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U.S. Farmers Head to WTO Talks in Cancún, Mexico: "Agriculture Out of Negotiations"

WASHINGTON, Sept. 7, 2003-U.S. farmers representing the National Family Farm Coalition will head to Cancún on Monday September 8 to take part in events organized around the World Trade Organization (WTO) Ministerial. Throughout the entire week the most progressive farm and rural development groups from the Western hemisphere, Africa, Europe and Asia will meet to discuss the future of world agriculture.

"Free trade agreements only spread the misery of low farm prices to other countries of the world for the benefit of big grain exporters and giant livestock corporations," stated George Naylor, a corn and soy farmer from Iowa and President of the National Family Farm Coalition (NFFC). "Who thinks other countries want to follow our lead when free-trade farm bills like Freedom to Farm and the 2002 Farm Bill simply lowered farm prices without increasing our exports or our incomes," continued Naylor. Other countries have accused the United States of being hypocritical since U.S. farmers have been paid billions of dollars in government payments. The NFFC's view is that the government payments were needed because the last two farm bills removed the floor under farm prices by replacing the non-recourse loan with the Loan Deficiency Payment (LDP)-Marketing Loan system. "The only thing keeping the lid on LDP's is widespread drought," stated Dena Hoff, a diversified Montana farmer, representing Northern Plains on the board of NFFC.

"Even so, our prices and export volume are lower than in the 1970's," she added.

The failure of recent farm programs to increase prices or export volume is documented in a recently released study from the University of Tennessee Agriculture Policy Analysis Center (<http://agpolicy.org/blueprint.html>). The study, "Rethinking U.S. Agricultural Policy: Changing Course to Secure Farmer Livelihoods Worldwide," states "The precipitous decline in prices of primary commodities, especially grains, is providing agribusiness and corporate livestock producers access to agricultural commodities at below cost of production, consolidating their control over the entire production and marketing chain."

"Price is the whole question," states Leon Crump, a farmer from South Carolina representing the Federation of Southern Cooperatives on the board of NFFC. "This cheap grain program actually lowers prices of livestock and other farm commodities indirectly, but just like most farmers in the developing world, the minority farmers I work with receive very little support."

Reinforcing Leon's view is another important study by USDA researcher Gene Hasha, entitled "Livestock Feeding and Feed Imports in the European Union: A Decade of Change" (www.ers.usda.gov). It documents how lower grain prices resulting from trade concessions by the European Union over the last ten years have resulted in lower EU livestock prices and increased industrial production of chickens and hogs at the expense of beef. The study's abstract states, "Beef consumption declined while pork consumption expanded, and poultry consumption expanded very rapidly. Because EU beef is raised largely on pastures, the shift in production was from animals consuming grass to animals consuming feed concentrates." This is a similar pattern U.S. farmers have witnessed over the last 20 years. According to vice president and dairy farmer John Kinsman, "When these pastures aren't needed, they will be plowed up to produce more cheap grain and create soil erosion and nitrate pollution like we see in Wisconsin with the destruction of family dairy farms."

The NFFC sees the joint proposal of the U.S. and EU as continuing the destructive path of eliminating family farms and creating an industrialized food system that will harm farmers in the U.S., EU and the developing countries. The joint proposal intends to decrease "trade distorting internal support" and eliminate export subsidies. "This is a sham proposal since these policies, which simply restates the goals of WTO, will only mean that the EU lowers its intervention prices (price supports) and the U.S. lowers its subsidies. This sounds good, but it will have no effect on world prices because EU and U.S. farmers will still have no alternative but to maintain or even increase their

production just to survive," states NFFC president Naylor. By lowering the EU intervention prices, the joint proposal will also decrease the EU's need for export subsidies, since the EU must subsidize the price down to the "world price" which is announced daily at the Chicago Board of Trade. NFFC's position is that the only way to prevent low world prices from damaging farmers in developing countries is to make sure grain is priced much higher when it leaves the farms in the E.U. and the U.S. "High price supports with a supply management program in all the major exporting countries is the only thing that will prevent the invasion of cheap grain prices into other countries," emphasized Bill Christison, Missouri farmer and former president of NFFC.

"Importing cheap commodities and exporting cheap commodities only helps the multinational food corporations like exporters, processors, to retailers, not family farmers or our nations' economies. Who's kidding who?" asks Leon Crump.

U.S. farmer delegates, including Crump, Hoff, and Naylor will arrive in Cancún on September 8 to participate in an International Farmer's Forum, immediately preceding the official WTO ministerial from September 10-14. Thousands of farmers from all over the world will participate in the forum to discuss an alternative vision for world agriculture that supports family farmers and rural communities. Citizens will join farmers in the streets of Cancún following the farmer's forum to protest the un-democratic process of the WTO where multinational corporations hope to increase their power and profits at the expense of millions of global citizens and the environment. The delegates will deliver a declaration just released at Farm Aid on September 7, endorsed by 30 national organizations calling for a new direction in agricultural trade policy.

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