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national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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“FREE TRADE”: IS IT WORKING FOR FARMERS
NFU RELEASES COMPREHENSIVE ANALYSIS

SASKATOON, Sask.—Today, the NFU released a four-page analysis of the effects of 14 years of free trade on farmers. The report compares important economic indicators from 1988 (the year before the Canada-U.S. Free Trade Agreement was signed) with those of 2002.

The report shows that while agri-food exports tripled between 1988 and 2002, net farm income stayed flat and farm debt doubled.

In 1988, four farmer-owned co-ops handled the vast majority of western Canadian grain. Today, none of the major players are farmer-owned co-ops. In 1988, farmer-owned co-ops processed about two-thirds of Canadian milk. Today, co-ops process only one-third.

In 1988, Canadian flour mills and malt plants were largely Canadian-owned. Today, these plants are largely owned by U.S.-based transnationals.

Since 1988, Canada has lost two-thirds of its hog producers. Hog prices paid to farmers are unchanged, yet grocery-store pork prices have risen significantly.

The report shows that “free trade” has failed to produce the jobs predicted by government—the number of Canadian food processing jobs is down from 1988.

The analysis notes that “free trade” and globalization have dramatically altered the relative market power between farmers and agri-business corporations. This is very significant because it is this balance of market power that determines the distribution of profits within the agri-food production chain.

“Within these numeric comparisons is the key to the real causes of the farm income crisis. Until we address the underlying issues of market power and corporate control, farmers and governments are just chasing their tails when they try to deal with the farm crisis,” said NFU President Stewart Wells.

You can download the NFU’s four-page report in Adobe Acrobat (.PDF) format at www.nfu.ca . Or you can call (306) 652-9465 and ask to have a copy faxed to you.

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