

**Food, Farming and Economic Globalization - MCC North American Consultation
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I was raised on a 580 acre, dryland wheat farm in Western Nebraska. In addition to our crops, we raised chickens and beef cattle, and sold milk and eggs to the Dalton grocery. I know I don't appear to be 115 years old, but as a child, when we brought our milk, cream and eggs to that grocery every Saturday, we received a store credit to buy our staple goods. The eggs were candled by Mr. Heiser and put in the dairy case for sale. The cans of milk and cream were put on the milk train to Sterling, Colorado where it was bottled by a dairy feeding into Denver. This was in the 1950's and 60's, a cultural century ago.

My father had an eighth grade education. Often people speak of the drudgery of farm life. Yes, we worked hard, but there was a seasonal cycle, and there was never more work than we could bear. Indeed, there was a great amount of dignity in the farm life for my parents. I often think of the Jeffersonian ideal of a country of farmers and shopkeepers, people in control of their own businesses and destinies. Their very independence, out of which they grant their consent to work together and be governed, was a basis for our representative democracy.

My parents raised 4 children. We had a lower middle class lifestyle. We were living the "American dream". We all went to college and away.

Times changed. My father farmed more acres with bigger equipment after his strapping boys left. He retired in 1985 and the land was folded into the farm of a family friend. That farm family, operated by my peers, now approaches 3,000 acres. Both husband and wife also hold down jobs off the farm. The farm does not support itself and them.

I spent many years away from "my" farm, but they were spent on other people's farms in West Africa. I worked with rice farmers in their paddies in Sierra Leone. (As an aside, rice is such a beautiful culture. I raised it for several years in Eastern Kansas when I returned, in seven stair-stepping paddies of green below a farm pond. One of those "senseless acts of beauty" we hear so much about). I worked with farmers in their wheat, barley and sorghum fields in Northern Mali, and other farmers in their millet fields and vegetable patches on the border between Senegal and Mauritania. I vividly recall the bumper harvest of wheat on the project in Mali. Funded by US-AID, we increased production dramatically. At the same time, the U.S. imported wheat into the country as food assistance, thereby undercutting the price to farmers.

When returned to the U.S. in 1984, I bought a small farm. Eventually, my wife and I became vegetable growers. We worked to organize a certification chapter of the Organic Crop Improvement Association in Eastern Kansas, and have continued to farm. We have sold vegetables and cut flowers through every conceivable marketing mechanism: from farmers markets to CSA; a cooperative CSA; to food drop-off sites; fax-based sales; sales to restaurants and hotels; wholesale to grocery stores; and now even a cut flower concession within a grocery store. But vegetable farming in Kansas, at our small scale, (4-5 acres), has always been the means to only a marginal livelihood. We now sell only cut flowers. We do not feed anyone anymore.

I would like to use my farming history and observations to illuminate several issues. One is "Right Livelihood" and Materialism. A second is the development of farming systems that promote the Externalization of Ecological Problems. A third is Wealth Concentration and the Industrialization of agriculture.

I don't think any of these issues pertain only to agriculture. They pertain to all kinds of commercial systems - ways of responding to human need - that are being institutionalized around the world.

Right Livelihood/Materialism.

Someone earlier mentioned Abraham Maslow's "Hierarchy of Needs", with its implication of food production and other physiological requirements at the base of the symbolic pyramid of human need. In my mind, the sum of human activity should reflect that pyramid to some extent. Where and how do we spend our lives? Can they be more fruitfully expended if we are never engaged in agriculture? Does society or economy offer the vast majority of us a better vocation? I'm sure that our societies do offer many other noble vocations, but do they offer as noble a vocation as farming to billions and billions of people? Or do they offer a paycheck and a soulless work day? An even smaller paycheck and more soulless workday as we perfect efficiency.

