

## **Peasants, family farmers, fisherfolk and their supporters propose People's Food Sovereignty as alternative to US/EU and G20 positions.**

In September 2003, the World Trade Organisation's Ministerial meeting collapsed, amidst scenes of great drama. This sudden stop to the negotiations, which were being held in Cancún, Mexico, was hailed by many millions around the world as a victory for their campaigns to stop governments pushing unwanted liberalisation and privatisation policies upon them.

The Cancun mobilisations, during which Mr. Lee Kyung Hae, a South Korean farmer, took his own life, jolted the world's attention towards the destructive impacts of the WTO on farmers. The desperate situation of farmers, peasants, fisherfolk worldwide, especially in Africa, demands an urgent response. Social movements and communities everywhere are calling on governments to abandon neo-liberal economic policies in favour of those that meet the real and urgent needs of their populations. Current liberalisation policies, which focus on increasing exports and satisfying the needs of corporations, actually work in the opposite direction, threatening those very needs. They are destroying livelihoods and cultures, local methods of production, and access to food, seeds, water and land.

Negotiations in the WTO, however, are not concerned with the everyday struggles of peoples' lives. They are about furthering trade monopolies and about haggling over export shares in global markets in agriculture and other sectors. Trade negotiators think it acceptable to sacrifice local food production and consumption, and the livelihoods of millions of farmers, in return for increased access to international markets for their main exporters. But social movements around the world claim the right to be heard and have their proposals taken into account.

**The WTO exists to promote liberalisation and trade negotiators focus almost exclusively on the speed and form of this liberalisation.** It never seems to occur to these officials that the liberalisation process itself is fundamentally flawed, working in favour of commerce but against the needs of families, communities, small businesses and the environment. Trade officials are committed to increasing agricultural exports whatever the cost.

But these costs simply cannot be ignored. They include devastating impacts on family farmers, peasants, fisherfolk, farm and food workers and consumers everywhere, and severe environmental degradation wherever intensive farming for export is introduced. Prioritising production for export over production for national and local markets leads to local food scarcity. It divorces food, farming and fisheries from their critical social, cultural and environmental contexts. It weakens governments' abilities to develop policies focused on local needs. It enables the trade interests of the largest corporations to prevail. Even those governments who challenged the agenda of the European Union (EU) and the United States (US) government in Cancún proceed with negotiations that ultimately prioritise export-oriented agriculture.

The various southern country groupings - which include the G21, the Special Products and Special Safeguard Mechanism Alliance, Asia Pacific Economic Cooperation (APEC) and the "multifunctional group" led by South Korea - have all basically accepted that negotiations should continue on the basis of the so-called "Derbez text" proposed by the Mexican Chair of the Cancun Ministerial Meeting. This text, which was rejected by these same governments during the Ministerial, is designed to meet the interests of those EU/US based corporations that already dominate global trade in food and agriculture.

Furthermore, WTO rules demand that agricultural trade is included in a 'single undertaking' which links all the different sectors together. This allows promises of tariff reductions and increased access to developed country markets (promises which have been broken in the past) to be used as incentives. Thus, any developing country that tries to gain such benefits has to make concessions in other critical areas (such as services markets and foreign investment liberalisation). Such horse-trading is unacceptable. It subordinates the fundamental right to food and food production to interests in other unrelated sectors; and creates multiple negative impacts, with communities and their environments risking losses in several different sectors at the same time.

Governments are also failing to address the increasing concentration of market power by corporate cartels operating in the agriculture sector.

**The US and the EU are targeting other countries' agricultural markets, using every opportunity,** including through negotiations in the WTO, bilateral and regional trade agreements, to obtain lower agricultural import tariffs and more market access. This policy is designed to drive the prices of key agricultural commodities down to below the cost of production, which in turn drives peasants and family farmers off their lands. This 'predatory pricing' means that farmers can no longer afford to produce food even for their own local markets. In many countries, especially in the South, peasant-based production is being replaced with a combination of cheap imports from other countries and industrial, export-orientated production based on cheap labour and lax enforcement of social and environmental standards. This behaviour is hypocritical, since the EU and the US are at the same time protecting their own markets, for domestic political reasons, in ways that they argue others may not.

