

## Re-creating the Food Economy; Beginning at Home<sup>1</sup>

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The global financial crisis has raised widespread concern about the strength and stability of the global economy. However, the continuing economic crisis may turn out to be a blessing in disguise. It may finally awaken people in America and around the world to the fact that we have created an “unsustainable” global economy. Sustainability is about meeting the needs of the present without diminishing opportunities for the future. After two centuries of relentless, if not continuous, economic growth, we are still not meeting the needs of many people today and certainly are not leaving equal or better opportunities for those of the future, even in America. It's time to face reality; the global economy is not sustainable.

It's also time to face the same basic reality in American agriculture. We have created an unsustainable agricultural economy. We need to create a need food economy that fundamentally changes our entire food system from farmers all the way to consumers. The American food system is not sustainable. The basic problem with our food system and our economy is that all economic value ultimately is derived from nature by way of society, from natural and human resources. We have depleted and degraded both nature and society to the point where we can no longer sustain the economic growth that most people have come to expect. We are confronting the same challenges in American agriculture. We have depleted the productivity of the land, displaced farm families, and decimated rural communities in the pursuit of ever-greater economic efficiency. We have created a food system that is increasingly dependent on nonrenewable inputs, such as fertilizers and fossil fuels, which is incapable of sustaining its agricultural productivity. American agriculture is not sustainable.

The environmental movement has made people aware of the negative impacts of industrial economic development on natural ecosystems. More recently, attention has shifted to its impact on the economic equality and overall civility within societies. Whenever these issues are raised, the ecological and social degradation has been defended as being necessary to allow continuing economic growth. But now, the economy has basically quit growing. In fact, most economic growth of the past 30 years has been more illusion than reality. It's time to confront economic reality.

Most economists say we simply need to “get the prices right.” They admit the economy sometimes imposes economic costs on natural ecosystems and human society that are not reflected in the economic costs and thus are not reflected in market prices. However, they restrict their concerns for sustainability to some small subset of the economy that they feel overlaps with society and the natural environment. To address these so-called “market failures,” they suggest

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internalizing the ecological and social costs and benefits, meaning to assign them a dollar-and-cent value and then, by various means, to bring them into the market place. They argue if we get the prices right, meaning prices that reflect the economic value of social and ecological externalities, market economies are quite capable to sustaining their productivity.

Most economists seem to have a blind faith in the markets as the solution to all problems. We see this in agriculture when we are told the industrialization of agriculture and its negative impacts on the land and people reflect the normal evolution of an efficient free market economy. However, this blind faith in markets is not the solution to, but instead the source of, the biggest problem of global society today, which is the lack of economic sustainability. As Albert Einstein once observed, we can't solve problems by using the same thinking we used when we created them. Getting the prices right, while necessary, simply is not sufficient to address the challenges of economic sustainability.

A sustainable economy must be built upon a different understanding of how the world works and of the place of humans within it. In the ecological worldview of sustainability, all human societies are subsets or parts of nature, and all economies are subsets or parts of those societies. Thus, all economic activities have impacts on society and on nature, not just some small subset or part. Those things in society and nature that are outside of the economy have no economic value and thus cannot be internalized, yet they are critically important to economic sustainability.

This hierarchy of sustainability is a nested hierarchy. Higher levels in the hierarchy obviously provide the resources that support the lower levels. There is nowhere else to get anything of societal or economic value other than from nature. Everything of any use to human society, including everything of economic value, must come from nature by way of society. If the economy is allowed to destroy the integrity and productive capacities of nature and society, there will be nowhere to get anything of economic value. This is perhaps more obvious in agriculture than in any other sector of the economy. The ability of agriculture to support human life and to produce products that have economic value obviously depends on the productive capacities of the land and the farmers who bring life from the land. If we destroy the productivity of the land, there ultimately will be nothing else to sustain the economy or humanity.

Higher levels in the hierarchy also define the purpose of lower levels and the principles by which lower levels function. This means sustainable economies must respect the principles by which nature, including human nature, functions. However, lower levels are also important to higher levels, in that lower levels determine the possibilities for higher levels. For example, the continued economic extractions from nature and exploitation of society greatly diminish the possibilities or potentials of both nature and society. The depletion of soil fertility diminishes the potential of humanity. So, it's critical to the health and well-being of society and nature that economies function in harmony with the hierarchy of sustainability.

This hierarchy of nature can be ignored or denied, but the consequences of violating its principles – meaning the laws of nature or natural laws – cannot be escaped. We can ignore or deny the law of gravity, but if we drop something heavy on our toe, it's still going to hurt. The

same is true for all laws of nature, including the laws of human nature. We can deny our dependence on the land, but if we deplete its productivity humanity ultimately will starve.

Economic sustainability is based on getting the principles right rather than just getting the prices right. The basic principles of nature include the principles of economic and social relationships, as well as the principles of natural ecosystems. The fundamental ecological principles include holism: the whole is more than the sum of its parts; diversity: a necessity for resilience, renewal, and regeneration; and interdependence: mutually beneficial relationships among the diverse parts, which make wholes more than sums of their parts, rather than less. Social principles include: trust, which arises from honesty, fairness, and responsibility; kindness, which arises from empathy, respect, and compassion; and courage, which gives action to trust and kindness. The basic principles of economics include scarcity, which determines economic value; efficiency, meaning the greatest value at the lowest cost, and sovereignty, which means the freedom to make logical economic choices. The most fundamental principles are the most powerful, and they are mostly just common sense.

