

Trade Wars and Food Wars: Obama and the Agribusiness Monopolies

Worldwide Devastation of Agriculture and the Family Farm

By [Prof. James Petras](#)

Global Research, September 20, 2016

Theme: [Biotechnology and GMO](#), [Global Economy](#), [Poverty & Social Inequality](#)

The concentration and centralization of the agro-business multi-nationals advances with gigantic strides: Potash Corp and Agrium have combined into a \$30 billion monopoly over the world fertilizer market. Dow Chemical and DuPont combine in a \$130 billion dollar deal in the seed and agricultural chemicals sector. ChemChina prepares to takeover Syngenta in a \$44 billion acquisition. Bayer is preparing to buy out Monsanto for \$56 billion and further concentrate control over worldwide seed and chemical markets. A quarter of a trillion dollars worth of mergers and acquisitions is poised to concentrate control of global agriculture prices, profits and markets in four directorates. Parallel to the corporate capitalist drive for world domination, the White House has embarked on a full-scale trade and maritime war against China.

This essay presents the political and social implications of the agro-business counter-revolution and the concomitant US drive to encircle and enclose China's market.

Agro-Business Monopolies and Social Revolution

This process of agri-business monopolization will have a major impact on farmers, consumers and environmentalists worldwide. Seed and fertilizer prices will rise, devastating farmers' income and resulting in ever more bankruptcies. Nitrogen and potash, the two biggest fertilizer inputs for farmers, will be controlled by a monopoly cartel. Farmers will have no choice – either market response or political struggle. In other words, they can try to raise food prices or organize a revolt against the cartels.

In the imperial countries, national populist movements have emerged, especially in the countryside, small towns and cities: farmers, ecologists and consumers take to the streets while urban mass opposition, responding to rising food costs, are gaining momentum.

Throughout Asia, Africa and Latin America, the agro-business control of chemical and seed inputs raises the debt burden on peasants and farmers while contaminating food with pesticides and provoking food riots and land occupation movements.

The impact of food insecurity, including debt and malnutrition, undermines community and family cohesion. This is the context in which armed insurgents have emerged, including the Islamist movements in the Middle East, North Africa and West Asia, gaining credibility and followers among the millions of dispossessed.

In response, the agribusiness multinational corporations have reduced the question of popular resistance to one of 'political stability', pushing for repressive state terror to

suppress revolts. The Western mass media never discusses the linkage between the monopolization of agriculture and mass exploitation with armed popular resistance. Agro-business leaders claim that mass rebellion is merely a product of 'ideology' promoted by deranged extremists on the left or violent jihadis.

The roots of revolt and upheaval are not analyzed or even described in the narrative of respectable financial newspapers in their "*Companies and Markets*" section.

Global monopolization of agriculture depends on state de-regulation, privatization, and the systematic policies of blaming any political opposition on 'outside' hostile forces. If the opponents are not 'Islamists' or communists, they are unfair competitors, who do not 'play by market rules' and rely on state subsidies.

Trade Wars for Monopoly Agriculture

The Obama regime has launched a full-scale agricultural war against China, imposing tariffs, promoting WTO boycotts and intensifying its ideological war. Obama's Department of Agriculture, (which provides massive direct and indirect subsidies to the enormous US agro-industry), denounces China for subsidizing its basic food producers.

Obama attacks China for 'unfair competition' even as US MNCs earned \$20 billion in agro exports to Beijing in 2015 alone!

While leading US corporate executives look to China's dynamic growth as a source of investments for US elites, Obama warns of Chinese 'security threats'. While former Treasury Secretary Paulson editorializes in favor of greater commercial linkages with Beijing as a vehicle for continued US business growth, Obama works to provoke military hostilities against China among second and third tier Asian countries.

In 2015 China invests nearly \$20 billion in the US, generating several hundred thousand jobs, while Obama promotes a \$38 billion military giveaway program for Israel. According to Obama's perverse calculus, Israel, the plunderer, is our dearest ally and China the donor and job-creator, is an existential threat to the US!

While China attracts Philippine President Duterte with offers of billion dollar economic aid and investment, Obama encourages its clients among the Philippine military and Manila-based oligarchs to destabilize the government.

The US overt militarist policies toward China are integral to Obama's political effort to divert the US electorate from the effects of monopoly mergers in raising the cost of living and deepening inequalities in America.

Obama's war agenda in Asia may have the effect of intimidating US business, especially on the Pacific Coast, which would otherwise have 'natural trade and investment ties' with China, not to mention cultural ties.

Conclusion

US multi-national agro-business mergers have upped the ante in provoking social upheavals, North and South. While the agro-business elite expands overseas and increases domestic profits, it does so by heightening class and national conflicts, which, in turn, provoke brutal

state repression.

The alliance between agro-business and militarism is a major factor driving the global ascent of populism and nationalism, as well as Islamist radicalism.

The 'war versus trade' contradiction dividing the US business elite has created a disjointed political class spinning in both directions without coherence.

The electorate reacts with double negatives: hostile to their own leaders and hostile to any alternatives. The response may well be greater abstention and withdrawal by the voters.

The US and EU multi-nationals, pivoting toward greater concentration of wealth and mega-monopolies, have yet to undermine the nature of Chinese state power – the ultimate arbiter of agriculture in Asia. As Thailand, Cambodia, Laos, Philippines and Myanmar develop closer trade and diplomatic ties with China, the MNCs have to deal with new competition and challenges from non-multi-national adversaries.

Besides Japan, and possibly South Korea, the US trade war against China has few regional allies. Obama's militarist 'pivot' resonates with few outside of the US presidential election rhetoric.

In the European Union, nationalist populist movements and governments are questioning Obama's proposed 'Trans-Atlantic Trade and Investment Partnership' (TTIP), particularly in regard to its impact on European agriculture. As the costs of food production and consumer prices increase the US-sponsored TTIP loses its supporters, because Washington's conservative allies in Europe need the vote of small-scale farmers and middle class consumers in France, Poland, Hungary and elsewhere.

In India, the huge multinational agribusiness mergers are playing havoc with the political leaders in the BJP as they face scores of millions of devastated peasant producers.

In other words, mega-agro powers form a two-edged sword in world capitalism: They strengthen the economies of the imperial powers while undermining their own electoral mass base. The feeble efforts to regulate these mergers have failed, as expected. When the 'free market' pulverizes small producers and local suppliers, it creates the conditions for class wars on many fronts, in the West and in the East, in the US and the EU, in China and in India.

The original source of this article is Global Research
Copyright © [Prof. James Petras](#), Global Research, 2016

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Prof. James Petras](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca