

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

1 Warmer

- a. Explain the following business practice. Then find the expression in the article and check your answer.

Pile it high, sell it cheap.

- b. Who benefits from this way of doing business? Which sectors and industries are most likely to use this practice and why?

2 Key words

- a. Write the words from the box next to the definitions below. Check your answers and your understanding of the words 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	consolidation	discrepancy	domestic	dumping	fertiliser
grain	reserves	shrug	source	subsidised	testimony

1. get a product or basic material from somewhere _____

We try our best to _____ all our timber from sustainable forests.

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

The deal prompted speculation about further _____ in the sports retail industry.

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

Clean water is increasingly being seen as a precious _____ all over the world.

4. a natural or chemical substance added to soil to help plants grow _____

During the growing season, it's a good idea to feed your office plants liquid

_____ once a week.

5. a formal statement about something that you saw, know, or experienced, usually given in a court of law _____

The company's lawyers tried to discredit her _____.

6. the seeds from crops such as wheat, rice, or barley that are used for food

Several shiploads of _____ arrived last month and are currently being stored in the port's warehouses.

7. 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.

8. getting rid of something you no longer need or a product you cannot sell _____

Despite a previous court case, the factory continued _____ toxic waste into the local river.

9. supplies of something that a country or an organisation can use when they need to

The country's coal _____ are concentrated in a few large fields.

10. relating to the country being talked about, and not other countries _____

The _____ economy shows no sign of improvement.

11. move your shoulders up and let them drop to show that you do not know something or do not care

Daphne gave a slight _____, picked up her bag, and left the office forever.

12. a difference between things that should be the same _____

There was a rather large _____ between the estimated and actual costs of this project.

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.

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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.

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Rana Foroohar, June 27 2022

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3 Understanding the article

a. Answer the questions using information from the article. If possible, do this without looking back at the article.

1. What type of farming is the article about?
2. What effect does this type of farming have on the environment and why?
3. Despite intensive farming, why is there a 'food desert' in America's richest farmland?
4. What difficulties and challenges are US farmers currently facing?
5. Why are these farmland states important to US politics?
6. What past political decisions and policies are contributing to the current failing system of farming?

4 Business language

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

b. Explain what each word pair means and look up any you don't know. Which ones are used idiomatically (as opposed to literally)?

c. Use the word pairs to talk about the article.

- | | |
|-----------------|------------|
| 1. price | promises |
| 2. trading | greed |
| 3. urban | ground |
| 4. fertile | sector |
| 5. corporate | commodity |
| 6. disenchanted | force |
| 7. empty | giants |
| 8. labour | spike |
| 9. agricultural | gouging |
| 10. input | dwellers |
| 11. raw | costs |
| 12. price | population |

5 Business language

a. Find three-word expressions in the article with the following meanings.

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

2. with money in your bank account, or with more money than you owe _____
3. protect yourself from risks involving your money and also keep a large amount of something because it might be valuable or useful later _____
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 _____
5. a situation in which a country's economy regularly goes through periods of success followed by periods of failure _____

b. Find how the expressions were used in the article and what they were used to talk about.

c. Then use them in business sentences of your own, not related to agriculture.

6 Discussion questions

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

- How does this type of farming affect the daily lives of American people and America's image internationally?
- What do you see as the core challenges in getting farmers to embrace new ways of farming?
- What effects could moving away from mass cereal production have on the US health system and the environment?
- How do you think moving away from industrial-scale farming is likely to be accepted in the US?

7 Wider business theme – food production

- a. Find out more about these styles of farming and their advantages, disadvantages, challenges, environmental impact, etc.
- monoculture / mass production of one crop
 - 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 styles of food production and discuss the pros and cons of each.