

Farmers' Dialogue Newsletter July 2005

Farm subsidies are the cause of much concern in the world. They have been put in place to provide stability for the producer, keep prices low for the consumer or because farmers grow more than their local markets require and the product is too expensive to sell elsewhere. How do we bring production levels down to meet the demand and provide the producer with an honourable return? Pure competition is a blunt instrument to achieve this end. Those who study the effects of these subsidies would have to agree about the often devastating effect on farmers in other countries.

Recent reports of farmers in South Africa, producing milk for cheese, being forced out of business because of European subsidised cheese on sale in local supermarkets, and for me a conversation with a Kenyan farmer who explained how EU milk subsidies had contributed to undermining their dairy industry brought this home. Another current issue revolves around the subsidies paid to US cotton farmers, which undercuts cotton growers in Africa, with the result that manufacturing is going from Africa to China to meet our demand for cheap clothes. We need to go further than those who say 'stop subsidies', to build market structures that serve all the needs of society. The Agricultural Policy Analysis Centre and American Corn Growers have the best offering I have seen in this direction, see www.agpolicy.org. Other than the blunt instrument of market forces, are there any other suggestions? Or should we accept the traumatic consequences that most coffee farmers are going through? These issues left unresolved can lead to the people discriminated against becoming a rallying point for those who oppose capitalism in the west.

The G8 leaders met in Scotland to discuss, among other things, poverty and climate change. These issues affect each one of us. It is also true to say that among the readers of this newsletter are unsung heroes who are demonstrating what can be done on farms to tackle these issues. We continually meet men and women who are doing this, we need to link up so we can learn from each other and help governments understand the reality of the food production industry.

Indian farmers are discovering what is happening in the farming world and what we can do. On November 9 - 12, 2005 they are hosting an International Farmers' Dialogue at Asia Plateau, Panchgani, Maharashtra followed by farm visits: November 13 - 15, 2005.

They write:- The International Farmers' Dialogue at Asia Plateau this year is the eighth in the series of meetings for farmers and those concerned with the food industry and rural life. The aim is to listen to each other freely, to envisage workable solutions to problems and how to move policies in the direction needed. Everyone is invited to express their experience, and to join in this debate which concerns us all. We shall explore the universal issues on which we can act together. How to be more effective both individually and collectively, and to understand how the needs of each other can be met. Democracy needs to confront the materialism which is manifest in the drive for control, the greed for possession and the corruption of good aims. Anyone who chooses can make a difference.

These Dialogues inspired by Initiatives of Change have grown from several decades of farmer to farmer exchanges across the world. They are aimed at creating a common purpose based on shared values for the soil, environment, health, education and for meeting the needs of consumers - which of course includes the whole of mankind. Asia Plateau, the Conference and Training Centre, has been dedicated to changes based on moral standards and the direction which comes from listening to the inner voice. On this foundation, it is helping to set an agenda for this century.

Developments are taking place around the world, many very good and some that cause great concern. All carry lessons we can learn from. In March 2005 Carlos Solis who was then General Secretary of UPANACOINAL a party representing 15,000 small farmers in this country organized two meetings. The first at the National Assembly Building in the capital San Jose was to draw his government's attention to the likely catastrophic consequences for farmers of his country if CAFTA (Central American Free Trade Agreement) was passed by parliament. The second meeting held in rich vegetable growing country two hours drive from San Jose was attended by concerned farmers and heads of agricultural associations. Larry Mitchell Chief Executive Officer of the American Corn Growers Association, Phil

Jefferys, Australia and Jim Wigan, UK, were invited to speak. Larry's point was that if the bill was passed, in five years time any small farmers left in business are likely to be in dire straits. Larry quoted the situation in Mexico where due to artificially low US grain prices between 3 and 7 million Mexican farmers have been forced out of business without alternative work or compensation.

As this report is being prepared the U.S. Senate has ratified C.A.F.T.A. But the House of Representatives has yet to vote. This vote may happen in the coming week but as supporters do not as yet have enough votes, intense lobbying by the U.S. President and others are pushing for enough votes to finalise this 'free trade' agreement.

Before and after these meetings Larry, Phil and Jim were given guided tours of vegetable and flower farms, coffee and bean plantations and farmers' cooperative businesses, The Costa Ricans we met were hard working people who deserve to survive and prosper. We wonder if there will be alternative work for these farmers if they are forced off the land due to low prices and aggressive and unfair competition from large U.S. business interests if the CAFTA agreement is signed?

