



NFU leads on Local Food issues

The NFU and its members are North American *leaders* in efforts to create Local Food alternatives. As the articles that follow will show, NFU members—working within their Local, Regional, and National structures—are active in the Maritimes, Ontario, the Prairies, and British Columbia. Most important, our members and organization are active at *every level* and in *every aspect* of the Local Food movement—we are growing the food and creating innovative marketing relationships with non-farming citizens, we are working together regionally to highlight the many benefits of Local Food in our communities and to expand opportunities for others, and we are working at the provincial and federal policy levels to make sure legislation and regulations enable Local Food alternatives to bloom.

The NFU is committed to representing *all* farmers: small-, medium-, and larger-sized; producers of all food and fibre products; and those focused on distant markets as well as on domestic and local ones. Relocalizing food production and consumption can play a key part in the NFU's work to improve sustainability, deal with climate change and resource depletion, maintain the family farm as the primary unit of food production in Canada, foster vibrant communities, and reduce negative impacts of trade deals and an overzealous focus on exports. In the three articles on Local Food that follow, NFU members will get a glimpse of some of the work the NFU is doing. Please read on. — nfu —

Ritz rams ahead with ill-conceived end to KVD

Kernel Visual Distinguishability (KVD) is a simple, reliable, low-cost way to differentiate classes of wheat—Durum (for pasta) is a different shape and colour than Spring Wheat (for bread). Grain company and Canadian Grain Commission (CGC) employees can tell wheat types apart just by looking.

Minister of Agriculture Ritz has decreed KVD will end August 1—newly registered wheats need not be visually distinguishable. This, despite having no alternate way to distinguish one type from another. (Expensive and fallible “black box” technology is allegedly “coming soon.”) Thus, Ritz is setting the stage for contaminated cargos, customer and reputation loss, and grain company lawsuits against farmers.

The *Western Producer* revealed that Ritz's three most senior officials warned him against ending KVD. The *Producer* quoted a memo from Deputy Ag. Minister Baltacioglu, CFIA President Swan and then-acting CGC Chief Commissioner Harasym that said: "The risk to Canada's reputation as a supplier of quality wheat will substantially increase without alternative segregation tools and potentially result in potentially large negative financial repercussions" and that "Increased potential liability for grain handlers and exporters may be reflected in reduced prices paid to producers."

In light of such risks, why rush? In answer, Ritz and other KVD-critics say that requirements for distinctive colour and shape slow variety development, keeps economically-important varieties off the market, and thus depresses farmers' yields. But what does the data show? The opposite. (continued on page 8...)

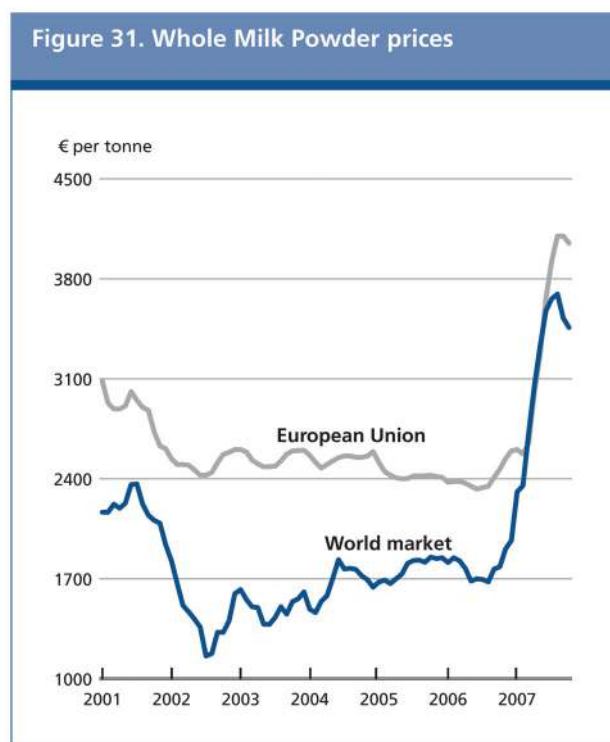
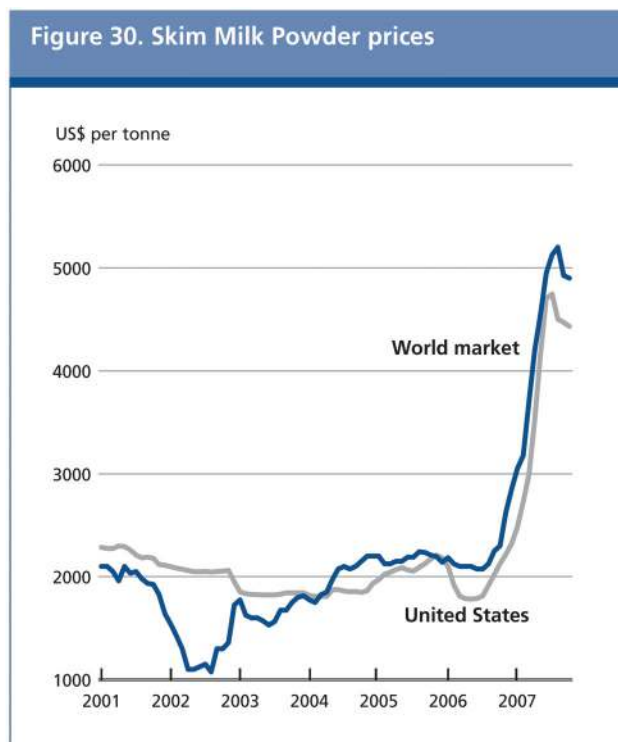
World dairy prices rising faster than oil?

