

# Free Trade in Agriculture

## *A Bad Idea Whose Time Is Done*

**SOPHIA MURPHY**

The push for “free trade” in agriculture first took hold in the 1980s. It was part of a package of policies and investments that moved food and agriculture systems away from government control (too often centralized and unresponsive) toward private ownership. Ironically, private ownership has led to an even more centralized and tightly controlled food system. Local communities have been left more disempowered than they were before, and, increasingly, developing country national governments have found themselves disempowered, too. This essay considers what advocates of free trade promised developing countries, what actually happened, and what some alternatives might look like.

Free trade has been a powerful mantra over the last thirty years. The pure form of the concept is perhaps best captured by the image of a bazaar: a place where people come to sell and buy wares, often stall after stall selling the same things, where haggling is common and both buyer and seller must decide what price they can settle for, based on the alternatives they see around them. Early in the day the buyer gets the best choice. Later in the day, the quality falls but so do the prices. It is up to the consumer to decide her preference for quality over price and to the seller to decide what price is profitable and still generates sales.

Free trade would make the whole world a bazaar. Only, of course, it cannot. There is no global marketplace where the Argentine and Brazilian and U.S. farmers can bring their soybeans to sell to the highest bidder. The reality for those farmers is that they must sell to the elevator near their farm. There might be a choice of two firms but there will rarely be more than that. Their crops will face quality controls, sanitary standards (protecting human, animal, and plant health), and political

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SOPHIA MURPHY is a public policy analyst and a senior advisor on trade and global governance issues at the Institute for Agriculture and Trade Policy focusing on agricultural trade rules, resilient agricultural practices, and the right to food. She has published many reports and articles, including analysis of the effects of international trade rules on development and food security, the impact of corporate concentration in the global food system, and trade and poverty-related issues in the global biofuels sector.

whim. For subsistence farmers the world over, their choices are even more constrained. Poor roads, poor storage, inequitable land distribution, poor law-enforcement (and often bad laws), grossly unequal market power, and weak local and national institutions: all shape trade in multiple ways, none of them “free.” A mass of regulations and political struggles, both domestic and multilateral, stand between the free trade ideal and the real world.

### **The Promise of Free Trade**

In 1996, the world’s governments met in Rome at the headquarters of the United Nations Food and Agriculture Organization (FAO) for the World Food Summit. At that summit, industrialized countries led a push to link food security to trade. All the member states joined the final declaration, which included this statement: “We agree that trade is a key element in achieving food security. We agree to pursue food trade and overall trade policies that will encourage our producers and consumers to utilize available resources in an economically sound and sustainable manner.”<sup>1</sup>

The World Food Summit declaration was a sign of the times; the 1990s proved a watershed in the history of food, agriculture, and trade. Historically, agriculture had been relatively isolated from trade negotiations, although commodity agreements were a feature of the 1970s and 1980s (and some dated back to the 1950s) and agriculture had been included in some projects, such as the Generalized System of Preferences, which allowed developing countries duty-free or low-tariff entry to a number of developed country markets. Nonetheless, both the United States and the then-European Economic Community (precursor to today’s European Union) specifically exempted agriculture from the disciplines of the General Agreement on Tariffs and Trade, which they had signed in 1947.

Agriculture’s isolation from the trade system ended with the Uruguay Round of trade negotiations, launched at Punta del Este, Uruguay in 1986. Agriculture complicated and stalled the negotiations at every stage of the tortuous process, until the final meeting in Marrakech, Morocco, in 1994. There, governments signed a series of agreements, including the Agreement on Agriculture and the Agreement Establishing the World Trade Organization (WTO). The Agreement on Agriculture was the first multilateral agreement to create binding rules on agricultural trade.

