

Industrial Agriculture vs. Food Sovereignty: Facts and Solutions Needed to Fix the Food System!

Much attention has been given recently to our nation's broken industrial food system, which relies on chemical-intensive monocultures and inhumane factory farm practices; less known are the solutions available to help us fix this broken system. NFFC looks at some of the federal and international policies responsible for this sad state of affairs and what changes are needed to create a system that sustains our farmers, our health and our planet while building true food sovereignty – the right of communities to have democratic, just and fair food systems.

What's Wrong with Our Food System?

- **It's not Subsidies for Corn/Soybeans, but Corporate Control!** Some critics have erroneously concluded that the main problem is subsidies paid to farmers to grow bad “commodity” crops. Subsidies are a symptom of a broken system, not the cause of it. The main problem with our current food system is corporate control that lets agribusiness manipulate prices for farmers and reap vast profits while forcing farmers to be dependent on subsidies.
- **Free Trade Agreements Driving out Fruit and Vegetable Farmers.** Beekeepers are an example in which livelihoods are being threatened by below-cost honey imports from countries such as China. The policies that have put U.S. beekeepers making honey, Florida citrus growers, California garlic producers, Oregon asparagus growers and many other specialty crop farmers out of business are in part due to the World Trade Organization and trade agreements (such as NAFTA) that promote food as just another commodity in one big globalized market. Free trade agreements allow corporations to source food from wherever environmental and labor standards are the most lax. “Free trade” models represent the opposite of a food system that is local, sustainable and just.
- **Agribusiness Consolidation is the Main Factor Behind Our Corporate-Controlled Food System**
 - ❖ **A Few Corporate Entities Control the Dairy Industry.** In the dairy industry, 3 dominant players control most of the dairy products we consume. Dean Foods controls the majority of fluid milk markets (up to 100% in certain parts of the country), while Kraft dominates the consumer cheese sector and Leprino Foods manufactures most of the mozzarella cheese for the pizza and food processing industries. Meanwhile, farmers in many parts of the country have only one dairy cooperative they can sell their milk to: Dairy Farmers of America. DFA then works in tandem with the likes of Dean Foods to manipulate milk prices to be low for farmers while price-gouging consumers. These anticompetitive practices have been the subject of a two-year investigation by the Department of Justice and DFA has been fined \$12 million for price manipulation by the Commodity Futures Trading Commission. U.S. dairy operations declined from 334,000 to 60,000 between 1980 and 2008.
 - ❖ **2 Companies Dominate the Corn Seed Market.** DuPont (Pioneer) and Monsanto control 58% of the U.S. market for corn seed. These companies have been pushing expensive genetically modified seeds onto farmers, further endangering biodiversity by encouraging monoculture crops and risking contamination with organic crops.
 - ❖ **3 Companies Control 90% of the Corn Market.** Only three companies (Archer Daniels Midland, Bunge and Cargill) control 90% of the global grain trade. This means farmers in Iowa and elsewhere have had fewer and fewer options for selling their grain. These companies can also manipulate the price of corn on the Chicago Board of Trade.

- ❖ **3 Companies Control More than 80% of the Beef Industry.** The meatpacking industry has become increasingly consolidated in recent years due to a Brazilian company taking over two major U.S. meatpacking companies. U.S. cattle operations declined from 1.6 million to 956,000 between 1980 and 2008. Corporate mergers and consolidation squeezing out farmers have led to the sad decline of America's farmers and ranchers. Three meatpackers (JBS Swift, Tyson, Cargill) control nearly 80% of the industry!
- ❖ **4 Companies Control 66% of the Pork Industry.** Smithfield, Tyson, Cargill and JBS Swift process most of the pork in the U.S. Now they are expanding their factory farm, vertically integrated model to places such as Poland, Romania and Mexico. U.S. hog and pig operations declined from 667,000 to 65,000 between 1980 and 2008. A Mexican Smithfield plant is suspected of being behind the recent outbreak of Swine Flu. Factory farms provide the perfect conditions for new flu viruses that resist antibiotic treatment.
- ❖ **4 Companies Control 60% of the Poultry Industry.** Contract poultry growers usually are under the thumb of Pilgrim's Pride, Tyson, Perdue and Sanderson Farms. Poultry farmers function as "contract" serfs for corporations as they harness much of the risk and none of the reward.

How Can We Help Independent Livestock Farmers and Ranchers?

