

booklets

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AGRO-INDUSTRY UNDER SUSPICION



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INTRODUCTION

On April 17, 1996, 250 leaders of *La Vía Campesina*, representing some 80 organizations from all over the world, were holding their second conference in Tlaxcala (Mexico) when they received news from Brazil. That same day, in the municipality of Eldorado dos Carajás, located in the Amazon state of Pará, more than 1,500 women and men of the Movement of Landless Rural Workers seized and blockaded the main highway, demanding that the federal and state governments adopt immediate measures for agrarian reform. This was happening in a country where only 2% of landowners control more than half of the fertile land, while more than 100,000 families have to sleep in tents on lands they have invaded. Around four o'clock in the afternoon, 155 members of the State Military Police attacked the protesters without pity. They killed 19 persons and wounded 69, of whom three died a few days later.

Fourteen years later, that massacre, orchestrated by the large landholders of the region with the consent of the government, has gone unpunished. The shots fired in Pará echoed loudly in the meeting in Tlaxcala, and since then, every April 17th, thousands of small farmers and many others who support their cause organize actions and events to recall the situation of oppression and marginalization to which the capitalist system has doomed countless landless farmers.

In its convocation notice this year, the *Vía Campesina* cites events in Honduras, where last year several members of the United Small Farmer Movement of the Aguan Valley were killed for defending land that would allow them to grow their food crops. The convocation goes on to state that repression against small farmer organizations is continuing in many places that there are many «April 17ths» being repeated around the world. In addition to the longstanding abuses of the big land-

holders, however, small farmers are now confronted with the tremendous power which the transnational corporations exercise over the whole food chain. The big corporations control the markets for seeds, for herbicides and pesticides, for fertilizers, for water, and for animal and plant genetics. Still another new tendency, often carried out with the collusion of the governments themselves, is the corporations' direct control of much of the productive land. Monsanto, Cargill, Carrefour, Archer Daniels Midland, Nestlé, and Syngenta are some of the most aggressive corporations cited by the *Via Campesina*. They have become the "masters" of a globalized agriculture that is forcing millions of small farmers to abandon the countryside and move to the fringes of the cities, where they live in extreme poverty. Meanwhile the corporations, using their intensive production models, inflict even deeper wounds on the health of the planet.

On 17 April 2010, the *Via Campesina* and its allies focused all their actions and energies on pointing out the tremendous damage that the corporations are causing. In so doing, they sought to destroy the myth which claims that the agriculture of the rich countries is in competition with that of the countries of the South. In its efforts to strengthen the offensive against the transnationals and to create a «world without *Monsantos*», the *Via Campesina* reminded people of the successful actions which show that things can indeed change, but it also specified other things that still need changing. The *Via Campesina* is opposed to the advance of transgenic

technology, which it sees as a way of dominating small farmers and a threat to natural biodiversity. Last year in January pressure from civil society in India succeeded in preventing the approval of a transgenic type of eggplant which had been engineered by Monsanto. The *Via Campesina* also recalled the occupation they carried out in 2006 at the research laboratory of Syngenta in Brazil, with the aim of warning people that that transnational was illegally sowing several hectares of transgenic crops in Paraná state. As a result of that occupation, those lands were transformed into a center for the study and research of agro-ecology.

In Europe, besides the protests against the recent decree approving new transgenic varieties, many activities are being organized and coordinated for the purpose of exposing the power that the large supermarket chains exercise over our agriculture. Recent studies have revealed a reality that is both highly significant and extremely worrisome: at the present time in Europe, the large supermarkets have absorbed some 80% of the retail food market. In the United Kingdom, for example, one out of every seven pounds spent in retail trade is spent at Tesco, a huge superstore chain. Like its fellow retailers, Tesco takes advantage of the deregulation of international commerce to buy its merchandise in the world markets at the lowest possible prices. Meanwhile the social and environmental costs are hidden in the sticker price. «When a product reaches the marketplace», explains Susan George, «it has lost all memory of the abuses which

produced it, both on the human plane and on the natural».

The whys and wherefores of this booklet

This booklet is an urgent and necessary wake-up call about the real-life situation in which more than half the world's population is now living. Even as the urban way of life is being proposed and imposed as a universal model of development, its values and culture overwhelm us. For those living in the cities, it becomes increasingly more difficult to think about what lies behind a tomato, a chicken, or a pineapple, which are purchased mostly in large retail chains like Carrefour or Mercadona. Meanwhile some three billion persons continue to produce almost all the food they consume, and they are effectively feeding 70% of the world population.

The aim of this booklet is:

– To make people aware of the real-life situation of small farmers around the world and the structural causes which result in their being the social group most sorely afflicted by poverty.

– To highlight the role of big agro-industry and the multinational food corporations as the new agents directly responsible for the oppressive situation in which small farmers around the world are living, and to demonstrate how these corporations pull all the strings of the world food system in which we are all immersed.

– To make clear that, despite all the difficulties, the movements and organizations of small farmers in the world have a good grasp of the situation and are capable of offering an alternative to the system, provided they can count on the support of other social movements.

1. SMALL-FARMER POVERTY AND THE GLOBAL FOOD-SUPPLY SYSTEM

The International Fund for Agricultural Development (IFAD), a dependent organism of the Food and Agriculture Organization (FAO), published a report in 2001 with the title «Rural Poverty in the World»¹. This report revealed a reality which has tended to remain hidden, obscured by macroeconomic figures. Agreeing with the findings of other international organizations, the report claimed that 75% of persons suffering hunger live in rural areas and that most of them work as small farmers.

In its projection of agricultural development to the year 2030,² the FAO indicates that, even though a majority of the world's population will live in cities by that time, 60% of the persons suffering hunger will continue to live in rural areas.

1.1. Small farmers, poor and hungry

The reasons behind the poverty of small farmers are structural; they experience extreme difficulty in gaining access to the resources they need.

1.1.1. Land in a few hands

Even though some experts would have us believe that agrarian reform is no longer a major concern, the best bulwark for protecting small-farmer families from misery is the availability of sufficient land. People's relationship with the land is what determines many situations of injustice. A reduced number of large landholders control now most of the cultivable acreage, while a great many small farmers own or lease tiny patches of land of inferior quality. Large landowners and companies, both national and foreign, unjustly and with

impunity appropriate lands and develop economic activities which exhaust the natural resources. In so doing, they violate the rights acquired by the small-farmer families and so commit an intolerable injustice. In most countries it is this unjust distribution of land which is at the root of the poverty of small farmers. In Guatemala, for example, just 2.56% of landowners (with an average of 200 hectares each) control 65.1% of the land. Meanwhile, 88% of the small farmers have at their disposal only 16% of the cultivable land. In Guatemala some 32% of the population is suffering from hunger.³

Consequently, a key element for combating world poverty is the implementation of an authentic agrarian reform, as unrealistic as that may appear. At the present time the traditional processes of agrarian reform have been neglected by the World Bank in favor of what is known as «market-assisted agrarian reform», which understands cultivable land to be just one more item of merchandise, available to whoever can purchase it. These policies have given rise to a scandal of global proportions, which led the FAO to call an international conference in the fall of 2010 to analyze the hoarding of lands by large companies in Africa.

