FACTS against MYTHS

VIKAS ADHYAYAN KENDRA | Vol VII # 4/2001 | INFORMATION BULLETIN

Prescription for TNC Takeover of Indian Agriculture:

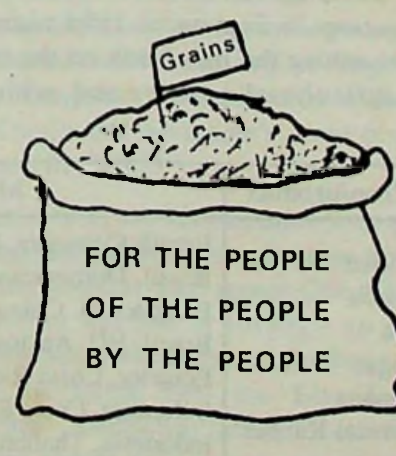
The Myths Behind the Agreement on Agriculture (AoA) – I

COMMENT

The globalisation of food in today's liberalised-WTO regime is an increasing economic reality with mega agri-business TNC becoming the dominant players. The detrimental impact of such corporations is the immense power they have accumulated and wield to change agricultural polices globally. This is bound to have far-reaching implications for Indian agriculture with severe repercussions to rural population, to food security, employment and poverty. With the imposition of the market-driven, capital-intensive agricultural paradigm the plight of the farmer will be further depressed and pushed deeper into the debt trap. With no hope of the situation changing for the better, he commits suicide. With Indian agriculture already in a state of crisis and taking the lives of rural population in suicides, the take-over of Indian agriculture by these mega corporations represents a major threat to the country's food-security and lifeline. Side-by-side the increasing deterioration in the WTO-induced terms of trade and the removal of the quota restrictions on imports on April 1, 2001 will spell the death-knell of a large number of agricultural products. The present government's obeisance and pledging to the US Government's demand on December 31,1999 led to the removal of all Quantitative Restrictions (QRs) even before the date 2003 stipulated by the WTO. The Prime Minister reportedly[1] ordered the removal of QRs on 714 items by April 1,2000 and the balance (715) on April 1, 2001. As part of this broad strategy, every year more and more commodities are free from QRs and brought onto the OGL (Open General License) list. Such removals along with tariffication are bound to hit the long-term sustainability of the agricultureal sector thereby adversly impacting food security.

The adverse impact of such a policy regime, imposed by this multilateral trading machine, the WTO, paves the entry of agribusiness TNCs in a big way which will transform the very structure of India agricultural economy. A two-pronged strategy has already been adopted to achieve this goal. One is to enter into direct contract with Indian farmers who are required to produce specific crops using specified agricultural inputs.

Free Movement of Food within India instead of Free Movement from US & EU



In the rural areas, for instance, various kinds of contracting procedures have being introduced by agribusiness TNCs, a method to pass on the risks of production to the farmers, while retaining the right to mop up the extra profits as and when they arise. American TNCs, Pepsi and Cargill have signed agreements with the governments of Punjab and Gujarat to launch contract farming with farmers as well as provide inputs like seeds and storage facilities to them. The second strategy is to take over production directly. The AoA allows the North to flood the South with highly subsidised food imports. At the same time, the South is also being pressured to end all State support to agriculture in the name of reducing fiscal deficit. These strategies will ruin especially small farmers and thereby enabling the TNCs and their Indian collaborators to take over their lands and set up huge farms to produce and export 'exotic' crops. Contract farming is already being practised by MNCs and their subsidiaries like Cadbury (Cocoa), Pepsi Co. (potato) HLL (milk, tea, chicory and tomato), ITC (oilseeds), Cargill (seeds), etc.

