



## Teachers' Guide

Oxfam has prepared subsidiary activities for the classroom. These include:

- a) Comprehension questions based on information in the PowerPoints
- b) Questions for discussion. (See the appendix for sample responses)
- c) Cartoons for further analysis. These include the editorial cartoons from the PowerPoints and "new" cartoons that can generate further discussion of social justice issues.
- d) Sections A and B include suggestions for further research
- e) Sections C and D lead into supplementary Case Study PowerPoints.

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## Section A – Agribusiness

### a) Comprehension questions

1. How many people suffer from malnutrition? (2005 figures) (Slide (6)(1:15)
2. Approximately what percentage of the world's population survive on \$2 a day or less? (Slide 8) (2:00)
3. Explain how it is possible that farmers can be malnourished and hungry? (Slides 13, 14 and 21)(2:30-2:51, 4:21)
4. List five main export or cash crops. (Slide 15) (3:00)
5. Name four agrifood corporations? (Slide 16) (3:31)
6. What are the different functions of agrifood corporations? (Slides 34 and 35) (7:44-8:04)
7. Why do agrifood corporations have an advantage in their dealings with farmers? (Slides 36-38) (8:14-9:00)
8. Give two reasons why farmers have to accept low prices for their crops. (Slides 41-45) (10:04-11:23)
9. Explain how working harder can actually contribute to greater poverty among farmers. (Slides 48-50) (11:50-12:32)
10. What did the cartoon mean "We're prisoners of poverty."? (Slide 47) (11:38)
11. What evidence is presented to suggest that agrifood corporations are getting more than their fair share of the money generated by food production? (Slides 39-40) (9:10-9:50)
12. By how much have food and beverage crops fallen? (Slides 51 & 55) (12:37 & 13:41)
13. What evidence supports the United Nations' claim that "Rising inequality has truly become a global pandemic."? (Slides 62-64) (15:39-16:16)

### b) Questions for Discussion (Sample answers are in the appendix)

1. If you were the CEO of an agrifood corporation how would you respond to the claim of farmers that they are not getting their fair share from food production?
2. Should market forces dictate the life and death of family farms or should governments intervene to help farmers?
3. What can individuals do, either alone or working in groups, to make trade fair?

### c) Cartoon Bank: (See PowerPoint called "Cartoon Pool")

1. Which cartoon made the most impression on you? Why?

2. Choose a cartoon from among the selection. Possible questions to ask your class include:

- a) What is the central message that the cartoonist is trying to get across?
- b) What techniques does the cartoonist use to reinforce his message?
- c) What stereotypes does he use?

#### **d) Research Questions**

##### *A: Instability of Crop Prices*

Farmers not only face the problem of a continuing drop in crop prices but also great fluctuations in the price they get for their crops.

- a) Find an example of a crop that has shown this instability over the last 20 years. Illustrate the fluctuations using a graph.
- b) What kind of circumstances would cause prices to go up? - to go down?
- c) Explain the impact on farmers of fluctuating and unstable crop prices.
- d) What could be done to address the problem of price instability?

##### *B: Monopolies*

- a) What is a monopoly?
- b) Give two examples of monopolies that might be considered to be in the best interest of society?
- c) For profit monopolies can create difficulties for both consumers and the business community. How?
- d) What is anti-trust legislation? Give two examples of how it has been used over the last 50 years?
- e) Why have governments been reluctant to use anti-trust legislation during the era of globalization?

##### *C: Oligopolies*

- a) What is an oligopoly?
- b) Give two examples of oligopolies?
- c) What is price fixing? Give two examples of price fixing within agribusiness?
- d) What can governments do to decrease the power of oligopolies?
- e) At the international level what can be done to limit the increasing power of oligopolies over farmers?