1.1.2. Commercialization of water

Water is another important resource influencing the possibilities of development for small farmers. The neo-liberal path promoted by most governments and multilateral organizations involves the privatization of water resources on the grounds that such privatization will

allow for better management of water storage works such as dams, reservoirs, wetlands, etc. Naturally, privatizing such a resource favors the large corporations over the small farmers, and the corporations unfortunately, due to lack of control on society's part, make excessive use of the resource for their own economic interests.⁴

In Ghana the World Bank, as a condition for offering credit, required the government in 1995 to liberalize the price of water. Within one year the price per cubic meter increased 15-fold, so that many small farmers were unable to continue their cultivations of fruits and vegetables. In the region of Andhra Pradesh, India, the largest farms are concentrated at the headwaters of a canal built along the Tungabhadra River, while the smaller farms are located at the mouth of the canal. As a result, the water reaching the poor farmers is scarce and contaminated.

1.1.3. The Green Revolution

It was, however, the commitment of governments to the Green Revolution which ended up causing disaster for poor farmers throughout the world. The Green Revolution consisted basically in the following: injection of new technology (pesticides, chemical fertilizers, improved seeds, machinery, etc.); promotion of specialized, very efficient crop varieties which required special technical conditions; and localization of production according to strict agro-climatic specifications. Little by little this model led to the elimination of the small farmers' ancestral knowledge of agriculture; the techniques that they had

been learning and using for centuries were scorned as “primitive and unprofitable”. By means of technological packages (sometimes subsidized) and by virtue of its immediate results (high productivity, competitive possibilities, etc.), this agrarian model made its way into local cultures, so that today it is the principal model in industrialized countries and is making rapid progress in developing countries. The imposition of this model, which at first seemed harmless and even beneficial, has had extremely harmful economic, social, and environmental effects.

Good strategies for reducing rural poverty depend on policies which actively favor family agriculture, rural development, and agrarian reform. Nevertheless, in recent years the funds assigned to these three rubrics have been reduced by between 12 and 20%. Meanwhile, development aid, though increasing in global terms from 4 billion to 100 billion dollars, has reduced its contribution to this sector: whereas before it represented 15% of the total, now it accounts for only 4%.⁵

1.1.4. Strategies of Resistance

Despite the difficult living conditions of small-farmer families throughout the world, they continue the struggle, strong in their strategies of resistance. Rural homes produce most of their own food, whether on farms or by fishing. At times they combine this production with food-gathering or forestry-related activities. Whatever surplus they have is not accumulated but is exchanged for other necessary items in local markets or in

their own community. The money obtained from selling their products is spent on locally supplied goods and services, such as materials and tools, repair of machinery, etc. Any small savings are reinvested in sectors that are located nearby. Every improvement of the traditional productive systems produces great benefits in real terms for the whole community. According to the reliable data of both the FAO and the UN Conference on Trade and Development, about 70% of the world's food supply comes from these small-farmer units.

1.2. Poorly supplied cities

Recent reports tell us that 40% of the world's population now lives in cities and that by the year 2030 that figure will have reached 60%. In Latin America some 75% of the population already lives in cities. Twenty cities of the world have a population exceeding ten million inhabitants. Poor people living in cities spend on average about 30% more of their income on food than do poor people living in the rural areas.

Concern about food security is especially important in the large cities of the developing countries, where the poverty rates sometimes exceed 50%. Examples would be Guatemala City (80%), Chittagong, and Bangladesh (78%). The problem is evident: urban families spend between 60 and 80% of their income on food, with the result that they are especially vulnerable to price increases caused by anything from sabotage of the means of transportation to

monopolization of distribution and commercialization. Poor families are the final link of a long food chain, and they often have little choice when it comes to deciding what to buy or from whom to buy it.

The cities of the developing countries are those which especially suffer from supply problems, one of which is an inadequate transportation infrastructure, resulting in 10 to 30% percent of foodstuffs being lost to spoilage. The lack of systems of refrigeration and preservation means that another 20% of food brought to the cities is lost and there is an increased risk of sickness due to lack of hygiene in the food supply. There is little planning in the operation of local markets, so that they often lack many things that would benefit the city inhabitants. An effective supply and distribution system would guarantee better access to foods. The basic steps for such a system would include establishing communication with farmers interested in selling in the local markets and making market stalls available to them, with adequate facilities for loading and unloading their products. All this, however, requires planning on the part of the towns and municipalities, and ordinarily there is none.

1.3. A globalized food system

The expansion of the Green Revolution prepared the ground for a new worldwide food system. The increase in production under very specific conditions led to the development of zones of high agricultural productivity. The concentration of capital investments in these

zones, combined with agrarian policies aimed at promoting increased production, quickly led to the de-localization of agricultural production. A race was started in which large corporations considered it more profitable to move their production from California to Mexico, or from the south of Spain to the Maghreb. As a result of this shift of production to other countries, it became necessary to discuss the conditions for importing and exporting foodstuffs.

1.3.1. International Commerce

The realities of international commerce are so complex⁶ that it is difficult to analyze the figures with great precision. In making a valid assessment, it is necessary to distinguish between imports and exports since each of these movements implies a distinct reality. It is also necessary to distinguish between continents, and in some cases it is even necessary to differentiate countries with a key role in world trade, such as China and Mexico, from other countries on same continent. It is likewise necessary to distinguish between basic products and elaborated products, but even then there is a big difference between selling oil and selling coffee, and a country that exports clothes and textile products is quite different from a country that exports microchips.

The total volume of world trade, considering both imports and exports, is valued at approximately 6.19 trillion US dollars annually. Of this total Africa's share is only \$145 billion (2.3%) and Latin America's is \$359 billion (5.8%). Some 75% of world trade is controlled

by just 22 countries. These countries are, in the order of their percentage of participation: USA (16%), Germany (8.2%), Japan (7%), United Kingdom (5%), France (5%), Canada, China, Italy, Hong Kong (4% each), and then Holland, Belgium, South Korea, Mexico, Taiwan, Singapore, Spain, Malaysia, Sweden, Russia, Switzerland, Australia, and Austria with about 2% each. It is interesting to point out that, except for Brazil and Argentina, it is the same countries that import and export. Some 45% of international trade consists of commercial flows among subsidiary enterprises of multinational groups. That is to say, it consists of flows of primary products and pieces for assembly between different units of the same multinational corporations. That means that 45% of international trade is not destined directly for the consumer but is part of the processing chain within enterprises. Of the total exports of developing countries, 70% are assembled products or low-quality manufactured goods requiring little technology (leather, shoes, clothing, toys, cleaning products), 10% are agricultural products, and 20% are non-renewable raw materials (oil, gas, minerals, wood, etc.). In a way, international trade has contributed to the consolidation of the international division of labor and production.