A recent study on contract farming states: "...Contract production tends to shift production in favour of export-oriented and cash crops at the cost of basic food crops for the poor. This can lead to higher process of the food commodities and products, especially for non-contract farmers and the labour households who do not benefit from contracting in terms of higher incomes"[2]

Historically, in the international arena, these multi-lateral terms of trade was not applicable to the agricultural sector; with no pressure whatsoever to lift tariff walls and quotas, etc. Thus, during successive trade talks at the GATT in Geneva, agriculture was not subjected to the same push to reduce tariffs and quotas as industry. The net result was the trade in agriculture remained virtually outside the jurisdiction of this global body. All this, however, changed when the last round of GATT trade negotiations was launched in Punta del Este, Uruguay in September 1986 when a broad consensus among the rich North on the urgency to reform agricultural policies and achieve trade liberalisation in the sector was arrived at. For the first time in the history of multi-lateral trade negotiations agriculture was brought into the purview of GATT, with the signing of the GATT Agreements in 1994. It became the stepping stone for adding new areas and new issues to its agenda and this adding of new issues to what is called "built-in agenda" of the Uruguay Round of Agreements will continue and even intensify in the coming years. The original 'Agreement', GATT (1947) had allowed various exceptions to rules on non-tariff measures and subsidies, accentuating these distortions. Subsequent consultations, however, culminated in the Agreement on Agriculture (AoA) which formed part of the Final Act of the Uruguay Round of Multilateral Trade Negotiations (1986-1993) and another form of external libralisation. Signed in April 1994 at Marrakesh in Morocco, it came into effect on January 1,1995 a result that should not come as a surprise at all since global agri-business operations have held enormous clout over the negotiations. In fact, C. Yeutar, a former employee of the TNC, Cargil and of the US Dept, led the US delegation! Thus, these multi-lateral trde negotiation mechanisms are clearly potent tools in the hands of the North, to continue their hegemony over the economies of the South.

Under the terms of the AoA, the South committed themselves to reduce their domestic support as well as their export subsidies to their farmers over a 10-year period. They are also obliged to increasingly open up their markets to the agricultural goods and services of other countries. Although these obligations applied to all states, the North (particularly the US and the EU, which determined the final shape of the Agreement) ensured that the interests of *their* farmers were not jeopardised. Thus, by an act of legal sophistry, the North succeeded to retain intact most of their subsidies to their farmers while committing the countries of the South to reducing, and eventually, to eliminating subsidies to their farmers. The AoA is thus a threat to people's right to food security. The threat operates in two ways. It limits government's actions and interventions to ensure stability of price for both farmers and consumers by encouraging export dumping. Secondly, as world

Crop/product	Major Exporters	Major Importers
Coffee	Brazil, Colombia, Guatemala, Mexico	USA, Canada, EU
Cocoa	Brazil, Dominacan Republic, Ecuador, Cameroon	USA, Canada, EU
Tea	Bangladesh, China, India, Sri Lanka, Indonesia	EU, USA, CIS, Australia
Sugar	Brazil, EU, Australia, Cuba, Thailand	EU, Russia, USA, Japan
Banana	Ecuador, Costa Rica, Colombia, Philippines	USA, EU, Japan
Natural Rubber	Indonesia, Costa Rica, Colombia, Philippines	USA, Japan, China
	Indonesia, Thailand, Malaysia, Sri Lanka	Germany, Korean Republic

Source: Commodity Market Review, 1998-99. FAO, Rome prices fall, domestic prices to farmers are forced to touch new lows, forcing them often into bankruptcy thus placing food security into jeopardy with the spectre of famine hovering over them. (Cf. FAM #2/20001)

These trade machinations are a product of an economic agenda that lays emphasis on the free play of markets and goods. Not surprisingly, therefore, the free trade vision expressed by AoA is of an integrated global agricultural economy in which all countries produce specialised agricultural commodities, and supply their food needs by shopping in the global supermarket. Food is grown, not by farmers for local consumers, but by TNCs for global markets. The consequences however of this global model are disasters for India's food security as subsistence farms are lost to export producers. The model is also extremely problematic for environmental and food safety reasons. For instance, the globalisation of food production and trade necessarily requires that agricultural commodities be transported long distances, and be processed and packaged to survive the journey. In addition to sacrificing quality and variety.

