



## Farmers win court challenge: CWB keeps barley mandate, NFU plays major role

“I conclude that the new Regulation is *ultra vires* and of no force and effect.” So said Federal Court judge Delores M. Hansen in her July 31 decision. (“*Ultra vires*” means “beyond the power.”)

The Regulation Judge Hansen struck down was the Federal Government’s June 7, 2007 Cabinet Order that would have, on August 1, terminated the Canadian Wheat Board’s single-desk marketing mandate over western Canadian barley. (The June 7 Cabinet Order was made public on June 11.)

The positive ruling for farmers secures, at least for now, the ability of barley producers to continue to enjoy the increased returns that CWB single-desk selling brings—every independent, credible analysis by economists demonstrates dramatically higher prices as a result of the cartel-like powers the CWB wields on behalf of Canadian barley farmers. The ruling also maintains the right for farmers to market collectively through a farmer-controlled agency, rather than competing, neighbour-against-neighbour, to see who will sell cheapest into a transnational-controlled grain trade. Finally, the ruling protects the rights of farmers to democratically direct the future of their marketing agency, the CWB.

The NFU played an important role in helping farmers achieve their July 31 court victory. The following will include part of that story. First, some context around the decision and the events leading up to it.

Speaking on CBC’s “The House” on Saturday, July 28—just after Court proceedings wrapped up in Calgary, but three days before the Judge announced her decision—NFU President Stewart Wells framed the court challenge this way:

Over the past 18 months, we’ve been locked in a power struggle for control of the Wheat Board. The struggle is over whether that control rests with the Federal Government or with Western farmers who market their grain through the Board.

*(continued on page 2...)*

## NAFTA reshaping North American labour patterns: Following the migrant worker trail

*Martha Robbins recently returned from a Food First reality tour, “El Camino Del Migrante”. She is working on migrant farm worker issues with the support of the Global Youth Fellowship from the Walter and Duncan Gordon Foundation.*

### The Borderlands

We arrive in El Paso, Texas at the end of July after the long drive from Saskatchewan through Montana, Wyoming, Colorado and New Mexico and we quickly discover that El Paso truly is a borderland. According to Guillermo Glenn, Coordinator at the Border Agricultural Workers Project (a fellow Via Campesina organization), El Paso exists between two worlds. “El Paso really doesn’t belong in Texas. We exist in a no-man’s land,” he tells us. And you can feel it.

The downtown sports many grand but now empty buildings from a heyday in the first half of the 20<sup>th</sup> Century. The security presence is aggressive and there are regular check-points along the US side of the border territory. Guillermo tells us that there is a two hundred-mile strip along the border where communities struggle with a lack of basic municipal services.

*(continued on page 11...)*



Photo: After day one inside Federal court room, Calgary, July 25, 2007. (left to right) George Calvin, Manitoba lawyer Alan Ladyka, Ken Larsen, Roy Atkinson, Jan Slomp, Lynn Jacobson, Dale Fankhanel, Stewart Wells, Harvey Thomas, Don Kinzie, farmers' lawyer Anders Bruun, George Snider, Bob Roehle, farmers' second lawyer Graeme Young.

*(Farmers win court challenge... from page 1)*

The situation today stems from the changes made to the *Canadian Wheat Board Act* by the Liberal government in 1998. Those changes handed control of the CWB's operations to the farmers of western Canada. And farmers, for the first time, elected people to sit on the Board of Directors of the CWB.

What has happened over the past 18 months, since the Harper government assumed power, is that they have tried to pretend that the 1998 amendments to the *Act* never happened. They have tried to turn back the clock. They have tried to suggest that they have total control over the Wheat Board operations from Ottawa.

There has been a long series of events and those events culminated in the passing of a Cabinet Order which would seriously undermine the CWB's ability to market barley. Farmers went to Court to argue that the government just does not have the power and authority to dismantle the CWB through regulation. When the *Act* changed in 1998, the entire world around governance of the CWB changed; that's the basis of the case we put before the judge in Calgary.

Wells went on to reflect on the legitimacy of the process that led to the Court case.

What farmers have been living through over the past 18 months is a high-speed collision between Conservative Party policies and basic Canadian democracy. We've had a series of actions, actions that have resulted in a sub-standard version of democracy being offered to Canadian farmers.

