millers, bakers, and grocers rose from 38 cents to \$1.35.

In 2004, which the NFU says was the second-worst year for farming in history, the corporations living off the farmers had their most profitable year ever. The corporations are appropriating every penny of the profits of farming — indeed, more than 100%, since farmers are unable to cover their costs from farm-product sales.

'The problem is market power'

How do they get away with it?

"The problem is market power," a Farmers Union document explains. On one side are the "huge transnationals with only two or three competitors" — on the other side, "individual farmers competing in a global market against a billion other farmers." In such conditions, agribusiness can set prices at will — whatever level best drains the farmers' resources without shutting down cultivation completely.

Farmers' incomes can be stabilized in two ways, the NFU points out: (1) government subsidy programs that "transfer money from taxpayers" and (2) programs to enable farmers "to extract money from the marketplace." The farmers' union strongly advises a focus on enabling farmers to gain more market power.

"If farmers are more powerful, they will be more profitable," the NFU concludes.

### Unity in marketing

Farmers have long sought to achieve market power in the same way as workers — by joining together in order to impose a higher price for their product.

Workers do this through unions, which establish "market power" by bargaining collectively to set wage levels.

Farmers have sought to establish agencies — under their own or government management — that exercise control over the marketing of farm produce. The NFU points to the merits of existing plans of this type, such as the Canadian Wheat Board or Ontario's egg and milk marketing boards.

In recent years, such "supply management" plans have come under government attack, and

some have been shut down. New marketing agreements of this type are banned by the North American Free Trade Agreement. NAFTA clears the decks for agribusinesses to combine worldwide in giant transnational monopolies, while preventing the world's atomized and oppressed farmers from uniting in self-defense.

Imagine a law banning collective bargaining by unions, and you'll have some idea of the effect NAFTA has on farmers.

### Hostile governments

Governments in Canada could ignore the NAFTA provisions, citing the need for food products to conform to local environmental and health regulations. But their policies cater to transnational corporations and are hostile to smaller family-based farms.

"The Ontario government wants land and farming to be in a few strong hands," Rae MacIntyre comments. Leafing through government documents, he reads out some examples of this attitude:

- A government leader says, "I remain committed to working with industry leaders." Rae's comment: "That means Cargill."
- "\$1.5 billion in aid to livestock producers." Farmers will not see a penny of that, he says. This aid goes only to farms that have been profitable for three years running, which excludes almost all family farms.

Rae points to other government programs that exclude farmers with off-farm income — which again cuts out the vast majority who need help the most.

He recalls the statement of Ontario Deputy Agriculture Minister Frank Ingratta in 2004 that "We could produce all the product we need from 10,000 large highly mechanized farms" rather than the present 57,000. Despite Ingratta's later denial, many farmers believe that the "10,000 farms" goal corresponds to current government policy.

Official programs with praiseworthy goals are blocked by bureaucratic methods. Several of the Grey County farmers express frustration with government staffers who are long on talk and promises but unwilling to take action. Meanwhile, the government has been creative in thinking up new regulations that make farming more difficult and shift inspection and other costs onto the farmers' backs.

### NFU program

The Farmers Union proposes an array of measures to help working farmers resist corporate profiteering. Among them:

- Encourage supply management and take initiatives to implement it internationally.
- Establish price supports to guarantee that farmers receive their cost of production.
- Break the monopoly of corporate suppliers of seed, fertilizer, and other farm

inputs by funding creation of farmer-owned co-ops.

- Ban corporate farming as well as corporate contracts that dictate where farmers buy inputs and sell their product.
- Provide young people who want to farm with access to the land through community land trusts and land banks; ease the mountain of debt that now prevents sons and daughters from taking over the family farm.

None of this needs to increase the cost of food to consumers, the NFU points out. Farmers receive so little of the food dollar that the cost of increasing their share can be absorbed by corporate processors and retailers without price increases.

### Consumer awareness

In recent years, a new ally for working farmers has appeared: the ecologically minded consumer. Many such consumers now visit Grey County as tourists. “Tourists have new tastes,” says NFU member Lillian Burgess. “They prefer fresh local food. When buying food, they ask, ‘Where was it grown.’”