The above makes it clear that a hidden agenda operates behind the policies of these multilarteral institutions, namely, to enforce an international division of labour wherein advanced capitalist countrties will produce and export manufactured products (which are typically high value-added) and will import primary products from the South. This will become clear by examining the patterns of global agricultural trade. (See Table on pg.2) The only exception to this rule is that foodgrain production will be controlled by the North! In the case of wheat and coarse grains, the control is direct and obvious; all the major exports are from the rich North.

In understanding these dynamics and mechanics of global trade there is need to take a close hard look at the ways and means the North attempts, through the WTO, to appropriate the global economy by integrating the South's agriculture into the global design of the TNCs, comprising of G-7 (led by the US). The 4th Ministerial meeting of the WTO scheduled for this November at Doha, Qatar is thus relevant and ominous particularly to the countries of the South. Citizen's groups from the South and the North are rightly opposing the proposals being put forward by some countries to launch another "comprehensive New Round". Vested interests in the North are attempting to introduce new issues, namely investment rules, competition policy rules and government procurement into the WTO. The newly appointed Trade Representative of the Bush Administration, Robert Zoellick, tried various means including the stick and carrot in winning over the Indian government to "their" understanding on trade issues and the need for another "new" round of trade talks. This is how the North especially the US is applying their economic and military might as well as their political clout to make the South toe their line on these trade issues. These issues, however, are *not* trade issues and are inappropriate for the WTO to handle and if located in the WTO, would lead to disastrous consequences socially, environmentally, economically and for human rights, for people world wide. The Australian Bureau of Agriculture and Resource Economics (ABARE) which conducted a study of the impact of agriculture trade liberalisation on the South suggested that the South should exert as much pressure as possible at this Meeting in Doha to reduce market distorting subsidies and insist that their concerns should feature more prominently than in the past in such trade talks. Indeed, the clearing away the cobwebs of confusion built into the AoA under the facade of "complex issues" and the associated myths must be removed.

MYTH: ***AoA is a rule-based system aimed primarily to protect food security, nature and culture and at the same time helping small farmers and the Third World to be more competitive.***

FACT: The AoA is no doubt a rule-based system but these have been formulated mainly to pursue the goal of trade liberalisation of agriculture. The US in the Uruguay Round of GATT actively pushed it.

This rule-based system is, moreover, the wrong set of rules for protecting security, nature and culture. Instead they are perfectly shaped for the objective of corporate rule over our food and agriculture system.

The AoA rules (supposedly) apply to countries, even through it is not countries or their farmers that engage in global trade in agriculture but global TNCs like Cargil. These TNCs gain from every rule that marginalises farmers by removing support from agriculture and also from every rule that de-regulates global trade, liberalises exports and imports, and makes restrictions of exports and import illegal. Market openings through the AoA are therefore market openings for the Cargils and Monsanto's – not for the small farmers and the South!

These rules, then, are nothing more than a device to anaesthetise the public so that one senses the hijack of food systems by corporate power. One of the various means being applied is through an extremely complicated and confusing system of the so-called box system – the "Green Box", the "Blue Box" and the "Amber Box". In this way the WTO makes it difficult for citizens, policy makers, and government to figure out what is really happening! However, when decoded these "boxes" turn out to be cleaver ploys to safeguard the interests, providing the North with a cover in supplying domestic support to their own farmers. Policies that are not deemed to have a major effect on production and trade are classified as the "Green Box". Those that fall in between are called the "Blue Box" where direct support, indirectly covers the fixed costs of the farmer, leaving him only to bear the variable costs. This makes even the most inefficient farmers efficient.[3] Policies that do have a substantial impact on the patterns of flow of trade are called the "Amber Box" policies and are subject to reduction. These include budgetary outlays, foregone revenue, and payments at national and sub-national levels. These subsidies are labelled "production neutral" and are thus excluded from the definition of state support, which enable the farmers to enter the global market with lower prices. Countries like India with fiscal problems cannot even hope to implement similar provision even on a tiny scale.

Other illustrations[4] of how corporate, industrialised agriculture is given advantages through this so-called box system are as follows:

- The allowable 'Green Box' policies include 'producer retirement' programmes, "resource (land) retirement programmes", environmental programmes, marketing information, and infrastructure.