The argument that tied food security to unfettered trade went something like this: liberalize world agricultural markets by ending subsidies

to inefficient producers, tear down tariff walls, and end the practice of holding government-controlled food stocks. World market supplies will then move to where need is greatest. In turn, world prices for agricultural commodities will rise, which will be good for the farmers who are profitable in the deregulated markets. At the same time, consumers will pay less, benefiting from the efficiencies created by sharper competition. Environmental efficiencies are gained by concentrating production of particular crops in countries that have the greatest “comparative advantage,” and private companies are able to manage the business of getting food from where it is grown to where it is needed, cutting significant costs out of government budgets in those countries where the state used to play all or some of this role. Even the apparent losers—those farmers unable to compete on the supposedly level playing field of the world market—would win in the end, because wider economic development was said to depend on releasing labor from agriculture for other sectors, so the displaced farmers and farm laborers would hypothetically find work in cities or non-farm rural activities instead.

The Uruguay Round was meant to help make the vision of free trade come true. Advocates declared the agreement would provide a way to control industrialized country spending on agriculture—especially the United States, the European Union, and, to a lesser extent, Japan—and to allow developing countries to assume their comparative advantage in the global market place as purveyors of cheap agricultural commodities.

### **The Reality Of Free Trade**

Things did not go as planned. There were serious problems with the Agreement on Agriculture (AoA). First, there was a gap between rhetoric and reality. Virtually all commentators now admit (as some critics said was likely long before the agreements were signed) that the rules did little to contain developed countries’ spending on agricultural programs. These programs subsidize many farmers and agribusinesses, both directly and indirectly, and thereby distort global markets. Nor did the rules change much the prevailing level of tariffs on agricultural products, though there were some exceptions—in both directions. The conversion of non-tariff barriers to tariffs created some extraordinarily high new tariffs, for instance on dairy imports to some developed countries. The optimistic promises of enormous gains made by the World Bank, Organisation for Economic Cooperation and Development (OECD), and others were rapidly and dramatically scaled back after the agreement

was signed, as the limited nature of the commitments began to be understood. Before the Uruguay Round was completed, a joint World Bank and OECD paper promised gains of \$250 billion if the governments signed up; by early 1995, the World Bank was promising only about forty to sixty billion dollars. It turned out, for instance, that the United States had only committed to cut its domestic spending on agriculture over five years to a level it had already reached in 1995, the first year the agreement went into effect. The gap between rhetoric and reality was enormous.

Second, there were the implementation problems. Too few developing country members had fully understood what they were agreeing to. Many seemed to think they would largely be bystanders, with somewhat longer timeframes and gentler final obligations under the terms of the agreement. Many relied on the assumption that they had little trade-distorting behavior to correct.<sup>2</sup> But the World Bank, the OECD, and others had completely missed—or, more likely, chose to ignore—the implications for developing countries as *importers*. When, during the Uruguay Round, Jamaica, supported by a number of NGOs, tried to raise the problems it anticipated as a net importer of food, those concerns were effectively dismissed. In Marrakesh, at the final signing of the WTO documents, governments added the Marrakesh Decision on Least Developed Countries (LDCs) and Net-Food Importing Developing Countries (NFIDCs). It was to have provided funding for a list of developing countries if food import bills rose too high, too fast. Yet when food prices in 1995 and 1996 spiked (in part because poor maize harvests in China created huge and unusual demand in world markets), resulting in a 40 percent rise in the food import bills of LDCs and NFIDCs, the decision was not implemented.<sup>3</sup> The IMF claimed that the trade agreements were too new to have been the cause of the problem. The developed countries agreed and washed their hands of the problem.

Implementation was also disappointing because many developing country agricultural exports were already relatively undistorted by industrialized country policies. The industrialized countries have no domestic production to protect in tea, coffee, cocoa, or bananas, and they want these commodities for their food processing industries. Many of the products were already traded openly, although some were governed by preferential agreements that favored particular trade partners (the European Union had a number of these relationships with former colonies). Preferential agreements were grandfathered into the AoA and overall there was not much the AoA could deliver for these products,

though non-favored tropical commodity exporters continue to fight to get the preferences removed.

