

## **Free Trade: Losing the Right to Grow Food**

by Mark Winne

Have you ever felt like an ugly American? During a recent tour of South Korea, I stopped along a country road at the outskirts of Suncheon City to talk to Choi Chan-Sick, a 66-year old rice farmer. Mr. Chan-Sick was fastidiously raking a six-foot wide strip of rice that he and his wife were drying along the blacktop's breakdown lane. His face was deeply wrinkled and back permanently hunched from a lifetime bent in service to his rice paddy. To start what I hoped would be a pleasant conversation, I asked through my translator how the rice harvest was going. Instead of the usual non-committal farmer response that I'm used to in the States, Mr. Chan-Sick started waving his arms furiously and speaking heatedly. The only words that I could discern from his tirade were "United States" and "FTA." My wincing translator told me later that he had deleted the expletives.

The angry farmer was referring to the trade talks currently underway between the United States and South Korea. Officially known as the Bilateral Free Trade Agreement (FTA) negotiations, the world's first and tenth largest economies are under intense pressure to fully open their markets to each other. This would be accomplished by reducing or eliminating tariffs on a wide range of imported goods including automotive, electronic, textile, and agricultural. Given that South Korea is the United States' seventh largest trading partner – the two countries currently do \$72 billion in business together – the stakes are high. But the sticky point in these negotiations, as they have tended to be in trade talks worldwide, is agriculture, the sector that has the most ability to throw a monkey wrench into the works. And with South Korea, the spanner may very well be rice.

The centrality of farming to global trade became readily apparent to me while in South Korea. I had been invited to speak to local officials and farmers about the development of farmers' markets, food policy councils, and other direct farmer-to-consumer marketing strategies. My Korean hosts were not looking for better sources of organic arugula or marketing tips for "shee-shee" food products. To the contrary, they were deathly afraid that the FTA will unleash a torrent of cheap American farm goods on to their domestic markets and thereby destroy their indigenous agriculture base.

This fear, and the anger it provoked, was palpable. During my stay, the fourth round of FTA talks were underway on Jeju Island, which is 50 miles off the Korean Peninsula's southern coast. Despite its relative inaccessibility, thousands of protesting peasant farmers scrambled ashore to confront 10,000 Korean riot police who had been detailed to guard the two countries' trade delegations. Back in Seoul, I witnessed street demonstrations protesting the FTA with banners that portrayed Uncle Sam making Koreans slaves to American rice. I heard Kim Jae-Im, the leader of a Korean women's farmer organization shout in defiance at a rally that "we don't have to take American agricultural products!"

In a more sedate setting I talked with Dr. Ki-woong Lee, Chairman of the Agriculture Economic Department at Sunchon National University. He told me that, "Agriculture is the foundation of the Korean nation; it is a divine calling. Rice, especially, enjoys a near mythical status and is eaten three times a day by most Korean households." With the possible exception of the Thanksgiving turkey, you couldn't find a food item in the United States that is as fused to our national identity as rice is to Korea's.

Since the massive scale of U.S. rice farms dwarf the average 3.5-acre Korean farm, an open market for U.S. rice will cut the cost to Korea's consumers in half. Dr. Lee estimates this would be the death knell for between 70,000 and 140,000 Korean farmers. "We've opened up over four percent of our rice market to foreign producers under the minimum market access quota established by the World Trade Organization," said Lee, referring to concessions South Korea made during global trade talks. "But Korean rice farmers will never be able to compete with the U.S in the open market." As an economist who also consults regularly with the government, he went on to predict that a FTA will fail "if it means rice will lose."

There was an air of intensity in Korea over trade, rice and the protection of food traditions that I had never experienced anywhere else, even in the lusty foodie environment that saturates Santa Fe. Both the near-violent outbursts of farmers and the more reflective words of academics reminded me of the Korean farmer and martyr, Lee Kyung Hae. At the world trade talks in Cancun, Mexico in September 2003, Mr. Hae made the ultimate protest for land, food, and culture when he committed suicide by self-immolation.

At the time his act evoked a sense of horror in me, but I couldn't fully fathom its significance let alone Mr. Hae's state of mind. But my Korean tour offered me scenes of hundreds of small rice paddies tucked neatly into valleys where every uninhabited square foot of level land is devoted to food production (mountains make up 70% of the South Korean terrain). The issues were brought into focus for me during the celebration of food, community, and tradition that occurred at every one of my Korean meals. No matter how mundane the occasion, lovely silver bowls of rice, kim-chi, and pork were passed and shared in accordance with an age-old protocol of the younger eaters first serving the older ones. But my "a-ha" moment came when She-ik Oh, a peasant farmer outside of Seoul, was incorrectly introduced by a translator as a "farmer." Bowing and smiling with consummate grace, Mr. Oh gently chastised the translator by saying that, "I am a peasant, not a farmer. Farmers work for money; peasants work because they love the land and are tied to it."