  The subsidy for producer retirement must be conditional on total and permanent retirement of the recipients from marketable agriculture production. Thus, farmers can get assistance to leave farming, but not for staying active as producers. The farmers also have no say in what happens to the land they leave. The subsidy for resource retirement must be conditional on retiring land from marketable agricultural production for at least three years, and in the case of livestock, on its slaughter or permanent disposal. For the most part, these "green box" policies will affect only farmers in affluent countries, since these governments are more able to pay for them.

- "Blue Box" policies include measures such as direct payments to farmers and land set aside. These policies are allowed as long as the supports are "de-coupled" from production supports. This implies that direct payments can be provided to support incomes of farmers, and that the overall cost of production will not be reflected in the price of commodities. In effect, these exclusions imply that incomes of farmers in the North will be directly paid by governments, and will not be influenced by trade. On the other hand, since incomes of farmers in the South are derived from production and trade, and not from direct income support from governments, these farmers will be totally vulnerable to changes in global trade patterns and international prices of agricultural commodities.

Further, it is well known that the farming sector in the North enjoys large subsidies. Ironically, however, they are not the main beneficiaries; the rules have not really benefited farmers so much as they have contributed to greater profits of the mega TNCs that today also control the distribution and marketing of food products. An adverse impact of such a developments is that American farmers are effectively being incorporated into a peculiar collectivisation of agriculture where these TNCs operate all the way along the value chain. It is precisely this model of growing corporatisation of agriculture and ago-processed commodity production that is being upheld as an example for countries such as India.

Further, the corporatisation of food production and and trade necessarily requires that agricultural commodities be transported long distance, and be processed and packaged to survive the journey. In addition to sacrificing quality and variety for durability, this system of agricultural trade requires enormous inputs of energy. In fact, when account is taken of all energy inputs, global food production and trade consume more fossil fuel than any other industrial sector. That is why international agricultural trade policies are likely to substantially increase greenhouse gas emissions and make climate objectives much harder to achieve.

MYTH: ***The AoA is in India's best interest and in no way infringes the rights of its citizens like endangering food security, etc. On the contrary, it will usher in a new era for agricultural trade the key to global food security.***

FACT: On the contrary! The consequence of this global model, however, is a disaster for the food security of both India and countries of the South. Subsistence farms lose to export producers and are also, as stated above, extremely problematic for environmental and food safety reasons.

Further, according to an FAO study[5] of 16 countries of the South, these countries have been experiencing severe drawbacks in implementing AoA. For instance, on Domestic Support the AoA merely consolidated and reinforced the earlier reform measures that were being implemented by countries as part of the SAPs, regional trading agreements, etc. There was also a general move towards concentration of farms with the importance of food security getting sidelined whereas exports were provided 'top priority'. The South also experienced greater marginalisation of its farmers and unemployment taken for granted in the name of promoting competitiveness in certain agricultural crops. The key reasons, however, for the crisis of agriculture in the South that in spite of AoA the farm sector in the North continues to be heavily subsidised whilst the South experiences an acute resource crunch. Finally, most countries of the North continue to display total indifference in implementing the various provisions of the AoA.

Finally, at the global level, the role of food trade is not to ensure adequate nutrition but to meet effective demand – demand backed by purchasing power. That is why most food trade takes place between people who are already adequately fed. Is it any wonder therefore that AoA occupies a pivotal position in the US farm export strategy for Asia. The US Department of Agriculture (USDA) estimates suggest that implementation of this Agreement will create market opportunities totalling more than $3 billion! According to a report in the Economic Times (20-11-1998) the USDA is also eyeing the Indian market: "The US also exports 2,000-5,000 tonnes of dry green peas to India every year. These may now increase after India decided to do away with customs duty on all pulses. Previously, all pulses were subject to a 10 per cent duty".

Thus, far from ushering in a new dawn for agricultural trade the AoA instead marks the latest phase in the rise of global food system structured round powerful vested interests based in the North to the detriment of the poor in the South. Global trade has little or nothing to do with meeting human needs!

MYTH: ***The orignal trade agreement, GATT also applied to agricultural trade but it had a minor loophole. For example, it allowed countries to use some non-tariff measures such as import quotas, and to subsidise.***

FACT: On the contrary! The original GATT (1947) did not apply to agriculture! (See above).