There are exceptions, such as sugar and cotton, where both the market distortions—because of subsidized production in both the United States and the European Union—and the volume of exports from the Global South are high. Yet these are precisely the products that industrialized countries protected directly from liberalization, even as they have accepted changes in the policies governing crops that are relatively more competitive. So market liberalization, from a developing country perspective, was the wrong way around: developing countries got little new market access for their exports. In some cases, they even lost all or part of the preferential access to developed country markets they had traditionally enjoyed. Yet, developing countries were required to accept considerably greater quantities of imports, which created a vicious cycle for many, as imports depressed local prices and incentives for local production, further exacerbating the growing food deficit, which then necessitated higher imports.

Prices also failed to respond as predicted. After the first two years of relatively high commodity prices in 1995 to 1996, commodity prices began to decline. According to the FAO, the combined price index of all commodities fell by 53 percent in real terms between 1997 and 2003.<sup>4</sup> Low prices meant cheaper imports (competing with local food production) and also poor export revenue earnings, together with low incentives to invest in improving agricultural productivity. When prices started to climb (first in 2005, and then, explosively, in mid-2007), supply was slow to respond. Several decades of neglect and letting the markets take care of business had done little to address the long-standing and often worsening situation of staple food production in developing countries.

A different kind of implementation problem had to do with the kind of policy reforms the AoA encouraged in both the United States and the European Union. Starting just before the Uruguay Round was completed, with the McSharry reforms to the Common Agricultural Policy (CAP) in 1992, and continuing through the 1996 Farm Bill in the United States and the further CAP reforms agreed in 2003, public policy in these countries moved away from some basic tenets of twentieth-century agricultural policy. Rather than trying to manage prices in the market, the new vogue is to provide income support to (some) farmers and to let the markets work with very little regulation. In the United States, although the government still has floor prices for most of the crops it

has traditionally supported (some eight in total), the floor is set below current market prices (and the average farmer's cost of production). The European Union, too, with all of the differences among its members, has moved toward income support rather than market intervention.

Linked to these changes was an end to the policy of maintaining government owned agricultural commodity reserves. The United States, for instance, had operated a decentralized program, under which farmers could choose to be paid storage costs for keeping a certain amount of production on-farm. This program had allowed for greater price stability and higher overall farm gate prices by allowing good harvests to be saved against bad years. This program was abolished in 1996.

These changes in agricultural policy in the United States and Europe reflect the interests that lay behind the Agreement on Agriculture. Dan Amstutz, a former Cargill executive who was then working with the U.S. Trade Representative's office, drafted the first version of the AoA. Grain traders and food processing companies in both the United States and Europe saw the potential of multilateral rules to free trade in agriculture as a way to lower commodity prices and to facilitate their move into increasingly consolidated businesses. For all their failings, the U.S. and EU farm systems had created floor prices that counteracted the market power of commodity traders. The AoA helped usher in changes that made taxpayers responsible for supporting farm income, while allowing commodity prices to drop (and rise) as the still heavily distorted markets dictated. The result, particularly in the years of low commodity prices from 1997 to 2003, was a burgeoning cost to taxpayers for farm programs. The United States spent less on agricultural support payments at the start of the AoA's five-year implementation period in 1995 than it did at the end, in 2000.<sup>5</sup>

The AoA also affected agricultural policies in developing countries. The World Bank and IMF structural adjustment programs, reinforced by the underlying pressure from the WTO rules, pushed developing countries to eliminate their public food stocks, too. Managing public food stocks is undeniably expensive but their abolition has not had happy consequences. Markets grew less transparent as the largest holders of grain became private trading companies. The fact that commodity markets were for the most part dominated by a tiny oligopoly of firms made it difficult for anyone outside the companies to be sure the market was working correctly. With the decrease in publicly held food reserves in developed countries, food sales at subsidized prices to developing countries decreased. In 1998, the FAO estimated that the reduction in public

stockholding resulted in an average 20 percent price increase for net food importing developing countries. Indeed, total food import bills for LDCs and low-income food deficit countries (LIFDCs) were expected to climb between 37 and 40 percent in 2008 over 2007, having already risen 30 percent (for LDCs) and 37 percent (for LIFDCs) between 2006 and 2007. The trend suggested food import bills for 2008 would be four times what they cost in 2000. Food import costs for developed countries have not risen at anything like this rate.<sup>6</sup>

The IMF, the World Bank, bilateral funding agencies, and some NGOs, too, promoted AoA-style agricultural trade policies, alongside their push to lessen government involvement in regulating food production, storage, and distribution. This led to decreased support for farmers, as well as the elimination of tariffs on imported food that protected local agriculture. The documentary movie *Life and Debt* provides a vivid picture of the destruction of Jamaica's agriculture under IMF mandated policies, with cheaper imported foods from the United States overwhelming local producers.

