

## Rich farmland, poor farmers / more crops, less healthy food

### 1 Warmer

- a. Explain the following business practice. Find the expression in the article to check your answer.

*Pile it high, sell it cheap.*

- b. Which of these types of businesses and industries are most likely to use this system?

high-end designer boutiques (such as Ralph Lauren)
superstores (such as Walmart)          farmers' market sellers
chicken farming          supermarkets          fast fashion outlets
dollar stores/pound shops          health food shops

### 2 Key words

- a. Write the words from the boxes next to the definitions below. Check your answers and your understanding of how the words are used by using the same word to complete the example sentence after each definition.

Then read the complete article to see how each of the key words is used in context.

commodity      components      consolidation      fertiliser      source      tough

1. difficult \_\_\_\_\_

*He's having a \_\_\_\_\_ time at work at the moment.*

2. get a product or basic material from somewhere \_\_\_\_\_

*We \_\_\_\_\_ all our wood from sustainable forests.*

3. individual parts of something that together make up the whole \_\_\_\_\_

*Exercise is one of the key \_\_\_\_\_ of a healthy lifestyle.*

4. the combination of several small things, especially companies or organisations, into one large unit \_\_\_\_\_

*The takeover means that there will be even greater \_\_\_\_\_ in the sports retail industry.*

5. something that can be bought and sold, especially a basic food, product, or fuel

\_\_\_\_\_

*Clean water is our planet's most important \_\_\_\_\_.*

6. a natural or chemical substance added to soil to help plants grow \_\_\_\_\_

*In the summer, it's a good idea to feed your office plants liquid \_\_\_\_\_*

*once a week.*

domestic

harvest

inflation

reserves

scale back

subsidised

7. an economic process in which prices increase so that money becomes less valuable

\_\_\_\_\_

\_\_\_\_\_ *has hit a new 40-year high of 9.4%.*

8. make something smaller in size, amount, etc., than it used to be \_\_\_\_\_

*UK manufacturers are still having to \_\_\_\_\_ production.*

9. the amount of a crop that is collected \_\_\_\_\_

*We are expecting a poor \_\_\_\_\_ this year.*

10. when some of the cost of goods or services is paid for so that they can be sold to other people at

a lower price \_\_\_\_\_

*Meals in the canteen are \_\_\_\_\_ by the company.*

11. a supply of something that a country or an organisation can use when they need to

\_\_\_\_\_

*The country's coal \_\_\_\_\_ are getting low.*

12. relating to the country being talked about, and not other countries \_\_\_\_\_

*Unfortunately, the \_\_\_\_\_ economy shows no sign of improvement.*

## The high cost of producing cheap food

**INTENSIVE FARMING IN AMERICA'S MIDWEST HAS CONSEQUENCES FOR OUR HEALTH AND THE PLANET WITH FALLING RETURNS TO FARMERS**

**RANA FOROOHAR**

- 1 Anyone who wants to better understand the costly economic and political externalities that come with cheap food should spend some time in America's Midwestern farm country. I did last week, driving from Wisconsin to Missouri through hundreds of miles of corn and soya beans, the vast majority of which is grown not as food but as feed for cattle.
- 2 It was easy to find fast food and red meat in the small towns I passed, but it was often tough to find a decent supermarket with fresh fruits and vegetables. What a terrible irony that some of the richest farmland in America is often where you are most likely to find a "food desert", or a place where it is challenging to source the components of a healthy diet.
- 3 Nearly a century on from the Great Depression, we still farm as we did then, trying to produce cheap calories for growing numbers of hungry people – and using huge amounts of fossil fuels – rather than providing better nutrition for an overfed yet undernourished population in ways that might support the planet and local communities.
- 4 Consumers have become used to cheap food. But it's a model that makes little sense environmentally, and has led to tremendous consolidation on the production side.
- 5 Consider that in the middle of the biggest commodity price spike since the 1970s, some farmers are still struggling to stay in the black. Texas A&M University research shows that two out of three rice farmers will lose money this year, since input costs including fuel and fertiliser are rising even faster than commodity prices. Corn and soyabean producers will make money, but not as much as you'd think.
- 6 As Joe Outlaw, a professor at Texas A&M, put it in his testimony on the topic to the House Agricultural Subcommittee, consumer inflation may be 8.5 per cent but farmers have been hit with price increases at double that rate on seed. For other inputs, inflation is even higher. Herbicide is up 64 per cent from 2021 to 2022, and nitrogen fertiliser, perhaps the most important input of all, is up a whopping 133 per cent. Corn, meanwhile, is up only 4.84 per cent per bushel, and soya beans are up a little over 7 per cent year on year.
- 7 Farmers have tried to hedge and hoard to account for these spikes, but they are outgunned by large, highly concentrated companies that control much of the agriculture supply chain. As Outlaw explained: "Simply put, the input suppliers would not lock in a price until the producers [meaning farmers] agreed to take delivery."
- 8 The result is that many farmers, particularly small and medium-sized ones, will scale back on inputs this planting season, which will in turn hurt their future harvest. Grain trading giants such as Cargill are getting rich, as are many multinational energy companies. But growers themselves are barely in the black.
- 9 All of this speaks to a model that no longer works. Farming in America has been about cheap food for nearly a century. The New Deal encouraged the production of massive amounts of subsidised cereal grains to feed an influx of urban dwellers. The Reagan revolution encouraged further consolidation – as an illustration, consider that four companies control up to 85 per cent of the meat market.
- 10 Democratic President Bill Clinton then passed the "Freedom to Farm" act, which eliminated any government management of supply and demand. This is one reason farmers were dumping milk after the pandemic; overproduction encourages boom and bust cycles. It also makes it difficult to get food inflation under control now. While the US has strategic petroleum reserves, it has no grain reserves for domestic buyers despite being one of the world's largest producers.

