Opening Spaces through Relocalization: Locating Potential Resistance in the Weaknesses of the Global Food System

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In general, we are interested in what Giddens (1990) calls the societal consequences of modernity, but particularly in the food and agriculture arena. The concept of reflexive modernization, the idea that the consequences of our knowledge have outstripped our ability to deal with them, is an intriguing frame for examining the present food and agriculture system. We are interested in understanding how power is negotiated in the food and agriculture arena, and the consequences of it, but we are equally interested in exploring how this dominant global system is resisted. In what spaces is resistance located? What kinds of alternatives are possible in a food and agriculture system dominated by global corporations, where time and space are disconnected?

There are many contributions in this Journal regarding the struggle to incorporate production and consumption into our theoretical understandings in agro/food studies (in particular Goodman and DuPuis 2002). Moreover, several papers critically examine emerging alternatives (Lockie 2002; Raynolds 2002; Miele and Murdoch 2002), while Gouveia and Juska (2002) remind us of the entrenched power in the production side of the food system. Our contribution to this debate is to provide a snapshot of the structure of the global food system through the rise of food chain clusters and their extension into food retailing (Heffernan et al. 1999; Hendrickson et al. 2001). Our method of tracing global agro-food restructuring through the structure and strategies of dominant firms arises from earlier methodological inquiries about commodity systems analysis and theories of the firm (Heffernan and Constance 1994; Bonanno and Constance 2001; Friedland 2001). In our analysis, food chain clusters are networks of relationships where relatively few decision-makers control vast amounts of resources. From our discussion of these clusters, one may be tempted to assume we have a bleak view of the future for farmers, workers and consumers if the trends we document continue in the agro/food system. However, a contrary view is apparent in the second section of this paper where we use an analysis of global food chain clusters to point out the possibilities, or spaces, for resistance and the development of new alternatives. We end on a relatively hopeful note about the potential for local food system initiatives.
by examining the Kansas City Food Circle.

Social theorists like Habermas and Harvey can help frame the understanding of the connection between structures, space/time and resistance. Habermas (1987) deplored the colonization of our systems world by the imperatives of instrumental logic and its encroachment on the life world. This gradual transformation, or colonization, of the lifeworld by the same systems logic that governs economic and political transactions is the significant transformation of Western society in the late 20th century. Therefore, the critical issue we in Western society are facing is resisting the commodification of our personal, private relationships by the same logic that rules our political and economic lives – and perhaps nowhere is this more evident than in the social movements surrounding food.

The usefulness of Habermas’ argument is in the dissection of the logic of instrumental rationality and its loci of domination in our society. This heuristic conception is useful for looking at alternatives in food and agriculture, particularly in their attempts to relocate both the production and consumption of food firmly within the lifeworld, the sphere of personal relationships, and away from the media of power and money that dominate in the industrialized agriculture and food system. However, those involved in resistance must understand the structure of the systems world, which is where we make our contribution with describing emerging food chain clusters.

Harvey’s (1990, p. 293) main contribution is his analysis of global capitalism as the result of the search for financial solutions to the latest crisis of capitalism, resulting in highly flexible forms of production, labor markets and consumption. In essence, society has undergone a new time-space compression where “the horizons of both private and public decision-making have shrunk... [making] it increasingly possible to spread ... decisions immediately over an ever wider and variegated space” but with fewer and fewer involved in those decisions. This regime of capitalism rests on a speed-up in production and turnover time, so consumption necessarily reflects the same volatility. Food production and consumption also hinges on the compression of space. This latest round of “annihilation of space through time” is the dynamic of capitalism (Harvey 1990, p. 293). However, while space has indeed become compressed through time, the distance (or barriers) of space are becoming even more pronounced and can be solved only through restructuring. In our view, spatial decentralization can actually mask the tendencies to centralization of control that we are seeing in the agro-food system.

McMichael (2000) situates the centralization of control that we describe in our food chain clusters in the global corporate regime that emerged from the development project. Our case study of an alternative food movement fits his description of the spaces that open for food movements around the world (food security, sustainable agriculture, fair trade, local food systems) from the breakdown of the consensus regarding the development project in food and agriculture.

For Giddens (1984, p. 35), “the fundamental question of social theory... is to explicate how the limitations of individual ‘presence’ are transcended by the ‘stretching’ of social relations across time and space.” The control over space in the food system means that we are able to eat fresh fruits and vegetables year round in the North because of the incorporation of new space into ever-lengthening production networks described in our food chain clusters. While governments, global food
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corporations, consumers and producers created the new networks apparent in the food system through material investment, new systems of knowledge, different rules of governance and the construction of tastes; they have become something that is beyond us, more than us. At the same time, we continue to participate in these relationships, sometimes from choice but often from necessity.

More importantly perhaps, is that space has been disconnected from place in the dominant food system (Kloppenburg et al. 1996). As people foster relationships with those who are no longer in their locale, distant others can structure the shape and use of the locale, a problem that is being explicitly rejected by those involved in local food system movements across the globe. This compression of space and the speed-up of time are key components of accumulation in the modern era. In the global food system, power rests with those who can structure this system by spanning distance and decreasing time between production and consumption. This reorganization of time and space indicates a great deal of power on the part of just a few actors that are able to benefit from the restructuring of the food system.

Most of our previous research has been identified closely with the political economy of agriculture (Friedman 1995; McMichael 1995; Bonanno and Constance 2001; Friedland 2001). However, we cannot let this focus on the ‘material’ subsume the ‘ideal’ – the cultural elements of food production and consumption, as Miele and Murdoch (2002) articulate with their analysis of the Slow Food movement.

Food is a difficult issue precisely because it is at the center of the lifeworld, but is produced and distributed, and consumed mostly, in the economic and political spheres, the systems world where systems logic dominates. Thus, food bridges our lifeworld and systems world in significant ways. Bearing this out, Kloppenburg et al. (2000) found that food activists in Wisconsin wanted food systems that were community-centered, relational, place-based, seasonal, participatory, and supportive of the local economy. Clearly, these activists are negotiating the ideal and the material, the bridge from the systems world to the lifeworld.