Implementation of WTO policies caused many problems, in part because developed countries were dishonest in their promises to reform, and the policy changes that actually were put in place reinforced the hold of transnational agribusiness over global food supply and distribution. Many countries did not have time to fully digest what they were signing and did not understand the potential consequences.

A third set of problems with the AoA had to do with trade distortions that the AoA passed over in silence. For instance, the agreement entirely ignored oligopolistic market power in the world (and many domestic) agricultural commodity markets. Yet, oligopolistic market power is a fact: for many agricultural commodities, three to five firms control 40 percent or more of the global market. Some of the firms, such as Cargill, are dominant players in multiple commodities (salt, sugar, maize, wheat, soybeans, beef, cotton, rice, and more). Free trade theory based on assumptions of open markets ignore the distortions that such concentrated market power can produce. The scale of the firms is staggering. In 2007, the food processor Nestlé posted a profit of \$9.7 billion, greater than the 2007 GDP of the sixty-five poorest countries. Wal-Mart, the world's largest grocer, posted profits of \$13.3 billion over the fiscal year ending January 31, 2009. That is more than the 2007 GDP of almost half the countries in the world (eighty-eight in total) in profits alone (sales revenue was in the hundreds of billions of dollars). With this market power comes the ability to both predict (and, to some extent,

set) prices, the political clout to affect trade and investment policy in many of the more than one hundred countries in which the biggest firms operate, and the power to keep would-be competitors at bay.

Another distortion the AoA failed to address was dumping, an issue linked to corporate concentration. The Institute for Agriculture and Trade Policy (IATP) tracked cost of production, farm gate sale price, and export sale price for five commodities over more than a decade, documenting the gap between what the commodities cost to produce and the export price. The dumping margin (the amount by which production costs exceed market prices) reached 57 percent in one instance (for cotton in 2001); over the decade, the dumping margin for rice averaged 20 percent, for corn between 25 and 30 percent, and for wheat 40 percent. The calculations used what data was available—the cost of transporting grain from local elevators to export terminals was the hardest to track, as the companies involved treat those costs as proprietary information. Still, although the numbers are not perfect, the level of dumping is still remarkable. The higher prices of recent years reduced and even (in some cases) eliminated the dumping margin, but significantly higher input costs have to be factored in as well. In 2009, many farmers are caught with lower prices for the crops from their 2008 peaks, but they still face very high costs for inputs such as fertilizer and seed, which are sold in highly concentrated markets. Not captured in IATP's dumping calculation is the price of land, which, for a growing number of acres in the United States, is rented rather than owned. Changes in farm policy have tied government support to the land rather than the crops grown on the land.

The market price depression associated with the dumping of agricultural commodities has two major effects on developing countries whose farmers produce competing products. First, below-cost imports drive developing country farmers out of their local markets. If the farmers do not have access to a safety net, they have to abandon their land. When this happens, the farm economy shrinks, in turn shrinking the rural economy as a whole. This is happening around the world, in places as far apart as Fiji, Burkina Faso, and Honduras. Second, farmers who sell their products to exporters find their global market share undermined by the lower-cost competition.

The AoA presupposes a particular model for agriculture and reinforces that model through the rules it establishes. It is a model for wealthy countries pursuing industrial agriculture, and for developing country governments that wish to follow suit. It ignores the needs and

interests of the billions of farmers who do not live in that world. Only 10 to 15 percent of food is traded internationally, yet the AoA pressures all of agriculture to be run as if it was a trade concern. While ostensibly dealing only with world markets and trade, the agreement dictates the kind of investment that countries can make in their agricultural sectors. In practice, the AoA legitimized the use of subsidies in developed countries that distort world markets and damage the local markets of developing countries—reducing the options available to developing countries that are interested in protecting rural livelihoods and domestic food security (let alone food sovereignty). The potential of agriculture to eradicate poverty and contribute to a bio-diverse, ecologically healthy, and socially just food system is dramatically curtailed.

