

# BACKGROUND

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## Going Local on a Global Scale:

Rethinking Food Trade in the Era of Climate Change,  
Dumping, and Rural Poverty

by Kirsten Schwind†

**F**resh, local food is a vision that unites community food security activists, environmentalists, slow food enthusiasts, and small-scale farmers globally. Supporting or rebuilding local food systems to bring fresh and culturally relevant food from local producers to local consumers catalyzes community and regional development in both the global North and the global South. Producing and marketing more food locally can help alleviate both global climate change and rural poverty. Building these local food systems requires rethinking the role of trade and the institutions that promote it.

### Trade Fuels Climate Change

Advocating for local food requires reexamining the deeply held economic theory of competitive advantage, which holds that each region should specialize in producing only what it can produce most cheaply, then trade with other regions for everything else. However, traditional economic calculations do not account for the true environmental cost of trade. For example, the potentially cataclysmic impacts of climate change mean that the environmental costs of transporting goods long distances are much higher than previously thought.

Most food travels hundreds, even thousands, of miles from farm to plate,<sup>1</sup> and the fossil fuel transportation infrastructure we rely on for all this trade emits greenhouse gasses that are contributing to climate change.<sup>2</sup> Climate change is raising sea temperatures and flooding coastal areas, and has the potential to increase crop failures, cause mass extinctions, and spur more destructive weather patterns such as hurricanes—all with profound implications for agriculture and human habitation.<sup>3</sup> Since the full consequences will not be felt for years after the greenhouse gasses have been emitted, it is exceedingly difficult to predict and price future ecological damage and add it to the energy costs of today's food system. Thus even prices that are adjusted to include current energy subsidies or minor "climate change taxes" are not reliable indicators of the ecological and social price of fossil fuel-driven global trade.



*A resident of public housing in Chicago, with peppers she harvested from her community garden.*

†Kirsten Schwind is Food First's program director.

Buying local food can make a big difference to the environment. For example, in 1920 Iowa produced a wide variety of fruits and vegetables, but now most of its fruits and vegetables are shipped from elsewhere. If Iowans bought just 10 percent more of their food from within the state, they could collectively save 7.9 million pounds of carbon dioxide emission a year.<sup>4</sup> The Japanese environmental organization Daichi-o-Mamoru Kai

(the Association to Preserve the Earth) found that if Japanese families consumed local food instead of imported food, the impact would be equivalent to reducing household energy use by 20 percent; the biggest impact would come from eating tofu products from soy grown in Japan instead of in the US.<sup>5</sup> And researchers in the UK have calculated that purchasing local food has a greater positive impact on the environment than buying organic food that is not local.<sup>6</sup> While some food trade is inevitable, such as tropical products like coffee that are staples in colder climates, a surprising amount of trade is duplicative and ecologically wasteful. For example, Heinz ketchup eaten in California is made with California-grown tomatoes that have been shipped to Canada for processing and returned in bottles. In one year, the port of New York City exported \$431,000 worth of California almonds to Italy, and imported \$397,000 worth of Italian almonds to the United States.<sup>7</sup> This sort of unnecessary trade mortgages our children's planet for profits today.

### Globalized, Consolidated Food Trade Undermines Local Economies

Food trade can also undermine rural economies. For those who think that lack of food causes hunger, it's surprising to learn that the world currently has an overproduction of basic food crops, which results in low prices to farmers and low rural incomes.<sup>8</sup> Overproduction also results in dumping: the selling of imported food at less than



*Macintosh apples picked at a Maine orchard.*

USDA Photo by Ken Hammond

it costs to produce it. Developing nations often point to the unfairness of this global food trading system. In response to low prices, many First World farmers receive subsidies, which can allow them to sell their harvests for less than the cost of production. Current trade rules permit this dumping, which can destroy nonsubsidized farmers' ability to compete. For example, rice, one of the world's most universal staple crops and a major US export, is sold on the world market at 20 to 34 percent less than what it costs the average US farmer to grow it—devastating competition for farmers who need to recoup their full production costs to survive.<sup>9</sup> In 2004, Indonesia banned rice imports to protect the livelihoods of its farmers, who produce enough rice to feed Indonesia's population.<sup>10</sup>