1.3.2. International Agricultural Commerce

According to data of the FAO's Basic Products Committee, International trade in agricultural products represents only

9% of the worldwide production of agriculture, stock-raising, and fisheries. The composition of this agricultural market is as follows: 20% consists of surplus products (from the European Union, the G21, and the USA), a third consists of so-called international products (coffee, chocolate, cotton, sugar, etc.), and another 40% consists of processed food products. Of the most dynamic agricultural products⁷ in the world market, first place is held by silk, coming mostly (89%) from China and India. After that, second place is held by non-alcoholic drinks, the main exporters of which are France (with 19% of the market), Canada (7%), USA (7%), and Belgium (7%). Similar concentration of the market is found also in third place (prepared grain products), fourth place (food products prepared for production), fifth place (sugar prepared for industrial use), and so on until reaching number 20 in the list of most dynamic agricultural products, cheese and milk products, in which France represents 19% of the world market, Germany 15%, Holland 13%, and Spain 12%.

1.3.3. The Role of the WTO

For several decades now the international community has made successive attempts to create an organization that would be responsible for organizing this worldwide trade. The World Trade Organization (WTO) was created through a long, complex process of negotiations known as the «Uruguay Round», which culminated in January 1995 with the Marrakesh Protocol. Another outcome of the Uruguay Round negotiations was the Agriculture Agreement, which from

the start became part of the WTO's juridical corpus. No sooner was that round finished when the developed countries considered it necessary to begin a new round of negotiations, which took place in Seattle in 1999. So far there have been nine such summits, and their most permanent effects have been mostly to advance the liberalizing program. There have been many problems, however, because of the organization has been socially and politically discredited and many of its economic recipes have been harshly criticized. The main function of the WTO has been the liberalization of the market. As a result, food products are considered to be just one more marketable commodity, and the objective of the Agriculture Agreement has been to eliminate commercial barriers between countries,

whatever form they take, and to create a single world market of food products, free of all national or regional regulation.

The world food market cannot be understood apart from the role played by the large national and transnational enterprises. Breaking away from the logic of a productive sector accustomed to producing for local consumption implies a reordering of the business structure, with the result that food-producing companies become increasingly monopolistic and decentralized. Especially in the last twenty years the process has become unstoppable: the food production multinationals have grown in size and monopoly power, and they have increased their control over every link of the chain, from production to distribution.

2. THE MULTINATIONAL FOOD CORPORATIONS⁸

The political history of small farmers reveals that as a social class they have always been oppressed and deprived of their rights. Millions of Africans were transported from their native lands to Latin America, where they were forced to labor as slaves on plantations of sugar, coffee, or cacao. Millions of small farmers have been displaced from their ancestral lands for the benefit of a few businessmen who have eliminated the basic crops which fed these families and replaced them instead with products designed for export and profit.

Millions of small farmers have been reduced to being wage laborers in the large agro-industrial enterprises, or they have been obliged simply to emigrate, thus repeating history all over again. Many children in rural areas throughout the world are obliged to work on the farms of feudal lords. And as always, agricultural enterprises –such as the famous banana companies operating in the infamous “banana republics”– play a key role in the impoverishment of small farmers.

2.1. A growing power

At the beginning of the 1990s, thanks to the backing and the expansion of the Green Revolution, the large agricultural enterprises which produced seeds, fertilizers, pesticides, machinery, etc. already had a very significant presence in the sector. Even then they were considered a latent threat because of their ability to influence political negotiations. While they claimed to be improving production and increasing food

supply, they were also strongly promoting an industrial model of agriculture which was destroying agricultural biodiversity.

Thanks to the economic globalization and the neo-liberal policies that has characterized these twenty years, corporate power within the food-supply system has vastly increased; it now dominates so many segments of the food chain that we can state without fear of contradiction that it is now the corporations that determine the global rules, whereas governments and public research agencies simply follow their directives. The corporations use all their power to expand monocultures; they attempt to do away with the small-farmer systems for possession, use, and exchange of seeds; they seek to control

animal genetics; and all segments of their production models are highly integrated. What is more, even at the retail end of the food-supply chain, the large corporations control a large and growing proportion of food distribution, to the great disadvantage of the local markets.

This growing concentration has been taking place at every stage of food production. Data available for the year 2007 already revealed an extremely dangerous situation.⁹ The five largest food-producing transnationals were responsible for 75% of world trade in grains. Cargill alone controlled 42% of corn exports and 33% of soybean exports from the U.S.A. The following table gives an idea of the degree of concentration.

PRODUCT	MARKET CONTROL	COMPANIES
Wheat, Corn and Soybeans	6 companies control 85% of the market	Cargill, Continental, Louis Dreyfus, Bunge et Born, Toepfer
Coffee	6 companies control 85% of the market	Rothos, Cargill, Aron, Volkart, Socomex, ED&F Man
Sugar	4 companies control 60% of the market	ED&F Man, Sucden, Phibro, Tate and Lyle
Bananas	3 companies control 80% of the market	United Brand, Castle&Cook, Del Monte
Cacao	3 companies control 80% of the market	Gill et Duffus, Berisford, Sucden
Tea	3 companies control 85% of the market	Unilever, Lyons-tetley, Ass. British food

2.2. Companies near the seats of political power

This dominant role of the food multinationals found institutional protection and favorable regulation in the WTO itself, but such an outcome would have been much less likely if there had not

existed from the beginning a confluence of interests between the governments of the negotiating countries and the multinational companies.

From the negotiation of the trade agreements themselves to the composition of the working groups and com-

missions, there are hundreds of cases demonstrating complicity of interests between governments and companies, a practice commonly called «revolving doors». One example is the case of M. Daniel Amstutz, who in 1993 was a high-ranking executive of Cargill. He left his position to become Trade Representative of the United States, just as the General Agreement on Trade and Tariffs (GATT) was being finalized and the WTO was being created. After a time Amstutz returned to Cargill. Another case is that of Arthur Dunkel: he was general coordinator of GATT from 1980 to 1993 and then joined the administrative board of Nestlé. His successor, Peter Sutherland, ended up at British Petroleum. Michael Kantor made a return trip, moving from Monsanto to the US Department of Commerce and back again. The former European trade commissioner, Lord Brittan of Spennithorne, left his public functions in 1999 and joined the administrative board of Unilever.¹⁰

Another outstanding case involved the Kraft company, producer of Milka chocolates, Oreo cookies, Philadelphia cream cheese, *El Caserio* cheese, and many other familiar items found in almost any refrigerator or pantry. In the first semester of the “critical” year 2009, Kraft generated profits of \$1.487 billion, which represented a 10.6% increase over 2008. A major shareholder in the country is Mr. Warren Buffet, one of the three richest men in the world and «business and finance» adviser to Mr. Obama, to whom Kraft contributed financial backing in the presidential elections.