This new interest in local food has a Third World feel, Burgess says. Impoverished locals have to buy cheap, at the franchised groceries, but “tourists are willing to pay more.”

The rise of “food tourism” reflects concerns felt by a growing number of consumers about the impact of corporate methods on food supply:

- Locally grown food is prized by many consumers as fresher, tastier, and healthier; many seek direct contact with the farmer.
- Air-freighting food around the world when it can be grown locally generates damaging and unnecessary carbon emissions that contribute to global warming.
- Agribusiness imposes industrial farming methods that are unhealthy and unsustainable.
- Environmental degradation and the diversion of food to fuel are placing the security of world food supplies in jeopardy, as has been eloquently explained by Fidel Castro and other leaders of the Global South.

### World outlook

According to a United Nations report, retail prices for food worldwide in 2007 were 40% higher than in 2006. The price of rice, wheat, and corn doubled. (*Globe and Mail*, March 29) The long-term impact on farmers is uncertain. Those producing grain for the world market may benefit. But farmers buying grain for fodder will pay more. The big winners will be the agribusiness giants. And the big losers are the world’s poor — many of them farmers.

The National Farmers Union has been alert to these threats. On May 9, 2006, it wrote the United Nations, noting that the world body’s own reports show a decline in the “area of arable and permanent crops” since 2001. Grain stocks are the lowest since 1975. “In five of

the last six years,” it notes, “our global population ate significantly more grain than farmers produced.”

The NFU seeks to develop an international response to this crisis as part of its participation in the international farmers’ organization Vía Campesina (Farmers’ Way).

#### Local-food initiative

Given the scope of the challenge, the Grey County NFU members’ focus on the local-food issue is quite modest. It concedes that for now, local farmers have been driven from mainstream supermarkets and must focus instead on niche markets. But winning the chance to provide consumers with a local-food alternative could be vital for these farmers’ survival.

Wayne Roberts, a Toronto-based ecologist active in efforts to promote local food, points out how easily such a transition could begin. “Two simple actions by the Ontario government would transform the situation,” he says.

First, “all government-funded institutions could buy local and sustainable food: jails, hospitals, educational institutions, seniors residences, and the like. [The government] would not even have to change a law. Ontario farmers would need five to ten years to catch up with the demand. This is readily doable and cost-effective; it just takes organizing to bring it to the attention of the politicians.”

Roberts cites a recent victory in convincing the massive University of Toronto to go over to purchasing local and “sustainable” foods. Such efforts are coordinated through Local Food Plus, which establishes criteria for sustainable food based on positive social and ecological practices.

Roberts’s second proposal concerns the right to farm. As things stand, land is available to aspiring farmers only in the form of large farms that sell for hundreds of thousands or even millions of dollars. “The provincial government could make land available to those who wish to farm,” he says.

The government owns plenty of idle agricultural land, he says. “They could lease it out in small packets for reasonable prices, with special programs to encourage members of minority groups and new immigrants who may wish to grow products favored by their communities and neglected by conventional supermarkets.”

#### Labor’s stake

The local-food effort is helping to provide farmers with an influential potential ally — the ecological movement. Farmers deserve determined support from the labour movement as well. Working people have a lot to gain from the availability of local-food at grocery stores and from ecologically sound and sustainable agriculture.

It is also a question of solidarity. Working people who are employed need to stand together with farmers, fishers, truckers, and other independent producers who are exploited by the same corporations and face the same enemy.

*John Riddell is co-editor of Socialist Voice ([www.socialistvoice.ca](http://www.socialistvoice.ca)) and a member of Socialist Project.*

Resources:

- National Farm Union — [www.nfu.ca](http://www.nfu.ca)
- Local Food Plus — <http://www.localflavourplus.ca/>
- La Via Campesina — <http://viacampesina.org/>
- Fidel Castro on Global Warming, Biofuels and World Hunger — <http://www.socialistvoice.ca/wp-content/uploads/2007/12/castroonglobalwarming.pdf>

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