In summary, contemporary social theory and recent work in the sociology of agriculture and food, as detailed above, shows the process and consequences of transnationalization in the food and agriculture sector, a process that reflects broader societal transformation. This broader transformation is premised on the reordering of time and space, which represents a basic restructuring of the very structures that govern our society. We are particularly concerned with how this time/space compression has impacted social relationships in the food and agriculture system. The second major thrust of the literature reviewed above is what represents, and how to examine, challenges to changes in time and space and the power that resides in particular temporal and spatial nodes.

Throughout our analysis, we are firm in the belief that human agency is a powerful and dynamic force in strengthening, enlarging and creating spaces for what we call personalized, sustainable food systems. However, examining power and where it is situated in the food system is as important for thinking and acting strategically in trying to bring about food systems that actually enhance the life chances of more and more people. Understanding the twined forces of agency and structure along the entire continuum of production/consumption is critically important. We will leave the particulars of the ongoing agrofood discussions of networks and structures, production and consumption to others in this volume.
Instead we present our schematic of the global food system from seed to shelf, and examine one strategic, political response to the dominant system that emerged from the struggles of consumers in the Midwestern United States.

**Emerging food chains**

It is important to note that food and agriculture firms, like most firms, follow several strategies as they develop over time (see Heffernan 1998). One of the first strategies is to horizontally integrate by expanding their business in the same stage of the commodity system. Firms can also expand upstream or downstream in the agriculture and food commodity chains, a process we call vertical integration. Finally, firms can globalize to reduce uncertainty or to expand business. Firms can utilize many different relationships in order to compete or partner with other firms involved in similar or complementary businesses (for excellent analyses of strategies of particular firms in particular locales see McKenna, Roche and Le Heron 1999; Pritchard and Fagan 1999; Yenal 1999). Each of these different strategies— all of them increasing the concentration of ownership and control in the food system—are highly dependent on the formation and sustaining of relationships and networks.

In Figures 1-3 (following pages), one can see emerging clusters of firms that control many of the decisions in the food system from gene to supermarket shelf. Within this emerging system, there will be no markets and thus no ‘price discovery’ from the gene, fertilizer processing and chemical production to the supermarket shelf. The only time the public will ever know the ‘price’ of animal protein is when it arrives in the meat case. As this system evolves, even the price of the livestock feed and its ingredients, such as the corn, will not be known to the public, because like today’s U.S. broilers the product will not be sold. The firm owns the chick and sends it to their processing facility from which it emerges, perhaps in a TV dinner. However, the prices along the line of production are never discovered until the chicken is sold to the consumer. In a food chain cluster, the food product is passed along from stage to stage, but ownership never changes and neither does the location of the decision-making. Starting with the intellectual property rights that governments give to the biotechnology firms, the food product always remains the property of a firm or cluster of firms. The farmer becomes a grower, providing the labor and often some of the capital, but never owning the product as it moves through the food system and never making the major management decisions. As Hildred and Pinto (2002) point out, the food sector is a good example of how dominant firms can create anti-competitive conditions through supply chain management.

The system we describe is still evolving and it is not yet possible to determine how many clusters may emerge. Even at the global level, where there are no anti-trust regulations, oligopolies, not monopolies, tend to emerge. Indeed, the worldwide concentration in the seed industry has been amazingly swift; five global seed companies dominate worldwide—Monsanto, Syngenta (Novartis and AstraZeneca), DuPont (Pioneer), Aventis (acquired by Bayer in early 2002) and Dow. While we describe in detail three emerging food chain clusters, we are predicting the development of four to six. The three diagrams presented omit major food firms such as Mitsubishi, Bunge, C-P Group (which has ties to Tesco), Smithfield, Tyson and others. (See Figures 1-3).
Figure 1: The Cargill/Monsanto food chain cluster (situation in 1999)

Cargill/Monsanto
Joint Ventures and Strategic Alliances

GENE
(Monsanto)

Fertilizer
(Cargill)

SEED
(Monsanto)

Chemical

PRODUCER
(Farmers and Growers)

GRAIN COLLECTION
Cargill and Joint Ventures

Exports

PROCESSING
(Cargill)

Wet Corn Milling
Dry Corn Milling
Animal Feed
Wheat Milling
Oilseed Processing

Intermountain Canola Co. (Purchased by Cargill, DuPont granted license and agreed to continue research) 3/12/94-95

AGM
(AGRI Grain Marketing) 2/7/1-94

New England’s Milling Company 2/2-98

Cargill and Hoffman-Laroche Inc. 2/2-97

CSM (Joint venture with CSM n.v. of Netherlands) 3/3-97

Dow (Joint venture with Dow to develop agriculturally-based Polymers) 4/16-96

Degussa Chemiker Student Report 5/5-96

GNI (Groupe de Negoce International) 2/11-95

St. Lawrence Starch of Ontario 3/1-96

Mitsubishi Chemical Co. (Joint venture with Cargill to produce erythritol in Nebraska) 4/10-94

M.B. ContriPasz 8/11-95

TEMCO 8/11-95

Optimum Quality Grains 7/6-1-96

Continental Joint Ventures

ProGold Limited Liability 4/11-17

DUPONT

DUPONT/PIONEER

MITSUBISHI

CENEX HARVEST STATES

TO

TO

TO

Reference Key

Feedstuffs

Milling and Baking News

New York Times
Figure 2: The Con Agra food chain cluster (situation in 1999)

**ConAgra**

Joint Ventures and Strategic Alliances

**Distribution of Chemicals, Fertilizer and Seed**

- ConAgra (United Agri Products)

**PRODUCER**

- Farmers

**GRAIN COLLECTION**

- ConAgra

**PROCESSING**

- ConAgra

- ConAgra purchases high-oil corn seed from DuPont; contracts with farmers; buys back for poultry feed.