The point of removal of non-tariff barriers is merely a façade – a cover to open up wider opportunties for the TNCs to size larger and larger share of the markets and business of local firms of the South, converting them into an immense FTZ (Free Tarade Zone) (Cf. FAM # 8/1999).

Thus, the GATT was the worst rip-off of the lot, affecting a vast number of poor and small farmers around the world. Poor countries are not permitted – and have no resources – to support small farmers but must be open to subsidised imports. The rich North – and particularly the EU – continue to subsidise farmers and exports while restricting imports. Governments in the South are duty-bound to maintain food security. Subsidised food exports are quite another matter. 'Free" trade promotes food insecurity in hungry countries, which often have nothing other than agricultural commodities to export to rich countries.

MYTH: ***Integrating agriculture with global market provides the farming community worldwide and who are members of the WTO the opportunity of a level-playing field.***

FACT: Ground reality is just the opposite! Claimants of this myth conveniently forget that the development stage, sectoral composition of income and workforce, marketable surplus and competitive capability of countries of the North and the South are not the same. Even in the South there are enormous differences.

More specifically, as Quantitative Restrictions (QRs) have been replaced by tariffs under the WTO regime, Indian farmers are subjected to unfair competition from heavily subsidised grain imports from advanced countries.[6] The average tariffs in the G-7 countries for 1995 stood at 214 per cent for wheat, 197 per cent for barley and 154 per cent for maize, while the average import tariffs in the South were 94 per cent for maize and rice. As against this, India brought down its tariffs from as high as 250 per cent to just 15 per cent and thus created price crash to be suffered by the farmers.

Moreover, the agricultural sector of the North, mainly G-7 and the EU engages only 1to 4 per cent of their workforces, while that of most of the South 60 to 80 percent. A farmer in the North enjoys a handsome subsidy of $29,000[6] a year. According to the recent estimates, the total support extended to the farm sector by the G-7 rose from $308 bn. in 1986-88 to $347 bn. in 1997-99. Similarly the US domestic support for its farmers was $26 bn.in 1996, while in the EU it was $85 bn. Unfortunately, the figure in India was a negative of $23.7 in 1995-96. The terms of trade under globalisation thus have shifted very significantly against the interest of the countries of the South.

Even according to the World Development Report (2000-2001) the sectoral share of agriculture of low-income economies in their GDP was 27 per cent compared to only 2 per cent of the high-income group of countries in 1999. Unlike the countries of the North, where agriculture is a business, agriculture in the South is largely a means of livelihood. In 1997, the respective shares in the global agricultural export of Western Europe, North America, Asia, Latin America, Central and Eastern Europe, Africa and Middle East were 41,19,19.6,11.9,3.8,3.7 and 1.0 per cent.[3] Evidently, 60 per cent of global farm exports are captured by the North.

The gap between low-income economies and high-income economies, in terms of per capita GDP, has marginally increased during the 90 as from 1:61 to 1:63. It is now common knowledge that there are more than 800 million people globally who are chronically undernourished. Agricultural trade liberalisation has not contributed positively to world food security.

It is highly unfair that the farmers in the North, who are far more well off inspite of their own domestic problems, will continue to get such high levels of support from their governments. Evidently it hampers the prospects of the farmers of the South.

This significantly distorts the level playing field of competition and can create problems for the South in case they need to introduce these measures in the interest of development of their agricultural production.

MYTH: ***The AoA allows the South concessions to use public staockholding food grains for food security purposes provided that the difference between the acquistion price and the international price is accounted in the AMS.***

FACT: However, the capacity of the government to intervene in the market, in keeping with the needs of the food security, has been significantly circumscribed. If India were to acqurie food crops for stockholding under PDS at global prices, the food subsidy bill would mount beyond manageable limits. And considering the magnitude of the exisiting need for the PDS, retargeting the beaneficiaries would be politically difficult and practically impossible.

