The contrarian

Why small is not always sustainable

The idealisation of small-scale farms threatens to turn the clock back on farming modernisation in the places that need it most, argues Jon Entine

Does the sharp rise in grain prices suggest a failure of world markets and the industrialised agricultural production that underpins our food supply?

It's no academic matter: in Indonesia people are hoarding rice at risk of lifetime imprisonment, and in sub-Saharan Africa a third of the population spend at least half their income on food.

Bad weather has played a role in the crisis, as have high energy prices. But there are other contributors – most critically trade and technology policies – that can be adjusted if we can get the diagnosis right.

According to dogma from non-governmental organisations, food crises may change but the perpetrators (big agribusinesses) and the victims ("sustainable" small-scale farms) remain the same. Five years ago, food prices were so low that farmers in the developing world were barely surviving.

The UK Food Group, a network of development NGOs, issued a report, "Food, Inc: Corporate concentration from farm to consumer", in 2003. It roundly criticises "low farm prices" for devastating agriculture, saying the "market power concentrated in the hands of powerful buyers" was a "profound threat to sustainable development".

The report accused agribusinesses of the crime of "modernisation" and attacked scientific advances such as the use of chemical fertilisers and insecticides. Bizarrely, it lamented that these miscreants had "environmental and social credentials [that are] higher than average because they have the capital and economies of scale to invest in such practices".

The draping of an environmental cloak over the food crisis proved disastrous. Alarmist pronouncements on climate change and a rejection of fossil fuels and nuclear energy at all costs combined to create a kind of perfect storm: green groups, governments and farmers became vocal proselytisers of biofuels, invoking the chimera of "the small-scale farm in tune with nature", a romantic trope of the farm lobby with a sustainability twist.

Biofuels mess

Not unexpectedly, once released the green genie was swiftly commandeered by commercial interests. The subsidies and mandates to bring biofuels to forecourts sent grain prices shooting upwards, as farmers switched from food crops. It has caused a bump in the use of fertiliser, which leaches into waterways. Demand for biofuels has escalated deforestation. And studies indicate that the production of most grains used to make biofuels results in the release of more greenhouse gases than using traditional gasoline. In short, we are facing a sustainability disaster.

NGOs are right that trade barriers and subsidies in Europe, the US and Japan have prevented the global food trade from becoming a level playing field. But now that sustainability junkies have bungled into helping turn on a subsidy pipeline of a different kind, politicians and lobbyists will do their damnedest to keep that money flowing.

We need all available tools to prevent this crisis from becoming endemic. One constructive by-product is that it may soften restrictions on genetically modified crops. Because it uses fewer chemicals, bio-engineered maize costs 30 per cent less than regular maize. Other GM crops, such as rice and wheat, are ready for final stage development.

Romantic, but realistic?

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But green groups that pushed biofuels are for the most part opposed to biotechnology. The NGO-dominated International Assessment of Agricultural Know-ledge, Science and Technology for Development recently proclaimed that the answer to the food crisis rested not with GM crops but with more small-scale production. Greenpeace, which played a central role in drafting a IAASTD report presented in April this year, called it "an historic opportunity to replace destructive chemical-intensive agriculture with methods that work with nature not against it". Sound drearily familiar?

Since 1940, when modern techniques were introduced in the developing world, the ratio of food productivity in advanced countries compared with the poorest ones has increased from ten-to-one to almost 2,000-to-one. We have to be careful about serving up fungible notions of sustainability to rationalise idealistic but unworkable solutions. The visceral desire of governments and green groups to protect local farmers is quaint but doesn't begin to deal with irreversible shifts in the world demand for food and fuel.

Let us hope we do not compound the problem in the developing world by turning the clock back. ■

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