But if the farmers suffer, do the poor and hungry benefit from floods of cheap food? The surprising truth is that a vast majority of the world's poor make their living off agriculture, and 50 percent of the people who live with hunger globally are small-scale farmers.<sup>11</sup> The global overproduction of basic foods is a major factor driving low incomes and poverty in rural areas. Rural poverty drives urban poverty, as desperate economic refugees from failing farms drive down wages in urban areas.<sup>12</sup> Pro-poor development policies need to raise farm incomes for small-scale farmers. Reestablishing small farmers' access to local markets to sell their food is one such policy, and is the proposal put forth by Via Campesina, a network of nearly 100 major small-scale farmer organizations around the world.

The expansion of supermarket chains into areas that have long been supplied by local and regional farms through traditional markets is also working against small farmers and local food. From 1992 to 2002, supermarkets have increased their retail market share by 30 percent in East Asia (excluding China) and 45 percent in the South African region.<sup>13</sup> In addition, supermarkets are becoming highly concentrated in a few corpo-

rate chains—in South Africa, for example, the top 2 percent of food stores capture 55 percent of retail sales.<sup>14</sup>

As supermarket chains grow, they tend to centralize procurement for many stores in a few distribution centers, which buy in bulk from as few producers as possible, including importers of "cheap" commodities and large-scale farms, rather than from brokers that may purchase from smaller farms.<sup>15</sup> In addition to bringing food from farther away, supermarket procurement from a few large-scale suppliers drives a standardization of food that erodes diversity in taste, cultural heritage, and even nutrition.<sup>16</sup>

Supermarket concentration allows a few companies to demand ever-lower prices from farmers while driving locally owned food retail stores out of business. While chain supermarkets may offer lower prices to consumers, local businesses keep money circulating in the community and contribute more to overall community development. A Chicago study found that for every \$100 in consumer spending with a local firm, \$68 remains in the Chicago economy, versus \$43 with a chain firm, and that for every square foot occupied by a local firm, local economic impact is \$179, versus \$105 for a chain firm.<sup>17</sup> Another study found that union-busting megastores such as Wal-Mart have been found to actually exacerbate poverty in US counties in which they are located, soaking up government subsidies to its stores and to its workers, who are forced to use public benefits to make ends meet.<sup>18</sup> Work-

ers earning a living wage would not need to rely on artificially cheap food sold by Wal-Mart, and could support local farms and businesses instead.

## Trade Is Big Business

Promoting systems to market food locally for healthier communities and ecosystems requires transforming policies and institutions currently dedicated to promoting ecologically and socially damaging trade. Policies that promote trade liberalization as a global panacea for poverty, hunger, and inequality drive unnecessary trade, but the biggest beneficiaries are large corporations seeking access to markets and greater profits. The International Monetary Fund (IMF) and the World Bank have long promoted rapid trade liberalization with no clear evidence that it helps the poorest populations. Taxpayer-supported export credit agencies spend over \$100 billion a year funding loans to developing countries to import goods from corporations in the global North, increasing indebtedness.<sup>19</sup> Powerful countries set global rules in the World Trade Organization (WTO) and agreements such as CAFTA (the Central American Free Trade Agreement) that prevent communities, states, and sovereign nations from nurturing local production and regulating businesses according to the values of their citizens.<sup>20</sup> The US government, advised by a revolving door of big business executives, has demonstrated a willingness to go to war to protect corporate access to markets and trade.<sup>21</sup> These policies open market access for companies like the privately owned Cargill, one of the world's largest global food trading corporations, with profits surpassing \$1.3 billion in 2003—almost triple those of 2000.<sup>22</sup>