Influenced both by the deregulation of markets and the instructions (or pressures) of the International Monetary Fund, the World Bank, and the WTO, many countries have been induced to design agricultural policies geared to exportation and to sale of raw materials, in the belief that such policies are the formula for development. As has become evident, such policies have led instead to a loss of food sovereignty, with the result that the population becomes vulnerable to food shortages. In all these developments, there is one rule that is being observed perfectly: the more agro-exportation there is, the greater is the participation of agri-businesses and less opportunities are there for the small-farmer sector.

2.3. Getting on the wagon of the Green Revolution

Industrialized agriculture (the Green Revolution) functions as a single package into which everything fits and from which nothing escapes. Not only does it specify a particular kind of seed, but it requires the associated agro-chemicals and imposes very strict irrigation and fertilization guidelines. Sowing takes place on large plantations, where there is hardly any presence of small farmers. Such a model has room only for the participation of huge corporations carrying out various stages of production, a situation which has favored the model’s expansion.

The most dramatic and illustrative case is the explosive growth in sales of Monsanto’s transgenic soybean seeds. In Argentina, Brazil, and other coun-

tries of the Southern Cone, there has been since 1996 a massive expansion of soybean plantations for export. Another example is China's program for introducing hybrid rice to other countries of the area, with the aim of stimulating its cultivation for later exportation to China itself.

We can get a good understanding of the evolution of the power of the corporations during the last twenty years by examining the expansion of the "plantations," that is, the large-scale industrial monocultures. In 1995 soybean cultivation occupied some 61 million hectares, but by 2007 it had increased to 92 million. In the case of African palm, the extent of cultivation rose from 5.5 million hectares to 13.2 million. Sugar cane increased from 18.5 million hectares to 22.7 millions, and fast-growth trees, cultivated mainly for processing into paper pulp, expanded from 137 million hectares to 185 million. In sum, this type of cultivation associated with large corporations has increased to the point of occupying 20% of the total cultivated area of the planet. And many of these plantation crops do not even provide food for humans.

It is obvious, then, that the great difficulties small farmers have in keeping their lands is due to these new cultivation models and not to natural catastrophes, as the companies would often have us believe.

2.4. And now waving the banner of solidarity

At the present time there are various programs aimed at developing a second

round of the Green Revolution, this time in Africa. A number of large corporations, with the backing of foundations (e.g., Gates or Rockefeller), is promoting a series of projects which will facilitate the installation of those corporations in Africa, where they will be able to expand their production and their market, displacing the national public systems in the process.

The organization GRAIN explains the process thus: «The pattern they typically follow is first to develop projects in which small seed companies are set up. These companies establish channels of commercialization and develop networks of seed producers. Sooner or later most of these small seed companies are bought out (or crushed) by the large transnationals». The presence of these corporations and of this agricultural model in Africa is accompanied by a great deal of misinformation and propaganda: they are said to be working for «progress and the struggle against hunger». The corporations have all the means necessary for gaining the backing of the local governments, so that these will legislate favorably as regards regulation of seeds, intellectual property, and biodiversity, according to what best suits the interests of the corporations.

Experience demonstrates that this process seriously undermines the seed-producing systems of the small farmers, increases their dependency, and raises their production costs. The participation of beneficent foundations like Gates¹¹ distorts the process and is a matter of great concern. Just in the month of September 2010, Gates do-

nated \$8 million to help Cargill enter Africa with its soybeans, and it invested another \$23.1 million in Monsanto. What is quite curious is that this plan was unveiled during the High Level Meeting on Food Security held in Madrid in 2008, just after the international financial crisis had broken out and in the midst of a widespread food crisis that has caused the number of hungry persons in the world to rise to over one billion.

Another example of false solidarity is the abovementioned multinational company, Monsanto, which donated transgenic seeds to Haiti after the earthquake of January 12, 2010. The Haitian Minister of Agriculture claimed that the seeds donated by Monsanto were not transgenic, but simply hybrid seeds adapted to the tropical conditions of Haiti. The donation formed part of the Ministry's campaign to reactivate the agricultural sector, which aimed to im-

prove cultivation on 65,000 hectares by providing tractors, fertilizers, pesticides, and training for the farmers. What neither Monsanto nor the Ministry of Agriculture have stated clearly is that those hybrid maize seeds will be able to adapt to the tropical climate and produce as promised only if they are treated with herbicides, fertilizers, and special chemical products –which, not accidentally are all produced by Monsanto itself. That means that the Haitian farmers who receive the hybrid seeds will succeed in making them produce only if they buy the herbicides and fertilizers from Monsanto. Furthermore, the small farmers will not be able to make use of the seeds produced from that maize, since one of the characteristics of hybrid seeds is that only the first generation is suitable for sowing. If the farmers wish to sow another crop, they will have to buy new seeds from Monsanto.¹²

3. THE SCENARIOS OF THE AGRO-CORPORATIONS

The food-supply corporations have learned that humanitarian catastrophes contribute to their business since they represent an opportunity for expanding their markets. Actually, this lesson is an old one, going back to the Second World War, when pesticide and herbicide businesses allied with the armaments industry to turn misfortune into fortune.

3.1. An incomplete, poisoned history

Part of the history is never told in the school books, and most libraries forgot about it. As a result, the facts can be found only in the pages of the registries of the dead. The corporations responsible from producing toxic chemicals are just as happy that people are ignorant of the history, but the truth is that their potions for growing crops are unbreathable and... without breathing, nothing lives.

3.1.1. U.S. Civil War

The major supplier of gunpowder to the Union army was the DuPont company, which co-invented CFCs (chlorofluoro-

carbons, substances which damage the ozone-layer). The company continues to be in the chemical business today: one of its subsidiaries is Pioneer, one of the developers of transgenic seeds resistant to agricultural chemicals, especially to glyphosate.