### **An Alternative**

At the time of writing, the latest WTO trade talks (on the so-called Doha Round) are at a standstill. The March 2009 meeting of the Committee on Agriculture was reportedly a cantankerous affair, with developing country governments holding the United States and the European Union to account for their continued high levels of spending on domestic support to agriculture and their continued failure to keep notifications of spending up to date. All in all, despite some statements from the Group of 20 Finance Ministers, there is no sense that agreement on the Doha Round is imminent. The talks are deadlocked over issues that matter. The free trade purists are angered that the proposals are so full of exceptions and exclusions that nothing will change. The skeptics, meanwhile, want no further deal of any kind along the lines of the AoA, especially the insistence that tariffs can only come down, never rise, and the forced liberalization of agriculture. With so much of the global economy in crisis, public skepticism that free trade is the answer is growing. Indeed, government skepticism is growing, too, making the likelihood of concluding the Doha Agenda any time soon look slim. It is a victory for the social movements and NGOs that have argued since before the Uruguay Round agreements were signed that free trade was not the right framework for agriculture.

For most countries, trade in agriculture is necessary to balance supply with demand. Few countries are entirely self-sufficient in all the foods their people want and almost every country imports and exports at least some food. Trade is not, however, an end in itself. It is a tool that needs to be regulated to meet the goals of individual countries. It is important not to let trade rules dictate agricultural policy—trade is not

a proxy for development. Increased trade is associated with all kinds of outcomes: economic growth and zero growth; increased employment and increased unemployment; decreased poverty levels and increased poverty levels. Trade among equals can make everyone better off. But trade across the disparities that mar our world has concentrated enormous wealth in the hands of very few people, while ushering in policies that have worsened the lives of several billion people, who must now compete with a global market place even to grow food on their own half hectare or less of land.

There are the countries that can ill afford to import food, but whose domestic capacity to grow food is so disrupted that they must buy food abroad to stave off hunger at home. These low-income food deficit countries could and should grow a lot more food than they do. Much of what they import is inferior in quality and culturally inappropriate. It also depresses the necessary spur to domestic production, which could generate jobs, capital, and a basis from which to eradicate poverty. Many of these countries have been impoverished by a vision for economic development that promised wealth through exports. It turns out that for them trade is a problem, not a solution.

Everyone has to eat. A functioning just food system cannot simply let prices fall as supply and demand dictate. Policy choices determine whose demand is effective in the market, and if we price those who live in poverty out of the market, then we need to find other ways to protect their right to food. In effect, the path of globalization adopted and implemented over the past several decades in almost every corner of the world has priced hundreds of millions of people out of their local food markets.

Under international law, governments have three kinds of obligations to their people in relation to economic, social, and cultural rights: to respect, protect, and fulfill. These obligations derive from the UN Charter (which every member has signed), as well as the Universal Declaration of Human Rights. Any international treaty, including a trade agreement, that conflicts with a government's human rights obligations must either be voided or amended to ensure that human rights obligations prevail. That is the law.<sup>7</sup> Respect means governments may not adopt any policy, law, or course of action that interferes with people's enjoyment of human rights. Protect means governments must devise and enforce laws that protect individuals' access to human rights. Fulfill means governments must show progress toward making sure that the right to food is universally recognized and acted upon. The human right to food is not

just about putting food in people's mouths, necessary though that sometimes is. It is about ensuring that people have meaningful choices on how to live their lives, both as individuals and in community with one other.

