Resisting Global, Buying Local: Goldschmidt Revisited

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Through the globalization of the food system, distance has grown between the producer and consumer and wealth and power has been consolidated in the hands of few corporations, consequences that Walter Goldschmidt prophesized years ago. Recently, there has been an attempt to counter these effects through a ‘local food movement.’ The purpose of this paper is to examine the meaning that is attached to the word ‘local,’ and to discuss the potential of the movement to counteract some of the negative effects of corporate agriculture. Often, ‘local’ is associated with attributes such as quality, freshness, ecologically sound farming, and/or small-scale farming. However, in a ‘spatially proximate’ food supply system, where there is no interaction between producer and consumer, there is no guarantee that the food possesses any of these qualities, and hence may in fact be supporting corporate agriculture. Face-to-face supply systems take on additional meanings of ‘local’ associated with social relationships, trust and reciprocity, by reducing the distance between producer and consumer. In either case, while buying local may enhance the social well-being of farmers, there is no evidence that the effects of corporate agriculture are being countered.

Keywords: local food, short food supply chains, corporate agriculture, meaning of local, farmers’ markets, Goldschmidt

Introduction

“As you sow, so shall you reap” (Goldschmidt 1978, xxii).

Nearly thirty years ago, these words were written by Walter Goldschmidt to express his concerns about the rise of industrialized agriculture. The message he delivers is not one of praise for the new system of higher efficiency and production, but rather of caution and unease about its consequences for rural farming communities. Goldschmidt hypothesized that with an increase in corporate agriculture, communities will begin to resemble a more urbanized society with unequal power relations and social stratification, and the quality of rural life, in terms of economic and social well-being, will be eroded. He tested this hypothesis by studying three towns in California, and found that where farms are of generally uniform size, farmers have relatively equal incomes and are more likely to share interest in their community and invest in its quality (Durrenburger and Thu 1996). Conversely, where corporate agriculture is present, power and wealth are in the hands of a few, a large population of low-wage laborers emerges, and social relations become distant, both within the community and between producers and consumers. Furthermore, he warned that: “increased power in the hands of a small sector tends to be self-reinforcing, so that once the process is initiated, it will continue to grow, unless measures are taken to counteract it” (Goldschmidt 1978, xlix).

In the decades since Goldschmidt’s study, agriculture in developed nations has continued on a path of greater industrialization and corporatization. With the shift to more mechanized, capital-intensive modes of productions, farm production became intensified, concentrated and specialized in order to exploit the competitive economic advantage (Ilbery and Bowler 1998). Although productivity increased, so did the capital investment required to operate the farm. Farmers experienced a ‘price squeeze’ as they were pressured to continuously invest in new expensive technologies to stay competitive, while revenue remained low (Renting et al. 2003). This reduction in profit margins essentially left small farmers with the option to get big, get integrated or get out (Grey 2000a).
Many producers have chosen the option of vertically integrating in order to add value to products, reduce competition, and reduce risk (Welsh 1997). Vertical integration is the strategy by which firms increase ownership and control of a number of stages within the food supply system, such as food production, processing, shipping and marketing. This integration gives corporations greater economic power, as well as control over production methods and inputs to assure standardization and quality control (Grey 2000b; Heffernan 2000). The strategy also enables integrators to pass on financial risk by cross-investing in other sectors or in other countries. The process of vertical integration, as Goldschmidt prophesized, has been self-perpetuating to the point where ten of largest US based multinational corporations account for half of the food and beverage sales in the US (Lyson and Green 1999), and five supermarket chains account for over 40% of food retail sales (Hendrickson and Heffernan 2002), and 95% of American food is a corporate product (McMichael 2000).

In addition to the price squeeze felt by farmers, the effects of globalized agriculture can also been seen in a broader social context. The food supply chain has been greatly extended and production has become geographically uncoupled from consumption (Lyson and Green 1999). Food now travels an average of two thousand miles and is handled an average of 33 times on its route from farm to plate (McMichael 2000; Gutpil and Wilkins 2002). This has caused the relation between producer and consumer to also become distant, and the activity of food purchasing to become impersonal and based on economic self-interest. Furthermore, the emphasis on quantity, standardization, and profitability has sacrificed quality, diversity, and the environment (Lyson and Green 1999).