*(continued on page 6...)*

## A PARTIAL CHRONOLOGY OF GOVERNMENT ACTIONS

The government's Cabinet Order is the culmination of a series of hostile actions by the federal government over the past 18 months:

- Minister Strahl holds a closed-door meeting in Saskatoon with anti-CWB organizations (July 27, 2006);
- Minister appoints hand-picked "Task Force" stacked with industry-linked CWB-opponents (Sept. 19, 2006);
- Minister issues a gag order on the CWB—it cannot defend its single desk (Oct. 6, 2006);
- Mid-election, the Minister removes 16,000 farmers from the CWB Directors' elections voters' list (Oct. 17, 2006);
- Minister begins firing and replacing appointed CWB Directors (Oct.-Nov., 2006);
- Minister fires CWB CEO Adrian Measner (Nov.-Dec., 2006);
- Minister Strahl falsely alleges the CWB sold durum to Algeria below market prices; Strahl-appointed CEO Greg Arason sets the record straight saying Strahl's assertion "is not factual" (Feb.-March, 2007); and
- The government announces its Order-in-Council to strip the CWB of its barley marketing mandate (June 11, 2007).

## Ontario Ombudsman must audit OMAFRA: an update

In June, the Ontario NFU wrote to that province's Ombudsman asking it to investigate Ontario's Ministry of Agriculture, Food, and Rural Affairs (OMAFRA). The NFU letter said: "OMAFRA is failing to live up to its public trust: not only failing to deliver the food safety, environmental protection, sustainability, and family farm protection outcomes citizens want, but that OMAFRA's policies are moving our food and agriculture systems in the opposite direction."

In early August, the NFU followed up by supplying the Ombudsman with a draft copy of a detailed report that provides analysis and evidence of the chasm that exists between the legitimate expectations of Ontario citizens and the policies that OMAFRA has chosen to pursue.

The NFU report, expected to be completed in September, details OMAFRA's role in Ontario's farm income crisis, a looming demographic crisis (the number of farmers under the age of 35 has fallen by 62% since 1991), the massive environmental and energy-use unsustainability of many aspects of our food system, and eroding trust in food safety.

"OMAFRA is failing to deliver what the vast majority of Ontario citizens expect it to deliver. Moreover, in many cases, the problem is not that it is trying and failing, rather, it is pursuing other goals completely. It is putting agribusiness profit before sustainability, exports before family farms, it is disproportionately advantaging the largest players to the detriment of the smallest," concludes the NFU in its draft report to the Ombudsman. —nfu—

## Security and Prosperity Partnership bad for Canada

"The Security and Prosperity Partnership (SPP) is aimed at undermining food sovereignty in Canada," said NFU Women's President Colleen Ross in an August 17 news release. Ross was speaking a few days before the SPP summit in Montebello Quebec. A National Day of Protest was organized across Canada on August 20 to focus on the issue.

The SPP was officially launched by the leaders of the US, Canada and Mexico in March, 2005. Even though it deals with such important issues as food, water, trade, energy, and security, the public has been effectively shut out of the process. The key advisory body in the SPP is the North American Competitiveness Council, composed of 30 Chief Executive Officers from the largest North American corporations. The SPP aims to accelerate continental economic integration and to prioritize US security concerns.

"Big business has been moving quickly to establish a continental resource pact; a North American security perimeter; and common policies on agriculture, health, and the environment," noted Ross. "Even our elected MPs have been out of the loop with regard to these discussions." She said the SPP is already having an impact. Earlier this year, an SPP priority aimed at harmonizing rules on pesticide residues resulted in Canada allowing higher levels of pesticides in the food we eat. In addition, the five-fold increase in tarsands production will make it impossible for Canada to meet greenhouse gas emission targets.

Ross said that, unless stopped, the SPP initiative will curtail Canada's ability to implement policies aimed at making food sovereignty a reality. "The current food system, which depends on massive energy inputs, is focused on maximizing trade and exports. Canadian farmers' incomes haven't gone up as a result of increased exports, and that policy has also hurt producers in other countries. It's time to re-examine the causes of hunger and poverty. It's time to pursue food sovereignty, wherein nation's determine their own policies with regard to food and farming, based on the needs of farmers, citizens, the land, and the environment." —nfu—



# NFU 38<sup>th</sup> National Convention

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## CORRECTION:

In the June/July 2007 issue of *Union Farmer Monthly*, the article title on page 14 should have read "Farmers Demand Food Sovereignty and Agrarian Reform: Rural Development Conference in Berlin".