Support Enforcement of Antitrust Laws in Agriculture. For the first time in decades, the USDA is working with the USDOJ to look into corporate consolidation in agriculture. Having started March 12 in Ankeny, IA, USDA and DOJ will hold workshops to review the seed, dairy and livestock industries to determine if antitrust (anticompetition) laws have been violated in these industries. Other workshops include: May 21, Normal, AL – poultry; June 25, Madison, WI – dairy; August 26, Fort Collins, CO – livestock; December 8, Washington, DC – pricing margins. We must show the Administration how detrimental corporate concentration and consolidation have been to American agriculture, and that enforcing antitrust laws is crucial for the survival of local food systems. Visit www.bustthetrust.org for more information.

Comment on USDA's Interpretation of Contract Fairness Rules of the Packers and Stockyards Act. The Packers and Stockyards Act forbids "undue or unreasonable preference or advantage" by meatpackers, swine contractors and live poultry dealers. Farmers and ranchers lose money, and sometimes their farms, because of unfair treatment by processing companies. The 2008 Farm Bill requires USDA to interpret what "undue or unreasonable preference" means, and we are asking USDA to interpret this broadly, as the law intended. The USDA needs to hear from consumers and livestock producers during the public comment period (yet to be determined) for these rules. These rules can help farmers stay in business and provide more choices for consumers. To sign up for updates about the comment period, visit <http://rafiusa.org/contractrules.html>.

Roll Back Mandatory Animal Identification Systems! In 2005, USDA launched a campaign to force farmers to electronically tag every pig, chicken and cow in the U.S. and report their movements to the government. This was represented as a means to control disease, but in reality was about controlling farmers and ranchers and could have severely undermined local food systems. In February 2010, USDA backed off this course and stated that it would refocus its efforts on a "new, flexible framework" to apply to animals moved in interstate commerce while promoting the use of "lower-cost technology".



How Would a Just and Fair Farm Policy Look?

Support the TRADE Act (Trade Reform, Accountability, Development and Employment - H.R. 3012/S. 2821) and Oppose Free Trade Agreements that Destroy Local Food Systems and Workers' Rights. NAFTA, the WTO and other free trade agreements help foster a food system controlled by agribusinesses looking for inexpensive food produced under the most lax environmental and labor conditions. Thanks to free trade, U.S. beekeepers, Washington apple growers and Florida citrus growers have steadily lost their markets through cheap imports from China, Mexico and elsewhere. Meanwhile, farm and fishery workers' rights are abused by corporations seeking cheap labor and high profits while agribusiness dumps U.S. corn into developing countries, destroying local food systems and helping install an American-style diet based on high fructose corn syrup (HFCS), processed food and fast food meat produced from industrial factory farms. We need food sovereignty principles, not free trade, as the basis of our agriculture system.

Return Farm Programs to What Worked! The NFFC supports a farm program based on what historically worked in the past under the New Deal: replace subsidies with a price floor that enables farmers to recover their cost of production and forces agribusiness to pay a fair price to farmers. A price floor would likely curtail the proliferation of cheap sweeteners (HFCS) and also help slow down industrially raised meat. Revive Farmer-Owned Reserves and create a Strategic Grain Reserve so we can store grain for a rainy day and ensure stability in the system. When corn was over \$6/bushel in 2008, we were possibly one drought away from seeing \$10 corn with no backup plan! However, a reserve would also ensure farmers would not have to face \$1.65 corn (the 2005 price per bushel), unfairly enriching agribusiness once again.

Address Antitrust Abuses. Seed companies, banks, meat packers and grain traders have all been allowed to amass incredible market power due to little oversight by the Department of Justice. In 2009, DOJ and USDA announced workshops to address agribusiness concentration and control; DOJ has also taken some limited antitrust action. Whereas diversified mid-sized family farms used to produce most of our meat, only a few corporations now dominate the livestock industry, driving out family farmers and replacing them with Confined Animal Feeding Operations (CAFO). The Farm Bill's livestock title is a good beginning to finally address abuses in the livestock industry, but much more needs to be done to help sustainable livestock farmers.

Rebuild our Local Food Systems. To reorient our food systems, we need to increase food access by supporting local food production, processing, distribution and retail infrastructure that provides more fresh fruits, vegetables and other healthy foods, especially to lower-income communities. We can also encourage local procurement policies by schools and other institutions to increase access to healthy foods, create new markets for farmers and encourage the development of healthier, community-based food systems.

Beware of Fake Reforms! Some 2008 farm bill proposals claimed to overhaul our broken farm programs by eliminating subsidies in favor of privatizing the farm safety net into the hands of private insurance companies. These reforms would have allowed corn prices to drop drastically and been a boom to the processed food industry and factory farm operations seeking cheap corn, furthering the stranglehold of corporate agribusiness over our food system.

For more information and to read the National Family Farm Coalition's Food from Family Farms Act, go to www.nffc.net. Contact NFFC at (202) 543-5675.