Consumers, however, are becoming increasingly aware of the effects of corporate agriculture and are concerned about health, food quality, freshness, and environmental sustainability (Feenstra et al. 2003). This has lead to the rise of an ‘alternative’ or ‘local’ food movement that challenges the dominant global corporate food regime through the consumption of locally produced foods. This counter-movement provides an opportunity for farmers to make a living in agriculture without being under the control of corporate powers. Producers are able to sell directly to consumers, breaking the supply chain, and capturing a greater portion of the profits. This movement has the potential to rejuvenate local rural economies, enhance social well-being, and reduce the impersonal nature of the current food industry.

The purpose of this paper is to examine the emergence of local food systems, to understand the meaning that is attached to the word ‘local,’ and to determine whether the local food movement has the potential to counteract some of the negative effects of corporate agriculture, as observed by Goldschmidt. The paper will begin with a discussion on the emergence of the local food movement and its various manifestations. This will be followed by analyses of two examples of local food systems – the Iowa grown banquet meal and farmers’ markets – to identify how ‘local’ is perceived in each case, how this meaning influences consumer purchasing and the success of local food systems, and finally what this success means in terms of rural land use, community well-being, and the relationship between producers and consumers.

Local Food Movement

Thompson (2001) argues that from a philosophical sense, the emergence of the alternative food movement is underlain by the principle that “Big is bad” and the “Principle of Agrarian Virtue.” The former runs parallel to Goldschmidt’s position, criticizing the economic logic of capital accumulation and corporate power in agriculture. The latter is a claim that independent family farms instil the classical virtues of instinct, intellect, spirituality, morality, and a connection to nature, whereas the industrial farm distances itself from the land, and exhibits qualities of consumption, exploitation and pleasure. Although these principles may not be explicitly acknowledged by either producers or consumers as motivation to participate in the movement, elements of these philosophies can be recognized within the actual motives.

From the consumer’s standpoint, it can be argued that the movement has arisen out of three root causes. The first is the rising concern about both the health risks and environmental effects created by food that is produced cheaply through standardized, high-input, and chemical-intensive modes of production (Thompson 2001; Feenstra et al. 2003). The second is the awareness of the decline in the well-being of rural communities and the desire to support local farmers (Feenstra 1997; Holloway and Kneafsey 2000). The third is the growing...
distrust in multinational corporations, and the global food regime itself, which is based on profit maximization and the commodification of food (McMichael 2000; Hendrickson and Heffernan 2002).

These three forces are mainly indicative of the motivations behind consumer involvement in the local food movement. The initial success of the movement, however, can be attributed to the farmer’s ability to capitalize on the areas where large corporations fall short and to respond to the concerns of the consumers. This is accomplished through the process of respatializing and resocializing food (Marsden et al. 2000).

Multinational corporations operate by mass producing standardized, brand name products at a global scale. Although this enables them to capture a large, homogeneous market, it restricts their ability to serve smaller, more differentiated markets. It also reduces their ability to respond quickly to changing demands or food fads because reorienting an entire global food system cluster is a slow process (Hendrickson and Heffernan 2002). These weaknesses provide farmers with the opportunity to create ‘niche’ markets, producing unique, high-quality, specialty items. One way that this can be done is by respatializing food by linking the product to a particular location or mode of production (e.g. organic or free-range), to impose an image of quality on the product (Renting et al. 2003). Knowing the location of production increases consumer confidence in quality because it enables the product to be traced to its origin (Holloway and Kneafsey 2000). Such niche markets give farmers a comparative advantage over corporations because they offer unique products, with low health and environmental concerns and are flexible enough to respond quickly to changing demands.