# SAVE \$\$

## on your Farmers of North America membership

Farmers of North America (FNA) is a for-profit, membership-based organization that helps farmers save money on inputs.



FNA members can access reduced-price pesticides (glyphosate and others), fuel, and other inputs. To find out more about FNA, please visit [www.fna.ca](http://www.fna.ca).

The NFU and FNA have come to an agreement whereby NFU members can enjoy a \$150 discount on an FNA membership. A regular-priced FNA membership costs \$500 per year (plus taxes); NFU members can join FNA for a wholesale price of \$350, but special conditions apply. In order to get the \$350 wholesale rate on an FNA membership, you must be a current, paid up NFU member and you must sign up through the NFU.

If you have questions about the FNA, you can request a pamphlet from the NFU office (see phone number below). If you have detailed questions, visit the FNA website [www.fna.ca](http://www.fna.ca) or call them directly: (306) 665-2294 or 1-877-362-3276.

To take advantage of the discounted FNA membership rate, phone the NFU. We can take your information over the phone. **To access the reduced rate call:**

**Diane Neufeld, National Farmers Union Office—(306) 652-9465**

*Have your credit card number handy (or you can mail in a cheque)*

Remember, to save on your FNA membership, you have to purchase it through the NFU.

*(Farmers win court challenge..., from page 2)*

The government has issued a gag order against the Wheat Board. The Minister interfered in Wheat Board Directors' elections half way through the election—taking a third of the voters off the voters list. The Minister then went on to fire one of the most respected CEO's in this country, Adrian Measner. Then, this spring, we had a bogus barley plebiscite that lacked every single democratic safeguard that Canadians have come to expect: the ballots were not secret, there were no public voters' lists, the interested parties were not allowed to be scrutineers, the question was unclear and ambiguous. *[For a list of events leading up to the court challenge, please see "chronology" sidebar, page 2.]*

If the process had been fair—if the government had followed the *Canadian Wheat Board Act* and acted on the wishes of farmers and Parliament—we wouldn't have had to go to Court. No one ever wants to undertake the hard work of raising the money and pursuing democracy in a courtroom, but we were forced into this position and, as Canadian farmers, we decided we just had to stand up for our rights.

*(continued on page 7...)*

## Twelve farmers helped bring this case

The NFU and all farmers who value democratic control of the CWB thank the twelve farmers who put their names on the legal challenge. Those farmers are:

***Harold Bell, Fort St. John, BC***

***Arthur Hadland, Baldonnel, BC***

***Lynn Jacobson, Enchant, AB***

***Ken Eshpeter, Daysland, AB***

***Art Macklin, Grande Prairie, AB***

***Terry Boehm, Allan, SK***

***Bill Woods, Eston, SK***

***Stewart Wells, Swift Current, SK***

***Lyle Simonson, Swift Current, SK***

***Wilf Harder, Lowe Farm, MB***

***Keith Ryan, Winnipeg, MB***

***Ken Sigurdson, Swan River, MB***

Those farmers volunteered their time, paid their own expenses, and took personal financial risks in order to participate. Theirs was an important and historic contribution. Had these twelve farmers and the NFU not taken on leadership roles in this case, it is almost certain that there would have been no court case and that, today, the CWB would have virtually no role in barley marketing. The farmers, the NFU, Friends of the Canadian Wheat Board, and other farmer and organizational allies were, in the words of CWB lawyer, the "proximate cause of the challenge."

The NFU and farmers would also like to warmly thank Anders Bruun, the lead lawyer for our case. Bruun similarly helped win the 1993 case against the federal government, the one that ended the short-lived Continental Barley Market experiment.

Many other people helped in this case and played vital roles. One of them was Bob Roehle, former CWB employee, who volunteered his time on a daily basis to help complete the hundreds of detailed tasks required as part of a successful court challenge. Bob also swore the contents of the large affidavit filed by the farmers.