Furthermore, the EU and the US have undertaken major changes in their own agricultural policies, including lower prices and the elimination of minimum prices received by agricultural producers. Prices have gone down as much as 57% below the actual cost of production. At the same time their own biggest producers are cushioned by increasing domestic agricultural subsidies. This perpetuates the downward spiral of commodity prices by permitting big farmers in the EU and the US to produce surpluses, which are then dumped on world markets at low prices, further devastating rural peasant- and independent family farm-based economies, especially in the South. In the North, large parts of family farming and peasant agriculture have already disappeared as a result. The remaining family farmers are told to export more. However they gain less and less and many of them go bankrupt.

The EU and the US claim that their subsidies are acceptable under WTO rules by arguing that they do not distort trade (using the WTO's system of exceptions or 'boxes', which the 'Derbez' draft perpetuates). However, these direct supports go mainly to the largest producers and export companies; and in that they provide these producers and exporters with a competitive edge, we argue that they do indeed distort trade in favour of the largest companies and richest countries.

Agriculture negotiations in the WTO continue with little change in sight and are dominated by the combined efforts of the US and EU to protect their respective trade interests. The US-EU proposal for a 'blended formula' would permit them to continue to use domestic supports to facilitate dumping and use at the same time tariffs to protect sensitive sectors. At the same time, the 'blended formula' would impose steep tariff reductions on the agriculture markets of the developing countries. The US "do what I say, not what I do" approach is obvious in its negotiating objectives. It calls, for example, for the curtailment of the "monopoly" power of state trading enterprises, such as the Canadian Wheat Board,

while failing to acknowledge the crucial need to curtail the much greater, profit-driven monopoly power of multinational agribusiness cartels - most of whom are US-based. The billions of dollars of domestic support offered in the US Farm Bill mainly going to agri-bussines and coupled with the dismantling of domestic institutional mechanisms shore up the power of US agribusiness and put the food market squarely under corporate control.

**The G20 (formerly the G 21)**, although a badly needed political counterweight to the US and the EU, mainly represents exporting interests in the South but does not defend the interests of the large majority of farmers and peasants producing for domestic markets. Furthermore, it is already weakening in its resolve to resist the Derbez text, which protects supports for export agriculture in the EU and the US and seeks further liberalisation of agricultural markets in the South.

The G20 are in fact voicing the interests of the small minority of their populations that control export-based agriculture and agribusiness. Thus, they too are demanding the abolition of “trade distorting” subsidies and more access to markets, both in the North and in the South, without acknowledging that it is in fact the unbalanced focus on exports and corporate interests which is the main problem. Whilst G20 resistance to the EU-US “framework” for agricultural negotiations is to be welcomed, its general position with regards to agricultural trade is not a viable alternative. Increased liberalisation and generalised market access will serve only to strengthen the grip of multinational agribusiness cartels, deepening the problems of poverty and social exclusion of millions of people in the world.

**The Alliance on Strategic Products (SP) and Special Safeguard Mechanism (SSM) grouping**, on the other hand, have called for the protection of tariffs on some products for food security and rural livelihood reasons. The developed countries have indicated to them that such protection will be granted to them (albeit in an extremely diluted form and accompanied by tariff cuts) if countries in these groupings agree to the blended formula in the Derbez text. Until now, these countries have resisted the offer of the developed countries, but continue to face tremendous pressure through bilateral and other multilateral channels.

All in all, there is little serious challenge to the current WTO-dominated trade regime from the developing countries. Most are prepared to gamble domestic production and markets on the chance of access to distant international markets.

**This is not a North-South conflict, but a fundamental social conflict that needs to be addressed.**

Consultations in preparation for the Cancun Ministerial gave the impression that there is a central North-South conflict that needs to be resolved. This impression has been perpetuated in subsequent negotiations, with apparently conflicting government positions being presented by the US and EU on one side and the G21 on the other. However, the real conflict – over food, agriculture, fisheries, jobs, the environment and access to resources – is not North-South, but rich-poor. It is a conflict between different models of agricultural production and rural development, a conflict that exists in both the North and the South. It is a conflict between centralized corporate-driven, export-oriented, industrial agriculture versus de-centralized, peasant- and family farm-based sustainable production primarily oriented towards domestic markets. This struggle, the struggle of social movements against neoliberal policies, is not recognised by those involved in global trade negotiations.