*Continued on next page*

11 The “pile it high, sell it cheap” paradigm assumes that simply driving down prices will create a healthy market. But it comes with obvious costs for the planet, our health, and in some parts of the country, for politics. One would think that a state like Missouri, for example, would be fertile ground for Democrats campaigning on a message of corporate greed. In fact, the state voted for Donald Trump in the last election – in part because the failed industrial farming model hasn’t been replaced by much else, creating a disenchanted population that’s ripe for the former president’s dog whistles and his brand of populism, with its empty promises of help for the white working class.

12 Plenty of neoliberal economists might shrug at all this and note that farmers make up less than 2 per cent of the labour force (the agricultural sector as a whole is slightly over 10 per cent). They might even shrug at the fate of a state like Missouri, since they tend to think about overall numbers, not individual people in so-called flyover states. But in America’s electoral college system, states like this still matter – a lot. Taken together, they can make the difference between winning or losing.

13 So, what’s to be done? The Biden administration is correct to go after concentration in agriculture and energy, as in other industries. Indeed, the discrepancy between input costs and raw commodity prices makes me think that the White House has a point about corporate price gouging. If the commerce department gets its way, more rural broadband would help too. But ultimately, we are going to have to rethink the entire way we farm in America. Like so much of our economic system, it was built for a different era.

FT

Rana Foroohar, June 27 2022

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## 3 Understanding the article

a. Are these statements True or False according to the article? Correct any that are false.

1. The article is about industrial-scale meat farming in the US.
2. This type of farming relies heavily on fertilisers and herbicides that are bad for the environment.
3. People in America's richest farmland can have difficulties buying fresh fruit and vegetables.
4. A large percentage of the crops grown in the Midwest is exported to other countries.
5. US farmers are currently facing difficulties caused by high fuel costs, price increases on herbicides and fertiliser, and having to buy their grain from just a few suppliers.
6. Just under 10% of US workers work on farms.

## 4 Business language

a. Match the words to make word pairs from the article.

- |                 |            |
|-----------------|------------|
| 1. price        | commodity  |
| 2. urban        | force      |
| 3. corporate    | dwellers   |
| 4. disenchanted | gouging    |
| 5. empty        | greed      |
| 6. labour       | spike      |
| 7. raw          | promises   |
| 8. price        | population |

b. Find the word pairs in the article and explain what each one means – look up any you don't know.

**c. Use them to complete the sentences about the article.**

1. During the time of the New Deal in the 1930s, the number of \_\_\_\_\_ in the US increased greatly as people moved into the cities.
2. The current high \_\_\_\_\_ prices are making it difficult for farmers to make a profit.
3. 2022 has seen the biggest \_\_\_\_\_ in raw commodities in 50 years.
4. The current US government wants to do something against corporate \_\_\_\_\_, which is making life incredibly tough for farmers.
5. Farmers make up just under two per cent of the \_\_\_\_\_ in the US.
6. Believing his \_\_\_\_\_, many people in the flyover states in the centre of the US voted for Trump in the last election.
7. Missouri's \_\_\_\_\_ had hoped for and expected improvements in the industrial farming model.
8. The Democratic Party blames \_\_\_\_\_ for high inflation and other economic problems.

## 5 Business language

a. Find three-word expressions in the article with the following meanings. The first letters are given to help you.

1. when someone has too much to eat but isn't eating a healthy diet with enough nutrients:

*o*\_\_\_\_\_ *yet u*\_\_\_\_\_

2. when you have money in your bank account: *i*\_\_\_\_\_ *the*

*b*\_\_\_\_\_

3. protect yourself from risks involving your money and also keep a large amount of

something because it might be valuable or useful later: *h*\_\_\_\_\_ *and*

*h*\_\_\_\_\_

4. the relationship between how much of a particular product is available and how much of it people

want, and especially the way that this affects the level of prices: *s*\_\_\_\_\_ *and*

*d*\_\_\_\_\_

5. a situation in which a country's economy regularly goes through periods of success followed by

periods of failure: *b*\_\_\_\_\_ *and b*\_\_\_\_\_

b. Now use the expressions in business sentences of your own.

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## 6 Discussion questions

a. Discuss the questions and support your answers with facts, figures and opinions.

- How does growing just a few crops on an industrial scale affect the daily lives of American people?
- What do you think might be the main challenges in getting farmers to change the way they farm?
- What effects could moving away from mass cereal production have on the US health system and the environment?

## 7 Wider business theme – food production

a. Find out more about these styles of farming. Read about their advantages, disadvantages, challenges, environmental impact, etc.

- monoculture / mass production of one crop (such as corn)
- polyculture
- permaculture
- subsistence farming
- cooperative farming
- large scale organic farming
- mixed farming (crops and animals)
- native American 'three sisters' companion planting

b. Hold a class debate in which you compare and contrast these ways of food production and discuss the pros and cons of each.