*(Farmers win court challenge..., from page 6)*

In a July 31 NFU news release commenting on the successful outcome of the legal challenge, the NFU said:

“Farmers went to court to protect our right to collectively, democratically, and properly determine how we market grain. We won. The judge ruled that the Government of Canada—whether Conservative, Liberal, NDP, or another party—must follow the law. The law dictates clear procedures for changing the CWB’s mandate: a fair plebiscite on a clear question, good-faith consultation with CWB Directors, and legislation democratically passed in the House of Commons by elected MPs. This law is there to ensure that farmers maintain democratic control over their marketing agency,”

The release continued: “Farmers hope the federal government will now use some common sense and not appeal this decision. It is also our hope that the government will now stop interfering in CWB business and let the CWB maximize the returns from grain marketing and get that money back to farmers. In 1998, control was given to farmers through the *CWB Act*. Justice Hansen has confirmed that it is Our Board, Our Business.”

—nfu—

## GOVERNMENT FLUNKS BUSINESS 101

In the examination process preceding the Calgary court date, Federal lawyers revealed that the government had done absolutely no analysis of the marketplace impacts or economic consequences of its Order-in-Council.

Speaking after the Court decision, Prime Minister Stephen Harper stridently re-asserted his commitment to “see a dual market for Canadian farmers.” This, despite the finding of the government’s own, hand-picked Task Force of CWB opponents who said that a dual market “is not possible.”

### Funding the case

Many NFU members pledged money to help underwrite the cost of the court challenge. Together, these family farmers contributed tens-of-thousands of dollars. This generosity was a key step toward the success of this court challenge. Knowing that we had that money committed allowed the NFU to take an early lead role in organizing this case.

Provincial governments in Manitoba and Saskatchewan also contributed money to this case. Farmers should be extremely grateful to those governments and to the elected officials and public servants who had the vision to support farmers’ fight for democracy and the rule of law. The governments of Manitoba and Saskatchewan provided key funding, helping offset the financial advantage enjoyed by the federal and Alberta governments.

Despite generous and critical provincial funding, it was, however, farmers who pledged the money that allowed this case to move forward rapidly. All farmers should be proud of the way that we worked together collectively to help direct and fund this case.

### Stephen Harper reacts

Speaking in Prince Edward Island on August 2, Prime Minister Harper displayed the personal obsession he has for dismembering the CWB. He said that the court ruling “does not change the determination of the government of Canada to see a dual market for Canadian farmers.” He also stated, ominously, “It’s going to happen one way or another.”

In frustrating the government’s drive to carve up the CWB, the court victory “outed” Stephen Harper as the real architect and driver of the government’s push to destroy farmers’ collective marketing agency.

# Lies about barley prices: Media and politicians stand reality on its head

In the week following the July 31 announcement of the Federal Court decision on barley, some media, the Minister of Agriculture, and the Prime Minister told Big Lies. They called white black and black white. And they twisted numbers until they told stories that now turn out to be the opposite of the truth.

Here's the truth: contrary to media reports, the price of barley did not fall as a result of the Federal Court decision on CWB barley marketing.

While prices did decline slightly in the days after the decision, those early-August declines merely continued ongoing and consistent declines that had been underway for nearly eight weeks. Moreover, post-July 31 price declines were much smaller than some declines in June and early-July.

Further, and this is key, the nearly 8-week long downward trend in barley prices does not correlate at all with the July 31 court decision to retain the CWB's single-desk. If that 8-week long decline correlates with anything, *it correlates with the announcement by the government of its Cabinet Order to terminate the CWB's single desk.*

Three days after the government announced its Cabinet Order, an eight-week long barley price rise ended and an eight-week long decline began. The great unreported story is this: Days after the government announcement to terminate CWB single desk, barley prices dropped nearly 20%. In contrast, the story that many media did report—barley prices drop in wake of court decision—is a gross misreading of the data and intellectually dishonest.

To reiterate and clarify, Agriculture Canada data on Lethbridge (cash) and Winnipeg (nearby futures) feed barley prices shows this:

1. Beginning in late-April, feed barley prices began a strong upward movement, gaining between 12.6% (cash) and 20.3% (futures).
2. That eight-week long upward move ended just three days after the government's June 11 announcement of its Cabinet Order to terminate the CWB's single desk.

3. Beginning June 14, three days after the Cabinet Order, an eight-week long (so far) price decline began.
4. The price declines following the Federal Court decision were simply a continuation of a consistent downward trend that began weeks earlier.