Family farm- and peasant-based production for domestic purposes is responsible for approximately 90% of the world's food production, much of which does not even pass through markets. On the other hand, international agriculture trade represents only about 10% of the world's agricultural production. The bulk of the profits of this trade remain in the hands of the largest producers and multinational agribusiness cartels who control international food and agriculture trade and production chains. Furthermore, export-based, intensive agriculture has huge negative environmental impacts because of its production methods, the destruction of local crops and biodiversity and its long transportation lines.

Given the real importance of peasant- and family farm-based agriculture to the world's food supply, it is critical that these producers are protected by their societies and economies and guaranteed fair access to their domestic markets. International trade policies must support, not destroy, the national agriculture and rural development policies that are desperately needed to stabilise domestic markets.

An authentic, people-friendly response to the current crisis in food and agriculture lies in the framework presented by Peoples' Food Sovereignty. This response is supported by peasants, landless farmers, fisherfolk, farm and food industry workers, environmentalists and many others in both the North and the South, and provides solutions to some of the fundamental problems associated with trade in food, agriculture and fisheries.

**PEOPLES' FOOD SOVEREIGNTY is an alternative to the current deadlock.**

From the perspective of broad-based, local and national economic development, it is far more important to address poverty and hunger, manage natural resources sustainably and produce primarily for local markets rather than for export. People in every country must have the right and ability to define their own food, farming, and agricultural policies, the right to protect their domestic markets and the right to maintain public subsidies that support peasant-based sustainable production, at the same time ensuring safe and affordable food for all members of society. These rights are fundamental to the world's citizens' demands for political sovereignty, democracy and peace. To achieve this, the following are crucial:

**Control imports and manage supply, to guarantee stable prices covering the cost of production.** Farmers everywhere in the world, including in the US and Europe, face prices below their costs of production. Managing supplies and preventing the production of surplus food, especially in the largest exporting nations, would help to stabilise prices at levels that cover the cost of production. Internationally, commodity agreements should regulate the total output to world markets. Governments should be free to apply measures, including import quotas, price band systems and import tariffs, in order to control food imports.

**Stop direct and indirect export subsidies. Target public subsidies towards peasants, farmers and fisherfolk, who need them most.** The misuse of public subsidies to support dumping in industrialized and agriculture exporting countries, especially in the US and the EU, has resulted in the discrediting of *all* public subsidies in the agriculture sector. However, it should be remembered that publicly provided domestic supports is crucial to stimulate and maintain sustainable, local food production. Rather than a blanket call to abolish all subsidies, we call for distinguishing between support for small scale food producers and the poor, and those that advance the interests of corporate agribusiness. Public subsidies must support sustainable agriculture, food production and distribution, and social and economic equity. They must help to shore up the capacity of local producers and ensure equitable access to food and crucial livelihood resources among the poor. At the same time, all forms of direct and indirect subsidies that contribute towards lowering prices and encouraging dumping should be

identified and forbidden. Subsidies that promote industrial, unsustainable agriculture and inequitable land tenure patterns must be re-oriented to support peasant-based, sustainable production and integrated agrarian reform programmes.

**Supply management is crucial to avoid over production, stabilize prices and allow subsidies for domestic production.** Supply management should ensure that public support does not lead to overproduction and dumping. It should also be remembered that most developing countries are not in a position to provide any subsidies at all to their agriculture producers. For such countries it is even more important to protect their producers with high tariff and non-tariff barriers, and put in place domestic policies that at least indirectly support their producers. They should not be subject to bilateral or multilateral pressure to do just the opposite.

**Fair prices to farmers and consumers!** Mechanisms that force down prices that farmers and peasants receive and yet allow industry to buy more cheaply and thereby guarantee their profits must be stopped.

Domestic and international efforts must be made to establish minimum prices, supply management and regulation in favour of small producers and distributors. Profits made by exploiting family farmers, peasants, farm and food industry workers, and damaging the environment, must be stopped. For example, current agricultural and trade policies are consciously designed to keep grain prices low. This cheap grain policy represents an indefensible subsidy to industrial animal factories, because it allows these corporate operations to procure feed grains at below the cost of production, to the detriment of independent livestock feeders and grass fed livestock producers. Minimum incomes and, if necessary, specific schemes to guarantee that impoverished consumers can afford to buy food in their own domestic market must be established. Policies such as these have been used before in countries like India, but were abolished under pressure from the World Bank and the International Monetary Fund.