Globally, prices for dairy products have doubled in the past year, tripled since 2002.

Not so many years ago, self-described free marketers implied that perhaps it would be best to shut down the Canadian dairy sector and buy all our milk from New Zealand. But the growing food price crisis is laying bare the fact that the global food system has much less surplus capacity than we were led to believe. Canadian milk is looking more and more a bargain. And nations reliant on imported dairy products are being hard hit. The Canadian dairy supply management system—with its careful controls to ensure that Canadian production matches consumption and that Canadians have access to secure and stable supplies—looks better and better all of the time.

The two graphs below are taken from the United Nations (UN) Food and Agriculture Organization (FAO) November 2007 publication *Food Outlook*. The graph on the left shows US and world prices for skim milk powder, in US dollars per tonne. The graph on the right shows EU and world prices for whole milk powder, in Euros per tonne.

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Markets vs. forests

“Out here on the frontier, you really see the market at work.”

—John Carter, Brazilian Rancher and Rainforest advocate commenting on an “exponential” increase in the rate of Amazon deforestation. The comment is part of a front-page story in the April 7 issue of *Time* magazine on agrofuels entitled “The Clean Energy Scam.” *Time* asks: “Hyped as an eco-friendly fuel, ethanol increases global warming, destroys forests, and inflates food prices. So why are we subsidizing it?”

The *Time* article lays out a chain reaction thus: ↑ ethanol in US ⇒ ↑ corn prices in US ⇒ ↑ corn plantings in US ⇒ ↓ soybean plantings in the US ⇒ ↑ soybean prices worldwide ⇒ ↑ soybean planting in Brazil ⇒ ↑ pastureland conversion to soybeans in Brazil ⇒ ↑ forest destruction in Brazil for new pasture. Deforestation accounts for 20% of all global carbon emissions. Brazil now ranks fourth in the world in terms of carbon emissions, largely as a result of deforestation. A recent study in the journal *Science* calculated that when deforestation is taken into account, corn ethanol and soy biodiesel produce about twice the emissions of gasoline.

The article is available at www.time.com/time/magazine/article/0,9171,1725975,00.html

NFU presents report on Local Food to Premier's Summit

On April 16, Ontario NFU Coordinator Grant Robertson presented an NFU report on Local Food to the Ontario Premier's Summit in Toronto.

The NFU report made the case for a more sustainable, just, and equitable food system based on reconnecting food to place, and reconnecting farmers to non-farmers. The report also positioned Local Food as a critical policy response to a myriad of stresses intensifying around our food system: climate change, energy constraints, the farm income crisis, unfair international trade rules, world population growth, parallel epidemics of hunger and obesity, biodiversity loss, water scarcity, soil salinity and erosion, pesticide and fertilizer pollution, potential pandemics, and economic decline in rural communities around the world. "People in Canada and other countries are legitimately concerned about the future of the food system, and are taking a long, hard, critical look at what measures need to be implemented to ensure sustainability for the present and future generations," stated the NFU report. The Local Food movement is simultaneously a critique of, and an antidote to, a globalized, industrial, corporate-controlled food system.

The NFU's report to the Premier's Summit highlighted many production and policy alternatives, chief among these is an initiative led by NFU members in the Kingston and London, Ontario areas called "Food Down the Road." (see www.fooddowntheroad.ca) The "Food Down the Road" initiative attracts thousands of people each year to on-farm events and educational sessions. Food Down the Road was begun by NFU Local 316 and is mandated to encourage citizens to explore the startling array of nutritious, locally-produced food available in the immediate area. The Food Down the Road project now consists of 13 representatives from a wide range of commercial and community organizations and the NFU. The interactive map of local food producers at www.fooddowntheroad.ca is spectacular.

The NFU report to the Premier's Summit explained that policies that foster local food need not focus on blocking imports, but rather on maximizing the fruitfulness and activity within local systems. Local Food does not mean "protectionism" or creating economic barriers to trade. Rather, Local Food is aimed at promoting economic activity and boosting trade *within* our home region. Enhancing opportunities for local food

involves removing barriers that prevent local growers from accessing local markets. Market access begins at home.

The report tied the issue of Local Food to another issue the NFU is working on: food labelling, especially the perverse "Product of Canada" food label (see report on Product of Canada labelling in the *Union Farmer Monthly* magazine).

The NFU report also made the case that the Local Food movement can help lay the groundwork for the entry of new farmers and the next generation of farmers. Local Food systems can provide food that is fresher (and thus tastier and more nutritious). And local food systems maximize community economic development. Despite such benefits, government policies of deregulation, market integration, and export maximization are pushing the Canadian food system in the opposite direction. As an example of the negative effects of government policies, the NFU report highlighted Canada's tender fruit (peaches, pears, plums, cherries, and grapes) sector. In January 2008, CanGro Foods announced it would shut down its vegetable and fruit processing plants in Ontario. The closures would put hundreds of workers out of work. In addition, an estimated 150 farmers who produce \$2.5 million worth of clingstone peaches and \$1.8 million worth of pears will be left hanging. The closures will have a devastating impact on the local economy because the processing plants were the only remaining fruit canning operations in North America east of the Rocky Mountains. One of the two plants has been in operation for over 100 years. Latest reports say that the plants will remain in operation until the end of June but that farmers will not be delivering a 2008 crop.

With plant closures such as these, we lose processing capacity, production diversity within our regions, jobs, access to local foods delivered using less fossil fuel, and economic engines for the local economy. Why? One (soon-to-be-former) worker explained: "There was work here, but it was a price thing. With free trade they are able to import their product cheaper from China." For more on the critical need to maintain local food processing capacity, see the article in this issue on the situation in Prince Edward Island.