## **Section B - Subsidies and Dumping**

### **A: Comprehension Questions**

The following questions will confirm students' comprehension of the PowerPoints:

1. What is a subsidy? (Slide 10) (2:15)
2. If the American government is giving billions of dollars in subsidies why are so many American farms closing down? (Slides 21, 26) (3:58-5:25)
3. Name some American and European crops that are heavily subsidized. (Slide 26)5:25)
4. What groups are getting the subsidies in America? (Slide 24) (4:52 – 5:10)
5. What effect do subsidies have on crop prices? (Slide 28) (5:40)  
Why?(Slides 30-33) (6:22-7:00)
6. What is dumping? (Slide 35) (7:31) Why is it unfair to farmers in developing countries?(Slides 36-41) (7:52-8:42)
7. Give two examples of how subsidies have destroyed the livelihood of farmers in the developing world. (African cotton farmers, Jamaican milk producers)
8. Do taxpayers benefit from subsidies? Why or why not? (Slide 49) (11:01)
9. Are corporations for or against subsidies? Why? (Slides 24 and 49) (4:52 and 11:01)
10. What techniques do corporations use to influence government? (Slide 52) (11:50)

### **B: Questions for discussion**

1. Would you give help to farmers? Why?
2. Are there subsidies or government aid programs that you would not support or would change?
3. What kind of aid would you give to farmers?

### **C: Cartoon Bank**

1. Tell the story you see in each of the cartoons?
2. What point is the cartoonist trying to make?
3. What techniques does he use to make the point?

## **D: Research Questions**

1. Both the provincial and federal governments award subsidies in Canada. Give three examples of agribusiness corporations that have received subsidies? Why did they receive these subsidies?
2. What is the Canadian Wheat Board.
  - a) Explain how government subsidizes the Canadian Wheat Board?
  - b) Explain how the “Single Desk” of the Canadian Wheat Board is an example of a monopolistic practice?
  - c) What farmers support the “Single Desk”?
  - d) Who opposes it and why?

## **Section C - Trade Rules**

### **a) Comprehension Questions**

1. What are tariffs? Why do governments put tariffs on imports? Who gets the money collected? (Slides 11, 12, 14 )(1:45, 2:37-2:50)
2. What is a quota? Why do governments use quotas? (Slides 13, 14)(2:20)
3. What does *Free Trade* mean? What advantages can *Free Trade* bring to the market place? (Slide 17-21)(3:38-3:58)
4. Explain the competitive advantage that Free Trade could bring to developing countries. (Slide 22)(4:10)
5. Give three reasons why farmers making \$2 a day or less don't have a competitive advantage. (Slides 24-26)(4:29-4:57)
6. On what kind of food imports do rich countries put the highest tariffs? Why? (Slides 31, 32)(5:54)
7. Why are farmers in the developing world “trapped in farming”? Explain the impact this has on crop prices. (Slides 36, 37, 38, 40)(7:05-7:31)
8. How do subsidies lead to lower prices? (Slide 39)(7:33)
9. What statistics indicate that there is a double standard in the Free Trade movement? (Slides 41,43,49) (7:52 -8:30, 9:20)
10. What is the IMF? How do IMF policies work to the advantage of rich countries? (Slides 49, 50)( 9:47-10:10)
11. Give two examples of farmers in developing countries that have been put out of business by IMF demands. Explain why it happened. (Haiti and Mindanao)
12. What is the Canadian government's position on tariffs in the developing world? Why? (Slide 57)(11:04)
13. What evidence is there to show that Canadian family farmers have not profited from export agriculture? (59) (11:30)
14. What groups have profited the most from export agriculture? Why? (Slides 61-62) (11:52-12:25)

## **b) Questions for Discussion**

1. Is the idea of Free Trade a good idea? Explain your answer.
2. What does Fair Trade mean to you?
3. What advantages does the globalization of food bring us?
4. What are the advantages of the localization of food production (producing food for your own consumption with minimal imports/exports)?