During the Thai Farmers' Dialogue last November, the three delegates from East Africa decided that the next event in their part of the world should be held in Uganda. The host Jamil Ssebalu, Director of the Namasuba College of Commerce, was joined by Jim Wigan, UK and George Kamau and Duncan Nduhiu from Kenya. The evidence of what these two Kenyans were doing gave substance to the week's program, the main focus being a half day Farmers' Dialogue in the Africana hotel in Kampala where over fifty people gathered from all walks of farming life. Many spoke with great passion about their needs and what they wanted to do. The two men from Kenya, George Kamau a farmer who is known locally as Miti Mingy (many trees) because of his work for conservation, restoring the tree cover in his area, and Duncan Nduhiu a prime mover in the development of the Nyalala Dairy Project that is transforming the life of over 5000 1 to 2 acre dairy farmers and the economic activity in the area, spoke from practical and down to earth experience. During the week in Uganda we also visited farms, a tropical fruit marketing business and women's farming groups who immediately wanted to arrange visits to similar groups in Kenya. The task of answering poverty in Uganda is a big one but the enthusiasm of those we met demonstrated the desire among people to tackle the issues that stand in the way of change.

More recently a visit to Sweden caused Jim to reflect on the changes taking place within farming in the European Union. Swedish farmers, like those in the UK and right across the area, are wrestling with the new CAP (Common Agricultural Policy) arrangements that remove production related subsidies and make payments largely related to area and on top of that get paid for good environmental husbandry. This is likely to result in a fall in farm production across Europe and an increasing drive for conservation, reduced chemical and fertilizer use and an opening of the countryside to the general public. One topic on many farmers' minds is the growing role the farmers will have in supplying energy to help meet the world's needs. For some this is the one bright spot on the horizon. Oats are already being used as a fuel to heat houses and there is speculation on the role that timber off-cuts will play in producing ethanol. Another concern is how to get an adequate return from the market. One fear I heard expressed both in the city and countryside is that the new financial arrangements will bring a squeeze on returns of many farmers making them non-viable so losing yet more beautiful valleys to be taken over by yet more tree plantations.

Claude Bourdin, Pat Evans and Jim Wigan, while taking part in a conference at Caux in Switzerland, visited some Swiss farmers. All were concerned about how farming could continue to be viable, in their case with the higher costs of using the grass on the mountain slopes. We agreed to support one of them, Claude-Alain Gebhardt in collecting ideas and experiences that could give the beginnings of answer to some of the economic problems facing farmers today.

The following taken from a talk given in Switzerland last year might give hope to some of those struggling to keep going:-

HOW MY FARM COPEd WITH LOSS OF SUBSIDIES by Garfield Hayes.

My wife Helen and I have a family farm in the South Island of New Zealand, 100km from Mount Cook. We own 865 hectares. In the summer we have nearly 10,000 sheep, 100 beef cattle and 100 hectares of barley and lucerne crops. We farm with two and half permanent employees, I'm the half, but use the services of many agricultural specialists, people who dip, spray, shear and pregnancy test sheep, and other contractors who spray seed and fertilise our paddocks, by truck and plane. When I was 30 I had an increasing conviction to return to New Zealand to take responsibility for the farm that my father had left me. I had spent over 12 years abroad in voluntary work. Amazingly product prices went through the roof two years after we returned. This covered many of my mistakes and helped me to set up on a good financial footing.

I was on the National Council of the New Zealand Farmers Federation when the Labour government decided to drastically change the economy. A 10 per cent goods and service tax was introduced. The New Zealand dollar was floated, the reduction of tariffs was started, and, overnight, all farm subsidies terminated. We were receiving 20 per cent of our income from the New Zealand taxpayer. Our farmers marched in the streets, but as one of their leaders I knew in my heart that New Zealand had no alternative. We exported 90 per cent of our agricultural production and our trading partners had threatened us: remove subsidies or face tariffs.

The next years were difficult. Some farmers, big and small, lost their farms. Some committed suicide. I worked so hard my hips wore out. We survived by selling a city property we had been led to purchase when we were receiving subsidies. But the fact was we were overproducing a product that was hard to sell.

During the past 20 years there has been an enormous turn around. New Zealand's sheep population has fallen from 70 to 40 million. Farmers have become very innovative and, where possible, successfully diversified into alternatives, such as producing trees, venison or dairying. Sheep farmers and our meat processing industry have substantially improved efficiency, and quality. We now cannot meet demand, and product prices are the best they have been. During this time I could purchase farm advice from specialists, but by far the most secure, satisfying and stimulating daily advice came from my early morning times of silent reflection. If God could steer us through such changes, I am convinced that he can supply the answer to the problems and challenges of world agriculture, if we choose to listen to Him. For instance, for 20 years we baled our wool in jute packs instead of synthetic packs, to give trade to the jute growers of Bangladesh. To keep things transparent all our farm sales go through the company books.

Historically there has been division between farmers and trade union leaders in our meat processing industry. My wife, Helen, and I have met these leaders, had them to stay in our home and arranged meetings with local farmers. Alcoholism is a big problem among our sheep shearers. Although contravening custom, we ran an alcohol-free wool shed. But with Helen giving excellent meals, the shearers were always keen to return.

In a global world, where the need for change and innovation is always constant, for New Zealand agriculture there has definitely been a good life after the removal of subsidies.

Please visit our website at www.farmersdialogue.org