The graph on the following page will clarify and reinforce all of this. But, first, let's revisit the media and political spin that followed farmers' successful court challenge to keep barley under their CWB single desk.

## Calling white black

In the wake of the court decision, many media and politicians pointed to falling barley prices as proof that CWB involvement was bad for markets/farmers. Here's a selection.

*"[C]ash prices dropped 70 cents a bushel and futures fell \$7.50 a tonne. One farmer reported he lost \$40,000 on Aug. 1."*

— Barry Cooper, editorial, *Calgary Herald*, August 8/07, page A18.

*"Barley prices dropped more than 20 per cent yesterday, down from recent record highs after a court ruling dashed the federal government's plan to strip the Canadian Wheat Board of its monopoly over the grain."*

— Dawn Walton, "Ruling fuels plummet in price of barley", *Globe and Mail*, Page A4.

*"In the days following the court decision, barley prices in Western Canada dropped like a rock."*

— Kevin Hursh, *Hursh on Agriculture*, August 3, 2007.

*"Barley prices dropped on the Winnipeg Commodity Exchange in the wake of a Federal Court ruling Tuesday that upholds the Canadian Wheat Board's barley monopoly. Cash prices for western barley dropped Wednesday morning by about 70 cents a bushel, while futures prices were down \$7.50 a tonne. Don Bousquet, a Winnipeg commodity analyst and commentator, said prices had been high because sellers were counting on selling more than 500,000 tonnes of Canadian barley on the world market without having to go through the wheat board. 'The expectation is now that a lot more barley will not leave the country, but stay in the country and depress the domestic market', Bousquet said."*

—"Barley prices drop in wake of upheld monopoly", *CBC News*, August 1, 2007.

(continued on page 9...)



"If farmers needed any further proof about the positive impact that marketing choice would have on their bottom line, they need look only at what happened to prices following the court decision. Many barley growers were looking at record prices for their grain, but the court decision wiped millions of dollars of potential off of their balance sheets. A monopoly may work for some farmers, but thousands of others will be sure to tell those folks in the ivory towers of Winnipeg (and the provincial governments who funded them) of the frustration and outrage at what it has cost them personally. Their disappointment is palpable, and I share it wholeheartedly."

— Minister of Agriculture Chuck Strahl, Open Letter, August 3, 2007.

"When that barley market appeared to be coming open, prices went up and now that it appears it might not be open, prices are going back down. I think the message to the wheat board is clear. The message is farmers want it (open)."

— Prime Minister Stephen Harper, Prince Edward Island, August 2, 2007.

The reality is far more complex, and far more interesting. And the data points to a conclusion opposite to the story told by Harper, Strahl, and a lamentably un-rigorous media.

The following graph is assembled from Ag. Canada data—Winnipeg nearby month futures and Lethbridge cash prices. These numbers are indicative and definitive.