A number of principles should guide the establishment of a stronger framework for trade as part of a fairer and more sustainable food system. The following are informed by an international project of the Heinrich Böll Foundation, Misereor (a development NGO), and the Wuppertal Institute (a German environmental think tank) called EcoFair Trade.<sup>8</sup> They echo many of the points made by the four hundred experts who met at the International Assessment of Agricultural Knowledge, Science and Technology for Development in their final report:

1. Protect, promote, and fulfill the universal human right to food.
2. Respect and promote agriculture's nonmonetary roles. Agriculture plays a vital role not only in meeting material but also social, cultural, and environmental objectives. Food policies should respect goods that have no market price, such as air and water quality. They should also reflect the spiritual and cultural values associated with specific foods such as maize in Mexico, or rice in much of Asia. Agriculture and an understanding of the land (including the gathering of uncultivated plants) is essential for biological diversity, human health (medicinal knowledge of plants), resilience (knowing which seeds do best in what growing conditions), natural resource management, and so much more.
3. Build local food systems. Local food systems do not imply a prohibition on trade. This approach builds food security by starting at the local level, respecting environmental constraints, and paying attention to the overall demands made on the world's resources (something ignored in a trade-dominated food system).
4. Privilege local knowledge and technologies. Not only will this promote biological and cultural diversity, it will also better ensure that humanity has the resources it needs to confront the uncertainty that climate change and the scarcity of energy and water will bring.
5. Create agricultural systems with lower carbon emissions. Agricultural production, land use, packaging, and transportation of food make industrialized agriculture and the associated food systems significant contributors to greenhouse gas emissions.
6. Cut waste. The Stockholm International Water Institute recently

estimated that the world wastes about half the food it grows. With close to one billion living in hunger and the planet's natural resources stretched as thin as they are, this is a problem that can and must be addressed with urgency.

7. Integrate trade policy into wider development planning. The WTO should not be apart from the rest of the multilateral system.

Principles and objectives matter: governments need to know what it is that their policies and laws are meant to build. But we have more than principles. There are also hundreds if not thousands of examples of how to build a fairer more resilient food system.

There is a growing understanding in developed countries (and a still well-rooted understanding in many parts of the developing world) that food and ecology and diet and health are intimately related. There is an understanding that how we grow what we eat and what we do to food between the field and the plate matter to the healthfulness of the food. How much we eat matters, too, of course, but not only that.

In 1988, floods affected an area northwest of Dhaka in Bangladesh called Tangail. A Bangladeshi NGO called UBINIG, which had been working with weavers in the district, came to offer help and started to work with villages in the area. They met women who were complaining that the pesticides that were used in agriculture were damaging their health and that of their children, and killing the uncultivated leafy greens and fish that they relied on for food. The villagers started to work on a project to develop an ecological agriculture that did not depend on chemical inputs. The result is called "Nayakrishi Andolon," which means New Agriculture Movement in Bengali. The movement now involves more than 170,000 farm households in fifteen districts across the country. Some local governments have now joined the movement, declaring their areas pesticide free.<sup>9</sup>

The Slow Food movement and the values it encapsulates capture another part of the already changing food culture worldwide. The founder of Slow Food was Carlo Petrini, a food and wine journalist from Italy. Petrini founded the movement in 1989 in reaction to the spread of fast food restaurants, and, in particular, the opening of a McDonald's at the foot of the Spanish Steps in Rome. Today, twenty-three years later, the movement has over 100,000 members in more than 132 countries. The movement is dedicated to the enjoyment of food. Petrini believed pleasure was key to political change. The movement's Web site says, "Slow Food is good, clean and fair food. We believe that the food we eat

should taste good; that it should be produced in a clean way that does not harm the environment, animal welfare or our health; and that food producers should receive fair compensation for their work.”<sup>10</sup>

The Cuban experience after the demise of the Soviet Union offers an example of how a country forced to abandon industrial agricultural inputs was able to change. Cuba lost 80 percent of its import capacity when the Soviet Union collapsed: petrol, fertilizer, tractor parts, pesticides—all kinds of inputs for industrial agricultural production were simply not available. As Peter Rosset, Miguel Altieri, Minor Sinclair, and others have described, the people’s and government’s response to the crisis was remarkable. The government began to allow producers to sell at farmer’s markets, not just to the government, and created tiered prices to encourage better quality.<sup>11</sup> Large, government-run collective farms were broken up and given over to much smaller private cooperatives; while the land continued to be state owned, the co-operatives controlled production choices. Finally, a nationwide experiment with organic agriculture began, including biological pest control, new crop rotation patterns, mixed cropping, and a shift to animal traction (horse and ox-drawn ploughs). Urban gardens emerged that provide all the vegetables for half of Havana’s two million people. Cuba’s experience is an illustration that productivity increases can come from agroecology. Imported fossil fuel derived inputs are not essential.