On the other hand, more and more, in this country, the question is not "What do you do?", but rather "What do you get?" I and my family are guilty of this, and I suspect many of us here are in the same boat. We chase after ownership, possessions, and lifestyle. The family farm just isn't the economic engine to get us there anymore. There is an old maxim that farmers live poor, (e.g. frugally) but die rich, because they have incrementally capitalized their farm and the cattle and it's equipment throughout their lives. But through the miracle of consumer credit, farmers can now live rich, but eventually lose the farm. Some, but not all, of the change in agriculture in the U.S. has been brought on ourselves by our desires.

Externalization of Ecological Problems

Part of business thinking is that if one can reduce costs and increase income, a business gets more profitable. On the income side, this can lead to competitive ruthlessness, but that is not what I wish to address here. Rather, here I want to talk about business models that externalize problems and issues created by the enterprise, onto the environment or society. For example, if our farming activities lead to polluted waterways, then the tussle comes over who cleans it up. A good business model forces the solution elsewhere. The first insulating argument is that pollution does not exist, and/or we need sound science to prove its existence. And if it does exist, it isn't hurting anything, and if it's hurting anything, the species will recover, and if it's an endangered species, it's not useful, and if the pollution really does need to be stopped, it should be a clean-up funded by society, rather than attempt to develop systems that don't pollute. Agriculturally polluted water is a city's problem, to be dealt with using their taxing authority.

For a remarkable new example of this process, apply this thinking to the wide spread adoption of bio-tech crops. We don't yet know the downsides, but we do know the model for externalizing the downsides. Or think of the widespread use of antibiotics in livestock confinement operations. If our model requires us to use inordinate amounts of antibiotics, and micro-organisms become resistant, society loses, and must develop replacements, if it can.

It doesn't take much of a leap to understand that a business model that externalizes ecological problems to increase profitability, might also be very interested in externalizing social problems as well. If an industrialized agricultural facility, production or processing, can avoid paying a living wage, what happens to the surrounding community? There is an influx of new workers requiring new schools, often with special programming like ESL. Cities must scramble to provide the infrastructure for housing, transportation, etc. While a city's total economy may grow, per capita income can actually decrease because of the less-than-living wage salaries. In this country, with decreased income comes increased societal problems.

These business models, which more and more, embrace the unthinkable, lead to a discussion of wealth concentration and industrialization.

Wealth Concentration and Industrialization

Stewart Smith is an Economist at the University of Maine. He has provided a framework for comprehending what has happened to farming, the opportunity to farm, over the last century as we've applied our industrialized thinking to food production. In an article entitled "Sustainable agriculture and public policy, (Maine Policy Review, Vol. 2(1): 68-78__

<http://www.umaine.edu/mcsc/MPR/Vol2No1/Smith.htm>), he says:

"It is helpful to think of sustainable agriculture in a detailed context that encompasses, but is not limited to, resource limitation. A starting point is to distinguish the food and agricultural system (which I refer to simply as "the agricultural system") from farming. Farming is only one component of the agricultural system. The other components of the agricultural sector are the input sector, those firms that manufacture and sell goods and services to farmers, and the marketing sector, those firms that operate between farmers and final consumers, which includes processors, transporters, warehousemen, wholesalers, retailers and even restaurateurs.

Sustainable agriculture implies maintenance of a viable farming sector; it may be more useful to think of sustainable farming." However, farming activities have steadily declined as a proportion of the agricultural system throughout this century. Although the decline is generally acknowledged, its extent is extraordinary and usually overlooked. At the turn of the century, farming was probably the largest of the three components of the agricultural system. In 1910, farming comprised 41 percent of the agricultural system, but it comprised only nine percent in 1990. On the other hand, during the same period, the input component increased its share from 15 percent to 24 percent and the marketing component from 44 percent to 67 percent. Not only did the share of farming activity decline, the absolute amount decreased after 1945."

Smith graphically illustrates this concept with charts that show the farming sector as it has been pinched off over time between the rising claims of those engaged in supplying production inputs, and that of the marketing sector. Earlier, one of our farming presenters noted that she receives 5¢ for the grain found in a \$3.00 box of cereal. The rest of the price goes elsewhere, and the opportunity to farm is found in only that 5¢.