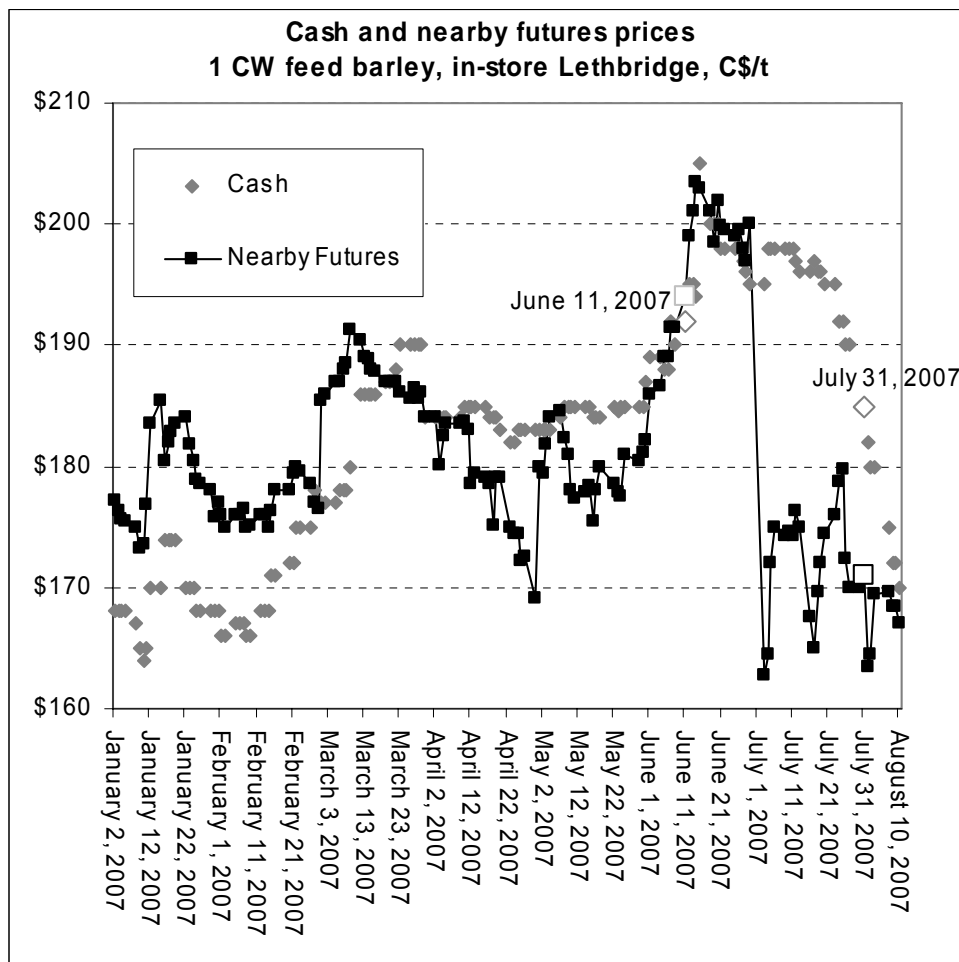
The two highlighted data points near the right-hand side of the graph are July 31, 2007, the day the Federal Court decision to retain the CWB's single-desk powers for barley was announced. The highlighted points nearer to the middle of the graph are June 11, the day Minister Strahl announced the "Market Choice" Order-in-Council regulations.

The graph shows us the following:

### Taking futures prices first

- The price decline following the Court decision was relatively small—3.8%, at most.
- Futures prices largely recovered in the days that followed—they are now (August 10) down just 2.3%
- These declines are small when compared to the (largely unexplained) June 29 drop of nearly 19% (the graphs shows "nearby" futures, so June 29 saw the switch from one futures month to another; note, however, that there were no similar sharp drops on previous "switch" days).
- The futures price decline began in mid-June, a month-and-a-half before the Federal Court decision.

(continued on page 10...)



(*Lies about barley prices, from page 9*)

- E. The June 14 futures price peak is almost certainly the highest price in the past decade.
- F. Falling US corn prices had been putting downward, disciplining pressure on barley for weeks; analysts were predicting corn-related price declines in barley long before the Court decision.
- G. The government announced its “Marketing Choice” Cabinet Order on June 11. By then, the market had been rising strongly for over 8 weeks—prices were near \$195/tonne. Three days after the Harper government made its announcement, that strong rally turned downward. The trendline from the June 11 announcement to present (or to July 31) is strongly *downward*.

#### Now, cash prices:

- i. Much of the preceding applies.
- ii. Lethbridge cash prices similarly rose for 3 days following the June 11 “Market Choice” announcement, before going into a sustained 39-day (trading days) decline.
- iii. Cash barley prices were already in mid-decline on July 31, when the Federal Court announced its decision.
- iv. The slope of the decline did not change on July 31.
- v. Prices declined from decade-highs.
- vi. Again, the beginning of the cash price decline correlates most closely with the government’s announcement of its Cabinet Order (with only a 3-day lag); there is no visible causal link to the court decision, no visible correlation.

Recall Harper: “When that barley market appeared to be coming open, prices went up....” Actually, Mr. Harper, when that barley market appeared to be coming open, prices went *down*.

Have a look at the graph and then consider Kevin Hursh’s comment: “In the days following the court decision, barley prices in Western Canada dropped like a rock.” Actually, the biggest declines came before the decision—the day that the nearby futures prices “dropped like a rock” was June 29.