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Monsanto's edge

The May issue of *Vanity Fair* includes an excellent exposé of Monsanto. Authors Barlett and Steele have shared 6 Pulitzer Prize nominations, and 2 wins. The article is available at www.vanityfair.com/politics/features/2008/05/monsanto200805?printable=true¤tPage=all.

What follows are two excerpts. The first excerpt describes how Monsanto focuses its legal attack on seed cleaners—claiming that simply by cleaning seed, a co-op induced farmers to violate Monsanto's patents. NFU Vice-President Terry Boehm and others have worked vigorously (around Plant Breeders' Rights and other issues) to call attention to the fact that increasingly restrictive Intellectual Property Rights (IPR) protections will choke off farmers' access to seed cleaning services, to seed protection chemicals, and to other products and services critical to farmers' abilities to save and re-use seeds. We hope you enjoy this excerpt, and we encourage you to read the article in full.

Pilot Grove, Missouri, population 750, sits in rolling farmland 150 miles west of St. Louis. The town has a grocery store, a bank, a bar, a nursing home, a funeral parlor, and a few other small businesses. There are no stoplights, but the town doesn't need any. The little traffic it has comes from trucks on their way to and from the grain elevator on the edge of town. The elevator is owned by a local co-op, the Pilot Grove Cooperative Elevator, which buys soybeans and corn from farmers in the fall, then ships out the grain over the winter. The co-op has seven full-time employees and four computers.

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Not long after investigators showed up in Pilot Grove, Monsanto subpoenaed the co-op's records concerning seed and herbicide purchases and seed-cleaning operations. The co-op provided more than 800 pages of documents pertaining to dozens of farmers. Monsanto sued two farmers and negotiated settlements with more than 25 others it accused of seed piracy. But Monsanto's legal assault had only begun. Although the co-op had provided voluminous records, Monsanto then sued it in federal court for patent infringement. Monsanto contended that by cleaning seeds—a service which it had provided for decades—the co-op was inducing farmers to violate Monsanto's patents. In effect, Monsanto wanted the co-op to police its own customers.

In the majority of cases where Monsanto sues, or threatens to sue, farmers settle before going to trial. The cost and stress of litigating against a global corporation are just too great. But Pilot Grove wouldn't cave—and ever since, Monsanto has been turning up the heat. The more the co-op has resisted, the more legal firepower Monsanto has aimed at it. Pilot Grove's lawyer, Steven H. Schwartz, described Monsanto in a court filing as pursuing a “scorched earth tactic,” intent on “trying to drive the co-op into the ground.”

Even after Pilot Grove turned over thousands more pages of sales records going back five years, and covering virtually every one of its farmer customers, Monsanto wanted more—the right to inspect the co-op's hard drives. When the co-op offered to provide an electronic version of any record, Monsanto demanded hands-on access to Pilot Grove's in-house computers.

Monsanto next petitioned to make potential damages punitive—tripling the amount that Pilot Grove might have to pay if found guilty. After a judge denied that request, Monsanto expanded the scope of the pre-trial investigation by seeking to quadruple the number of depositions. “Monsanto is doing its best to make this case so expensive to defend that the Co-op will have no choice but to relent,” Pilot Grove's lawyer said in a court filing.

With Pilot Grove still holding out for a trial, Monsanto now subpoenaed the records of more than 100 of the co-op's customers. In a “You are Commanded ...” notice, the farmers were ordered to gather up five years of invoices, receipts, and all other papers relating to their soybean and herbicide purchases, and to have the documents delivered to a law office in St. Louis. Monsanto gave them two weeks to comply.

(continued on page 6...)

Local Food: working in PEI to save infrastructure vital to Local Food

NFU members in Prince Edward Island (PEI) have been *extremely* busy organizing several large meetings and demonstrations. One meeting, March 26, looked at the crisis in agriculture on the Island and across Canada, looked at possible solutions, and highlighted the critical role of regional food processing infrastructure in supporting local family farms and in any system of Local Food production and supply.

Farm families in PEI are in crisis. Despite rising prices for many crops, potato prices remain very low. Banks are telling many potato growers there will be no operating loans this year. At the NFU's March 26 meeting, one farmer reported that many Island potato growers may not put a crop in the ground this year.

The crisis is broad and deep, extending beyond potatoes. Island hog and beef cattle farmers are facing the lowest (inflation-adjusted) prices since the Great Depression. (Some current prices are *lower* today than the worst received during the Depression.) Worse, on March 28, the Island's hog processing plant shut down, forcing PEI hogs to go to Nova Scotia for processing. On top of this, the Atlantic Beef Products plant located in Albany, PEI remains on unsure financial footing despite a recent \$12 million commitment from provincial and federal governments.

The NFU March 26 meeting highlighted many aspects of the problem as well as possible solutions. One message

that was repeated over and over was the need to retain local processing capacity in order to support local farm production and to make possible any Local Food initiatives. Especially critical is the recent shutdown of the hog plant.

More than 60 people came together at the meeting. From the initial planning stages, NFU Women's Vice President and PEI farmer Karen Fyfe highlighted the need to include non-farmers. "The crisis isn't just a farm issue: it's a food-system issue—it's a consumer issue," she said. "We wanted to attract a broad base of public involvement: consumers, small-business owners, environmentalists, anti-poverty activists, tourism operators, and others who care about the potential disappearance of the family farm from the Island's landscape."

The meeting, entitled "The Future Of Food " had 2 objectives: 1) to increase public awareness of the farm financial crisis and its causes ; and 2) to create a space for open dialogue between consumers and the farm community to identifying possible solutions. That work is now well-underway.

