

Food First BACKGROUNDER

Our research and analysis is fueled by people like you. Help keep Food First an independent think-and-do tank today at foodfirst.org/support.

INSTITUTE FOR FOOD AND DEVELOPMENT POLICY

Summer 2018

VOLUME 24 • NUMBER 2



Parity and Farm Justice: Recipe for a Resilient Food System

By Patti Edwardson Naylor, George Naylor, and Ahna Kruzic

Every 4-5 years, the US Farm Bill bounces back and forth between the House and Senate chambers of the US legislature as progressive NGOs engage in lobbying efforts to support social programs like the Supplemental Nutritional Assistance Program (SNAP), Beginning Farmer and Rancher Program, the Conservation title, and now, the Farm Stress program.

None of these issues—important as they are to millions of people—address the crisis of US agriculture. None break the agrifood monopolies' stranglehold on our farmers, farmworkers, food workers, and consumers, or the negative impact the Farm Bill has on the global food system. None call for *parity*, the foundation for an equitable farm and food policy. What is missing, according to the authors of this Backgrounder, is *farm justice*.

The world's farmers produce 1 ½ times more than enough food to feed everyone.

The world's farmers produce 1 ½ times more than enough food to feed everyone.¹

Nonetheless, over 2.5 billion people—a third of humanity—suffer from hunger and malnutrition.² Diet-related disease resulting from the consumption of cheap, highly processed industrial food has become endemic throughout the world. In the United States over 41 million people do not know where their next meal is coming from. Why are people sick and hungry in a world of plenty? And just as importantly, why are farmers going broke when they are producing so much food?

Our food system is built for profit and responds to market demand, not to human need. People go hungry because they are too poor to buy food and get diet-related diseases because they can't afford healthy food. Farmers go broke not because they don't produce enough food, but because they produce *too much* food, which, in a "free market," drops the prices they receive for their products below their costs of production. This benefits processors, wholesalers and retailers, but not farmers. Seed and chemical companies also benefit because low prices drive farmers to buy more farm inputs so they can produce even more.

Many people say the food system is "broken," but it's not. It's working exactly as an unregulated capitalist food system is supposed to work: it overproduces food by overusing resources and exploiting people. It consolidates wealth and power and passes off the costs to the rest of society in the form of poverty, hunger, disease, and environmental "externalities." Farmers and rural communities are simply a means to a corporate end.

At the root of our food crisis is an agrarian crisis, many years in the making.

The US Farm Bill is ostensibly designed to address food insecurity, conserve

farmland, and ensure viable livelihoods for farm families. It accomplishes none of this. Rather, it maintains a corporate food system based on overproduction and boom-bust farm cycles, where for every food dollar, over 85 cents goes to companies after the food leaves the farm. For farmers, their expenses can exceed the remaining 15 cents, leaving no profit at all.

That's not how the Farm Bill started out. In the 1930's when the Dust Bowl and the Great Depression nearly destroyed US agriculture, President Franklin Roosevelt enacted the New Deal. He directed public investment to rural communities and introduced international commodity agreements to establish a price floor on farm products. The Agricultural Adjustment Act of 1933 (the first Farm Bill) stabilized farm economies by re-establishing an equitable relation between farm prices and the farmers' costs of production.³

These policies were called *parity*—they ensured farmers were fairly compensated in accordance with rising costs of production. When Mother Nature blessed farmers with bountiful harvests, the surplus was stored in a national food reserve called the Ever Normal Granary. Stored grain didn't flood markets or crash farm prices. In times of drought or food price spikes, grain was released from the

reserve, preventing food shortages and keeping prices accessible to the public. Instead of farmers struggling to "farm themselves out of debt" by increasing production and flooding markets (further lowering prices), farmers were guaranteed a fair price for their products, indexed to inflation. Farm program mechanisms for supply management limited the amount a farmer could produce to prevent wasteful overplanting and overproduction.

But before long, parity came under attack by agro-industry. Over time, grain reserves and price floors were steadily dismantled in the US and around the world, putting farmers at the mercy of the global market. Then, in the late 1970s, banks, bursting with freshly-printed war dollars from the Vietnam War (and the unprecedented profits of the 1973 spike in oil prices), provided cheap, easy loans to farmers around the world. Under the pretext of "saving the world from hunger" US farmers were encouraged to borrow heavily and to "get big or get out." Production boomed. Farm input suppliers of seeds, fertilizers, pesticides, and machinery raked in profits, as did processors and retailers. Land prices skyrocketed.

With everyone ramping up production, grains flooded the world market and prices plummeted. Banks raised interest rates and called in their loans, driving



Grain Elevator in Bushland, Texas.

Photo Credit: Charles Henry/ CC-BY-ND

With farm justice, the land and the wealth it produces belongs to those who work it, not to the banks, financial institutions, speculators, or agrifood monopolies.

farmers out of business. In the 1980s the US lost *half* of its farm families to bankruptcy, foreclosure, or unbearable discouragement.⁴ Banks forced many family farm livestock herds to be liquidated. The family farms that survived often did so by farming their neighbors' land, scaling up and planting more corn on more acres, with slimmer profit margins, and heavier debt burdens. The farm crisis continues today, and calls by industry to "double food production" by 2050 ignore the perils of overproduction (remember, we *already* produce enough food to feed 10 billion people). Today's free market requires farmers to aim for top yields, driving overproduction and low prices, with little regard for the overuse of chemicals and fertilizers. The median farm size has grown to twice what it was thirty years ago and farm production loans have ballooned in size.⁵ With rising interest rates and low prices, farmers are a crop away from bankruptcy.⁶

It's easy to see how long periods of low prices eliminate family farmers and hollow out rural communities. But even during periods of high prices—usually a short term boom—the inevitable competition between farmers is intensified. The results are the same: fewer farmers. Surviving farmers do not escape the market forces telling them to produce more and more in order to survive, even if it means going deep in debt. This further adds to the profits of the chemical and technology companies and increases land, air and water pollution. It also raises the specter of a not-too-distant future of farming without farmers.