I use Smith's graph (available at the URL above) to think about other issues also. For example, a vertically integrated company, seeking to control the pork production system from the gleam in the boar's eye to the pork chop on your plate, can decide where in that vast system to take profit or to cut expenses. How do the decision maker's view a healthy profit to farmers when making those considerations? Do they strive for a fair contract which will ensure the farm's continued existence, or would that be a breach of their fiduciary duty to shareholders? Would it be best to work with a farmer willing to gradually sacrifice the built up equity in their farms over several years (think deteriorating equipment, unpainted outbuildings, roofs needing replacement) or to own the farm land outright and hire a tractor jockey?

Or think about the issue of commodity payments. As the farming sliver gets thinner and thinner, it can be said that commodity payments represent an "outside the graph" income supplement to farmers so that they keep producing at or below the cost of production. If so, the price of commodities to the marketing share of our food system is below cost, and it is subsidized by non-farming taxpayers.

What about new technologies, such as Roundup Ready soybeans? Farmers say it benefits their operation. But is one of the major benefits the fact that it allows them to do more acreage in the same time? If so, and they are still producing below the cost of production, does it merely allow them to take an off-farm job and further subsidize the input sector? Many technologies don't increase production or profit, they decrease farming opportunity and give it to the input sector.

If moving the profits away from farmers, those who generally take the most risk, and have the most invested in stable communities, is coupled with externalizing environmental and social issues, we are polishing an industrialized system of food production which is perfecting hell.

Again, I don't think this impulse towards industrialization is solely endemic to agriculture. It is pervading our entire business culture. It is institutionalizing a business ethic which dares to think the unthinkable. Look at our major retail operations. They don't hesitate to bankrupt loyal suppliers, or abandon the indigenous manufacturing sector. There are threats to require suppliers to own inventory through the store to the point of sale. What does something like that mean to a supplying business? It means bankruptcy of good businesses brought about by marketing clout. The unthinkable business model can

hire employees at less than full time to avoid paying benefits. It can pay less than a minimum wage. It can run competitors out of business also through sheer marketing clout, and then raise prices once they are gone.

Increasingly, multinational businesses answer only to anonymous shareholders, who seek only the highest short term gain possible. Ruination of others and despoliation, if they show up on the balance sheet at all, better show up as a positive.

We are developing a commercial morality, a business model, that relies on thinking and doing the unthinkable. Globalism often means legalizing the unthinkable.

I was asked to talk about Plans and Hopes for the Future, and I realize I have spent a lot of time in "judgment".

I do want to turn to the things that I feel the church, and people of good will might do to begin counteracting the trends as I see them.

- 1) Be a prophetic voice about business models. Point out the reliance on the unthinkable. Work to develop trading systems with long term horizons, rather than the highest possible short term profit. Reconsider the role of corporations and think about institutionalizing a conscience into them through a periodic sunset review of their charters.
- 2) Regionalize markets for food and fiber wherever possible. Work to develop local food and fiber policies in any economy: international, national, state, local community, household, personal.
- 3) Rebuild our commercial economy basing it on relationships. Right relationships based on trust, fairness, and the long term.
- 4) Understand our impacts on others. Is that really asking so much? Don't we learn as adolescents that there are others, and what we do can really alter their life course? We can no longer act like preadolescents just because we are in business.
- 5) Recognize externalization of environmental and social problems, and move to reaffix them to the profiting economic activity.
- 6) Reduce consumption and desires. There should be a 12 Step Program for westerners to deal with materialism. It is an addiction that has hold of us. Go to the library, not the mall.
- 7) Consider and reconsider what Cathy Campbell said to us earlier. We must incorporate spirituality into our endeavors in this area. These tasks will only be undertaken if we root them in the energy of the spiritual values she outlined.
- 8) And finally, understand that this is a pathway to joy, not drudgery. It is a path to fulfillment and dignity, not poverty and humiliation. It is a path to friendship and mutual respect, not the feeding of enmity. We should be skipping as we undertake this.

Thank you.