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The NFU is continuing strenuous work on behalf of farmers on the Island. Since the March 26 meeting, there have been numerous other meetings and two demonstrations—200 protested at the site of the hog plant March 28 then took their concerns to the Farm Centre to make their views known to the Minister of Agriculture and other officials.

Livestock crisis analysis continues

The NFU is preparing a fresh look at the crisis hitting farmers who raise cattle, hogs, sheep, bison, and other livestock. The NFU analysis will go beyond the "conventional wisdom" explanations—a rising dollar and feedgrains prices—and look at factors not often acknowledged in Canada: captive supply (packer-owned and controlled cattle), retailer and packer power, the price-depressing effects of export over-reliance, and the role of trade agreements and North American market integration in suppressing prices.

Recently, NFU Manitoba Coordinator Fred Tait and Director of Research Darrin Qualman undertook a series of meetings in rural Manitoba. Tait and other NFU members organized meetings in Poplarfield, Ste-Rose Du Lac, Pipestone, and Carman, Manitoba. Well over 200 cattle farmers attended the four meetings, viewed a presentation of preliminary results of NFU research, and gave their insights into the causes of, and solutions to, the current crisis hitting livestock farmers.

NFU members attending the Region 3 (Ontario) Convention in Woodstock, Ontario also saw a presentation on the preliminary results of the NFU's research via a remote audio-visual linkup between Woodstock and Saskatoon. A spirited question-and-answer session following the presentation drove home the point that the livestock sector needs a rapid and dramatic restructuring if family farm producers are to survive. In Ontario and Manitoba farmers were clear: the status quo is destroying family farm producers.

The NFU hopes to complete its analysis of the livestock sector in the coming months and put it before policy-makers in the late summer.

(Monsanto's edge, from page 4)

Monsanto's friends

The following is also from the May issue of Vanity Fair.

Monsanto has long been wired into Washington. Michael R. Taylor was a staff attorney and executive assistant to the F.D.A. commissioner before joining a law firm in Washington in 1981, where he worked to secure F.D.A. approval of Monsanto's artificial growth hormone before returning to the F.D.A. as deputy commissioner in 1991. Dr. Michael A. Friedman, formerly the F.D.A.'s deputy commissioner for operations, joined Monsanto in 1999 as a senior vice president. Linda J. Fisher was an assistant administrator at the E.P.A. when she left the agency in 1993. She became a vice president of Monsanto, from 1995 to 2000, only to return to the E.P.A. as deputy administrator the next year. William D. Ruckelshaus, former E.P.A. administrator, and Mickey Kantor, former U.S. trade representative, each served on Monsanto's board after leaving government. Supreme Court justice Clarence Thomas was an attorney in Monsanto's corporate-law department in the 1970s. He wrote the Supreme Court opinion in a crucial G.M.-seed patent-rights case in 2001 that benefited Monsanto and all G.M.-seed companies. Donald Rumsfeld never served on the board or held any office at Monsanto, but Monsanto must occupy a soft spot in the heart of the former defense secretary. Rumsfeld was chairman and C.E.O. of the pharmaceutical maker G. D. Searle & Co. when Monsanto acquired Searle in 1985, after Searle had experienced difficulty in finding a buyer. Rumsfeld's stock and options in Searle were valued at \$12 million at the time of the sale.

Can we learn from the past?

The following quotes are taken from a speech by Fawcett W. Ransom, Secretary, Manitoba Pool Elevators, 1925-1949 on the occasion of the 25th Anniversary of Manitoba Pool Elevators at a gala at the Royal Alexandra Hotel, Winnipeg, Manitoba, Wednesday, October 26, 1949. Manitoba Pool Elevators disappeared into Agricore—a merger with Alberta Wheat Pool—in 1998. Agricore, in turn, merged with United Grain Growers in 2001 to form Agricore United. Agricore United was subsequently taken over by Sask. Wheat Pool in 2007 to create the non-co-op Viterra. In 1990, farmer-owned co-ops handled 75% of the grain in western Canada (Co-operatives Secretariat, 1999).

To get a sense of what we've lost, as you read the passages that follow, Union Farmer readers are invited to substitute the word "Viterra" where "Manitoba Pool Elevators" appears. Thanks to Ian Robson, NFU member from Manitoba, for providing this historic information to the NFU.

"The job of Manitoba Pool Elevators is the building of rural life."

"Manitoba Pool Elevators is an organization built by 30,000 farmers not only to take the handling of their own grain in their own hands but as a means of building an order of society in which human values shall have the first consideration in the minds of men. Surplus savings are important, but what shall it profit Manitoba Pool Elevators if it gain the whole world and lose its own soul. Its future is in direct relationship to the services it renders and the extent to which it builds itself into the hearts of the members. On the people, through their local units, rests the responsibility of meeting for orderly discussion, stating their needs and their views, shaping policy and furthering the vision of democracy. From them should come the lead. It is in such voluntary community groups, both social and economic, that democracy will find its greatest security and reach its best development. They are the guarantee against revolutionary upheavals and the domination of special interests. Government of the people, by the people, is possible only when we have free speech in an orderly, systematic manner through group association. The small voluntary group brings out the dignity of the person, assumes its proper share of responsible government and equalizes the operation of the larger political democracy. Thus the local units are placed on the commanding heights, for they are the only source of organized self-expression. They are the fabric of the world to be. With the wider vision of our people, pride in their achievements and glimpses of future greatness, we are gradually freeing ourselves from the bonds of the past and emerging into the brighter land of the morrow."

How purchasing food locally contributes to community economic development

This article is by Terran Giacomini. In 2007, Terran took the initiative and secured funding to allow her to work with the NFU. For the past several months, Terran has been focusing on local food. In the following, Terran shares some research findings on the community economic development benefits of local food and provides several reference sources invaluable to those interested in doing further research or advocacy on this subject. To contact Terran, email terrangiac@gmail.com.