**Allow people to produce their own food!** Instead of destroying peasant agriculture and turning independent farmers and peasants into poor tenant farmers, contract farmers, or landless, seasonal, farmworkers, reinstate peoples' right and ability to produce their own food. Local food economies based on local and sustainable production, processing and distributions should be developed and nourished.

**Respect rights to natural resources.** Communities' legal and customary rights to make decisions concerning their local, traditional resources, and their rights to equitable access to land, seeds, water, credit and other productive resources must be recognized and guaranteed. Farmers', indigenous peoples' and local community rights over plant genetic resources and associated knowledge – including farmers' rights to exchange and reproduce seeds – must be protected. All forms of patenting and the appropriation of knowledge associated with food and agriculture through intellectual property rights regimes must be prohibited.

**Clear and accurate labelling of food and feedstuffs.** Products must be based on consumers' and farmers' rights to access to information about methods of production, contents and origins of food. Binding regulations must be established on all companies to ensure transparency, accountability and respect for human rights and environmental standards. Such measures will allow increasing consumer demand, sustainable and socially just agricultural production to be reflected back through the food production chain, so that producers can be rewarded economically for their efforts to improve their production methods to be more sustainable.

**International agribusiness needs to be regulated.** All countries should re-evaluate their own domestic antitrust laws and strengthen them to make them more effective against the increasing market power of multinational agribusiness cartels. New international talks should be convened to identify the limits of domestic antitrust enforcement in the face of the rapidly increasing market power of multinational agribusiness cartels; and to identify and explore new and innovative ways to collaborate internationally for more effective antitrust enforcement. The goal of such efforts - both domestically and internationally - must be to reverse the current trend toward increased concentration of market power by multinational agribusiness cartels; and to protect family farmers and peasants from predatory pricing, market manipulation and other anticompetitive practices. Corporate entities and their directors must be held legally liable for corporate breaches of environmental and social laws, and of national and international laws and agreements.

**Putting PEOPLES FOOD SOVEREIGNTY into practice will generate real, broad-based and inclusive sustainable economies for all!**

People's Food Sovereignty can achieve goals that are impossible under the framework of free trade regimes such as the WTO. The WTO has already shown itself to be an institution incapable of promoting different production, distribution, and consumption models. The WTO cannot respond to the urgent needs of peasant producers, fisher-folks and workers because it was never designed to do so. Despite language in its preamble about promoting development, the WTO's core role seems to be to support the trade monopolies backed by the trade majors. For the majority of the peoples of this world, the only logical conclusion that can be drawn is that the WTO must be removed from food and agriculture. Similarly, regional and bilateral trade agreements cannot provide a framework for sustainable food and agriculture production. This key sector requires a different international and regional framework and more proactive national policies.

**WTO out of food and agriculture extends to the economic and regulatory regimes imposed by the World Bank and the International Monetary Fund (IMF).** Since well before the establishment of the WTO, the IMF and World Bank have been at the vanguard of indiscriminate and unilateral privatisation, liberalisation, and deregulation programmes in the countries of the South. Their policies mandate the transformation of subsistence-based, community-oriented, and self-sufficient agricultural systems into commercial and market-dependent production and distribution systems. Furthermore, the current emphasis on export crops has led to increased dependence on harmful and costly chemical inputs that threaten soil, water and air quality, biodiversity, and human and animal health, while providing greater profits for large Northern-based agribusiness and chemical corporations. In order to protect our agriculture, the World Bank and the IMF must also be removed from food and agriculture.

**We call upon national governments** to respond to the demands put forward by peasant, fisher, worker, consumer and environmental organisations, to take the necessary measures to protect domestic food production and distribution, and to claim the right to apply these measures as a fundamental human right that cannot be traded-off against other concessions.

**We call upon UN Agencies such as FAO, UNCTAD and ILO** to reconsider their role regarding agriculture and fisheries. They should take initiatives aimed at developing an alternative international framework for food and agriculture. Such a framework must put food sovereignty, antitrust enforcement, farm labour and other workers' rights, and sustainable domestic food production and consumption at the centre of its concerns and clearly define the roles and limits of international trade.

