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Behind the Secret Trade Deal: What about Agriculture?

By R. Dennis Olson and Alexandra Spieldoch

The controversy continues to escalate over the recent trade “deal” between House Speaker Nancy Pelosi and House Ways and Means Chairman Charles Rangel and the Bush administration. The closed-door, backroom nature of the deal shows once again, like at the WTO and negotiations for other free trade agreements, how deeply flawed outcomes inevitably result from closed and non-transparent processes. This deal was no different. It completely ignored one of the most damaging and controversial aspects of trade deals: agriculture.

The failure of the free trade model in agriculture is one of the major causes of hunger and poverty around the world. Poverty and social desperation have a causal link to labor rights abuse and environmental degradation. This link is not news to the rest of the world but continues to be lost in the U.S. legislative debates.

The U.S. government’s continued support for the free trade model with a few tweaks here and there is, at the very least, irresponsible. In many cases, it has been devastating. This approach, epitomized by NAFTA and the WTO, now has a track record that is by almost all measures an abysmal failure.

Nowhere addressed in the trade deal is how to address the false promise consistent in free trade agreements that all farmers will find prosperity by increasing their export market shares. Of course farmers don’t export, multinational corporations do. Instead of leading toward prosperity for farmers, free trade has driven an export-led corporate model of agriculture that has substantially increased the dumping of agricultural commodities onto world markets at below the cost of production. Small-scale farmers, who make up as high as 70 percent of the population in some of the poorest countries in the world, cannot compete with these below-cost imports. In many cases, these farmers can no longer support themselves on their land, and are forced to migrate to other areas such as the United States in search of a better life.

Agribusiness groups have flourished under the free trade system while farmers in both the U.S. and developing countries have been losing out. What we have increasingly witnessed is the consolidation of our food and agriculture system at the expense of small farmers, healthy food and rural communities.

The trade deal also ignores several other areas with deep implications for agriculture. For example, poor investment rules in free trade deals have allowed corporations to lead countries in a race to the bottom to find the weakest environmental, labor, and consumer safety regulations. While the new deal offers provisions on intellectual property and health in support of affordable generic drugs, it says nothing about the impact of U.S. monopoly-controlled intellectual property rules on the extraction of natural resources and the loss of biodiversity, protection of traditional knowledge, ensuring the ancient right of farmers to save seeds and to be free of unfair liability caused by crop contamination. Moreover, it will provide no opportunity to reassess the negative impacts caused by the unregulated release of genetically engineered crops into the environment that are undermining culture, environment and food systems - particularly for small-scale farmers; and that are threatening organic and conventional markets alike.

Despite these real-world failures, this trade deal continues to support a deeply flawed model of free trade with a few tweaks here and there that will most likely end up as side agreements that will not be enforced anyway. More importantly, the decision of the crafters of this new trade deal to once again ignore agriculture will have damning impacts on farmers and food security both in the U.S. and around the world. ▣

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