While this may appear to be a concession, in actual effect it is not so. The amount of this subsidy has to be included in the calculation of the AMS and this is subject to the overall committed ceiling. Hence, if a country in the South wants to provide this subsidy, it has to reduce some other subsidy; this it could anyway, without this 'concession'. Instead, there should be a clear provision that this subsidy will not be included in the calculation of the annual AMS.

Furthermore, the AMS criterion makes it difficult for the government to intervene in the market, in keeping with the needs of food security, as its capacity to do so has been significantly circumscribed. If India were to acquire food crops for stockholding under PDS at international prices, the food subsidy bill would mount beyond manageable limits. And considering the magnitude of the existing need for the PDS, retargeting the beneficiaries would be politically difficult and practically impossible. Interference with the PDS scheme is already leading to food insecurity.

MYTH: ***Government subsidies are production neutral schemes in public stocking of food***

FACT: This WTO "logic" on the whole question of what constitutes a subsidy in the WTO is questionable. A subsidy refers to a shift away from a market-oriented system of subsidising over-production towards a different system of subsidising over-production, which will result in roughtly the same amount of production being dumped on world markets. Thus, the claim that these subsidies are production-neutral is a blatant untruth. On analysis, it becomes clear that these subsidies will have the effect of increasing production by around 20 or 25 percent more than what is got under direct free market conditions.

If public funds and subsidies are put into the hands of big farmers who are producing cereals, it is not an unreasonable assumption that some of it is going to end up in production. And since around a third of that production is for export, is this not actually dealing with a 'de facto' export sul sidy? This raises the question, shouod not these compe satory payments be treated as production subsidies from the angle of the AoA or should not these be brought under the disciples of export subsidies?

Such trade agreements reinforce and complements the sort of libaralisation measures which South have been forced to undergo where subsidies and government intervention in markerts are considered counter productive. Such misplaced priorities dictate that the countries of the South do not have the right to pursue their own food security objectivies.

MYTH: ***By adopting modern agricultural (high-tech) practices productivity is considerably increased which will result in India successfully tackling its current crisis in agriculture.***

FACT: Government policy makers including bureaucarats are so conditioned to trite economic assumptions, they are unable to acknowledge how disastrous the globalisation of food is for rural agrarian economies like India. As mentioned elsewhere in this publication, it impels every region to specialise in whichever commodity its farmers can produce most cheaply, and to offer those products on global markets. All foods consumed locally, meanwhile, must be brought in from elsewhere.

The myth under question relates to the highly specialised farms that the dominant agricultural paradigm favours. Such modern farms are considered 'efficient' when they are large, monocultural, and employ heavy machinery. Attaining the scale needed and the equipment required could drain the capital reserves of all but the biggest farmers, saddling the rest with a debt burden few can escape. Eventually, small farms are driven under, and their lands are consolidated into those of the largest and wealthiest farmers.

Another relevant point, given its nature and characterised by small land holdings Indian agriculture is not in position to adopt so-called modern agricultural methods. With increasing population, land holdings have fragmented rapidly. In 1976-77, the average size of holdings was estimated at 2 hectares. By 1980-81, it had declined to 1.8 hectares, and today, it stands at 0.2 hectares. By the turn of the century, the average per capita land holding will be a mere 0.11 hectares.[8] The rapid expansion in the number of land holdings with less than a hectare under plough has meant an additional 6,00,000 farmers opting out of land every five years or so. And as if this is not enough, the number of rural landless has multiplied over the past few decade, at an estimated rate of 2 m. each year.

Another important factor is the issue of conventional agricultural practises being inextricably linked to irrigation and irrigation is still primarily tapped through large hydel projects. The whole political economy of the Green Revolution eclipses any debate on revaluing the land-based resources for bettering the overall rural environment. In India and other countries of the South resource maximisation has been the credo for the last 25 years and also the 'modus vivendi' for avoiding food shortages and famines. With overall agricultural growth rate declining, the cost of subsidising fertilisers has increased a treadmill small farmers especially cannot get off even if they wanted to. A rice farmer from West Bengal, for example, who occupies 3 'bighas' of land with 3 rotations annually would be reluctant to switch over if the profit margins are not guaranteed. Similarly, the various dry-land farmers who are desperate to upgrade their soil productivity and who want access to affordable fertilisers, pesticides and irrigation.[8]