3.1.2. Second World War

The gas Zyklon-B, which was used in the Nazi gas chambers, was an insecticide manufactured by I.G. Farben. Millions of human beings tasted it. What was left of I.G. Farben after the war was divided among Bayer, BASF, and Hoechst. Those companies received everything except the punishment (1945). Just as the atomic bomb de-

stroyed Hiroshima, a U.S. ship was sailing toward Japan with agricultural chemicals in its hold. Another war would have to be waged, though, before these chemicals could be tried out. «Agent Orange» destroyed millions of hectares of forests and crops in the Vietnamese war (1956-1975). The only persons indemnified for exposure to this chemical, made by Dow Chemical and Monsanto, were the U.S. soldiers who suffered its carcinogenous effects.

3.1.3. Seventies and eighties

In 1979, the United States prohibited the use of the pesticide Nemagon because of its effects on the health of persons who used it. Even though its manufacturer, Dow Chemical, knew of those effects, agri-corporations continued to use the chemical on their Central American plantations. In Nicaragua alone some 1,400 workers have died after being exposed to Nemagon.

In 1984, the pesticides factory of Union Carbide in Bhopal, India, released poison gas, and more than 10,000 persons living nearby died within a few days. Another 15,000 persons have died since then, while more than 100,000 continue to have health problems as a result of the spill. Dow Chemical, which bought Union Carbide, learned its lesson well: the transaction did not include responsibility for past liabilities.

3.1.4. XXI century

The circle closes. A scientific journal published a study showing that malformations observed in humans are com-

patible with being exposed to glyphosate during pregnancy. Nevertheless, transgenic soybean cultivation continues to be expanded, always requiring the glyphosate produced by companies like Monsanto, DuPont, and Bayer. The courts of justice despair.

Since then, this strategy has been refined, to the point of becoming part of the international community's plans for helping war-torn countries. The case of Iraq is a perfect example of this process. Companies such as Hero, Ebro, and Grupo SOS should be thankful to former prime minister José María Aznar for appearing in the famous photo taken in the Azores, since that allowed Spain to become a full member of the committee managing the reconstruction of Iraq. As a result, these Spanish companies benefited from new investment capital and received important contracts to provide supplies for the post-war emergency phase.

3.2. The power over control of seeds

Food production begins with seeds. Seeds are reservoirs of life, awaiting the care which will enable them to renew our food supplies. In the mind of the corporations, however, seeds are also the key element they must control in order to preserve their dominance in the food-supply system. Corporations like Monsanto and Cargill have expanded tremendously, thanks to globalization, and they have also become emblematic targets of the social movements opposed to indiscriminate globalization. As we have seen, deregulation, elimina-

tion of control mechanisms, liberalization of agricultural markets, and privatization of government services and functions have laid the groundwork making it possible for these corporations to swell to an enormous size over the last few decades. In the process they have consumed thousands of small businesses.

Today, according to the reports of GRAIN, «just ten corporations control about half of the worldwide trade in commercial seeds». Furthermore, it is noteworthy that, among these companies, those which predominate have origins which link them to agro-chemical production and the military industry. Companies producing pesticides and herbicides have seen their sales grow tremendously as a result of the spread of hybrid and transgenic seeds, which are designed to be resistant to specific agro-chemicals.

Another characteristic of the corporate control over seeds is the logical interest the firms have in the more commercial seeds. Monsanto, Bayer, and other companies stretch their tentacles mainly toward soybean, rape-seed, and maize seeds. For each of these crops the companies already have genetically modified commercial varieties. Their activities naturally concentrate on the countries with a large market for seeds and on those which allow the sale of transgenic varieties. In the United States, for example, Monsanto alone controls more than 90% of the soybean seed market.

Besides producing transgenic seeds of the more commercial crops, these large companies have strategically been

combining with or absorbing smaller seed-producing companies. During the past 20 years, moreover, the expansion of the transnational firms producing seeds has coincided with the suppression or the reduction of the public services dedicated to preserving, managing, and improving seeds. In addition, the publicly sponsored research being carried out in universities and laboratories has been progressively diminishing. The large corporations have promptly taken advantage of this vacuum to increase the size of their business and the heft of their influence.

In fact, laments GRAIN, «the Consultative Group on International Agricultural Research, now financed by the transnationals, is undertaking a growing number of research and development projects dealing with genetically modified crops. In its experimental centers it has associated programs which sell their reproductive materials to the highest bidder. The government research institutes and the universities seem to be following the same road, behaving more like private companies that like institutions with a public mandate».

3.3. Control of livestock

We have seen how the multinational firms have come to control agriculture by requiring farmers to purchase supplies that only the firms manufacture, such as seeds, fertilizers, pesticides, and herbicides. We are also aware that corporations are becoming ever more vertically structured, that is, they incorporate into their processes major segments of the food-production chain or

even the whole of it, including planning and experimentation for seed production, manufacture of agro-chemicals, sowing, cultivating, reaping, transporting, processing, refining, packing, and manufacture of processed food items. Some are even involved in distribution and retail selling of their products at locations far from their place of origin. This formula, which works so well in agriculture, is also functioning in livestock production; indeed, it is the key for understanding the real control that exists in that sector.

On a global level, for example, more than 50% of pork production and 66% of poultry and egg production takes place on industrial farms, which for the most part are owned by enormous meat-packing corporations or else have contracts which link them directly to such corporations.

Just ten companies control 62% of the world market of veterinary services (mainly vaccines, antibiotics, and food supplements), and the three biggest (Pfizer, Merial, and Intervet) control 30%. A single corporation, *Institut de Sélection Animale* (ISA), along with its acquisitions and subsidiaries, supplies more than 65% of the genetic market for the world's brown eggs, 35% of the genetic market for the world's white eggs, and 15% of the genetic market for the world's chickens.

In the sector of fodder mixes for livestock, four companies control 34% of the production of all animal feed in the United States, while in Spain a single company produces 25% of all animal feed, and the ten largest companies produce 60% of it.

In the raising of livestock, one of the reasons for extreme vertical integration is that the major retailers require strict adherence to certain standards which they themselves dictate. What in the end achieves the integration, however, is the total control exercised by the large corporations over their providers, thanks to the contracts which bind the latter to the former. Shifting production to small companies further down the chain also allows the larger companies to make a profit without having to worry about labor laws or negotiate with unions. They have their secure labor supply, but the workers are not employed directly by them.