The local food movement continues to gain momentum in towns and cities across Canada. Conscientious consumers' and citizens' organizations, farmers and food activists, are actively promoting 'localization' as a way of addressing problems relating to corporate globalization, climate change, social injustices, and more. Local food is a rich and multidimensional topic. For example, local food has international dimensions (consider how re-orienting production and consumption of food to local markets can give communities in the Third World a chance to develop their agriculture to feed local people); it has ecological dimensions (especially with respect to climate change and the environmental consequences of an increasingly global food system); and sociological and political dimensions (consider how a local food system relates to food and energy sovereignty and to human security, health and equality). This report focuses in on one dimension; it asks: How can local food systems contribute to community economic development?

Re-localizing the food system—facilitating the production, purchase and sale of food and food-related goods and services by local businesses and individuals—contributes to community economic development by increasing the flow of dollars within a community and preventing extraction of locally generated wealth. Read on and find out how re-directing your food dollars to locally owned retail stores, or purchasing directly from local farmers, has a greater overall impact on your community's economy than purchasing non-local food or shopping at corporate chain stores. See also how local food creates living-wage employment and promotes diversified and organic food production; and how local food systems help build 'living economies' that are more inclusive and democratic, and that lead to greater community well-being and prosperity.

Local food vs. supermarket extraction

Local food is important to community economic development because it helps to prevent the loss of wealth generated by local businesses. Supporting your local or

regional food economy helps to prevent the extraction of wealth, out of your community, to distant managers and shareholders.

Local businesses—including farmers and food-related businesses—generate economic activity in a community in a number of ways, including purchasing supplies from other local businesses, creating employment for local people, and personal or household spending by owners and workers. A widely cited study from Maine in the United States (US) reveals that 44.6 percent of the money paid to the locally-owned businesses is (re)spent locally compared to 14.1 percent of the money paid to corporate-owned chain stores.¹ That's almost three times more money that stays in the local economy, re-circulating and being re-spent locally, when buyers purchase goods and services, including food, from locally-owned businesses instead of corporate chain stores.

Studies also show that local businesses create more employment. For example, a study conducted by the New Economics Foundation (NEF) in the UK found that the Queens Market, a farmers' market in London's East end, creates twice as many local jobs per square meter than food supermarkets.² Another study of farmers markets in Iowa shows that for every 100 farmers' market jobs, an additional 145 jobs are created in the State's economy.³

The predicted losses from corporate chain stores show how significant our spending patterns are on the economy: "Increasing [the market share of independent retail stores] by 10 percent would yield \$200 million in additional economic activity in San Francisco and almost 1,300 new jobs. However, it must be remembered that that the reverse is true: shifting a further 10 percent of sales to chain merchants would deprive the community of that same \$200 million and put those 1,300 employees out of work".⁴ How can this happen? The negative impact of supermarket chains is a consequence of a number of different factors, significant among them is the shift of profits and control over spending from local businesses and individuals to distant managers and shareholders.

(continued on page 9...)

(Ritz rams ahead with ill-conceived end to KVD, from page 1)

This graph is from Agriculture and Agri-Food Canada's 2007 *Overview of the Canadian Agriculture and Agri-Food System*. It shows that Canadian wheat yields have increased faster than US yields (the US does not require KVD). Ag. Canada's *Overview* document states: "Wheat yields in Canada, although lower than in the U.S., have *increased at a faster rate*, and almost doubled over the past four decades...." [emphasis added]

Yields are lower here, but that's partly a result of conditions—it rains more in Kansas than in Saskatchewan. But even though yields are lower, they're rising *faster* here, despite the alleged constraints imposed by KVD requirements. Thus, the argument that KVD inhibits variety development and yield is largely false. What is true, however, is the post-KVD prospect of contamination, lost customers, and lawsuits.

So why plunge ahead? The best answer is that the current government and its corporate allies are working to systematically dismantle every aspect of the Canadian grain system. Bill C-46, now before the House of Commons, targets the CWB—taking barley directly and hobbling single-desk selling of wheat by inviting endless arbitrations. Bill C-39, also before the House, would change the mandate of the CGC (less "in the interests of producers" and more corporate partnerships), end mandatory CGC inspection, and end grain company bonding. The Conservative government recently and secretly relinquished its power to require CN and CP to submit to a costing review—a key mechanism in restraining profiteering and a core part of our regulated rate system. Our seed system is being restructured. And farmers' right to load producer cars—a right fought for and gained over 100 years ago and a useful tool for constraining grain company tariffs—is effectively being revoked as this government works to muscle the CGC and CWB out of the transportation and handling system.