## Global Movements for Local Food

Local food activists in the US and around the world are rising to the challenge to make changes to allow local food systems to thrive. Citizens are passing innovative laws at the city, county, and state levels, including townships in rural Pennsylvania that are banning corporate ownership of

farms.<sup>23</sup> Community builders aren't waiting for supermarkets to come to their neighborhood, but rather are growing or buying food through urban gardens, school gardens, farmer's markets, community supported agriculture, and food purchasing cooperatives. The Community Food Security Coalition is developing programs for schools and hospitals to source fresh, healthier food from local farmers.<sup>24</sup> Environmental groups such as the Sierra Club are hosting locally grown dinners to pressure businesses to sell local food.<sup>25</sup> And the Business Alliance for Local Living Economies (BALLE) network is linking farms with other local businesses to create community networks to support local products.<sup>26</sup> Progressive farm advocates such as the National Family Farm Coalition are promoting agricultural policies to address dumping and reinvigorate family farms, as well as opposing coercive trade agreements.

Global movements are also taking action to defend and rebuild local food systems, as a strategy for self-reliance, cultural survival, and pro-poor development. Via Campesina has developed a platform of food sovereignty, "prioritizing local agricultural production in order to feed the people," and is developing new trade rules based on this concept.<sup>27</sup> Small-scale

farmers' organizations—Via Campesina members—from nearly fifty countries are uniting their power, lobbying their governments to remove agriculture from WTO negotiations. Before and during the 2003 WTO ministerial meeting in Cancún, grassroots pressure and protests from Via Campesina played a key role in convincing developing country representatives to end the talks rather than sign on to a damaging deal.<sup>28</sup>

The local food movement unites community activists, urban gardeners, small-scale farmers, environmentalists, teachers, chefs, nutritionists, local business owners, and eaters of fresh local food. The movement's potential to transform our food system is enormous. The successes of a cornucopia of community food programs, have already demonstrated how local food can foster robust local development, improve food security and nutrition, build community, and support productive family farms. Going local can also be a part of the answer to reversing global environmental degradation and greatly reducing rural poverty. It's time to scale up and institutionalize these successes through organizing for policies that promote local food systems globally, and dismantling those that promote ecologically and socially damaging trade.

### What You Can Do

- Shop farmer's markets and buy locally grown food.
- Ask your school to buy from local farmers.
- Oppose coercive trade agreements.
- Help build the links between local organizations and farmers working worldwide to transform the food system. Check out [www.viacampesina.org](http://www.viacampesina.org) and [www.nffc.net](http://www.nffc.net).

### Other websites to visit:

Food First ([www.foodfirst.org](http://www.foodfirst.org));  
the Community Food Security Coalition ([www.foodsecurity.org](http://www.foodsecurity.org));  
community supported agriculture ([www.nal.usda.gov/afsic/csa/](http://www.nal.usda.gov/afsic/csa/));  
farmer's markets ([www.ams.usda.gov/farmersmarkets/](http://www.ams.usda.gov/farmersmarkets/)).