3.4. Control of production

A key factor contributing to the exclusion of small farmers from the productive process is their proletarianization. For many decades autonomy was one of the principal characteristics of small farmers, but they are steady being deprived of that autonomy as the large agro-industrial enterprises extend their control over production. This process of proletarianization is very subtle; it begins in the very first stages of production, in which the small farmers have no control at all over the crop varieties they produce, the quantities they produce, or the price of their products. The companies have developed a highly integrated strategy. They offer small farmers seeds, they facilitate production credit, they offer training and technical support, and they guarantee purchase of the crop. Through their control of the producers the agro-industries are able to gain a

predominant position in the market of particular product. In many countries companies of this type are locally owned and are linked to important landholding or industrial families, but they also maintain relations with international food-supply companies, which facilitate export and import activities. In other instances the local firms form part of the network of multinational groups; such is the case of Ebro Azúcares, which controls 97% of the sugar market¹³ in Spain, but also has great influence on the structure of the whole productive sector through its ownership of sugar mills and its determination of prices. Recently Ebro was acquired by British Sugar, which controls 98% of the sugar market of the United Kingdom. The close links between these food-supply companies and the productive sector are established through production or supply contracts, but these contracts contain draconian clauses that suffocate the small farmers, who have no negotiating power. The following example will help us to analyze the reality of production in the countries of the South.

3.5. Control of distribution

The distribution of foodstuffs has been radically restructured in ways that affect the whole food-supply chain. Nowadays distribution is based on commercial cooperation with all the suppliers, most of whom engage in intensive production. Modern-day distribution is characterized by the generalization of self-service, the irruption of information technology, advanced logistics, social psychology, and powerful oligopolistic

concentration. The market share controlled by major distributors has increased with dizzying speed, going from 20% a decade ago to 80% now. Every day in Spain about eleven retail commercial outlets close down. Meanwhile, just five companies control 55% of food sales in Spain; if we also include the data for the two main chain stores, the percentage rises to 75%. Some 23% of all food purchases are made at Carrefour, while 16% are made at Mercadona. Modern distribution participates directly in the production and processing of foods. In order to keep prices low, the stores enter into close cooperation with their suppliers, and in some cases they own them directly. When the suppliers serve the distributors exclusively, they are called “inter-suppliers”. These inter-suppliers sometimes control the market for a certain product in one region, and they also produce the generic brands which account for a third of all sales. These inter-suppliers have the further function of negotiating the commercial margins with the small farmers of the region. For example, the meat at Mercadona markets is supplied by the Martínez Lorient company, of which Mercadona is the principal shareholder. Based in Ávila, Martínez Lorient operates slaughterhouses, butchering facilities, and sausage factories; by controlling 76% of the beef supply in the region, it dictates prices as it wishes. Recently, with help from Maradona, a company called Dafsa was created for the purpose of supplying the supermarkets with gazpachos and juices. This distribution model is being extended also to other countries and other conti-

nents. A decade ago in Latin America, some 90% of food was sold through small retailers, but gradually this new model of integrated development has taken hold in the middle-class residential areas of the major cities, and it has done so more drastically than in Europe.¹⁴

3.5.1. *Considering....*

Considering that, in the European Union as a whole, retail sales are increasingly dominated by a reduced number of supermarket chains; considering that these retailers increasingly control the effective access of farmers and other suppliers to EU consumers; considering that there is evidence showing that, in the EU as a whole, the large supermarket chains abuse their buying power to reduce prices paid to suppliers (both EU and non-EU) to unsustainable levels and to impose unjust conditions on the suppliers; considering that such pressures on suppliers have negative effects on the quality of working conditions and protection of the environment; considering that consumers face a possible loss of product diversity, cultural heritage, and local retailers; considering that some EU governments have introduced national regulations aimed at limiting such abuse; but considering also that the large supermarkets are operating to an ever greater extent across national borders, thus making it necessary to harmonize EU legislation; and considering that all these issues have been examined and made public by organized groups of ecologists, small farmers, consumers, and international aid workers, the European Parliament has first of all ordered that the General

Department of Competition should investigate the impact of concentration in the supermarket sector on small businesses, providers, workers, and consumers; and second, it has asked the European Commission to propose suitable measures, including those of a regulatory character, to protect consumers, workers, and producers against any abuses that may be shown to exist in that investigation.

Considering that the result achieved is good news, considering that it shows that effective networking is possible, and considering all these *consideranda*, I consider that the civil society should be conscientious in carrying out the Parliament's resolution faithfully, so that in the future there will not be any persons left out of consideration.

3.6. **The true owners of the corporations**

In recent years new scenarios have emerged as the result of several factors, such as the financial crisis in the mortgage sector and general distrust of markets. On the one hand, we have an increase in capital investments in the future markets of grains. Many investment funds based on mortgages now speculate on future grain crops in the stock exchange. They thus contribute to the great volatility of food prices, quite apart from the problems caused by seasonal abundance or shortage of grains.

The food-supply crisis of 2007-2008 motivated many financial investors (seeking long-term gains) and certain governments (rethinking their relationship to the corporate food-supply sys-

tem at a global level and seeking to guarantee food security) to purchase fertile lands around the world. This phenomenon, known as «land hoarding», needs to be studied carefully because of the serious consequences it can have for small farmers.

In similar fashion, many financial funds are investing in firms that produce seeds, fertilizers, agricultural chemicals, and farm machinery. The structures of the agricultural corporations have become inextricably connected to the world financial sector. Over the last twenty years of globalization, great wealth and power has been concentrated in the hands of Wall Street and other financial centers. Access to plentiful capital leads to rapid expansion of the agro-industries, since the companies are provided with the resources they need to take over smaller firms or begin new operations. At the same time, because of the close ties with the financial sector, the agro-industries are placed under greater pressure than ever to seek rapid and substantial profits, which inevitably come at the expense of workers, consumers, and the environment.

At the same time, we can also observe a new category of investor, the ones who specialize in agriculture and are closely allied with the agro-industries. We might call them «entrepreneurial farmers». Their businesses, sometimes financed by family capital, other times by a mixture of investors and shareholders, are dedicated to large-scale agricultural operations, generally in several different locations in a country and often in more than one country. In Argentina, where these com-

panies are conspicuously present, just 30 of them control more than 2.4 million hectares of agricultural land. In the Ukraine, 25 businesses control about 3 million hectares of agricultural land, which is about 10% of all the land suitable for agriculture in that country.

Finally, with the recent appearance of fuels made from raw materials like soybeans, sugar cane, African palm, etc.—the so-called biofuels—a new set of actors has been introduced into the world of agriculture. Many countries now have legislation which guarantees a market for ethanol and biodiesel; this is especially true in the industrial economies and the (so-called) emerging economies. As a result, financiers and energy sector corporations are investing in agricultural operations which will produce materials for agro-industrial fuels. The overall effect of these developments is the massive expansion of monocultures. Between 1990 and 2007, soybean cultivation alone was responsible for more than a fourth of the increase in monocultures around the world.

The amount of speculative capital developing agricultural products, controlling agribusinesses, and acquiring agricultural lands has increased dramatically. This increase, combined with corporate control at all levels of the food-supply chain, means that nowadays the level of prices bears little relation to supply and demand and food distribution has become totally disconnected from people's needs. Today the global system of corporate food supply is organized around just one principle: maximum profits for those who own corporations and invest in them.