The legal rights of peasants and consumers regarding food and food production should be clearly defined within this framework, leading to an international agreement, such as a convention on food sovereignty, that comprehensively and inclusively addresses various concerns on food, agriculture and fishery policy, as well as trade policies and WTO under the framework of peoples' interests. In addition, an independent dispute settlement mechanism should be established, under the jurisdiction of the International Court of Justice, in order to prevent dumping and other market manipulations, including predatory pricing.

**We call upon civil society** organisations and movements to defend their legitimate and fundamental rights to produce, distribute and consume their own locally-produced food in a sustainable way; to urge their parliamentary representatives and governments to take up this issue, in order to instigate real and lasting change; and to continue their actions to bring this key issue to the attention of the broader public.

### **Signatures organisations**

1. Action, Research & Education Network of Aotearoa, New Zealand
2. Amigos de la Tierra – Argentina / Friends of the Earth - Argentina
3. Amigos de la Tierra – Espana / Friends of the Earth - Spain
4. Amigos de la Tierra - Paraguay / Friends of the Earth - Paraguay
5. Amigos de la Tierra - Uruguay (REDES) / Friends of the Earth - Uruguay
6. Amigos de la Tierra (CENSAT) - Colombia / Friends of the Earth - Columbia
7. Amigos de la Tierra (CESTA) - El Salvador / Friends of the Earth –El Salvador
8. Amigos de la Tierra (COECOceiba) - Costa Rica / Friends of the Earth – Costa Rica
9. Amigos de la Tierra de América Latina y el Caribe (ATALC) / Friends of the Earth Latin America and the Caribbean
10. Asia Pacific Forum on Women, Law and Development (APWLD)
11. Asia Pacific Network on Food Sovereignty [APNFS], Philippines
12. British Columbia Food Systems Network, Canada
13. Buendnis fuer Eine Welt /OeIE (Alliance for One World), Austria
14. Canadian Council of Professional Fish Harvesters / Conseil canadien des pêcheurs professionnels, Canada
15. Center for Encounter and active Non-Violence, Austria
16. Centro de Estudios Rurales y de Agricultura Internacional (CERAI), España
17. Centro Internazionale Crocevia, Italy
18. Comité para la Defensa y Desarrollo de la Flora y Fauna del Golfo de Fonseca (CODDEFFAGOLF), Honduras
19. Coordinadora de Integración de Organizaciones Económicas Campesinas de Bolivia
20. CPE - Coordination Paysanne Européenne / European Farmers Coordination / Coordinadora Campesina Europea
21. Dachverband entwicklungspolitischer Organisationen in Kärnten, Austria
22. Development Fund, Norway
23. Dutch Arable Farmers Union, The Netherlands
24. ESK - País Vasco
25. ETC-group
26. Focus on the Global South
27. Food First/Institute for Food and Development Policy, USA
28. Global Food Security Group of Green Left, The Netherlands

29. Green Line Association, Lebanon
30. Hemen eta Munduan - País Vasco
31. IBON Foundation, The Philippines
32. Initiative Colibri
33. Institute for Agriculture and Trade Policy, USA
34. Institute for Global Justice (IGJ), Indonesia
35. Integrated Rural Development Foundation [IRDF], Philippines
36. KEPA (Service Centre for Development Cooperation), Finland
37. MOCASE Argentina
38. NAJK (Young Farmers The Netherlands)
39. National Family Farm Coalition, USA
40. National Farmers Union (NFU), Canada
41. Naurzum, Kazakhstan
42. Oxfam-Wereldwinkels, Belgium
43. Pesticide Action Network Asia and the Pacific
44. PKMP-SUMAPI [National Alliance of Peasant Movements in the Philippines]
45. Platform Earth, Farmer, Consumer (Platform ABC), The Netherlands
46. Public Citizen, USA
47. Research Foundation for Science, Technology and Ecology (RFSTE)
48. ROOTS for Equity, Pakistan
49. Small and Family Farms Alliance, UK
50. Solidarity Fund X minus Y, The Netherlands
51. The Network for Consumer Protection (The Network), Pakistan
52. Union Paysanne, Canada
53. Via Campesina
54. Vredeseilanden, Belgium
55. Wervel VZW, Belgium
56. World Forum of Fish Harvesters and Fishworkers / Foro Mundial de Pescadores y Trabajadores de la Pesca
57. World Forum of Fisher Peoples (WFFP)