IOWA FAIR TRADE CAMPAIGN

BACKGROUND:

Iowa's Family Farms Lose w/ Corporate Trade Deals

- **In the US, more than 300,000 Family Farms went broke during the first ten years of NAFTA (1994-2004), and family farm income continued to decline** despite promises to the contrary. At the same time, Canadian grain and dairy farmers have struggled to survive as prices fell to record lows, with 11% of Canadian family farms forced into bankruptcy from 1996 and 2001 alone.[1] Additionally, over 1.3 million Mexican small farmers were forced off the land and into overcrowded urban areas and US cities.[2]

- **Corporate control of agriculture increased dramatically under NAFTA and the World Trade Organization (WTO)**. Over 80 percent of US corn is exported by three firms: Cargill, Archer Daniels Midland and Zen Noh.[3] The 10% of U.S. farms that are "large" farms (defined as those with gross sales in excess of $250,000) now produce two-thirds of all agricultural goods on only 32% of agricultural land.[4] These large farms also receive the lion's share of farm subsidies; by 2002, the top 10% of subsidy recipients collected 65% of total payments, a share worth $7.8 billion.[5]

- **Skyrocketing Corporate Agribusiness Profits:** *Cargill's net earnings more than doubled between 1999 and 2003 — from $581 million to $1.29 billion.*[6] *ConAgra's net income increased from $437 million in 2000 to $774 million in 2003.*[7] *ADM posted strong net earnings of $511.1 million in 2003.*[8]

- **Family Farms Get Squeezed:** Prices paid to U.S. farmers fell 40% from 1995-96 to 2004. Between 1994 and 2001, the total contribution of agriculture to the U.S. economy declined by $4 billion.[9] In 2002, net farm income was 16% lower than the average for 1990-95.[10] Total farm business debt rose for the 11th straight year in 2003, for a total increase of almost 50% since before NAFTA.[11]

- **Broken Promises to Consumers:** NAFTA and WTO promoters claimed that any lower prices paid to farmers would benefit the economy as whole in the form of lower food costs. However, according to US Census Bureau figures, the consumer price index for food (real prices for food eaten at home) in the US rose by 22% between 1994 and 2002.[12]

ASK THE CANDIDATES!

What's their *specific* plan for change? Don't forget to let us know the answers.

Iowa Fair Trade Campaign ◆ 515.494.4315 ◆ iowafairtrade@gmail.com ◆ iowafairtrade.org

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[1] "The Ten Year Track Record of NAFTA:U.S., Mexican and Canadian Farmers and Agriculture," Public Citizen fact sheet, accessible at http://www.citizen.org/documents/NAFTA_10_ag.pdf
[2] "Failed Trade Policy and Immigration: Cause and Effect," Public Citizen's Global Trade Watch fact sheet, accessible at http://www.citizen.org/documents/ImmigrationFactSheet_FINAL.pdf.
[3] Institute for Agriculture and Trade Policy, "United States Dumpin on World Agriculture Markets," Cancun Series Paper 1, 2003, p8.
[4] Daryll E. Ray, Daniel G. De LA Torre Ugarte and Kelly J Tiller, "Rethinking U.S. Agricultural Policy: Changing Course to Secure Farmer Livelihoods Worldwide," Agricultural Policy Analysis Center, the University of Tennesee, 2003, p12.
[5] Environmental Working Group, "EWG Farm Subsidy Database 2.0," (update) Sept. 8, 2003.
[6] www.cargill.com/finance/highlights.htm, Sept 10, 2003 (Hard Copy on file with Public Citizen.)
[7] http:////finance.yahoo.com/q/is?s=CAG&annual, Oct. 21 2003. (Hard copy on file with Public Citizen.)
[8] Archer Daniels Midland, SEC Form 10-K, June 30, 2003.
[9] USDA Economic Research Service, "Agricultural Outlook: Statistical Indicators 2003," Jan 2003.
[10] USDA Economic Research Service, "Agricultural Income and Financial Outlook," Sept. 25, 2002, p. 191; USDA ERS, "Agricultural Income and Financial Outlook," Oct. 17, 1996.
[11] USDA Economic Research Service. "Agricultural Income and Finance Annual Lender Issue," Electronic Outlook Report, Mar. 11, 2003. (Hard copy on file with Public Citizen.)
[12] Bureau of Labor Statistics, US city average, series ID CUSR0000SAFF11, extracted Oct. 21, 2003

Iowa Fair Trade Campaign:
Victory in 2008!

The Iowa Fair Trade Campaign helps facilitate broad-based grassroots activism for a new, fair trade model.

The Race to the Bottom: The NAFTA/World Trade Organization (WTO) model is a proven failure. Iowa has lost thousands of jobs because these agreements reward companies that take jobs offshore wherever they find the lowest wages and the weakest environmental regulations. Meanwhile, wages stagnate and workers face the constant threat of having their jobs sent overseas. Current unfair trade rules hurt Iowa's family farmers by creating an uneven playing field that rewards the unsustainable practices of agribusiness and factory farms.

But We Are Winning: Fair Trade candidates won big in the 2006 Congressional elections, including here in Iowa. Current WTO talks are stalled. With momentum on our side, the election of the next president will likely prove the best hope in a generation to leave behind the NAFTA/WTO model forever.

A Whole New, Fair Model, and Nothing Less! We need candidates committed to reviewing and possibly renegotiating corporate trade deals like NAFTA and the WTO, to replacing Fast Track with a model allowing increased negotiating power to elected Members of Congress, and to implementing trade policies to bring our trade deficit back into balance. We will engage candidates to make specific commitments and to promise big changes that will put an end to the race to the bottom, for good!

Fight for Fair Trade in '08: The Iowa Fair Trade Campaign will question candidates at their public appearances, hold its own educational or visibility events, and engage the press to highlight how trade affects Iowa. *Help us turn up the pressure by volunteering to ask a tough question at a candidate event, or setting up a presentation or event with your union, church group, friends or neighbors.*

Straight Talk on Trade! Suggested Candidate Questions:

1. NAFTA has failed for the US and our trading partners. It has sent family-supporting jobs offshore and fuels environmental damage. NAFTA grants extra rights to investors, bans Buy America initiatives, and limits our ability to ensure the safety of children's toys or the food we eat. *Will you review and potentially renegotiate NAFTA to fix or remove these anti-democratic provisions?*
2. Fast Track is the Nixon-era model still used to negotiate failed trade arrangements like NAFTA and the WTO. It concentrates trade-negotiating power in a small agency where corporate lobbyists have set the agenda away from democratic oversight. Since Fast Track was enacted, we have run a steady and growing trade deficit and wages for American workers have been stagnant. *Will you commit to a new trade-negotiating model that allows our elected Congress increased negotiating power and authority?*
3. The failing "Doha Round" WTO talks seek to expand corporate investor rights and liberalize services – including possible privatization of public goods like education and water utilities. *Will your administration walk out of the Doha talks, and instead champion a new round of WTO negotiations that seeks to remove the many unfair and anti-democratic provisions?*

Don't Forget to Take Notes and Report the Candidates' Answers!

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