Another weakness of the global system is the great disconnect between producer and consumer, which inhibits the development of a trusting relationship between actors (Hendrickson and Heffernan 2002). Local producers can gain a comparative advantage here by resocializing food and increasing the amount of interaction with consumers through direct agricultural markets (Renting et al. 2003). Social interaction can then become a form of value-added to the product. Marsden et al. (2000) have identified three categories local food systems, which the authors dub “short food supply chains,” that are distinguished by the relationship between producer and consumer.

1. **Face-to-face:** In this type of supply chain, also known as direct marketing, consumers purchase products directly from the producer. Examples include farmers markets, roadside stands, ‘pick your own’ operations, Community Supported Agriculture (CSA), and Local Exchange Trading Systems (LETS) (Pacione 1997).

2. **Spatial proximity:** Here, products are produced and sold in the same region, and consumers are made aware of the ‘local’ nature of the product. There is little if any direct interaction with producers and the relationship is based on a network of spatial proximity. Producers, or co-operatives, sell their products to local shops, restaurants or specialized retailers, who then sell to consumers.

3. **Spatially extended:** This type of chain has greatest distance between producers and consumers. Products are sold outside of the region of production and consumers may have no ties to the producer or to region itself. Certain value, quality, or meaning, however, are associated with and transmitted through the identification of the region of production (e.g. Champagne wine or Parmigiano Reggiano cheese).

While this latter category may provide an important niche market for certain regional producers the relationship between producer and consumer more closely imitates the global food system and thus is beyond the scope of this paper. The rest of the paper will discuss the meaning and potential effects of local food by focusing on an example from each of the former two categories: Iowa-grown banquet meal (spatial proximity) and farmers’ markets (face-to-face).

**Spatial Proximity: The Iowa-grown Banquet Meal**

One option that farmers have to resist the pressures of multinational corporations is to sell their products directly to local grocers or to local institutions, such as hospitals, hotels, of restaurants. In so doing farmers are able to sidestep several middlemen, such as wholesalers and importers, who lengthen the supply chain and capture the majority of the profits (Gurpil and Wilkins 2002). Local
owners then agree to indicate to the consumer either the name of the producer or the location of production. By associating a product to a specific location it essentially becomes its own brand name (Gutpil and Wilkins 2002). This ‘brand’ caters to a particular niche market, often consisting of individuals who are concerned with the welfare of local farmers or animals, or who are concerned with health or environmental issues.

To illustrate how meaning is attached to local products in this system, I will use the example of the Iowa-grown banquet meal, as described by Hinrichs (2003). The agricultural sector in Iowa has undergone substantial industrialization in the last half century and has experienced major structural changes in the countryside. As productivity increased, Iowa began promoting the ideology that it is “feeding the world.” However, Iowans themselves have become increasingly reliant on foodstuffs imported from outside of the state. In recognition of this latter fact, initiatives have recently been taken to promote local food purchasing. One such venture is the Iowa-grown banquet meal. The first event was held in 1997, serving two lunches and one dinner to 400 guests, with a menu composed exclusively of Iowa food products. The event was a complete success and 54 additional banquets were held in the following three years.

The effect of this banquet, as suggested by Bell and Valentine (1997 as cited in Hinrichs 2003), was to sow sturdy seeds of “food patriotism.” Thus, in this case, the predominant meaning associated with ‘local’ was one of civic pride and identity, and the vague notion of self-sufficiency. Values such as quality, health, environment, and support for small farmers, which are commonly cited as reasons to purchase local foods, were not priorities in this case. The term ‘local’ then did not discriminate against types of farming, but rather had an entirely geographical connotation. Hence it is entirely possible, if not likely considering the scale of the event, that at least a fraction of the food provided was produced on large farms using conventional methods of production. Even if much of the food was derived from small-scale producers, small does not necessitate environmentally sound. Some small farmers do, in fact, use intensive, high-input farming methods rather than increasing scale, capital investment or labour (Hinrichs 2003).