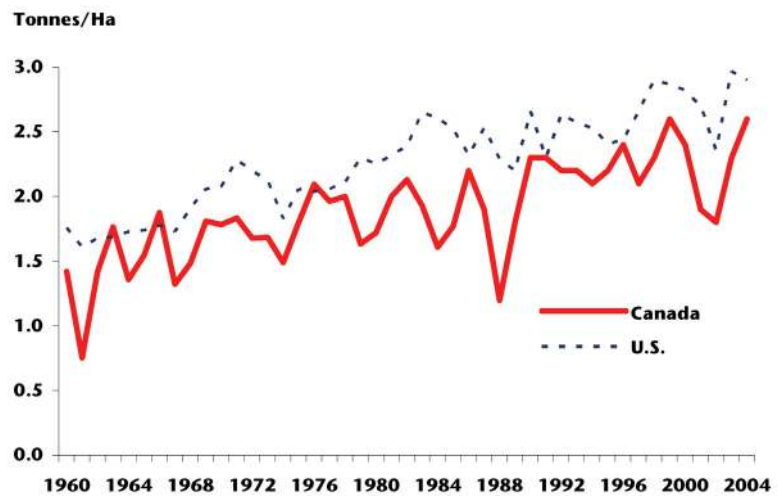
Minister Ritz's seemingly reckless moves against KVD only make sense in context: as part of a larger set of interlinked initiatives that will dismantle the Canadian food system and put many of the final touches on an integrated North American food system owned and controlled by US-based transnationals. Ritz's linked set of deregulation and privatization initiatives, if allowed to pass, will clear away any final barriers blocking the complete penetration of Cargill, ADM, Monsanto, and others into the Canadian grain system. The easily-foreseeable result of Ritz's actions on behalf of corporate agribusiness will be to reduce the Canadian grain system to a mere extension of the US system—US-owned, US-integrated, US-directed, and US-focused. Keep in mind, though, Canadian farmers will not gain access to US-sized subsidies, nor will we have guaranteed access to that US market. (Remember BSE, anyone?)

Despite the propaganda about freedom, choice, and higher returns, the Conservative government moves against the CWB, our seed system, and the CGC are not really designed to give farmers access to markets and technologies: No, the government's moves are designed to give dominant transnationals access to Canadian farmers, and access to the vast profits available from the 80 million acres of cropland north of the Canadian border.

Think of the government's deregulation and privatization actions as setting the table for a feast. Farmers need to ask: Are we the ones who will dine? Or are we the main course?

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Chart B3.13
Wheat Yields, 1960-2004



Source: Statistics Canada, Crop Statistics, USDA, National Agricultural Statistics.
Note: Wheat yields is amount of wheat produced per hectare.

(How *purchasing food locally contributes to community economic development*, from page 7)

An in-depth study on the California food economy confirms that in many communities, supermarkets drain an estimated 3 jobs for every 2 they create.⁵ In addition, chain stores have been reported to lower the average wage and benefits paid to workers in the local retail sector.⁶ If jobs are less numerous and less lucrative, fewer community members will be able to access living-wage employment. This further dampens the overall level of economic activity in the community and the ability of local stores to survive.

Furthermore, supermarkets have increased their market share over the last two decades and as a result, they have pushed many local food stores and other merchants out of business.⁷ One report details a community in the UK where small-scale retailers experienced a 64 percent decline in market share following the opening of an edge of town supermarket.⁸ Supermarkets have many tools—some fair and some unfair—to crowd out local merchants. These include: massive advertising budgets, the ability to sell at a low cost or on very small margins until local competition folds, and the ability to use their market power to get the lowest prices from producers.

Food deserts are created by the entry of large-chain stores and the closure of small stores. When grocery stores become larger but fewer in number, they become more difficult for people to access, particularly for people who rely on public transport. Often, families in low income communities end up purchasing most of their food at corner stores where healthy and fresh options are limited (Ontario Healthy Communities Coalition, 2006).

And it's not just the local food stores and other businesses supermarkets compete directly against that suffer. The entire community may be hurt. Supermarkets often locate outside town centres, drawing consumers away from the downtown core, undermining the success of small downtown businesses. In 2006 alone, 1,000 independent retailers closed down in Hungary, unable to survive in the context of rising supermarket power.⁹ Consider the negative impact upon the local business tax revenues that communities depend upon, not to mention the loss of jobs and spin-offs.

The process of wealth extraction is also abetted by local governments. Many supermarket chains will work with municipal urban planners to redesign towns around their stores, funneling tax dollars into paying for this infrastructure—the overpasses and highways—that supermarkets need to bring consumers and trucks to these distant locations.¹⁰ As a result, local people and communities lose out twice: once from re-directing tax dollars from other public services to building infrastructure for supermarkets, and again for the loss of local businesses that would otherwise be employing more people, spending more on supplies, and improving local economic activity. Many communities lose out a third time as the demise of local stores lead to the creation *food deserts* in both urban and rural communities.

Although the extent of wealth extraction will differ from one community to the next, the issue is the same; the market power of retail corporations allows them to exert such great control within the market that they can suck out locally produced resources, local jobs and community wealth. Local food systems can help reverse this extraction by creating local employment and local cycles of spending. By purchasing from farmers and locally-owned businesses, citizens can help to 'plug the leaks' that corporations create and reverse the loss of community wealth.

Local farms and food-dollar impact

The power that food and agribusiness corporations have in controlling the food system is hurting farm families, driving down farmgate prices and destroying farmers' livelihoods. In contrast, purchasing food in a localized system, through farmer-non-farmer partnership arrangements or at farmers' markets, increases the amount of money going directly to the farmer. And, as it was demonstrated in the small businesses example above, more money in the hands of local people such as farmers will create cycles of spending in the wider community, thus adding to local economic development. In short, if the 500 or 1,000 farm families that surround your community have more money, your community will be more prosperous. And local food systems help ensure that those farmers *will* have more money.

Studies show that direct marketing returns a higher share of the food dollar to the farmer. For example, farmers' markets, the oldest and most widespread type of direct selling, typically provides 200-250 percent higher gross returns to farmers than wholesale fresh market sales.¹¹ A study from the Leopold Centre for Sustainable Development in Iowa showed that if Iowans increase their expenditure of local fruit and vegetables by 10 percent, Iowa farmers would receive an additional \$54.3 million in revenues (based on wholesale prices).¹² This is a significant amount of money that, unlike the money received by corporations headquartered in distant places, will be re-circulated in Iowa communities.

(continued on page 10...)