Furthermore, the constant need to purchase the latest technology, the most potent chemical inputs, and the highest-yielding seeds places farmers firmly (again) on the 'technological treadmill'. Advances in technology may raise single-crop yields, but they also often lower the farmer's net income: capital expenses, debt service and production costs eat up a higher proportion of the farmer's income, while overall increases in output merely cause the price of global commodities to drop. In the US, for example, factory farming techniques – including carefully controlled heating and lighting specially formulated feed and heavy doses of antibiotics – enable the average poultry producer to raise 240,000 birds each year. But after expenses this prodigious (and inhumane) production earns the farmer only $12,000, or 5c per bird.[10] Such technological 'advances' typically do nothing to help farmers, but provides a boom to Agri-buusiness TNCs.

MYTH: ***For countries like India and the South it is cheaper to import cheap food crops rather than to invest resources in the costly process of producing food in the country.***

FACT: As far as the staple food is concerned this is an inappropriate claim. In theory it may be already; in practice it can be disastrous for the South.[10] First and foremost, the South suffers from a chronic shortage of foreign exchange. Dependence on imports for their staple food in such a situation may cause difficulties and uncertainties in the availability of food in these countries. Coupled with the privatisation of agricultural trade, dependence on imports of food may also cause serious uncertainties and frequent high increases in the prices of the staple food products. A delay in the import of food at the time of a shortage of foreign exchange will cause tremendous misery to the people, resulting, at times, in social unrest.

Second, even if adequate foreign exchange is available, imports may not be readily available at times of need for various reasons. A country can ill afford an uncertainty in the availability of food.

Third, dependence on imports for the staple food may reduce the foreign policy options of a country, at least on critical occasions, thus constraining its sovereignty in external relations.

Assured provision of staple food is almost as important for a nation food as somewhat different from the normal commercial transactions in international trade.

MYTH: ***Modern agriculture has no impact on climate or the environment.***

FACT: Agriculture's direct contribution to greenhouse gasses is less than that of industry. But it is nonetheless significant and it is mainly due to the intensification in agriculture that the industrial agricultural model precipitates. It has made the productivity of farmland ever more dependent upon massive infusions of energy to produce and operate farm machinery, and to produce chemical-based fertilisers and pesticides. But the largest energy demands with industrial agriculture has to do with packaging, transporting and marketing agricultural products. In the US, the average length of journey of processed food is some 3,000 km. Worldwide, industrial agriculture is responsible for approx. one quarter of anthropogenic carbon dioxide emissions, nearly 60 per cent of methane emissions and up to 80 per cent of nitrous oxide emissions. At least 40-m. tonnes of methane a year come from biomass burning, including the destruction of tropical forests.[12]

Further, the data available to those working to address climate change, obscures the underlying and structural relationships that are fueling the increasing energy demands of so many countries. Thus, energy/CO2 estimates are provided for commercial transportation and industrial processing. But no effort is made to dissaggregate that data to identify the portion attributable to moving, packaging and processing agricultual commodities. When a more comprehensive estimate is attempted a much different picture emerges of the underlying causes of global warming. For example the total energy demands of UK food realted industries (direct fuel to agriculture, fertiliser and agrichemical, machinery, transport, import of animal food, food processing, food distribution, import of human food, home cooking, and waste disposal) as a percentage of total UK energy use was 28%. (WTO...)

The main impact of industrial agriculture on climate, however, is in the degradation caused directly or indirectly to land. Under the IMF/WB domination, governments have sought to increase the amount of land under production, primarily in order to earn the foreign exchange that will (supposedly) enable them to service their debts and achieve export-led growth. Rather than address the skewed patterns of land distribution that have resulted from such development strategies – with the best land used by richer farmers to grow export crops – many governments have encouraged the landless to open up marginal lands, particularly forests. Meanwhile, those who previously farmed the land have been forced to clear the upland forests, which are curently being lost at the rate of over 20,000 hectares a year.[11]

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