## **c) Cartoon Bank**

1. Choose a cartoon from our cartoon pool and analyze it.

## **d) PowerPoint C<sub>1</sub>** Case Study: Supply Management in Canada

# Section D - the WTO

## **a) Comprehension Questions**

1. When was the WTO formed? (Slide 6) (1:13)
2. How did the WTO change the way trade rules were negotiated? (Slide 6) (1:13)
3. Explain how international trade rules are developed at the WTO? (Slide 7) (1:40)
4. Name two trade agreements that have placed the developing world at a disadvantage. (TRIPs and the Agreement on Agriculture)
5. Why did developing countries sign these agreements? (Slide 28) (7:30)
6. The WTO is in principle a democratic organization where every country has an equal vote. Explain how and why democracy has not worked at the WTO. (Slides 32-37) (8:13-)
7. Give an example of a majority world issue that has not been formally addressed at the WTO. (Slide 34) (8:47)
8. Developing countries accuse rich countries of rigging the rules at the WTO? How were the rules rigged in the Agreement on Agriculture? (Slide 38,39) (9:50)
9. What is an Intellectual Property Right? How does it strengthen the concept of private ownership? (Slides 13, 14) (3:33)
10. Using examples explain how the TRIPs agreement has placed Majority World farmers and industries at a disadvantage? (Neem Tree and Seeds)
11. Who profits the most from the TRIPs agreement? (Slide 19) (5:19)
12. 95% of the biodiversity in the world is in the majority world. Yet 95% of the patents have been taken out by corporations and institutions in the rich world. Why has this happened? (Slide 21) (5:43)

**b) Questions for Discussion.**

1. Imagine you were the CEO of a corporation. What arguments would you state to support Intellectual Property Rights?
2. Although every country has an equal vote at the WTO power originally rested in the hands of the wealthy countries that controlled the drafting of the agenda for trade agreements. Brazil and India have now been invited to join this group. (Canada is out.) Do you believe this will make the WTO functional and fair?
3. Little progress has been made in trade negotiations at the WTO since 2005. What are the advantages of abolishing the WTO? What are the disadvantages?

**c) Cartoon Analysis** See our PowerPoint Cartoon Bank. Choose a cartoon and analyze it.

**d) Supplementary PowerPoint**

In spite of injustices in global trade it is wealthy countries that use the Dispute Settlement Court mechanism the most at the WTO. Find out why. Our case study looks at a Dispute Court Ruling against the Windward Islands.

# Appendix

***The following suggestions are meant to facilitate discussion. They do not represent Oxfam's position or policy.***

## Section A - Agribusiness Sample Responses

1. If you were the CEO of an agrifood corporation how would you respond to the claim of farmers that they are not getting their fair share from food production?
  - Food production is like any other business. The profits have to be greater than the costs if investors/shareholders are to be satisfied.
  - Corporations do a good job of seeing that customers get a choice of reasonably priced food.
  - There are too many farmers. Those who can't compete should look for other employment
  - Corporations have no control over the market forces that create scarcities and surpluses.
  - Enough food is being produced to feed the world's population. Corporations are doing a good job to ensure that food production is adequate.
  
2. Should market forces dictate the life and death of family farms or should governments intervene to help farmers?

### Pro market forces argument

- Too many farmers
- Farming is a business like any other business. Why should farmers get special treatment?
- Too much government involvement in the economy is not good.

### Pro government intervention

- Farming is not just a business. It's a way of life. It's part of our heritage.
- Do we want the corporations to be responsible for all the food we eat?
- Do we want the corporations to own the countryside?
- Family farmers take better care of the land and use less pesticides. This is better for our health and the environment.
- Large industrial factory farms and feed lots are cruel to animals

3. What can individuals do, either alone or working in groups, to make trade fair?

#### What can individuals do?

##### What to buy?

Agribusiness corporations dominate market share because they control both the input side (seeds, fertilizers and pesticides) and the output side (packaging and distribution). To reduce corporate dominance of the food production chain students may suggest the following:

1. *Buy food with the FAIR TRADE label.* Fair Trade organizations by-pass agribusiness and buy directly from farmers' groups and cooperatives. These organizations are committed to paying a price for farm crops that enables farmers to make a living wage from farming. Fair Trade items, such as coffee, can often be found in the organic section of your supermarket.
2. *Buy organic food.* Because organic farming implies no pesticide use, it is labour intensive. For this reason it has generally been associated with family farmers. Large agribusiness farms depend on chemical inputs to maintain weed control.
3. *Buy local produce from farmers' markets in season.*
4. *Reduce intake of processed foods by buying food in its natural unprocessed form.*
5. *Buy food at local cooperative stores if available.* Unfortunately cooperatives are closing down. They are increasingly unable to compete with the sophisticated marketing strategies of the big food retailers.