And consider Barry Cooper, writing in the Calgary Herald: “[C]ash prices dropped 70 cents a bushel and futures fell \$7.50 a tonne. One farmer reported he lost \$40,000 on Aug. 1.” First, cash prices were 6 cents lower on August 1, compared to July 31, not 70 cents lower. Second, futures were down, as Cooper says, \$7.50/tonne, but futures prices dropped \$37.30/tonne on June 29—five times the August 1 drop. Cooper did not write an editorial about the June 29 decline.

Fourth, Mr. Cooper’s farmer friend, the one who lost \$40,000 on August 1, must have lost over \$200,000 on that barley on June 29 (so much for the smart, open-marketers always hitting the peak of the market). Finally, Mr. Cooper’s friend must have nearly 250,000 bushels of feed barley on hand (all unhedged, apparently). Now, that’s fifty 5,000-bushel bins full. That amount of stored barley is probably not indicative of Prairie-wide averages.

As Hollywood Director John Ford once counselled: “if you have a choice between printing the facts or printing the myth, print the myth.”

Mythology and ideology are cousins—both simplify and distort in reassuring ways. With regard to prices and the CWB, the government and many media printed the myth during the first week of August: they did not tell the truth. CWB-opponents (Harper and Strahl foremost) rely heavily on mythology—freedom, rugged individuals, free markets, choice, competition.

Farmers, however, need facts, such as the Ag. Canada cash and futures price data graphed above.

The fight over the future of the CWB remains, largely, a fight between myth and facts.

Farmers must demand that their media report the latter, not the former.

—nlu—

*(NAFTA reshaping North American labour patterns, from page 1)*

Veronica Carmona, an organizer with Colonias Development Council in Las Cruces, New Mexico, takes us out to a relatively new community called Rio Vista and tells us that residents bought lots and developed the town without being told that it was located beside a huge industrial dump site. The dump takes waste from the city of El Paso and, in a twist of irony due to the North American Free Trade Agreement (NAFTA), it now has an obligation to take industrial waste from the maquiladoras on the Mexican side of the border. Many of these maquiladoras (factories) used to provide jobs on the US side of the border, pre-NAFTA. She describes the borderlands as the “backyard” for both the United States and Mexico.

The El Paso region is one of the most important places along the US-Mexico border for recruiting farm labourers. There are more than two million migrant farmworkers working in the United States and a large majority of them are Mexican. The average wage for farm workers in the area is less than US\$7,000 per year, well below the poverty line. Yet hundreds of people cross the border from Mexico into the United States every day to work in the fields picking chilli peppers or performing other labour-intensive tasks.

So what has caused this massive migration out of the Mexican countryside? How did living below the poverty line in the United States become the best option for so many people?

For every container of corn that the US exports to Mexico, Mexico sends back two migrant workers

As we continue our travels south, moving into the Mexican state of Chihuahua, it becomes apparent that a large part of the crisis in rural Mexico, which has necessitated this incredible migration, is due to trade liberalization and more specifically, to NAFTA.

Unlike a conversation with the average farmer in Canada who is more likely to identify problems of efficiency or lack of technology than relate negative farm incomes to the rules of international trade, Mexican farmers are highly educated on what NAFTA’s agricultural chapter contains. Over and over again, Mexican peasants identify the connections between their farm income crisis and NAFTA.

Victor Quintana, a leader with the Via Campesina farm organization Frente Democratico Campesino and a newly elected member of the Chihuahua state congress, recognizes two key moments as contributing to the crisis in the Mexican countryside. He believes that the crisis first erupted in 1982 when Mexico was faced with an enormous external debt and few economic resources. At this time, Mexico became one of



*Victor Quintana (second from left) speaking at the Via Campesina forum on Food Sovereignty in Mexico City, August 2007.*

the first countries in the world where the International Monetary Fund and the World Bank introduced Structural Adjustment Programs (SAPs). The introduction of SAPs meant that agencies that supported farmers were forced to close, minimum payments for crops ceased, agricultural loans were drastically reduced and virtually all extension work and research was halted.

The second phase of liberalization began with Mexico joining the GATT (General Agreement on Tariffs and Trade) in the mid-1980’s. Mexico moved almost overnight from a closed economy to an open economy, which immediately prompted a flood of external goods to replace Mexican goods. Eventually, Mexico also signed the NAFTA with Canada and United States.