(How purchasing food locally..., from page 9)

A study from the Seattle area reports: many farmers credit the high return from direct sales with saving their livelihoods.¹³ An estimate from *Small Farm Canada Magazine* shows that if 10 percent of the population of a medium-sized town—the magazine used the example of Outlook, Saskatchewan (pop. 1,936)—bought their beef, pork, turkey, eggs and vegetables from local producers, citizens making those purchases would add more than \$150,000 to the area's economy, most of which would go to farms, and, thus, much of it will be re-spent locally. "Get 50 percent of the population buying local" the author states enthusiastically "and they've added three quarters of a million dollars to the local economy"¹⁴—the equivalent of creating more than a dozen well-paying jobs. As this local food advocate brings to light, your community's economic situation is, in part, a reflection of the prosperity and spending power of the surrounding farmers.

More wealth in the hands of farmers is not only just, but necessary. It is necessary for farmers' livelihoods and for community well-being. Alternative marketing and higher returns per acre contribute to local economic development insofar as a farmer's income will be re-spent locally on household goods, taxes and input supplies (such as seeds, tools, machinery, lumber, fuel, veterinary services, etc for the farm). Farms serving local markets have more direct contact with the local community, and as such, it is likely that small-scale farms are more attached to, and develop a sense of loyalty to their community. The chance that farms serving local markets will purchase their inputs locally is greater than industrial or export-oriented farms that do not have as great attachment or interest in the prosperity of the surrounding community. Just as consumers are encouraged to purchase their food locally, farmers are also encouraged to support local or regional businesses as much as possible, thereby creating a complete cycle of wealth within the community and a reciprocal flow of dollars between the town and country.

The more farms that enter direct farmer-non-farmer partnerships, sell at farmers' markets and run CSA in your area, the greater the economic impact of agriculture in your community. There are still many ways that local agriculture contributes to community development that have not been discussed here. As a consumer, entering into direct economic relationships and supporting the local or regional food system, returns more money to the producer and thereby to the local economy.

Local food creates employment

Above, we showed that locally owned and oriented food stores produce more jobs than supermarkets (supermarkets drain an estimated 3 jobs for every 2 they create, one study found). Local food systems create employment in other ways. First, production of food for local markets creates higher returns per acre—higher value crops (vegetables vs.

corn, for instance, or organically raised animals vs. hormone-treated animals) and higher prices as a result of fewer intermediaries. Thus, each acre surrounding a community generates more dollars that can flow into that community's economy (as shown above). And with more dollars produced per acre comes the potential for *more people employed per acre*—either directly on those farms, or in shops and services within the community.

Secondly, higher demand for genetically engineered-free and chemical-free food has led many farmers serving local markets to diversify or to produce organically. This shift to diversified organic production—a shift that in many communities parallels or accompanies the shift toward local food—provides further opportunities for increased per-acre returns. Research shows that small-scale, organic and diversified farms employ more people. A University of Essex study found that small-scale organic farms (36 hectare vegetable and fruit farms) in the United Kingdom (UK) employ more people than any other type of farm, with 5.23 jobs per farm compared to 3.08 (or 70 percent more) than organic farms overall.¹⁵ The study also found higher levels of employment on organic farms (30-50 percent higher per farm) than non-organic farms, both under commercial production.¹⁶

Although not all farms serving local markets will shift to organic and diversified production, the nature of a more localized food system will help to make the transition to organic easier and more likely. This is because diversified farms are more capable of meeting the needs of local consumers than farms specializing in only one or two crops. The motivations for diversified production (as well as organic methods) are not only economical but relate to the health and safety of farm families, wildlife and the wider community. Thus, local food systems can bring more jobs and promote more ecological and safe agriculture methods.

Thirdly, a report published on the benefits of direct marketing for rural development shows that activities like direct marketing and on-farm processing create additional opportunities for employment.¹⁷ Research from the Soil Association supports this finding, noting the greater likelihood of these activities being pursued by diversified farms.¹⁸ The relationship between employment and farm size and type is important for communities and consumers to consider when determining which agriculture system contributes most to their goals of social, ecological and economic development, and which systems should be promoted for the well-being of the community.

Fourthly, spin-off jobs are created from agricultural activity and spending by farmers and farm workers. As a report from Waterloo Public Health confirms, every job in the local agriculture sector supports an additional four jobs in the wider economy.¹⁹ Thus, fostering local agriculture and ensuring a viable and prosperous farming community provides the community with wealth and employment; benefits that reach beyond the farm to the community at large.

(How purchasing food locally..., from page 10)

Local food creates new opportunities

The demand for local production, processing, delivery, and marketing of food means that there will be more opportunities for people in the community to organize to meet those needs. There exist countless examples of local people—individuals or organized groups of individuals like co-operatives—inventing new ways of meeting the food needs of their community. Many local food businesses address the ‘short comings’ of the global system by offering more ethical and/or sustainable alternatives; businesses that internalize rather than externalize the human and ecological costs of food production.

Businesses are also being created by local people to ‘fill in the gaps’ left by corporate enterprises which have created unemployment and food deserts in both urban and rural communities. Local labelling, home delivery, community gardens, Community Supported Agriculture (CSA), fair trade, and the various food co-operatives are amongst the many examples of local people employing their skills to meet the needs of their community while stimulating economic activity. These are examples of people organizing to create more life-centred or ‘living’ economies.