Parts of the private sector, too, are making changes. One of the world’s biggest confectionary firms, Cadbury, announced on March 4, 2009, that its flagship *Dairy Milk* brand will be Fairtrade certified beginning in September 2009. The decision will triple exports of fairly traded chocolate from Ghana, one of the world’s three largest cocoa exporters. According to the *Financial Times*, total sales of all Fairtrade products in the United Kingdom in 2008 totaled £700 million (\$987 million). Annual sales of Cadbury’s *Dairy Milk* in the United Kingdom and Ireland are worth £200 million.<sup>12</sup> Cadbury is using a third-party certified system, showing its willingness to be judged by independent assessors. The Fairtrade logo is in large part a marketing and educational tool. It has perhaps had its greatest success in changing attitudes among consumers in wealthy countries. Yet although it is to a tiny (if growing) share of the total market, it has also transformed the lives of some farmers in the Global South, supporting community empowerment and improving material conditions for participating farmers and their households.

It is possible to eradicate hunger in our lifetimes and governments have an obligation to do just that, both under international law, and to

give meaning to rule “by, of and for the people.” The discourse on free trade highlighted many real problems in food and agriculture, not least of which were overly centralized, inefficient, and too often corrupt central governments. Appropriately regulated, markets can be a wonderful way to give voice and power to local communities. But the rhetoric that surrounded the free trade and globalization policies of the last thirty years was a chimera. They have destroyed much that is precious, indeed much that is vital for the survival of humanity. The tide is turning and bringing the importance of food, ecology, and culture as the purpose of agriculture back into focus.

### Notes

1. FAO, *Rome Declaration on World Food Security*, World Food Summit, 13-17 November 1996, FAO, Rome.
2. Not to overlook a few big exceptions, especially India and, once it joined the WTO in 2001, China.
3. UNCTAD, **background paper by the secretariat** for an Expert Meeting on the Impact of the Reform Process in Agriculture on LDCs and NFIDCs and Ways to Address their Concerns in the Multilateral Trade Negotiations, July 2000, Geneva.
4. FAOSTAT 2004 data cited in “Productivity Growth for Poverty Reduction: An Approach to Agriculture,” (draft paper for comment) Department of International Development, United Kingdom (July 2005), paragraph 31.
5. D. Blandford, and D. Orden, “United States: Shadow WTO Agricultural Domestic Support Notifications,” IFPRI Discussion Paper 00821 (Washington, D.C., 2008).
6. FAO, *Food Outlook*, June 2008. FAO, Rome.
7. O. De Schutter, “A Human Rights Approach to Trade and Investment Policies,” Background paper for conference: Confronting the Global Food Challenge, Geneva, November 2008.
8. More information on the project and a series of background papers are available at <http://www.ecofair-trade.org>.
9. The account of Nayakrishi Andolon is based on F. Mazhar, et al., *Food Sovereignty and Uncultivated Biodiversity in South Asia* (New Delhi: Academic Foundation, 2007), 3-4.
10. <http://www.slowfood.com>.
11. This and following summary points are based on M. Sinclair, “Cuba: Going Against the Grain,” Research Paper, Oxfam America, June 2001.
12. M. Skapinker “Fairtrade and a new ingredient for business,” *Financial Times*, March 10,



The moral of the tale is that the capitalist system runs counter to a rational agriculture, or that a rational agriculture is incompatible with the capitalist system (even if the latter promotes technical development in agriculture) and needs either small farmers working for themselves or the control of the associated producers.

—Karl Marx, *Capital*, vol. 3, chapter 6, section 2.