**Exports**

- ConAgra

**Dry Corn Milling**

- Wheat Milling

- Oat Milling

- Animal Feed

- Soybean Processing

- Barley Malting

- Potatoes (Lamb-Weston)

**PRODUCTION BEEF, PORK, TURKEYS, BROILERS AND SEAFOOD**

- ConAgra

**PROCESSING BEEF, PORK, TURKEYS, BROILERS AND SEAFOOD**

- ConAgra

**FURTHER PROCESSED BEEF, PORK, TURKEYS, BROILERS AND SEAFOOD**

- ConAgra

**GROCERY SHELF AND REFRIGERATED FOODS**

- ConAgra

**Meijer Frozen Foods**

- (Preeminent Supplier of potato products throughout Europe)

**Tiger Oats Limited**

- (South African Company)

**ITC Agro-Tech Ltd.**

- (Commodity oil business in India)

**Verde Valle, S.A.**

- (Branded grocery products-Mexico)

**Reference Key**

- FS - Feedstuffs
- NYT - New York Times
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Figure 3: The Novartis/Archer Daniels Midland food chain cluster (situation in 1999)

Novartis/Archer Daniels Midland (ADM) Joint Ventures and Strategic Alliances

GENE
(Novartis)

SEED
(Novartis)

PRODUCER
(Farmers and Growers)

GRAIN
COLLECTION
(ADM)

PROCESSING
(ADM)

Exports

ConAgra
(Port Facility in WA)

Exports

Wet Corn Milling

Dry Corn Milling

Rice

Peanuts

Animal Feed

Wheat Milling

Oilseed Process-

Malting

International
Malting Co.
(With LeSattre
and Co. France-
40% share)

ADM Annual Report

Acatos and
Hutchinson
(U.K., 28%,
joint purchase of
Soja Mainz)

ADM Annual Report

Continental
Bunge
FS 9-2-97

Sociedad
Aceitera
Oriente S.A.
(50% share,
Bolivia)

ADM Annual Report

Chinese
Government
and Local
Operator
(Refineries for soy,
rape and palm oil)

JC 2-17-98

Consolidated
Nutrition
(with AGP Pork
production)

IBP
(13.5% share)

ADM Annual Report

Pilgrim’s Pride
(Decreased from 20% to 6.4%
share)

ADM Annual Report

Chemical Week
10-28-98

Reference Key

FS-Feedstuffs
JC-Journal of Commerce
MBN-Milling and Baking News
NYT-New York Times
SF-Successful Farming
WSJ-Wall Street Journal
The food chain clusters

Cargill/Monsanto
Monsanto is one of the leading biotechnology firms. A joint venture between Monsanto and Cargill announced in 1998 clearly established one of the clusters. Cargill had already established its own food chain over the past several years by planned acquisitions. It was one of the largest seed firms in the world with seed operations, including research operations, in twenty-three countries of the world. However, Cargill did not have access to biotechnology and the new genetic products it would produce. After selling its seed international seed business to Monsanto, Cargill formed a joint venture with that company because it had the intellectual property rights to develop the genes and had a very comprehensive array of seed firms.2

There are two points to be made from the above scenario. The first point is that the reorganization of the food system is very dynamic and new technologies and other changes coming from outside the system can greatly disrupt the plans and organizational structure that a firm or cluster has developed. The second point is that a firm the size of Cargill has access to such large sums of capital that they can usually acquire whatever assets are necessary to survive. In addition, they are recognized as such formidable firms in the system that they can easily find other partners eager to join with them because the new partner is also eager to remain an active player in a food chain cluster. The Cargill/Monsanto cluster brought together giants in their respective stages of the food system.

Also in 1998, Cargill acquired the grain merchandizing division of Continental Grain. This acquisition brought with it almost 70 inland grain elevators and seven export terminals in the US.3 This becomes an important point because four firms have sixty percent of U.S. terminal grain handling facilities, with Cargill having the most capacity, followed by Cenex-Harvest States, a farmer cooperative with which Cargill has now embarked on a joint venture (Hendrickson and Heffernan 2002).

With Cargill’s acquisition of Continental, it “controll[ed] more than 40 percent of all United States corn exports, a third of all soybeans exports and at least 20 percent of wheat exports.”4 At the global level, the merger combines what was reported at the start of the 1990s to be the largest two global grain traders. The emergence of ADM as a major global grain trader came through the acquisition of parts of Louis Dreyfus and Pillsbury. Bunge was third for a time, and appeared to be losing ground until the 2002 purchase of a majority stake in Cereol (Central Soya), which made it the largest oilseed processor in the world.5 (Cereol, a French firm owned by Eridania-Beghin Say, was a remnant of the Feruzzi empire that imploded in the early 1990s, Bonnano et al, 1995). At this point, eighty-one percent of U.S. corn exports, and sixty-five percent of soybean exports are handled by three firms – Cargill, ADM and Zen Noh, a subsidiary of Mitsubishi (Hendrickson and Heffernan 2002).

ConAgra/DuPont
ConAgra is one of the three largest flour millers in North America and in the top four in dry corn milling in the United States. The company produces its own livestock feed and ranks third in cattle feeding and second in cattle slaughtering. It ranks third in pork processing and fourth in broiler production and processing.
Its United Agri Products (UAP) business is a leading distributor of crop protection chemicals, fertilizers and seeds in the United States, Canada, Mexico, Chile and U.K. ConAgra's annual report also noted that UAP is a leader in the distribution of new biotechnology products, principally seeds.

ConAgra follows the processing of food farther down the food chain than Cargill and ADM, ultimately selling labeled food items that U.S. consumers would recognize such as Armour, Monfort, Swift, Butterball, Healthy Choice, Peter Pan Peanut Butter, Hunt's, and many others. It currently ranks second behind Kraft Foods as the leading food processor in the United States and among the top four globally.

Despite ConAgra's long history of being a company from ‘seed to shelf’, we are unsure of the direction of their food chain cluster. One indication is ConAgra’s Agri Products division teaming with DuPont in a group of joint ventures, about a dozen developmental businesses. ConAgra recently sold the majority portion of its meat division to an outside investment group, and is rumored in trade publications in 2002 to be seeking buyers for its input businesses.

**Novartis (Syngenta)/ADM**

Novartis was formed by the merger of CIBA-Geigy and Sandoz, and merged its seed and chemical business with AstraZeneca to create Syngenta. The creation of Novartis made it the leader in the global agrochemical field with sales of $4 billion in 1997 and 15% of the global agrochemical market. This position was further solidified with the creation of Syngenta, which brought the chemical business of AstraZeneca into the fold.

The firm’s connection to ADM was established through a Novartis joint venture with Land O’ Lakes to develop specialty corn hybrids for the food and feed markets. Novartis purchased a 50% interest in Wilson Seeds Inc., a subsidiary of Land O’ Lakes. The joint venture acquired genetics from Sturdy Grow Hybrids, already in a venture with Novartis to introduce a white corn hybrid with the Bt trait.

Land O’ Lakes maintains an alliance with Growmark (energy products) and took over Countrymark, a major eastern Corn Belt cooperative, both of which are in joint ventures with ADM. The point is that the Novartis/ADM cluster, unlike Monsanto/Cargill, is really predicated on relationships with farmer cooperatives.

The Novartis/ADM connection is important in providing a glimpse of future directions in these food chain clusters. First, ADM, with its vast network of processing facilities, lacked access to farmers, a problem the firm remedied through long-standing joint ventures with farmer cooperatives such as Growmark, Countrymark, Riceland, and United Grain Growers, as well as its more recent leasing of Farmland Grain. The Growmark and Countrymark joint ventures, for instance, give ADM access to 50% of the corn and soybean market region, and 75% of Canada’s corn and soybean market region – and the leasing of Farmland Industries grain facilities opens up the middle of the US. The 42% share ADM gained in United Grain Growers – a former cooperative that is now publicly owned with major stakeholders also being the Alberta and Manitoba wheat pools – gives ADM widespread access to farmers in western Canada.

The Novartis/ADM connection is also important because Novartis lacked access to further processing in either grain commodities or food products. Novartis, now Syngenta, needed ADM’s grain handling and processing web to be able to
guarantee producers using their seed stock in the downstream market. ADM, on
the other hand, lacked access to biotechnology and needed Syngenta’s genetics,
seed stocks and chemicals. An ADM spokesman said “‘If you’re not plugged into
the global market today,’ a company will have limited opportunity to prosper. . . .
An international network ‘is critical [and] if you are not tied into an international
system, then you are not a traveler.’”

Novartis’ genes, seeds and chemicals compliment ADM’s far-flung grain
collection and processing network, created through the aggressive pursuit of joint
ventures and alliances in Europe and Latin America. In Europe, ADM has a majority
stake in A. C. Toepfer, one of the world’s largest grain trading firms. ADM has also
pursued joint ventures and acquisitions in Latin America in the last few years. Just
their purchase of parts of Glencore’s holdings in Brazil and Paraguay generated a
4% increase in their share of the world’s soybean trade. Moreover, ADM maintains
joint ventures in a variety of different commodity processing and feed operations
in Brazil, Paraguay, Bolivia and Mexico – and these are the alliances that are most
easily documented. ADM has also advanced into the Chinese and Indonesian
market through its oilseed refining, feed and broiler processing operations, where
ADM is the junior partner with the Chinese government and a local processor.

While ADM appears to be firmly networked at the commodity processing level,
what is not so apparent is how they are going to substantially enter branded food
products – as ConAgra has done – or production and processing in the livestock
sector. ADM retained a significant stake in IBP until its sale to Tyson – the largest
broiler producer and processor, the largest beef packer and second largest pork
packer in the U.S. and the world’s largest protein company.

In 1999, a key question, which none of the major cluster firms had yet addressed,
concerned what happened with further processed branded food products and
supermarket sales? Novartis had Gerber baby food, ADM had Haldane foods in
Britain and their continuing production of Harvest Burger vegetarian alternative for
Worthington Foods in the United States, and IBP acquired institutional processor
and supplier FoodBrands Inc. However, none yet have the presence of ConAgra – or
Philip Morris (now Kraft Foods) for that matter – on the shelf or in the cooler in
supermarkets. Thus, we turn to examine what is happening closer to the consumer;
within the food retailing sector.

The consolidation of food retailing

The more interesting restructurings recently has been within food retailing. In the
United States, the major players in food retailing are Kroger, Albertson’s, Wal-Mart,
Safeway (U.S) and Ahold USA. Together these five supermarket chains account for
over 40% of food retail sales in the United States. By comparison, the top five food
retailers accounted for only 20% of food sales in 1993.

Most of these firms have used horizontal integration strategies to solidify their
position in the market. Kroger bought Fred Meyer in 1999 to become one of the
first coast-to-coast chains in the United States where it is estimated to receive 10
cents of every dollar spent in supermarkets. Fred Meyer, a large retailer in the
western part of the United States grew by acquiring Smith’s, Quality Food Centers
(QFC) and Ralph’s/Food 4 Less. Albertson’s was the fourth largest US supermarket
Retailer before it acquired the second largest supermarket chain, American Stores. Wal-Mart, the dominant retailer worldwide, has grown its grocery business from within, and has come to dominate in food sales in the United States.

When Wal-Mart entered the supermarket business in the mid-1990s, other stores were wary because of the incredible logistics system and supplier pricing that Wal-Mart brought to the business. More importantly, Wal-Mart’s large size and market power causes concern as it integrates backward in the food system by creating relationships with the dominant food chain clusters. Wal-Mart is one of the first supermarkets to use case-ready meat in its stores. The first such prepackaged beef came from Tyson, also supplying broilers. Farmland supplies pork in the Midwest stores, although Wal-Mart was also scheduled to buy pork from Smithfield’s John Morrell for what appears to be the same stores. Smithfield was already supplying case-ready pork for Wal-Mart for some of its East Coast stores early in 2000.

Kroger also has ties back to the production side of the food business. In March 1998, Kroger began to sell case-ready beef and pork products in many of its southeastern stores. The products sell under Kroger’s own label, and are processed by Excel, a subsidiary of Cargill, which also provides a similar service to National Grocers, Canada’s largest supermarket chain. This type of arrangement directly ties these retail stores to the Monsanto/Cargill food chain cluster.

The rise of global supermarkets

These changes in the food retailing industry are not new to Europeans, as work done by Marsden et al. (1997), Wrigley (1997) and more recently by Michaels (2002) indicates. However, what is important is the emergence of truly global food retailers. For instance, Wal-Mart bought Wertkauf and Spar Handels in Germany, as well as Asda, Britain’s third largest supermarket, operates in Argentina, Brazil, Canada, and Mexico, and is involved in joint ventures in China and Korea. The firm is the driver of change on the global level. Carrefour and Promodes announced their merger as a way to cope with Wal-Mart on a global scale. Carrefour has a strong presence in Latin America, where it is the number one supermarket retailer in Brazil and Argentina. It is also the leading retailer in Taiwan, France, Spain, Portugal, Greece and Belgium. Reardon and Berdegué (2002) document the rapid consolidation of the Latin American supermarket industry by these transnational firms and argue that development policy must adapt to the resulting exclusion of small farmers from regional agrifood markets.

Another global firm is Ahold, which has about 28% of the Netherlands’ food retail market. Sales in Latin America – Brazil, Argentina, Chile, Peru, Paraguay and Ecuador – generate about $4.5 billion, while Portugal, Spain, Poland and the Czech Republic provide another $2 billion, with about $1 billion coming from the Far East. Ahold also has a 50% stake in the ICA group, the number one food retailer in Sweden, with 35% market share, and number two in Norway, with almost 28% of the market. Ahold is also the largest foreign retailer in China. Some analysts predict there will be only six or so global food retailers in the near future, who will most likely be the drivers in the food chain clusters we have documented.

The significance of the changes in food retailing for production is in the restructuring of supply and distribution networks, and in the development
of standards enforced by retailers (Reardon and Berdegué 2002). While food manufacturers have sometimes embraced consolidation, because it decreases transaction costs, it also distorts power in the chain and puts the food retailers “in a position to demand so much more from food processors” (Stanton 1999, p. 36). Another result of restructuring is increasing retailer fees, some of which cover real costs but which are also used to generate an income stream that creates more gross profit for retailers (Federal Trade Commission 2000a, p. 159). While retailer fees have been around since the 1970s, their use seems to be increasing in the last five years. Manufacturers attributed the rising use of fees to greater retailer influence, while retailers attributed it to the increased cost of handling products (Federal Trade Commission 2000a).

In this arena of negotiated power between manufacturers and retailers, U.S. retailers seem to have an edge, with bigger chains charging higher retailer fees (Federal Trade Commission 2000b, p. 108-109). As power shifts to the largest retailers, evidence from the UK indicates that profitability does also (Wrigley 1997). However, retailers are at the mercy of those manufacturers who have successful brands because branding is one way to create leverage with retailers. Retailers begin to develop one-on-one relationships with dominant food manufacturers who can service their far-flung systems. Moreover, retailers can start dictating terms to food manufacturers from their position of power at the point of consumption (Mehegan 1999).

Burch and Goss (1999, p. 347) observe that the increasing consolidation of the retail sector “has had significant effects right through to the farm sector, transforming the demands placed on Australian growers and processors” a transformation that “has shifted the degree to which producers can respond to changes within global relations of production.” No matter how big Tyson or ConAgra are, they must go through a food retailer to ultimately reach consumers. The more consumers that are funneled through one entity (such as Wal-Mart), the more powerful that entity becomes in being able to set its own prices to pay suppliers.

The point is that there exist dynamic social relationships within the channel from production to consumption, although the trend seems to be that it is more and more difficult for smaller entities in any one sector of the chain to compete effectively. The development of anti-competitive practices in supply chain management concerns many observers, including those from business schools (Hildred and Pinto 2002).

The global food system: possessing strengths, facing challenges

The system described above can certainly seem inevitable, and almost impossible to challenge on many levels. The economic power possessed by the dozen or so dominant firms described above is indeed formidable. Since economic power does translate into political power, many of the economic and regulatory structures of the food system are weighted in favor of these firms, as McMichael (2000) documents in the rise of the development project. Many farmers, processors, distributors and their organizations have simply given up and go along with the system, many times providing a legitimating front in the social and political realms for actions that are against their best interests. Stopping with the structural analysis presented above disempowers citizens, leaving them alienated and hopeless in the face of such sheer economic and political power. No system is without its vulnerabilities and weaknesses;
thus, groups can challenge, and are doing so, the dominant firms and the system in which they are embedded.

*The strengths exemplified*

We’ve identified at least three strengths of this globalized, industrialized food system important for groups to reflect upon in creating alternatives. One strength is the mass production of food for mass consumption. Probably one of the best analyses of the ultimate mass-produced food – fast food – is *Fast Food Nation* (Schlosser 2001) a more entertaining take on Ritzer’s (1996) concept of the McDonaldization of society. Our present food system excels at producing the same food over and over again; at breaking apart complex foods into commodified components that can be sourced from around the world. Farmers specialize in the production of one crop or in producing one sort of animal; knowledge is lost as farmers rely on standardized inputs to produce their commodity (Kloppenburg 1991). Indeed, many argue that knowledge is lost all along the way from field to mouth – in tastes, in cooking skills, in managing biodiversity. In producing food in such a way, agriculture has been subjected to the same discipline and control as manufacturing and industry despite arguments that agriculture has natural or biological limits that does not lend food and fiber production to the manufacturing paradigm (Lockie 2002).

A second strength is access to capital. As specialization and standardization have taken hold in food production, the use of inputs and their costs have soared. Manufacturing requires large sums of capital, something the cooperative movement recognized long ago. Those who can obtain capital – and those who have access to capital at a lower cost – are in a more advantageous position. Cargill, for instance, expects to double their net worth every 5-7 years, which supports an almost 20% return on investment. Moreover, these kind of firms seeking capital have better access to other investment channels, giving them a significant advantage over community-based farmers or other businesses.

Many of the largest firms are also able to reduce risk by cross-investments in other sectors or in other countries (Hymer 1976). For example, diversified firms like Cargill or ConAgra can lose money on beef by supplementing their portfolio with profits from grain. Similarly, Cargill, which operates in over 70 countries of the world, can lose money in one country and continue to operate as long as it profits in other countries. With so many sources of income and capital, these diverse global firms can outlast any start-up processor that comes along – even most national monopolies or monopolies involved in only one stage of the food system will likely loose out.

A third major strength large firms structuring the global food system possess is a simple, elegant vision that focuses on the bottom line. While we might question the social and environmental consequences of the resulting decisions, firms are responsible for making money for their shareholders. It is difficult to criticize firms for maximizing what they are supposed to do in the system in which they are embedded. Moreover, ‘the bottom line’ is ideologically legitimated by neoclassical economics, and morally legitimated in capitalist culture (Korten 1995). Such a simple vision is very powerful.
What challenges do firms face?

These large global firms also face some challenges. One of the problems faced by the global firms organized to mass produce and distribute foods to a global market is the problem of serving smaller, more differentiated markets (Kirschenmann 2002). Mass production is inconsistent with the emerging ‘unique’ markets that are now developing. As some consumers choose to eat seasonably and more locally grown foods, local communities send their own market signals. In addition, a growing number of consumers are asking questions about where their food was produced, how it was produced, and who produced it. These consumers often choose alternatives to the mass produced food system based on concerns about social and economic justice and the ecological soundness of the industrialized food system, as well as concern for small farmers and rural communities.

The food system is very dynamic, and processors and retailers are always seeking to adjust. For instance, food processors and retailers are attempting to serve a differentiated market in the organic foods arena. However, the organic standards recently released by the U.S. Department of Agriculture point to a standardization of organic that will fit an essentially philosophical vision of food and agriculture into an industrial model of mass production and consumption (Allen 2000). Thus, groups in the US are moving ‘beyond organic’ to discuss the relationships in community food systems that were an original component of the organic agriculture movement.

Careful analysts will recognize that retailers are not protected from the challenges posed by these emerging unique markets. As retailers grow larger through acquisitions and mergers, they develop their own supply and distribution systems that negotiate with ever-larger suppliers that have difficulty reacting quickly to ‘niche’ markets. The dominant firms realize this. One influential American agriculture analyst, Mark Drabenstott of the Federal Reserve Bank (2002), predicts that the farm economy will split into two segments – one consisting of a small number of large-scale farmers engaged in commodity production who depend on technologies and economies of scale to survive on razor-thin margins. The other segment will focus on the product-oriented, consumer-driven, end-user approach to agriculture production and processing. Thus, alternatives cannot take for granted their ability to capture this space without a struggle.

Closely related to the issue of serving niches is the difficulty of reorienting a large global food system cluster. A former Cargill executive in Canada compared changing the global system to the slowness of changing the direction of an aircraft carrier at sea. Changing food fads create problems for the global firms, but provide opportunities for smaller systems.

A third major problem faced by global firms is the need to develop a trusting relationship with consumers. Consumers often distrust the large global firms, knowing they are primarily motivated by profits. The global firms must depend on brand names on which they must spend massive amounts of money in advertising. Small firms may have a better ability to develop more personal relationships.

Other problems faced by the global firms are the social and environmental problems they create. For example, food shipped from the far corners of the world – often requiring refrigeration – and its elaborate packaging requires an enormous
quantity of fossil fuel. As the global food firms travel the world ‘sourcing’ their raw products as cheaply as possible, they create problems in the area of social justice, and often draw attention to some of the negative consequences of this system.

Spaces for alternatives?

In our view, these vulnerabilities are exactly the place where farmers, workers, consumers and communities need to position alternatives. To be effective, these alternatives must be personalized and sustainable and propose a new vision, a vision of authentic social, economic and ecological relationships between all actors in the food system. Such relationships are unique and focus on retaining a wide-ranging knowledge in each and every person (DeLind 1993). Developing alternatives, however, also means understanding the limits to those alternatives, i.e. decentralization of numerous enterprises and actors across multiple places. Moreover, these alternatives require a notion of community self-reliance rather than either dependency or self-sufficiency.

It is the development of authentic relationships that have social and ecological components rather than being exclusively exchange oriented that makes firms operating in the global system most vulnerable. While advertising (promoting brands) can create the illusion of connection, it is only within the context of integrated relationships that authenticity can be developed. However, the development of these authentic relationships in the structure of our everyday lives (to be incorporated into what Agger (1992) calls everyday praxis) is indeed difficult and time-consuming.

Time may indeed be one of the biggest barriers for alternatives, yet one of the greatest strengths. Many alternatives do take more time, and thus are less attractive to people squeezed by work and family responsibilities, which has important class-based implications (Hinrichs 2002). However, that becomes a reason alternatives are difficult to replicate by the dominant firms. The global system is predicated on controlling and speeding up time – in both production and consumption – and eliminating unique sets of knowledge and management that require more time to amass and apply.

There are a large number of alternatives being expressed throughout the Midwest, the country, and the continent. Many researchers have examined movements in sustainable agriculture and food (Feenstra 1997), community food security (Allen 1999), civic agriculture (Lyson 2000) and fair trade (Raynolds 2002), all of which McMichael (2000) suggests are expressions of the crisis of development in food and agriculture. To succeed, these movements must organize where the dominant system is vulnerable – by making ecologically sound decisions, by relying on time and management rather than capital, and by building authentic trusting relationships that are embedded in community. We turn now to a case study that exemplifies such alternative agrifood movements.

Case study: The Kansas City Food Circle

The Kansas City Food Circle organization began in November, 1994 but has roots in the movements of the early 1980s (Hendrickson 1997; Bantz 2001). While the understanding of what constitutes a workable alternative for the group has certainly
changed over time, core members of the Food Circle have long tried to develop local sources of environmentally-sustainable food. Members of the Greater Kansas City Greens in the mid-1980s tried to provide networking opportunities for producers and consumers of organic produce to meet and understand each other, and even tried to organize marketing cooperatives as a better way to make connections. Since 1994, the Food Circle in Kansas City has attempted to educate the public about the consequences of the industrial agricultural system and to persuade more people to participate in a local, sustainable alternative.

The most consistent thing about the Kansas City Food Circle has been its ability to propose an alternative that challenges the dominant logic underlying the global food and agriculture system – the logic of industrialization. From their paradigm, industrial agriculture has eroded soils, made water unfit to drink, and increased pesticide resistance in insects. Most importantly, the food system has become so centralized that citizens lack control over their food choices. A geographically distant agriculture has created a dollar drain on the local community and wasted non-renewable resources. Thus, the present food and agriculture system is perceived by the Food Circle members as unhealthy, unjust, unethical and economically unviable.

The explicitly political alternative that emerged from this critique is the attempt to create a local, organic food system where consumers can get seasonal, fresh food at a price that supports farmers using sustainable practices. The Food Circle’s perceived role is to connect all actors in the food system in a sensible and sustainable way that sustains the community, is healthy for both people and the environment, and returns control of the food system to local communities. The Food Circle alternative, therefore, is about creating a new kind of community that recognizes the interconnectedness of people through the production and consumption of food.

The Kansas City Food Circle has continued to grow as an organization for both farmers and eaters. The annual directory now lists over 30 organic farmers in the region surrounding Kansas City, and their third annual local foods festival drew over 600 people (Bantz 2001). Moreover, the concept has spread to several other communities in Missouri. Two Food Circle groups exist in rural areas, and another operates in a mid-Missouri college town. The concept has also been institutionalized in a university extension program called the Food Circles Networking Project, which combines the idea of developing local food systems with community food security. Moreover, the rhetoric of community-based food systems appears in policy statements from Missouri farmer, faith and environmental organizations. Much of this work can be traced to the beginnings of the Kansas City Food Circle.

Relationships – the heart of a Food Circle

The Food Circle group encourages eaters to know who has raised their food so that they can trust that it is good for them and good for the environment. The relationships that the Food Circle is attempting to nurture between farmers and consumers in Kansas City incorporate the idea of trust that is negotiated by proximity and interaction, instead of the faith in abstract principles that is prevalent in the globalized food system (Giddens 1990). Trust in this alternative is a subjective relationship negotiated between people, and can broken into the concepts of
responsibility and community. Producers feel a responsibility to produce healthy, wholesome food that will be eaten by people whom they know. Eaters feel a responsibility toward producers who are members of their community.

Trust in either sense does not refer to the food product itself, but the notion that one can trust this farmer to produce this food in a ‘safe’ way because the consumer knows the farmer and holds him or her responsible. As Food Circle members negotiate with farmers, they begin to talk about trust that is developed in the context of a social relationship. Producing food this way brings the process back to the heart of an authentic personal relationship and re-embeds food production within a community. As DeLind (1993, pp. 7-12) notes, “[g]reater social and interpersonal ‘connectedness’ has the capacity to turn people into citizens.” Of course, these systems of trust take more time to develop and maintain for the individual actor than do abstract, expert systems. The advantage, however, is that they are not based on universalizing tendencies and are time intensive which means that global entities are perhaps less capable and less interested in penetrating them. Thus, capital in a personalized food system is much less important than in the global food system.

Time and space dimensions of these new relationships

The Food Circle presents a unique alternative to Harvey’s (1990) bleakness in that its proposed alternative has the potential to reorder time and space and thus to reconnect food and people spatially and temporally. First, the Food Circle educates about the seasonality of foods; in other words time is embodied in the natural cycle of a local food system. This local food system depends on eaters reconnecting time (as season) with place. It would be a mistake, however, to view seasonality as a constraint on developing a local food system. The point is that food production must link space (place) through time.

Second, there is personal or social time that is represented within a local food system in addition to the natural time that is embodied in food. In the Food Circle alternative, eaters know the people who are producing their food, thus there is social time triggered by eating that particular food product. This social time is the time it takes to build a new relationship between the farmer and the eater, a relationship that is predicated on societal values like trust and commitment, not on exchange values.

Third, there is a differing conception of space in the proposed alternative of local versus the dominant global food and agriculture system. Food consumed in the U.S. travels an average of 1300 miles from field to plate which means there is no connection of people to place through food. Food in a local system is rooted in a space that enables and constrains production and consumption through its own unique characteristics.

The local proposed by the Food Circle is embedded in a particular locale, in a particular set of cultural, economic, political and social relationships. The opposite of this embeddness is “the ‘lifting out’ of social relations from local contexts of interaction and their restructuring across indefinite spans of time-space” (Giddens 1990, p. 21), a point that is also explored by Hinrichs (2000) in an examination of different types of direct marketing. In the Food Circle’s proposed alternative, food production is an
inherent part of a socially meaningful process, the building of community. In essence, when Food Circle members talk about decentralization and taking back control of the food system, they are referring to the building of local social bonds and the necessity for reconnecting the people who inhabit a particular space.

Embedding food production and consumption in a community means that eaters respect that process as much as they desire the food that they eat. In other words, the ‘citizens’ that DeLind (1993) refers to recognize the social implications of their consumption choices. The Food Circle’s alternative relies on the recognition on the part of consumers that building community is important and can be partly achieved by changing their lifestyle in terms of food consumption. In this alternative, food is again produced and consumed within a community that has its own normative standards of food production and consumption. Thus, food becomes the expression of relationships that are much more than exchange relationships.

Space is important in other ways. The influence of consumption over production has always affected the way that rural space is constructed and used (Marsden 1996). For the last 100 years, the Midwestern United States has been integrated into global food regimes on the basis of its grain and livestock production with little room for the other components of healthy diets (Freidmann and McMichael 1989). Thus, the Food Circle challenges a long-established trend in agriculture in the Kansas City area, a place with little memory of a self-reliant food and agriculture system. Finally, it is important to note that the Food Circle seeks to create and provide physical and mental space for alternative expressions of knowledge and action which indeed opens locales for challenge and resistance.

Sustainability

While the local – perhaps the better word is personalized – part of the equation seems to be a particular space from which to reorganize relationships in the food and agriculture system, the Food Circle actually grew out of a concern for the environment. Locality or personalization in itself does encourage some free space, a space that can be widened with the addition of a sustainability component. Sustainable production can also force new constraints in the system of globalized production. While global corporations may use sustainable production practices, transportation technologies also require huge investments of non-renewable energy sources. Thus, we must extend sustainability to incorporate the whole system rather than a few fragmented portions of it – the focus must be on both distribution and production practices. It is probable, although debatable, that the costs of a geographically distant agriculture will outweigh the benefits of global sourcing as we reach the limits of our petroleum sources.

Negotiated power?

One of the issues not addressed in this relatively positive assessment of the alternative proposed by the Food Circle is power, the focus of our earlier description of emerging food chain clusters. In the Food Circle, power is conceived as more nuanced, although both we and Food Circle members remain respectful of the economic and political power that can be demonstrated by the dominant firms in
the food chain clusters we outlined earlier. As Foucault (1973) has shown, power can be accumulated in particular nodes. The kind of power that resides with actors in the Food Circle is situated in a different node than that of global corporations, because the Food Circle uses resources in the cultural sphere to challenge the power of material resources in the economic and political spheres.

Despite this understanding of the power differential on the part of global actors, the Food Circle still believes in its own agency at the local level. Members of the Food Circle believe they can challenge the structures that guide accumulation on the global level, but not through state control or the development of large-scale movement organizations. In their politics, since power is not viewed as absolute, they believe in their own ability to participate in a democratic society – by shaping a more democratic food system. It is this belief in their own power, as well as their understanding of where the larger system might be vulnerable, that allows them to challenge it.

Class and alternatives

One critique of the Kansas City Food Circle’s alternative is the mostly unacknowledged privileged position of the group – a charge that can be leveled at many alternative food movements (Hinrichs 2002). Perhaps the dominant logic of the system can only be rejected by those in a position to do it. After all, emerging local food systems still require money as a medium of exchange, so low-income groups have less resources with which to participate in the alternative (see Guthman’s critique in this volume). On the other hand, some members of the Food Circle are already those who are able to find few other options – the farmers themselves.

Another component of class is how participation in the Food Circle can be predicted by social movement theory (Melucci 1989). The core group of activists and supporters of the Food Circle are those from the ‘new middle class’ or ‘human capital class’. This core group is balanced by farmer members (the small business class according to Offe (1985)) who see the Food Circle as one of the few options left for continuing in a tradition of independent farming.

In this case study, we see one example of how a group can position itself in the spaces where the global system is vulnerable by eschewing the attributes that make the global system strong (mass production, access to capital and a profit-oriented long-range vision). By doing so, alternative groups can potentially strengthen, create and maintain spaces of action that will potentially become more important in an increasingly unstable dominant food system.

Conclusions

The structure of the global food system that we have described in this paper can certainly seem inevitable, and almost impossible to challenge or resist in any explicit ways. On the other hand, we have clearly indicated that the structure of relationships among firms and clusters remains a dynamic system that is constantly evolving and where power is being negotiated in many nodes. Possibly the greatest certainty is the uncertainty that even the dominant firms we have described face in light of our rapidly evolving system, even if the global corporate regime (McMichael
tends to favor their interests over those of other actors. Understanding the structure of the global food system and its strengths and potential weaknesses may help position alternatives in the food system.

Those involved with alternative agrifood initiatives can use the powerful analytic tools of sociology, geography and political economy to help guard against the swallowing of their alternatives by the dominant system. These same tools can help citizens understand the political manifestations of economic power in the realm of free trade and state policy. However, the most important aspect to emerging alternatives remains the connections being forged between farmers, eaters and all the actors between.

Are these emerging connections capable of transforming the structure of the food and agriculture system, given their current conditions? Do such projects and initiatives constitute significant challenges to the global food system that can be loosely classified in a movement? In this volume, Gouveia and Juska question the value of consumption oriented alternatives to impact the way the vast majority of food is produced and consumed in the world – and by extension the working conditions for millions, if not billions of people. Raynolds also raises the question of just who benefits from the consumption oriented movements of the North. Hinrichs (2002) and Allen (2000) have been consistent critics of the exclusionary tendencies of alternative food and agriculture projects. These are particularly important and valid critiques for those of us working in the political economy of food and agriculture.

We have not argued that the Food Circle alternative, or other local food initiatives, constitute a large-scale, transformative revolution. Our point is that the global food system is a very dynamic system and we do not know how it will evolve. Thus, we believe that alternative movements should not be overlooked for their real work of protecting existing spaces of action or for creating or enlarging those spaces. The true measure of these alternatives might be the inspiration they give to others to envision an alternate way of being in the food system. Moreover, these alternative projects may turn out to be effective models to be used if the current global system ultimately proves unsustainable. The most important aspect of these movements might well be their ability to protect the lifeworld from encroachment by the dominant logic of the systems world, or to reorder time and space. Without the spaces for the creation and implementation of these alternative visions, we condemn those farmers, workers and consumers who are actually striving to make their way in the food system to the despair of no hope.

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Notes

Opening spaces through relocalization

5 Bunge company press release.
6 Chemical Week, May 21, 1997.
7 Europe Chemical News, April 28, 1997.
8 PR Newswire, October 14, 1998.
9 Feedstuffs August 12, 1996.
10 Interview with Martin Andreas. Feedstuffs January 12, 1998.
16 Agriculture Online, April 12, 2000.
26 The case study summarized here is based on an exhaustive qualitative analysis of the Kansas City Food Circle carried out by Hendrickson from 1994 to 1997. Through Hendrickson’s work in university extension, she has maintained contact with this group for the last five years. Further material is provided by a shorter case study focusing on the farmers who received support from the consumer members of the Food Circle, research that was conducted by Sarah Bantz under the direction of Hendrickson.

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