

## Some facts and figures about agriculture worldwide

from Dirk Barrez' book: 'Cow 80 has a problem'. (Epo books, Dutch only)

(for a summary of the book contact [h.goverde@chello.nl](mailto:h.goverde@chello.nl))

### 1. Consequences of the 'free' market for developing countries:

The imports of subsidised European milk powder costs **Senegal** 55 million euros. If that would be Senegalese milk instead, tens of thousands of people could live from that..

Altemir Tortelli, farmers' leader, Fetraf, **Brazil**.' If the import tariffs are lowered to less than 10%, as is stipulated by the WTO and the EPA's , we risk that one million farmers will have to leave the milk production. We have much more in common with farmers in Africa or Asia than with the agro-industry in our own country'

German Sorto, **Honduras**: 'the cows down there live on the fertile meadows, we live on the rocky slopes. Between 1985 and 1995 360 people who did not want to leave their land were killed. '

In **Senegal** the price of peanuts has halved in thirty years – moreover the money is worth half. People earn hardly a quarter of what their parents or grandparents earned. They have switched over from growing peanuts to sorghum but in the towns people are eating French loaves from subsidised European wheat instead of sorghum. The farmers are envious of their grandparents who had a good life and could send their children to school. Now there are no schools, no clinics, no extension services for agriculture. Awea Diop: I mix animal feed through the peanuts, and that is what we eat. It gives the children diarrhoea and stomach ache, but it's all we have.

In 1995 **Cameroon** imported 500 tonnes of chicken – in 2003 this has exploded to more than 22.000 tonnes. 90% of the employment gone, more than 100.000 jobs. No unemployment money. The same scenario in Ghana, Ivory Coast, Benin and Togo.

The world's poor live mainly in the rural areas. 865 Million people are underfed and hungry and every day 30.000 people die of malnutrition, that is to say from lack of income. **Asia** still has the largest number of hungry people, double the number of Africa. According to the FAO **India** had more than 200 million underfed people in 1970 and the same number now.

### 2 The 'value' of agriculture and the unequal terms of exchange

Table 1: **People** working in de different sectors, in percentages

Year 2005	Agriculture	Industry	Services
Whole world	<b>40</b>	21	<b>39</b>

Table 2: **Value** of the work in the different sectors, in percentages (Source: World Bank 2006)

Year 2004	Agriculture	Industry	Services
Whole world	<b>4</b>	28	<b>68</b>
Low-income countries	23	28	49
Middle-income countries	10	37	53
High-income countries	2	27	71

**So the 40% of people working in agriculture – see table 1 – only produce 4% of the global wealth (table 2) . Their work is valued much less than the work of people working in other sectors, such as services.**

One in 50 farmers has a tractor – ten out of fifty have a draught animal; the others (40 out of 50) have to make do with their spade, machete etc.

Half of the farmers can make use of manure, pesticides, selected seeds and animal breeds and achieve better results. Half the farmers have no soil of their own.

The nominal prices for agriculture may have risen between 1961 and 2002 but the real prices (counting inflation) have fallen by almost 50% in nearly 40 years, especially since the 80s.

This fall is distributed unevenly over the various product groups and over periods of time. Prices can be very volatile..

After the second world war the productivity has risen enormously due to 'industrialisation': the small number of richest farmers succeed in extracting from their large fields a much higher income than what the large mass of poorest farmers produce. This phenomenon is called the terms of exchange. The poorest countries have to export more than three times as much to be able to pay for the same imports.

Price-setting takes place on the world market, for poor as well as rich farmers. 88% of all the grain in the world is traded in local markets, and yet it is on the world markets that prices for grain are decided. Even

though prices are rising now the long-term trend is down. The world market is fine for cars and mobile phones but not for food – it leads to economic devastation: deaths of malnutrition, suicides and migration. Most people earn a salary and in many countries there are minimum wages, but many people tend to forget that *for a farmer the price he gets for a product are his wages*.

### 3. Unequal distribution of land

Table 3: Distribution of land (land per farmer)

	1980	2002
Worldwide	1.35 ha	1.16 ha
Developing countries	0.70	0.60 (0.39 in SE Asia, 3.88 in L Am and the Caribbean)
Rich countries	14 ha	25 ha

In Brazil one percent of the population now owns 47% of the land. The old inequality, heritage of the first colonial wave, now coincides with an international rat-race in what can be seen as a second colonial wave. Large landowners often use their land extensively. They only use their very fertile land for grazing or let it lie fallow for years. Redistribution of land happened in Korea and Taiwan some generations ago and this is said to account for their economic success.

### 4 Agriculture in public expenditure

Table 4: Evolution of the share of agriculture in public expenditure (percentages) (source: World Bank)

	1980	1990	2002
Africa	6.4	5.2	4.5
Asia	14.8	12.2	8.6
Lat. Am.	8.0	2.0	2.5

Most governments neglect agriculture.

The debate is really about who has the last say over natural resources, knowledge and the sale of agricultural products that are not needed for the inhabitants of that country.

### 5 Agrifood chains

*If you refuse to intervene for the benefit of the weak that means that you are organising the power of the strong.*

One example of an agrifood chain is Cargill. It employs 149.000 people in 163 countries and produces agricultural products and cattle; food and drinks; dairy products and snacks, health and pharmaceutical products, financial management and risk management; energy crops and other industrial crops.

Cargill is a mainly a food *processor*. The *distribution* sector is strongest though. They are *the bottleneck in the European Food industry*:

(From Grievink (2003), cited by MacMillan in 'Power in the Food system'):

160.000.000	consumers
89.000.000	customers
170.000	shops
600	supermarkets
<b>110</b>	<b>purchasing firms</b>
8.600	processors
80.000	producers of half processed products
160.000	suppliers
3.200.000	farmers

The biggest ten distribution chains have a market share of 24% . The biggest of them is Wal-Mart, notorious for its low wages and bad working conditions. 80% of the 6000 factories of Wal-Mart are in China.

The processors are losing power and trying to join up even more to withstand the distributors.

The supermarkets are becoming the processors' competitors with their 'own brands', which attack the established brands. A strange new development is that farmers' organisations are now lobbying with their old enemy (e.g. Chiquita) for better prices in the supermarkets in Europe so that they can pay the workers reasonable wages.

China will be a big player on the world market. Half of all the vegetables and 16% of all the fruit are produced in *China*. Only 1 % is exported, but exports are growing at a rate of 30% a year. China is already the second largest exporter of apples and pears.