#### Education and Awareness

Here are some suggestions that students might make:

1. *Become informed.* Find alternative sources to the mainstream corporate view of agriculture. The Internet provides easy access to organizations such as Oxfam, the National Farmers' Union, the Council of Canadians, the Canadian Centre for Policy Alternatives, Adbusters and many other excellent sources.

2. *Do a research project on agriculture for one of your courses.* Topics might include Unfair Trade, The Politics of Food Aid, Organic Farming, the Growth of Factory Farming. The Co-operative Movement.

3. *Raise awareness by*

- *submitting an article to your school newspaper*
- *writing a letter to your local newspaper in response to an article on agriculture*
- *writing to your MP or MLA to highlight your concerns.* Ask for their opinion on the excessive market share of agribusiness corporations

### 1b. What can we do in community?

#### Social Activism

Suggestions might include:

1. *Join a Social Justice group or form one at your school.* Activities that could be organized include

- Assemblies: Put the focus on Food Security at your Thanksgiving Assembly.
- Fair trade coffee promotion, sale and display at Parent Teachers Night.
- A fundraiser for rural development in a Developing Country.. Why not consider selling vegetable packages from local farms?

## Section B Subsidies and Dumping

### Sample Responses

***The following suggestions are meant to facilitate discussion. They do not represent Oxfam's position or policy.***

#### **1. Would you give help to farmers? Why?**

Students may suggest the following reasons for government help to farmers.

##### *Culture/Heritage*

1. Canadians don't want food security to be completely under the control of corporations whose primary motivation is profit making. *Aid to farmers limits the increasing corporate control of food production.*

2. *Family farmers may disappear if not helped.* Farmers are an aging population. Fewer and fewer young people are willing to commit to farming because it is now almost impossible to make a living from farming.

3. *Rural Canada should be supported.* One reason European governments give for committing so much money in subsidies to agriculture is the desire to protect their rural heritage. In rural Canada hospitals, schools and even post offices are closing down. As more and more rural Canadians migrate to cities those that remain find the infrastructure that serves them is shutting down. They too, then, decide to move.

4. *Support for family farms could limit the purchase of prime agricultural land by agribusiness corporations.* The farm crisis is allowing agribusiness corporations to buy up good land at bargain prices. In the past, provinces had laws to restrict how much agricultural land could be purchased by non residents. Some provincial governments have started to change the rules to allow corporation to buy more land.

#### **2. Are there subsidies or government aid programs that you would not support or would change?**

Students may suggest that the Canadian government should:

##### *Exports*

1. *eliminate all subsidies that contribute to dumping.* While aid to farmers is often necessary, any subsidies that lead to dumping of crops on Third World countries at well below production costs represent unfair trade practices. (This is an Oxfam position. Oxfam further believes that, in international discussions, the Canadian government should call for the elimination of dumping. This would mean opposing the interests of the United States and the European Union.)

### *Balance Between Farmers and Agribusiness*

2. *reformulate their aid policy so that large farms get less money and family farmers get more.* Under the current Canadian Farm AID (NISA) program the largest farms get most of the money. 9% of farms get 50% of the money. Most family farmers get very little. This is because government financial support is distributed according to net sales. The more you sell, the more money you get.

3. *limit or eliminate government aid to agribusiness corporations.* Processing plants, corporate backed intensive livestock operations and mega hog barns have all received subsidies to set up in rural communities. According to the National Farmers' Union, during the recent BSE (mad cow disease) crisis Cargill received \$9 million and Tyson Foods \$33 million in government aid. The NFU anticipated that many family farmers would be pushed into bankruptcy or out of business by the BSE crisis.