This potentially false association with quality is one of the major difficulties in all spatially proximate local food systems. The main concern is that ‘local’ is automatically associated with freshness, quality, or ecologically sound methods (Murdoch et al. 2000). Winter (2003), for example, conducted a study in the UK to discover residents’ views on local farming and food purchasing. The author found that of the respondents that claimed to purchase locally produced food, the most commonly cited reason for doing so was to support local farmers, as well as for reasons of freshness and local knowledge of the food provenance. Interestingly, however, at one of the study sites, milk delivered by a local farmer was the single most important local food purchase. Yet this particular farm was managed using intensive, high-input methods of production, and was experiencing environmental problems such as soil compaction and erosion. Thus equating local with quality is quite simplistic.

Understanding the meaning associated with the word ‘local’ is important, but is incomplete without discussion on how this meaning translates into food purchasing, and further what this purchasing means in terms of the relationship between producers and consumers. In Winter’s study, approximately three quarters of the respondents claimed to purchase local food. This is markedly different from other surveys conducted in the UK, which found that although the majority of consumers expressed interest in local foods, only 6% (Enteleca 2000) to 10% actively seek to purchase them (IGD 2002, as cited in Weatherell et al. 2003). Weatherell et al. (2003) investigated this issue further by interviewing both rural and urban residents to discover their perceptions of food and buying local. The study found that overall the main priorities when purchasing any type of food were first and foremost intrinsic food qualities (taste, freshness, and appearance) followed by issues of price and convenience. ‘Civic’ factors, including locally produced food, were much lower priorities. One quarter of the respondents also stated that they were not willing to pay more for local food, and very few claimed they would pay more than 10% above conventional food prices.

These results can be illustrative of the relationship between producer and consumer in this type of food network (spatial proximity). What it shows is that in terms of the relationship, this network is not that different from the global food system, where food purchasing is a faceless activity, and economics often has the last word in decision-making. There is generally no more interaction between the producer and consumer than in the global system, and so there would be little motivation for either
actor to offset economic incentives for social benefits, or to modify the transaction in any way. In the case of the banquet meal, an exception can be made because there is the opportunity for the farmer to participate in the event itself, which has happened on occasion. Although this could, in theory, allow for relationships to be built, the majority of the guests consist of upper class individuals, and so the large income gap could create tensions and power struggles. It could even be argued that such tensions exist at a superficial level in all local food systems of this type, as it is generally the wealthier customers who choose to purchase the higher-priced, local products.

The examples discussed here suggest that local food systems of this type are not all that they appear to be. The system creates definite benefits to local farmers, as it provides them with a source of income and they are able to earn a greater share of the food dollar for their products. This money can enhance the local economy and community well-being, as many smaller-scale farmers are likely to purchase inputs locally, employ local residents, and reinvest some of their profits into the community (Lyson and Green 1999). However, in terms of rural land use this does not mean a restructuring of agriculture in favour of small, ecologically sound farms. Since ‘local’ does not refer to a specific type of farming and there is no social interaction between actors to assure quality, a farm of any size or type can sell their products hidden under the guise of local and the meanings attached to it. Not only would large scale, conventional farms remain, but they may in fact increase as the smaller farmers expand or intensify production in order to keep up with the demand from local shops. Thus local food systems of this type are not entirely an alternative to mainstream agriculture and do not counteract the effects of corporate agriculture.

**Face-to-Face: Farmers’ Markets**

Farmers’ markets are not a new phenomenon. Prior to the arrival of supermarkets, farmers’ markets were prominent locales for individuals to purchase food. Following World War II, the number of farmers’ markets declined substantially, almost to the point of disappearance in the United States (Lyson et al. 1995). They have experienced a reemergence in the last three decades, however, and between the period of 1960 and 1996 the number of markets in the US rose from less than 100 to over 2400 (Grey 2000b). The UK has seen a similar rise in farmers markets, and now stands at approximately 2500 venues (Holloway and Kneafsey 2000).

Farmers’ markets play a significant role in filling in the holes left by the global food system. They are able to cater to a particular ‘niche’ market by providing fresh, locally produced food, as well as nonstandardized, specialty items and crafts. In addition to this, the markets resocialize the activity of food purchasing by providing a forum within which the producer and consumer interact, giving a face to each within a typically impersonal economic activity (Feenstra et al. 2003).