The first result of these measures, according to Victor Quintana, was an agricultural crisis followed closely by a food crisis. Whereas Mexico used to produce the majority of its own food, it is now a country that imports vast quantities of food and is heavily reliant on those food imports. Peasants struggle to compete with cheap imports from the United States and elsewhere while at the same time, many agricultural sectors suffer from the intense corporatization and consolidation felt around the world.

The consequence has been food dependency coupled with a staggering loss of jobs (an estimated 2 million jobs lost between 1994 when NAFTA was signed and 2004). Sadly, many of the people who are now forced to migrate for work on US and Canadian farms are farmers in their own right. For Victor, the paradox is summed up by stating, “For every container of corn that the US exports to Mexico, Mexico sends back two migrant workers”.

*(continued on page 12...)*

## Working to roll-back NAFTA

The movement to counter the negative effects of trade liberalization on the Mexican countryside is widespread and diverse. On our journey, we visit successful local cooperatives, sustainable farming projects, and defiant indigenous communities—all sharing the lesson that organizing matters.

In Mexico City, we meet with Diputada Federal (Federal Congresswoman) Susana Monreal Avila who serves on the Agriculture Commission, among her many other duties. She informs us that most of the political parties in the Mexican Congress (with the exception of the governing PAN) take the position that NAFTA needs to be renegotiated. She believes that NAFTA is “naturally unjust”. It was predicated on unequal relationships between the three signatory countries and perpetuates those inequalities by consistently placing Mexico at a disadvantage. In her opinion, the negotiating imbalance is proved through the constant threat by the Canadian and American governments that if Mexico seeks to reopen NAFTA and renegotiate the Agriculture Chapter, they will reopen other chapters of the agreement as well and push an agenda that would have further devastating effects for Mexico.

Peasant organizations have worked diligently pressuring the Mexican government to remove agriculture from NAFTA entirely. Dip. Susana Monreal Avila sees a return to domestic markets as the only solution. She thinks that there are really two options: the first one is to become like the US and Canada with a population of farmers below 2% of the national population and to live as a country dependent on outside sources of food.

The second option is to ensure Mexican peasants have the role once again of producing food for Mexican communities, of reclaiming food sovereignty for Mexico. She says that this would also change the social space for peasants. “They [peasants] wouldn’t be 2<sup>nd</sup> and 3<sup>rd</sup> class citizens anymore. They would instead be the ones responsible for feeding all other Mexicans.”

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## Some fuzzy thinking on biofuels, part 2: The United Nations weighs in

Biofuels and bioenergy have a “huge potential to reduce hunger and poverty” if production shifted to poor countries. So says Jacques Diouf, United Nations (UN) Food and Agriculture Organization (FAO) Director General in an August 15 editorial in the Financial Times of London (UK). ( <http://www.ft.com/cms/s/963b5354-4ac7-11dc-95b5-0000779fd2ac.html> )

Diouf does lay out three strategic directives intended to help ensure bioenergy production benefits the poor. But his strategies echo similar (failed) attempts to ensure that the poor and developing-nation farmers benefit from the globalization of the food trade.

Diouf says “our strategy must ensure that a significant share of the multi-billion-dollar-a-year bioenergy market is produced by farmers and rural labourers in the developing world, the people who make up 70 per cent of the world’s poor. ... [I]t will require the lowering of trade barriers....”

He goes on to say: “Such measures would allow developing countries—which...often have ample reserves of land and labour—to use their comparative advantage.”

Over-optimistic, perhaps, Diouf says: “If we get it right, bioenergy provides us with a historic chance to fast-forward growth in many of the world’s poorest countries, to bring about an agricultural renaissance....”

But according to United States Department of Agriculture (USDA) data, we are currently in the fastest, most sustained food-supply drawdown in 45 years, probably the fastest in the post-War period. Projections are that we will add over 3 billion people to the global population in the coming 40 years. Cropland area is static (or slowly shrinking). Bioenergy crops mean burning food, or, at best, diverting cropland and displacing food crops.

A push to ramp up production of bioenergy crops for export also ignores the fact that these crops would compete for land that currently supplies cooking fuels for local households—much of the developing world already runs on wood and other “bioenergy” sources. Many citizens of developing nations work and walk for hours each day to secure or scavenge wood, straw, and other materials to stoke their cooking fires.