

## INTERNATIONAL TRADE RULES HARM CALIFORNIA'S AGRICULTURE SECTOR

The agenda of the Sacramento conference helps to advance trade liberalization policies of the World Trade Organization (WTO), which is convening a ministerial meeting in Cancun, Mexico, in September. WTO agriculture and food policies, as well as rules of other recent trade agreements, have had a huge impact on farmers, consumers, and the environment all over the globe. California's agricultural economy has been especially impacted by recent trade agreements.

California is the nation's number one agricultural export state, accounting for 17 percent of U.S. exports. California farmers and ranchers produce more than half of the nation's fruits, nuts and vegetables. The industrial, export-led agriculture model adopted by California during the last several decades—characterized by manufactured hybrid seeds, chemical fertilizers and pesticides, intensive water and energy use, heavy, fossil-fuel driven farm machinery, and monocrops—has become the icon of agriculture around the world. Thus, problems in California's agricultural sector bode poorly for both the nation and the world.

Due to international trade and investment agreements, California's agriculture sector is under attack and suffering—farmers and rural communities are disappearing; crops that once thrived and were profitable are now being plowed under; and ecosystems are collapsing at alarming rates.

- ▲ According to a 2001 report from the California Farm Bureau: "Prices for many of the state's 250-plus commodities have collapsed due to foreign imports, including raisins and other dried fruit, olives, garlic, honey, apples, apricots, peaches, oranges, pears and tomatoes."
- ▲ California farm exports totaled \$6.1 billion in 1999, which represented, when adjusted for inflation, a 12 percent drop in the last four years of the 1990s.
- ▲ Two-thirds of the avocado export market has been lost since the mid 1990s, while avocado imports from south of the border have increased by 300 percent.
- ▲ Desert region grape growers have struggled to survive economically as table grape imports from Chile and Mexico increased by more than 100,000 tons the last five years.
- ▲ California's cotton and rice growers are seeing crop prices drop 30 percent compared to a decade ago.
- ▲ California was formerly the nation's flower capitol, but recent imports from Colombia and other Latin American countries have depressed prices to California's fresh flower growers and caused many to go out of business.
- ▲ And after years of meteoric growth even exports of California wine, the superstar of export farm commodities, declined modestly in 1999.

### WHAT HAPPENED? THE U.S. SIGNED INTERNATIONAL "FREE TRADE" AND INVESTMENT AGREEMENTS AND CALIFORNIA (AMONG OTHERS) IS SUFFERING THE CONSEQUENCES.

During the last decade, international and bi-lateral trade and investment agreements such as the North American Free Trade Agreement (NAFTA), the WTO and other instruments of the globalized "free trade" system have broken down borders and eliminated a nation's rights to protect its citizens and its natural resources while allowing multinational corporations uncontrolled and unrestricted access to a country's markets and resources.

National food systems are in collapse as countries are forced to accept imported food from around the globe. The imports outcompete local crop production prices, forcing farmers into severe economic hardship and even bankruptcies.

"I tell people that under the best conditions, the worst farmers make money. Under the worst conditions, even the best farmers lose money; that's what we're seeing now," says George Leavitt, a farm adviser specializing in vineyards with the University of California extension office in Madera County.

The "worst conditions" in a global economy mean that California growers must compete with commodities grown in countries where land, labor, energy, and water are much cheaper than in California, as well as the rest of the U.S. And it's only expected to get worse. China's recent entry into the WTO will most certainly affect California agriculture in a major way.

According to an internal Farm Bureau memorandum: "With its large number of farms, ample resources and central planning, China is a continued threat as a major exporter of agricultural products at levels that could be harmful to the U.S. and California specifically." That threat is already being felt. For example, despite transportation costs and a nearly 400 percent tariff, fresh Chinese garlic is being sold in California at prices considerably lower than the local cost of growing garlic.

The relentless globalization of food procurement and processing by companies such as Nestle, Dole and Archer Daniels Midland means that not only are these multinationals turning more and more to foreign sources for processed food products, they are investing substantially in developing the productive capacity of growers in low-cost countries. Under rules of globalization, those who have capital to invest, including large-scale farm operations, can reap healthy profits by sending their cash where land and labor are cheap, and then functioning as one of a handful of commodity brokers able to further control prices paid to farmers and commodity prices sold to buyers. Those who lack the resources to move beyond the border are finding that the combination of a decline in U.S. farm trade balance along with the power of retailer and processor consolidation is contributing to lower farm gate prices at rapid and alarming rates.

Just as menacing as corporate consolidation, shrinking export markets, and an influx of imports is the introduction of genetically modified (GM) seeds and crops. International agreements such as the WTO's Trade Related Intellectual Property Rights (TRIPs) agreement make it much easier for GM technology to rapidly advance around the globe. GM crops are the ultimate tool of a corporate-led industrial agriculture system. Under a GM dominated agriculture system a handful of corporations own genes, seeds, and seed chemicals, further enslaving farmers and, in effect, controlling the world's food supply.

In California, GM crops could pose severe threats. California has the largest number of organic farms in the U.S., and leads this industry that is growing at 20 percent per year. GM crops contaminate non-GM crops, destroying organic crops and the future viability of even producing organic foods. Most alarmingly, GM seeds and crops could disturb biological gene pools, resulting in an almost Orwellian scenario where life forms as we know them are irreversibly altered.

Finally, while California leads the U.S. and the world in food production, poverty and hunger remain widespread across the state. Over 6 million Californians—especially people of color, single mothers, retirees and immigrants—are hungry or live in fear of hunger. This number includes 2.5 million children. Hunger in California, as in the rest of the world, is caused not by a lack of food, but by poverty and maldistribution.

International trade rules are increasingly causing harm to California's existing agriculture system and threatening its future—organic, biologically diverse, small, sustainable and local agriculture. At the Sacramento conference, alternative policies to current trade rules should be promoted. ♣