In the case of the markets, meaning is created not only from the label of ‘local,’ but also from the market environment itself and the act of purchasing. Holloway and Kneafsey (2002) argue that the market environment can be viewed as two distinct spaces: alternative and reactionary/nostalgic. The former is seen as a “challenge to the dominance of the supermarket-productivist agriculture nexus” (p. 293). Thus it is a way for individuals to ideologically contest the rise of corporate agriculture, while also supporting small scale farmers. The latter is a space in which notions of place and identity are re-established, either in terms of civic pride (similar to the Iowa-grown banquet meal), or of nostalgia for a time when life was supposedly more wholesome and food was more nutritious. These spaces have elements that mirror the root causes of the local food movement, as discussed earlier.

The act of purchasing is also laden with meaning, and it is this meaning which distinguishes farmers’ markets from the spatial proximity category of local food systems. As Holloway and Kneafsey (2002) found, the majority of consumers do not do their ‘principle shop’ at farmers markets, thus the reasons to shop at these sites are more complex than just necessity. It can be argued then that it is the interaction and the social ties that make markets attractive, and thus the act of purchasing caries meaning of trust and reciprocity. Consumers are typically thought to be the ones seeking this type of meaning or relationship with producers, but it is also the farmers who seek this relationship. For example, a study by Lyson et al. (1995) found that non-economic reasons, such as they enjoy visiting with customers and other vendors, and enjoy the atmosphere of the market, were the principle motivations for participating in farmers markets. However, it should be noted that economic reasons (wanting an extra source of income and having limited other sources), came in at a close second.
Although it seems as though an exchange based on trust is necessarily good, it is not without its downsides. One of the difficulties is that consumers may actually be too trusting. By meeting directly with the producer, a high degree of confidence in the quality, freshness, and naturalness of the product is automatically assumed. However, just as in the previous section, local does not necessitate high quality foods produced by ecologically sound methods. A number of products at markets are associated with additional characteristics, such as organic, free range, or welfare friendly production, and as such a high degree of confidence in quality can be gained.

However, although some consumers go to the market specifically for such products, the majority emphasize 'local' as the over-riding consideration for food purchasing. Again, since 'local' does not discriminate against specific modes of farming, consumer may very well be purchasing conventionally produced foods (Holloway and Kneafsey 2000). Nonetheless, this challenge is not as great as with the spatially proximate food systems, since consumers have the opportunity to explicitly ask producers about their methods of production should they be so inclined.

Hinrichs (2003) identifies a second difficulty within this type of local food system. The author argues that since global systems are negatively associated with 'atomized market relations,' local systems are seen as the complete contrast to that. Hence they are automatically assumed to manifest positive, respectful and non-instrumental social relations. While relationships of trust and regard may arise, it is not necessarily the case, as social interaction can be marked with intolerance and unequal power relations. In fact, it is entirely likely that unequal power relations are present at farmers’ markets. The price of food in face-to-face food systems is typically higher than at conventional supermarkets, and as such it may only be more affluent consumers who are willing to offset the greater expenses for the social experience (Cone and Myhre 2000). Not only will this lead to an exclusion of certain social groups, but interaction would then commonly be between individuals with a large income differential. As such, social ties may only be superficial, and producers may in part be selling the aura of personal relations and social connection (Hinrichs 2000).

Despite these difficulties, farmers’ markets have seen growing success and have benefited farmers greatly. Since farmers are able to sell directly to consumers, they are able to receive a greater amount of profits for their products, and earn an additional source of income. Lyson et al. (1995) found that farmers’ markets were an important outlet for both full-time and part-time growers to sell their products. It is at this venue that full-time growers earn 35% of gross sales and part-time growers earn nearly 70% of their gross sales. These results indicate that farmers’ markets are an important venue for farmers to earn income and thus have a direct, positive effect on their economic well-being.