The local food system can also create opportunities for people who have been marginalized by the dominant social relations of economics. Local food systems tend to foster more small-scale businesses which are less capital intensive. The small-scale, local food economies make the ‘tools’ for business ownership (and co-operative ownership) more accessible and thus more inclusive than globalized economies of scale where inequalities of gender, race and class create a host of social, psychological and financial barriers for many people. For a number of reasons, including the low cost for vendors, farmers’ markets can open up access to a diverse range of businesses and business owners. At the Queen’s Market, seven out of ten businesses surveyed were owned by “black or minority ethnic entrepreneurs”; the market provides space for 35 different kinds of businesses, and is a space in which entrepreneurs are “encouraged, nurtured, and supported”.²⁰

A local food system creates opportunities for local people to build living economies through equal participation in the market. Economic opportunities allow all people to use their creative imaginations to produce, sell, and consume food in ways that promote and maintain livelihoods and life—human and ecological—as well as proactive, sustainable development of their communities. In a system dominated by huge multinationals, citizens are primarily relegated to the role of employee, and often a low-level, low-paid employee. In a localized food system, citizens have more opportunities to self-employ, to collaborate, to shape their own work experience and employ their skills creatively and in ways that respect interdependency and the limits of nature. Greater local and meaningful participation in the economy leads to greater economic as well as social wealth and well-being.

Conclusions

Supporting locally-owned businesses and farms, instead of corporate chain stores and industrial farms wherever and whenever possible, starting your own local food enterprise, and/or joining with others to strengthen the local food economy will help your community thrive and prosper. Supporting local food increases dollar flows and offers an alternative to the corporate food system and its attendant extraction. In so doing, local food can help to build living economies: economies that are more democratic, inclusive and responsive to citizens’ needs; economies that ensure that the health and well-being of all is enhanced and secured. Substantial economic wealth is created by the food system. Local food provides ways in which local people can utilize and participate in creating that wealth. Even the biggest and best of the corporate supermarkets that sell local products cannot offer the range and magnitude of benefits that the local food economy offers in providing local goods and services as well as the promise of a better future for communities. — nfu—

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Too-rapid food price increases will kill urban poor

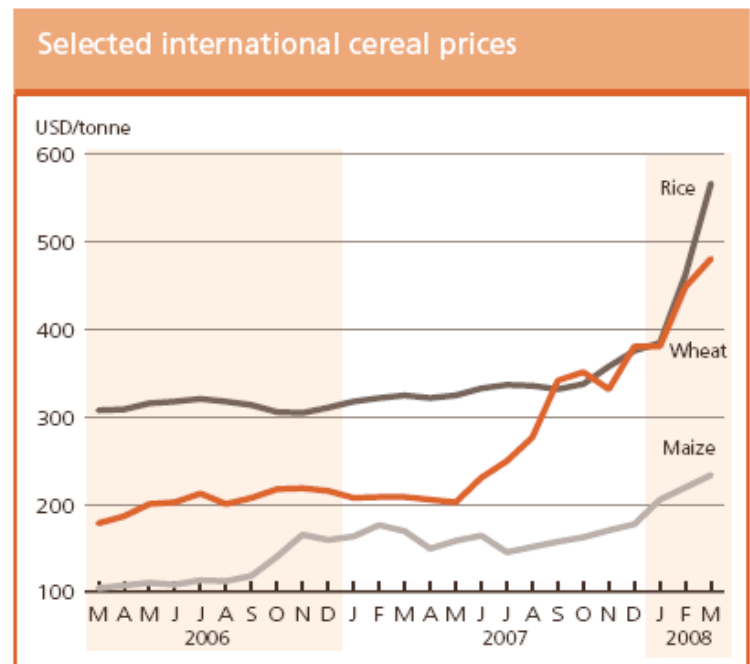
First, a qualifier: Food prices are not “high.” Prices are moving higher—the graph below shows sharp increases. But by historical standards—compared to inflation-adjusted prices of the 1940s, '50s, '60s, '70s, and '80s—food prices are not near the top of their range. To illustrate: farmers received, in their pockets, \$22 per bushel of wheat in the 1973/74 crop-year, when inflation is taken into account—this is the actual price received, not the peak of the market. The following crop-year, Ontario corn farmers averaged \$13 per bushel, with inflation taken into account. This gives some idea how far we are from “high” prices.

That aside, the impact of large grain price increases on non-farmers in Asia, Africa, and Latin America are devastating. People are rioting; people are dying. In 1973, prices rose similarly, but in that era, most people in non-industrialized nations were living on the land and producing their own food, or they were in small villages—close to food producers and participating in local exchange systems less-affected by global price spikes.

In the 35 years that divide 1973 from today, we urbanized the world. In 1973, 1.5 billion people lived in cities. Today, over 3 billion people, more than half the global population, live in cities. (The UN projects that 6 billion will live in cities by 2045). Many of those cities are in Latin America, Asia, and Africa. And urbanization is no accident. It was driven, to a large degree, by a flood of low-cost food from Canada, US, Australia, EU, Argentina, and other major exporters. We said we'd feed the world.

Staple-food prices have doubled in the past year. Rice is up 60% in just the past three months. Sharp increases such as these will have one set of effects on peasant farmers, but different and potentially deadly effects on the more than one billion people who live in cities and try to get by on a dollar-a-day. To them, this too-fast increase in global food prices is excruciating—a disaster.

As we grapple with intensifying food system constraints, we must find ways to maintain prices that support family farmers *and* that allow the urban poor to live. The choice cannot be between destroying family farms (as we've done since the mid-'80s) or destroying the possibility of survival for vulnerable populations. We must also examine who uses food and for what—we must look with fresh eyes at intensive livestock feeding and agrofuels. And we must support food sovereignty—enabling all the world's nations to take all necessary steps to strengthen their own food production and distribution systems, to make those systems more sustainable, productive, resilient, equitable, and just. —ntu—



Graph taken from:
 United Nations (UN) Food and Agriculture Organization (FAO)
Crop Prospects and Food Situation, April 2008