4. THE ALTERNATIVE OF FOOD SOVEREIGNTY

Despite all the aforesaid, even today most crops sown do not serve the objectives of the large corporations. Most small farmers are not part of the corporate system, and most people are not fed by that system. Throughout the world there still exist food systems of a totally different kind; everywhere there are emerging and gaining strength movements which seek to revitalize the vast traditional food-supply systems and escape from the «food regimen».

If big capital is making a mighty effort to gain control of agriculture, it is just because much agricultural activity is still functioning outside the corporate chains of production. It still remains in the hands of the small farmers, the fishermen and women, the collectors, the hunters, the herders; it still remains as a vital part of the native peoples, the local cultures, and the local markets.

4.1. A movement under way

Despite the increase in structural violence in the countryside, the movements of small farmers, native peoples, and landless workers have not slowed down, but have rather increased. Mass organi-

zations of small farmers and native peoples around the world have become very conscious of the reality in which they live and the deeper causes of their distress. They have succeeded in forming a global alliance based on the right to live in the countryside, the right to produce food, and the right to a dignified way of life. In 1992 small-farmer leaders from Central America, North America, and Europe met together in Managua on the occasion of the assembly of the National Union of Farmers and Ranchers. They considered the urgent matter of global political action, to be undertaken by the impoverished masses suffering the consequences of an economic model that was destroying

their way of life and depriving them of their rights. In May 1993, the *Via Campesina* held its First Conference in Mons, Belgium, during which it established and structured itself as a worldwide organization and laid down its initial working strategies. The years since then have involved much creative work and struggle: the Fifth World Conference of the *Via Campesina* was held in September 2008 with the participation of 600 delegates from 140 member organizations and 100 other invited organizations which have initiated the process of incorporation. At the present time the *Via Campesina* unites 180 million small farmers affiliated to its member organizations.

In 1996 *Via Campesina* put out a call for people to fight for the sake of Food Sovereignty. Defending this goal as a political right of people living on the land is an uphill struggle, not only against governments, corporations, and multilateral organizations, but sometimes even against large social organizations and non-governmental development agencies, since these often co-manage development policies in ways that fail to change the structures which produce poverty.

Food sovereignty is the right possessed by all peoples to define their own policies regarding agriculture and food supply; it involves the right to protect and regulate national agricultural production and the domestic market. The aim of food sovereignty is manifold: achieving sustainable development, determining the extent to which self-dependence is desirable, preventing markets from being flooded with excess

products from countries which practice “dumping” in the international markets, and giving preference to local fishing communities as regards control over maritime resources.

The struggle for food sovereignty involves a radical change in agricultural and food policies and requires governments to reverse their priorities. Consequently, this struggle means clear opposition to the large corporations, which are known to be the principal violators of small farmers’ rights to make use of natural resources, to control local markets, to enjoy reasonable prices for their products, etc.

4.2. What are the demands of food sovereignty?

4.2.1. The guaranteed right to an adequate food supply

This means that governments have the obligation to respect, protect, and guarantee the right of all the inhabitants of their respective territories to have an adequate food supply. Since the right to an adequate food supply is an integral part of the generally recognized human rights, people should make their governments responsible for protecting it and should demand the political changes necessary to guarantee its effectiveness.

4.2.2. Access to natural resources

Access to land and to other productive resources continues to be a priority. National governments no longer give priority to agrarian reform, and even when they promote it, they follow the fiscal dictates of the World Bank, dis-

criminating against particular social groups. Women have no access to credit, and they are excluded from the law of succession. It is becoming ever more difficult for farmers to get access to the traditional varieties of seeds since the markets are becoming increasingly monopolized. There is a constant increase in the number of societies where access to water constitutes a key element for being able to produce agricultural goods.

4.2.3. Rights of agricultural workers

A major part of the rural population lives from farm labor; they frequently have no steady work, being seasonal or part-time laborers. Their vulnerability is linked to the difficulty they experience in organizing themselves into trade unions or associations for the sake of improving their living and working conditions. They usually work in exploitative conditions at very low wages; they have few benefits and must submit to unsafe working conditions, such as exposure to pesticides and herbicides. Improving the situation of these groups should be a central element of all strategies aimed at combating hunger and malnutrition.

4.2.4. Rights of native peoples

In many parts of the world, the indigenous communities face enormous problems in having their rights to their territories recognized. These problems are due to land-related conflicts such as forcible expropriations and evictions, as well as to the diversity of government policies regarding autonomous control

of the traditional territories of native peoples. The indigenous communities require and deserve full recognition of their cultural, economic, political, and social identity and status. Recognition of the rights, the autonomy, and the culture of the indigenous populations in every country is absolutely necessary in order to combat hunger and malnutrition, as well as to guarantee the people's right to an adequate food supply.

4.2.5. A new world governance for food supplies

The U.N. Food and Agricultural Organization (FAO) is considered the appropriate body for determining international policies relating to food supplies. Such policies should help guide the work of other multilateral organizations when making decisions in this area. The FAO needs to develop better internal mechanisms for insuring that national governments allow for greater involvement of small farmer movements in decision-making.

4.2.6. Agro-ecology as an important option

The present model of industrial agriculture is not sustainable since it consumes excessive amounts of water, destroys and erodes the soil, and decreases biological diversity. Ironically, the most destructive forms of agriculture in the present system are precisely those which receive the most generous subsidies and attract the greatest attention from agricultural researchers, extension services, and schools. A thorough evaluation of the environmental and social

costs of industrial agriculture is badly needed; such an evaluation should be carried out periodically within the U.N. system. This paradigm change of the agricultural model requires that research programs and agricultural schools, at both the national and the international level, set new priorities, and among the new priorities should be the in-depth study of agricultural workers and small farmers, as an essential part of the process.

4.2.7. Agriculture free of transgenic crops

The large quantity of genetic resources presently available to farmers is due mostly to thousands of years of careful selection and development by traditional cultivators and indigenous communities. These seeds should therefore be considered the patrimony of all humankind. Open access to the world's genetic resources is essential for guaranteeing food security. Any form of patent protection for crops prevents marginal groups from having ready access the basic starting-point of agriculture. Genetically modified organisms (GMOs) represent a threat not only for poor farmers who cannot afford this expensive alternative, but also for agriculture as a whole.