Livestock production has moved from family farms to corporate ownership and production contracts. Corporations buy

mountains of cheap corn and soybean meal over the phone to feed animals that spend their short lives on slatted cement floors in confinement or in giant feedlots, cheek to jowl. Livestock had been an essential part of a family farm's financial health and soil-conserving crop rotations. Without these rotations, the results are an intensification of annual row crops of corn and soybeans which offer no ability to sustain the foundation of our society's food supply: healthy soil, clean water, and biodiversity.

Rather than this "cheap food system," that sacrifices society's long-term stake to short-term economic decisions taken desperately by farmers for their year-to-year survival, we need a food system in which family farmers can make a dignified living producing a diversity of nutritious food while also protecting the environment. Parity can show us the way.

With parity prices that ensure farmer prosperity, and reserves to ensure food security—marketing quotas can help solidify farm justice. Instead of aiming for the highest yield per acre, if a farmer was given a marketing quota of 10,000 bushels of corn on 80 acres, for example, the farmer might think, "How can I produce the 10,000 bushels without spending money on chemicals and fertilizer? Now I can conserve my land and maybe raise some grass-fed livestock on the land I don't need to raise corn." This farm is on its way to ecological farming—with positive impacts up and down the global food chain.⁷

We need Farm Justice

Like food sovereignty and food justice, *farm justice* is grounded in equity. To ensure rural livelihoods without de-

stroying the land or exploiting its people, farm justice supports parity policies to prevent capitalist overproduction and boom-bust cycles in agriculture. Farm justice provides structural incentives for environmentally sound production and discourages large-scale mono-cropping and confined animal feedlot operations (CAFOs). Farm justice promotes radical social inclusion in agriculture for women, immigrants, people of color, and young people, while producing healthy food for all. It prioritizes public investment in the countryside to secure the health, education, and wellbeing of rural communities. With farm justice, the land and the wealth it produces belongs to those who work it, not to the banks, financial institutions, speculators, or agrifood monopolies. Farm justice is ultimately global in scope because it values, honors, and respects *all* those who work to grow, process, cook and serve the food we depend on. Farm justice is a steadfast commitment to ending the structural conditions and power relations which prevent sovereignty for farmers of all nations, regions, and people around the globe.

The Grassroots Case for Parity

We expect farmers, workers, and their communities to bear the burden of a system that doesn't work for any of us, including taxpayers who pay to keep it running. For instance, the Farm Bill addresses the immediate threat of widespread bankruptcies by awarding farmers "deficiency payments" or subsidized crop and revenue insurance. Such safety nets only prevent the collapse of the commodity crop system. Many farmers still leave agriculture because farm income is too low to make a living. Those that remain have to get bigger. Such a safety net doesn't address the



Strike for Parity by Farmers in 1977.

Photo Credit: Oregon Dept. of Agriculture/CC-BY-NC-ND

actual market price of grain and oilseeds used as animal feed by feedlots. Consequently, the rise of CAFOs and the demise of diversified farms with livestock, manure, and sound crop rotations, is actually subsidized by taxpayer dollars to the benefit of the corporate food system.

It doesn't have to be this way. We can make parity a household word. It's as simple as believing in a living wage for farmers, and a just food system.

It won't be easy to replace our chemical-intensive agriculture system. Luckily, some remnants of New Deal programs

still exist and could be utilized in a strategy for farm justice. Democratically-elected county committees of farmers still exist, and they could make sure quotas are administered equitably and take into account local needs. Farm ownership and operating loan programs are still administered federally, and could be expanded to attract new farmers who are often denied financing from private banking institutions. Reversing the discrimination against African-American farmers that tragically characterized the original New Deal, today's parity programs would have to prioritize farmers of color, immigrants,

and women, leveling the playing field for those who are disproportionately disadvantaged in our current free market system. Progressive politicians and food and agriculture advocacy organizations can use the existing infrastructure as a bridge to build the farm policies we need to achieve farm justice.

As long as the debate on Farm Bill programs exclude the concept of parity, any piecemeal reforms will only perpetuate a wasteful, inequitable food system at taxpayers' expense. Multinational corporations will continue to spend millions of dollars convincing us only they can "feed the world," and telling us that any criticism of the corporate food system is an attack on farmers. This splits farmers off from the rest of society and makes them feel that they must defend agriculture from consumer discontent.

We don't have to be the victims of unrelenting corporate greed. If we—including the family farmers we still have—stand together behind parity, we can achieve farm justice and build a resilient, humane food system that works for us all.

Please visit foodfirst.org/parityandfarmjustice to view the endnotes and citations in full.

Food First

Copyright © 2018 by Food First / Institute for Food and Development Policy
All rights reserved. Please obtain permission to copy.

Suggested citation for this Backgrounder:

Naylor, Patti Edwardson, George Naylor, and Ahna Kruzic. "Parity and Farm Justice: Recipe for a Resilient Food System" Summer 2018 Food First Backgrounder Volume 24 Number 2 (2018). Oakland, CA: Food First / Institute for Food and Development Policy.

Food First is a "people's think tank" dedicated to ending the injustices that cause hunger and helping communities to take back control of their food systems. We advance our mission through three interrelated work areas—research, education, and action—designed to promote informed citizen engagement with the institutions and policies that control our food.

www.foodfirst.org
www.foodfirst.org/become-a-member