Farmers’ markets may also allow vendors to gain business and entrepreneurial skills, by giving them the opportunity to learn business management, marketing, communication and leadership skills (Feenstra et al. 2003). For example, in a study by Hilchey et al. (1995 as cited in Feenstra et al. 2003), it was found that farmers’ markets in New York state enhanced business opportunities by promoting business start-ups, facilitating product development and diversification, creating opportunities to add value, and expanding the size and diversity of vendor’s customer base, sales, and income. Further, in a study by Feenstra et al. (2003) it was found that two thirds of the respondents had expanded an existing product line (e.g. adding a new type of vegetable), and nearly one half had added a new product category (e.g. selling baked goods as well). This diversification of products results in the potential for greater income for farmers.

The rise of farmers’ markets can have several indirect effects to community well-being. As Norberg-Hodge (1999, 214) notes, the local food-economy “is the root and fibre of the entire rural economy and efforts to strengthen it thus have systemic benefits that reach far beyond the local food chain itself.” Similar to the spatially proximate food system, an increase in income for farm families will likely stimulate the local economy as money is reinvested into local businesses. Also, as family members learn business skills, it may prompt them to start up new, non-farm, businesses, which may revive the local economy further, benefiting the community by creating new jobs and new sources of income (Feenstra et al. 2003). From a social standpoint, the farmers’ markets may also result in a strengthening of social ties within the community, since they provide a forum within which the farmers and their families can come together to socialize on a semi-regular basis. There is also the potential to create social ties with residents outside of the community, the consumers, although this is not necessarily the case, as was already discussed.
Conclusion

Local food is often seen as a complete contrast to its evil twin, the global food system. On the surface it represents the values of a moral, rural life, of food that is produced in harmony with the land, and an activity of exchange that is based on strong personal relations. As such, consumers choose to purchase local food to support small farmers and preserve the rural idyll, and to reduce health and environmental risks. When one digs deeper into the meaning attributed to local food, however, it can be found that local food systems are not entirely unlike global systems. Since ‘local’ glosses over the variability in the types, sizes and modes of farming, leaving a purely geographical connotation in its stead, conventional farming is not excluded from the mix. Hence, local food is not necessarily of higher quality or more environmentally sound than the products found in the supermarket. Further, since there is greater interaction between producer and consumer (at least in the face-to-face category), it follows that transactions are assumed not to be based solely on economic interests. While this may be true in some cases, it is also not a necessary relationship. As it was found in both case studies, price was the ultimate determinant in consumer choice, and income was a primary motivation for producers. Thus, just as in the global food system, money matters.

Despite the fact that local food systems have parallels to the global food system, they have had success in reducing some of the effects of corporate agriculture, as described by Goldschmidt. The main benefit that local food has had, as illustrated in both case studies, is greater income for farmers, which has the potential to increase the economic well-being of the rural community as money is circulated through the local economy. This has also meant that small farms have been preserved in the countryside, preventing (or at least postponing) a complete takeover by corporate agriculture. The face-to-face type of food system has had additional success in reducing the distance between producer and consumer, and reducing the facelessness of food purchasing.

The local food system, however, has not counteracted the social effects of corporate agriculture. In terms of social well-being, the system has not created enormous progressive societal changes (Hinrichs 2003). The face-to-face system may create stronger social bonds within the community, or at least increase interaction, but that does not automatically result in the erection of new social institutions, for example. Also, the urbanization of rural society, one of Goldschmidt’s main hypotheses, is neither counteracted nor reduced. The countryside will still be characterized by a mix of both large-scale and small-scale agriculture, thus the unequal power relations and income distributions will remain. In fact, the problems of inequality may be exacerbated, as they are found also at the site of transaction (e.g. the farmers’ market), where it is commonly the wealthier consumers who purchase local foods. In the end, the local food movement may not be the measure Goldschmidt was searching for to counteract corporate agriculture. However, it is not necessary (or even desired) that it become a substitute for the global food system. Rather the local food system serves well as a supplement, filling in the holes where the global system falls short and allowing small scale farmers to reap the benefits of the seeds they sow.

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References