### **3. What kind of aid would you give to farmers?**

Students may suggest that government(s) should:

#### *Crisis Management*

1. *support farmers during times of crisis that are beyond their control.* Farming is risky. In the recent past, Canadian cattle farmers have had to deal with the closure of all export markets because of a single outbreak of BSE or mad cow disease in the prairies. The avian flu crisis in B.C. caused the forced destruction of 19 million chickens. And prior to that, P.E.I. potato farmers found themselves unable to export potatoes to the United States because of a single finding of potato wart disease in one farmer's field. Farmers carry huge debt loads. Without financial help from government farmers can not survive periods when no income is coming in due to environmental crises beyond their control.

#### *Environment*

2. *support farmers who grow organic food.* At present, organic farmers do not receive subsidies. Under current NAFTA regulations it would be difficult for government to begin subsidizing organic farming.

3. *support farmers who practice environmentally friendly animal husbandry.* In general, family farmers' approach to the raising of animals is more humane and more environmentally friendly than intensive livestock operations and mega-barns.

#### *Culture/heritage*

4. *provide incentives for young people to go into farming.* Canada has an aging farm population and fewer and fewer young people are choosing farming as a career choice. One reason is that the start up costs are too high.

#### *Balance between agribusiness and farmers*

5. *support the Canadian Wheat Board.* The Canadian government sponsors the Canadian Wheat Board, a producer operated, clearing desk for Canadian wheat. At the beginning of each growing season the Canadian Wheat Board commits to buying Canadian wheat and barley from farmers at a predetermined price which reflects market value. If the price of wheat has risen at harvest time, the extra money made on the sale of these cereals is returned to the farmers. If the price has dropped government absorbs the loss.

Agribusiness corporations have to buy most of their wheat and barley through the "single desk" of the Canadian Wheat Board. They would prefer to deal with individual farmers. World Trade Organization negotiations place the future of the Canadian Wheat Board at risk. When the Canadian government signed onto the WTO framework agreement in July, 2004 it placed the future of single-desk selling at risk.

6. *support supply management.* Canada has national supply management systems in place for dairy products, eggs and poultry. Supply management uses Marketing Boards which are government sponsored organizations of farmers. These Marketing Boards limit production of designated foodstuffs. Production is geared to the needs of the Canadian population. Just the right amount of a particular food item is sold, thereby creating a balance between supply and demand. This is achieved through a system of quotas.

Farmers purchase a quota which allows them to produce a specific amount of that food product. These quotas are only available to farmers producing for the Canadian market. In order for the system to work the Canadian government has to maintain tariffs or import taxes on any competing food items entering the country. This ensures that imported food is not sold at a cheaper price than local supplies. Farmers are worried that WTO regulations may force the Canadian government to remove tariff barriers to imports. (See PowerPoint C<sub>1</sub>.)

7. *confine corporate lobbying to 9-5 office hours and ensure that other players have equal access to government.* The extent of corporate lobbying is difficult to judge as much of it takes place informally at social occasions. Family farmers have neither the time nor the money to support this kind of lobbying.

## Section C - Trade Rules

### Sample Responses

***The following suggestions are meant to facilitate discussion. They do not represent Oxfam's position or policy.***

#### **1. Is the idea of Free Trade a good idea? Explain your answer.**

- 1) Free trade brings more choice and cheaper goods
- 2) Free trade leads to greater competition which leads to greater efficiency and stimulates creativity and innovation
- 3) If trade were truly free poorer countries could, in theory, have better access to Northern markets

**But Trade does not exist on a level playing field.** Some countries have huge competitive advantages while others are at a disadvantage. (Few resources, poor climate and soil, inconvenient location)

- 4) Free Trade would lead to a winner takes all result. Inequalities between countries would increase.
- 5) The inability to compete would lead to
  - a) hunger, great poverty and disease
  - b) huge outward migration
  - c) increased conflict
  - d) refugees

Very wealthy Individuals and transnational corporations would benefit the most as countries would compete for their investments by reducing taxes and regulations.

6. This would lead to a degradation of environmental and labour standards.
7. Lower taxes would decrease the ability of governments to offer public services.

8. Rampant individualism would replace the concept of responsibility to community.

**Oxfam believes that while the lowering of trade barriers can be beneficial individual countries must always have the right to decide what is best for their people. That includes the use of tariffs and quotas.**

**2. What does Fair Trade mean to you?**

- a) Core labour rights
- b) Environmental Protection
- c) A living wage
- d) International standards
- e) Full disclosure of practices
- f) Access to information

**3. What advantages does the globalization of food bring us?**

- 1) Globalization brings us food we can't grow in our own region (sugar, etc)
- 2) Globalization brings us greater choice.
- 3) More competition amongst farmers leads to greater efficiency and cheaper prices.
- 4) In many developing countries agriculture is the principal motor of their economy. Export crops give these countries the money they need to purchase imports they don't have access to internally (like oil).

**5. What are the advantages of the localization of food production (producing food for your own consumption with minimal imports/exports)?**

- 1) More jobs not just for farmers but for the small towns that support them. A greater tax base for rural Canada
- 2) The preservation of traditions and heritage
- 3) Food will be fresher with less preservatives and therefore healthier
- 4) Localization is more environmentally friendly. Less oil depletion for transport and less pollution
- 5) The concept of being self sufficient in food production means a region is less affected by catastrophes that happen elsewhere in the food production chain.

## Section D - The World Trade Organization

### **1. Imagine you were the CEO of a corporation. What arguments would you state to support Intellectual Property Rights?**

1. Ideas are a form of property. The owners of these ideas have the right to see that they are not stolen.
2. Research costs a lot of money. Without IPR's corporations would be reluctant to do the research.
3. IPRs motivate corporations to innovate. Everybody eventually benefits.
4. Corporations have the money to do the research in a way that is safe.
5. In an overcrowded world it's important to establish who owns what.

### **2. Although every country has an equal vote at the WTO power originally rested in the hands of the wealthy countries that controlled the drafting of the agenda for trade agreements. Brazil and India have now been invited to join this group. (Canada is out.) Do you believe this will make the WTO functional and fair?**

6. It will help because Brazil and India are developing countries with large numbers of poor people.
7. These two countries have huge economies. There is still no voice for the least developed countries.
8. This will not resolve the problem of undue corporate influence at the WTO. (Corporations often sit on the committees that draft trade agreements.)
9. The WTO looks at trade benefits strictly in terms of economic growth. This creates certain problems which will probably not be resolved by the entrance of Brazil and India..
  - a) Until it addresses the problems of distribution (Where is the new wealth going and is it fair that it is going there?) the WTO will continue to favour rich, powerful groups.
  - b) International Trade Agreements with their focus on economic growth weaken the ability of governments to act in the best interest of their people.
  - c) International trade agreements do not take into consideration future environmental consequences

### **3. Little progress has been made in trade negotiations at the WTO since 2005. What are the advantages of abolishing the WTO? What are the disadvantages?**

### In favour of abolition

1. So far the WTO has not helped poor countries.
2. This may encourage regional trade agreements among developing countries where there is more of a level playing field. (Mercosur in Latin America and the Southern Africa Custom Union in Africa)
3. It could be replaced by a different organization which gave greater influence to communities and less to corporations.

### In favour of retention (with reforms)

1. By uniting with others at the WTO, smaller countries have a better chance of standing up to trade demands that are not in their interest.
2. If countries had to negotiate trade agreements on a bilateral or country by country basis
  - this would be intensely time consuming and expensive
  - there would be an unevenness in the way different countries with similar circumstances were treated. This could lead to unfairness.

**Trading Away the Right to Food was created and produced by Oxfam volunteers. We hope you've found it beneficial.**