## Notes

- 1 See Brian Halweil, *Eat Here: Reclaiming Homegrown Pleasures in a Global Supermarket* (New York: Norton, 2004) for an overview of studies on food miles. This very readable book is an excellent overview of the richness of the local food movement in the United States.
- 2 Hansen, et al., "Earth's Energy Imbalance: Confirmation and Implications," *Science* 2005 0: 11102522.
- 3 Canadian Department for International Development (DFID), et al., 2002, *Linking Poverty Reduction and Environmental Management: Policy Challenges and Opportunities*.
- 4 Rich Pirog, Timothy Van Pelt, Kamyar Enshayan, and Ellen Cook, 2001, *Food, Fuel, and Freeways: An Iowa Perspective on How Far Food Travels, Fuel Usage, and Greenhouse Gas Emissions*, Ames, IA: Leopold Center for Sustainable Agriculture, Iowa State University.
- 5 "Consumption of local food helps cut CO2 emissions," March 2, 2005, *Kyodo News*.
- 6 J. N. Pretty, A. S. Ball, T. Lang, and J. I. L. Morison, 2005, "Farm Costs and Food Miles: An assessment of the full cost of the UK weekly food basket," *Food Policy* 30:1-19.
- 7 Katy Mamen, Steve Gorelick, Helena Norberg-Hodge, and Diana Deumling, 2004, *Ripe for Change: Rethinking California's Food Economy*, International Society for Ecology and Culture.
- 8 Food and Agriculture Organization (FAO), 2004, *The State of Agricultural Commodity Markets 2004*.
- 9 Institute for Agriculture and Trade Policy (IATP), 2005, *United States Dumping on World Agricultural Markets*.
- 10 "Imported Rice Ban Could Be Extended Until 2005," September 6, 2004, Jakarta Post; found on the website of the Embassy of Indonesia in Canada, <http://www.indonesia-ottawa.org/information/details.php?type=news&id=83>
- 11 Food and Agriculture Organization (FAO), 2004, *The State of Food Insecurity in the World 2004*.
- 12 Maxmilian Eisenburger and Raj Patel, 2003, *Agricultural Liberalization in China: Curbing the State and Creating Cheap Labor*, Food First Policy Brief #9, Oakland, CA: Food First.
- 13 T. Reardon, P. Timmer, C. Barrett, and J. Berdegue, 2003, "The rise of supermarkets in Africa, Asia and Latin America," *American Journal of Agricultural Economics* 85 (5):1140-1146.
- 14 Dave D. Weatherspoon and Thomas Reardon, 2003, "The Rise of Supermarkets in Africa: Implications for Agrifood Systems and the Rural Poor," *Development Policy Review* 21 (3):333-355.
- 15 Ibid. Supermarkets don't have to drive smaller farmers out of business or eradicate local food cultures; a few firms do purchase from local producers or producer cooperatives, and many more could. And government policy could promote this choice: an especially innovative government commission in the UK recommended that retailers convert part of their store to a local farmer's market, in exchange for property tax benefits on that portion of their floor space. See Brian Halweil's *Eat Here*.
- 16 Harriet V. Kuhnlein, 2004, "Karat, Pulque, and Gac: Three Shining Stars in the Traditional Food Galaxy," *Nutrition Review* 62 (11):439-442.
- 17 Civic Economics, 2004, *Andersonville Study of Retail Economics*; found at <http://www.civiceconomics.com/Andersonville/html/reports.html>
- 18 Stephan J. Goetz and Hema Swaminathan, 2004, "Wal-Mart and County-Wide Poverty," Pennsylvania State University Department of Agricultural Economics and Rural Sociology Staff Paper No. 371.
- 19 Aaron Goldzimer, 2003, "Worse Than the World Bank? Export Credit Agencies—The Secret Engine of Globalization," *Food First Backgrounder* 9 (1).
- 20 CAFTA's chapter on investment, modeled on Chapter 11 of NAFTA, allows corporations to sue local or state governments for passing laws that may cause them to lose profits. This includes basic citizen protections such as environmental and labor laws.
- 21 Anuradha Mittal, 2003, "Open Fire and Open Markets: Strategy of an Empire," *Food First Backgrounder* 9 (3).
- 22 <http://www.cargill.com/about/financial/financialhighlights.htm#TopOfPage>
- 23 Adam D. Sacks, 2005, "Rights Fight: Local Democracy vs. Factory Farms in Pennsylvania," *Food First Backgrounder* 11 (1).
- 24 For more information see the Community Food Security Coalition website, <http://www.foodsecurity.org/> or Christine Ahn, 2004, "Breaking Ground: The Community Food Security Movement," *Food First Backgrounder* 10 (1).
- 25 See [http://www.sierraclub.org/sustainable\\_consumption/true-cost/](http://www.sierraclub.org/sustainable_consumption/true-cost/)
- 26 See <http://www.livingeconomies.org/>
- 27 See [http://www.viacampesina.org/art\\_english.php3?id\\_article=216&PHPSESSID=3009460b95082a11b59cb9ce44e880c2](http://www.viacampesina.org/art_english.php3?id_article=216&PHPSESSID=3009460b95082a11b59cb9ce44e880c2)
- 28 Interview with Ibrahim Coulibaly, farmer organizer from CNOP in Mali, 4/4/05.

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4

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