We would be hard pressed to hear such soulful utterances from the likes of the American Farm Bureau and the U.S. Department of Agriculture, the trade talk's staunchest advocates for open Korean markets. In response to South Korea's stated reluctance to make rice a part of the multi-billion dollar negotiation, a Farm Bureau spokesman said, "obviously, that's not going to work for us." And in a classic piece of patronizing rhetoric, the U.S. Ambassador to South Korea, Alexander Vershbow, offered Koreans this sop for sacrificing their farmers on the altar of free-trade: "As a result of the FTA,

Koreans will enjoy lower food prices...Money saved on food can be invested in education, leisure, and cutting-edge IT services – exactly the type of sectors that need to grow to provide future generations with well-paying jobs.” Of course the good Ambassador failed to mention that South Korea already has a vibrant economy, less poverty than the U.S., and one of the best-educated work forces in Asia.

Clearly what’s behind the U.S. government’s noble impulse to free Koreans from the burden of growing their own food is America’s industrial agriculture sector. Since U.S. farm production is growing at twice the rate of domestic consumption, agriculture is increasingly dependent on exports to survive. In fact the U.S. now ships out of country 30% of its total production – over \$62 billion a year.

One cause of over production – hence the need to force our food down the throats of other nations – are federal crop subsidies which encourage unnecessary surpluses and unfairly enhance U.S. competitiveness in world markets. U.S. rice farms alone received \$9.9 billion in crop subsidies from 1995 to 2004, while the single biggest individual recipients from among all federal agricultural programs during this period were three rice farmer coops which took home nearly \$1 billion in taxpayer largesse. In light of these numbers, it takes a special kind of moxie to demand that Koreans forsake their rice production to absorb America’s steroid-injected industrial farm output.

There are of course many well-reasoned arguments to eliminate tariffs and promote open markets on a global scale. A vibrant exchange of goods between nations facilitates cultural exchange, a more cosmopolitan worldview, and even world peace (one representative of America’s Farm Bureau told me in all seriousness that there had never been a war between two countries that both had MacDonaldis restaurants). And there are certainly good reasons to encourage trade in food as well (among them being the unlikelihood that I will ever give up European cheeses).

But the ultimate economic rationale for accepting another nation’s goods and no longer protecting your own is based on the principle of comparable advantage. Stated simply, countries that can produce, ship and sell (for whatever reasons) a product of comparable quality cheaper than other countries will have the advantage in the marketplace. Lower Asian labor costs are why most of our clothing now comes from China. Rice farms of thousands of acres in Arkansas and California (having favorable rice growing climates), supported by large federal subsidies and fueled by a cheap energy policy are the reasons why we can sell lower cost rice to the Koreans.

The nub of problem with respect to trade agreements is that the principle of comparable advantage is virtually the only one that ever gets trumpeted. For Korea, as well as many other nations, the principles of food sovereignty and food security are just as important as cost and price. Food sovereignty addresses the right of all nations to make their own food policies in order to feed themselves because food is too crucial to the full range of human existence to be trumped solely by market forces.

With respect to food security, Korea has suffered as much war, starvation, and economic hardship as any nation in the twentieth century. Why then should they relinquish rice production, their most important crop, to the U.S? Should American farms stop producing beef because Australians can do it cheaper? Should we plow under our apple orchards because Chinese apple farming costs are lower? With our food system as dependent on declining energy resources as it is, a rational approach to food security suggests that food supply lines should be shortened, not lengthened. When food and farming are so finely woven into the fabric of a nation's history and culture, why should they become pawns on a chessboard dominated by major pieces like auto, electronics, and textiles?

We could easily dismiss the issue of free trade as too distant and of little consequence to our lives. After all, aren't the Koreans masters of their own fate and can't they just say "no" to big, bad Uncle Sam? The principle of food sovereignty, however, is much harder to ignore. For many Americans those cheaper, soon to be organic apples from China showing up on the grocery store shelves aren't so bad. But what happens when those lovely 10-acre apple farms huddled along the Embudo Valley can no longer compete with China's industrial farms? At that point the only "comparable advantage" retained by the Embudo Valley will be as house lots, and all that old apple wood will burn nicely in those brand new kivas.

The fate of that Korean peasant farmer as well as our own may be more inextricably linked than we think.

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