4.2.8. Policies that support small-scale local agriculture

The WTO's international norms for agricultural commerce, as well as other commercial agreements of a regional character, have seriously undermined small farmers' food security and their

ability to survive, especially in developing countries. Many countries have been obliged to eliminate the assistance to the family farms which sustain an important part of their economic and social structures. Meanwhile, most of the subsidies in the developed countries, instead of helping small-scale family farms, lend support rather to the large-scale producers, the major businesses, and the transnational corporations, all of which have agricultural and commercial practices that are unsustainable. In many rural areas obstacles have often been put in the way of local food production. Meanwhile the people living in those areas have few alternative means for earning the income they need to purchase "cheap" imported food products. In defending "food security" we express the demands of the organizations which insist on poor people's right to define the policies and strategies regarding sustainable production, distribution, and consuming of food.

4.2.9. Agriculture for the benefit of women

Our patriarchal society has created in rural areas social patterns which clearly marginalize women. Because of society's failure to recognize their work in the home and in the field and to respect their social spaces and spheres of power, women are still forced to submit to the control of their husbands or their fathers. Food sovereignty will never exist unless there is gender equality which appreciates the wisdom of women and their ways of relating to nature and the earth.

4.3. Conclusion

«We small farmers of the world are conscious of the grave crisis threatening our present form of life. We are witnesses of this process and know the ones who are responsible for it. The process by which rural areas have been taken away from small farmers is a reality that we experience daily. Every small-farmer family that migrates to the city and every family farm that ceases to exist causes our hearts to shrink. As a class we feel threatened. We are therefore fully conscious that we cannot wage the struggle for food sovereignty by ourselves. We know that our struggle is a global struggle for dignity and justice, a struggle in which other movements must be involved, such as the

movements of ecologists, youths, feminists, and of course consumers.

Critical, responsible ways of consuming will become an important tool for breaking the system down, since the economic model depends on this daily action which all of us perform. By sensitizing people about how and what to consume, we are able to reach the people living in the cities and make our demands heard more loudly. We encourage people to consume food produced locally with sustainable methods, to defend marketing practices which guarantee small farmers a just price, and to promote small-scale local business networks. Such actions will directly benefit small farmers and guarantee them greater possibilities of a decent life».

NOTES

1. Report, «Rural Poverty: Challenges in a Globalized World», IFAD-FAO, Rome, 2001.
2. Report, «World Agriculture Towards 2030», FAO, Rome, 2005.
3. Report, «Small-farmer Systems and Poverty», World Bank-FAO, Rome, 2006.
4. For more information see the booklet of Pedro ARROJO, *Global Water Crisis: Values and Rights at Stake*, Cristianisme i Justícia, Booklet no. 139 (December 2010).
5. Report presented to the FAO by the International Planning Committee. Campaign «More and Better International Aid for the Development of Agriculture», Committee of Food Security, Meetings of 2007.
6. Data obtained from the statistical yearbook of the World Trade Organization, 2007.
7. In its 2005 annual report the UN Conference on Trade and Development elaborated statistical tables indicating the «most dynamic agricultural products in the world market» and showing the percentage each country has in world trade (page 65 ff. of the annual report).
8. We offer in this section a summary of the expansion of the agribusiness in the global food supply system during the last twenty years. The source information for this section is found in documents elaborated by GRAIN and published in some of journals, such as *Biodiversity, Sustenance, an Cultures and Seedlings*. GRAIN is a small organization that does great work in countries of the South. In its history, which also goes back some twenty years, it has always confronted these huge food corporations, examining their work, questioning their power, and exposing to public opinion many of their “maneuvers”. GRAIN offer support to small-farmer organizations which are defending food sovereignty and agricultural biodiversity.
9. Data obtained from the statistical yearbook of the WTO, Geneva, 2007.
10. *Las trampas del libre comercio y la OMC*, dossier informativo, Fundación HEGO, Bilbao, 2004.
11. The data about the donations of the Bill Gates Foundation were announced publicly at a High Level Meeting held in Madrid in October 2006 for the purpose of creating a special working group to address the food crisis. The Foundation, with the support of other international NGOs, foundations, and African governments, presented a special program for extending the Green Revolution in Africa.
12. *Monsanto's Generosity toward Haiti*, Thalles Gomes, Brazilian journalist of the Latin American Information Agency.
13. Report, «Bitter Sugar: The Consequences of the PAC for Small Farmers», by Fernando FERNÁNDEZ, «No te comas el mundo» (Don't eat the world), Campaign, VSF – *Xarxa de Consum Solidari* and *Entrepueblos*, 2006.
14. Xavier MONTAGUT and Ester VIVAS (coeditors), *Supermercados, no gracias. Grandes cadenas de distribución: Impactos y alternativas*, Barcelona, Editorial Icaria, 2007.

A FEW KEY IDEAS FOR REFLECTION

This booklet offers a global analysis of the reality experienced by small farmers around the world, focusing especially on the growth of agro-industries and the multinational food corporations during the last 20 years.

1. Some 75% of the people suffering hunger in the world are small farmers, indigenous peoples, or small fishing communities. What is paradoxical is that small and medium-scale farming continues to feed 70% of the world's population.
2. The causes of poverty among small farmers are many, and all are closely related to the development of capitalism at the global level. They include the growing concentration of land, water, and natural resources; the imposition of productive models requiring large capital investments alien to the small-farmer culture; and agricultural policies which favor large-scale agriculture.
3. The pressure on small farmers has been increased even more due to the latest development of global capitalism, called neo-liberalism. Whereas the Green Revolution created the conditions for excess production, the liberalization of trade policy promoted by the WTO has resulted in the hyper-commercialization of food production and has provided the context for the rise of a new and powerful actor, the food multinational.
4. The agro-industrial multinationals have grown enormously, extending their power throughout the whole chain of food supply, from production to distribution. They control the seeds and the animal species, they control all the inputs, they control the processing of foods and world food trade, and they control the retail distribution of food products.
5. These multinationals have begun a new process of capitalist accumulation. They extend their reach to new spheres of agriculture through patented control of the very basis of life and through development of industrial crops, including those used to produce biofuels. Finally, they have created links with the financial system by exercising control over future crops and by engaging in a speculative race which makes profits by increasing the number of hungry people in the world.

6. The agro-industries have become the targets of criticism and accusation by a growing number of social movements around the world, including the international movement of small farmers and indigenous peoples structured around the *Vía Campesina* and its allies. These movements have declared war on these agro-businesses and are ready to struggle for food sovereignty with all their might
7. All of us have to play our part in this struggle, and consumers especially will have much to say about who wins. A first step consists in consuming responsibly and soberly, instead of indulging in the wasteful spending which characterizes our society, but the next step is knowing what we are buying and where it is coming from.

For a moment, or at least for the time it takes us to read this booklet, let us think about the grandparents, the aunts and uncles, or the parents we have left behind in the countryside. Let us recover our roots. If we keep in mind those rural values and traditions of our people, then we will be able to connect better with the small farmers of Ecuador, Ghana, Thailand, Brazil, and all the world.