Contrary to popular belief, everything isn't ultimately a matter of economics. As I stressed in my presentation at the Small Farm Conference last year, economic value is fundamentally different from social or ethical values. Economic relationships are individualistic, instrumental, and impersonal. Economic value accrues to individuals, not to a community or society as a whole. An economy is simply a collection of individual enterprises. Economic value is instrumental in that economic decisions are always predicated on the expectation of receiving something of greater economic value in return. Economic value is impersonal in that economic value is determined through trade or exchange among individuals. The specific individual or person involved in an economic transaction doesn't matter.

Social relationships are also instrumental, in that something of personal value is always expected from a social relationship, even though the expectations often are not precise with respect to what is expected in return. However, if we want to have a friend we must be a friend in return. Social value is fundamentally different from economic value in that social value is clearly personal. Relationships between spouses are not interchangeable and neither are relationships among true friends. Purely social relationships produce nothing of economic value because they cannot be exchanged among different people: They can't be bought or sold; they have no exchange value.

Social relationships are interpersonal, in that social values accrue to specific persons in relationships rather than whole communities or societies. However, social values naturally evolve into cultural and ethical values that are held in common within families, communities, and societies as wholes. As reciprocal expectations become less personal and less precisely defined, social values become linked with communities, societies, or nations, resulting in feelings such as community pride and patriotism. Eventually, social values spread to those of other nations and to humanity as a whole, including those of future generations. This is the process by which social values evolve into ethical values.

Ethical values differ from economic and social relationships in that they are communal, non-instrumental, and impersonal. Ethical relationships are ends in and of themselves, not means to

ends. People who do things for purely ethical reasons have no expectation of receiving anything in return, at least not in their lifetimes. Ethical values are clearly impersonal or not specific to a particular person. If the particular person matters, it's a social rather than ethical matter. They are communal in that what's right for one person or one community is right for all people of all communities, for people in common, including those of future generations.

Certainly, there may be economic value associated with relationships that also have social and ethical dimensions. However, relationships that are purely social or ethical have no economic value but are nonetheless absolutely essential for economic sustainability. There is simply no economic value in doing anything for the sole benefit of someone else or for society as a whole, certainly not for the benefit of those of future generations. If we are to create a sustainable economy we must make social and ethical investments that have no economic value. We must make intentional decisions.

In addition to getting the prices and principles right, we must also get our priorities right. As far as we know, humans are the only species that has the capacity for thoughtful, intentional decisions. Other species make choices by instinct or learn from experience. Humans have the capacity to make choices in conflict with their animal instincts and to anticipate consequences of actions that have never been experienced. If we simply follow our animal instincts, we know the ultimate consequences for humanity. Any non-intentional species that finds itself in a position of dominance within its natural ecosystem blindly expands its population until it uses up the resources that support it or dies off from disease or conflict caused by overpopulation. Humans are now the dominant species in the global ecosystem. If we are to sustain human life on earth, we must respect the hierarchy of intentionality.

Within the hierarchy of intentionality, our ethical values reflect our common sense of the most fundamental principles of nature, including human nature. Our social values reflect our sense of how we should relate to each other within our particular society. Our individual preferences reflect the ways in which we choose to differentiate ourselves as individuals from the rest of society.

The fundamental problem in today's global economy is that we have inverted the hierarchy of intentionality. We give the highest priority to economic growth. If our social values don't interfere with economic growth, they are fine; if there is a conflict, we give priority to the economy over society. If our ethical values don't conflict with prevailing social values, they are fine; if there is a conflict we give priority to our standing within society. Economic sustainability demands that the intentionality be aligned with the hierarchy of sustainability, meaning the hierarchy of nature. We must rethink and realign our priorities.

This is also the fundamental problem with the American food system. We seem to value economic efficiency over all else, including the land upon which all productivity ultimately depends, the people who support and are supported by agriculture, and even the future of humanity. To create a sustainable food system, we must realign our priorities: We must let our moral and ethical values take precedent over the short-term needs of our society, and the needs of society must take priority over the preferences of the individuals who have the money to influence the food economy. Since our society is a part of nature and our economy is a part of

society, ethical values must take precedent over social values and social values over individual preferences. When we get our principles right, we will begin to rethink and realign our priorities.

This realignment of priorities will require that we first rethink and redefine the purpose of our economy. The purpose of our economy must change from generating ever-greater economic growth to providing those things of individual, impersonal, instrumental value that are necessary for human happiness or quality of life. Throughout the history of humanity, the pursuit of human happiness has been widely understood and accepted as the fundamental purpose of life. Ongoing research is confirming our common sense that beyond some modest level of material well-being, happiness is affected more by quality relationships and sense of purpose than by additional income or wealth. Economic well-being is only one dimension of happiness. Happiness requires harmony and balance among the economic, social, and ethical dimensions of life.

The ecological, social, and economic dimensions of sustainability are virtually identical to the ethical, social, and individual dimensions of human happiness. Both sustainability and happiness require harmony and balance among the three. The current global economic crisis provides us with a prime opportunity not only to create a sustainable economy but also to create a new and better world by restoring harmony and balance among the ethical, social, and individual dimension of our lives. We have an opportunity to move beyond treating sustainability as a limit or constraint to economic progress to viewing sustainability as an opportunity to create a new and better world for ourselves and for the future of humanity.

We also have an opportunity to re-create our food economy; to create a new and better food system for ourselves and for the future of humanity. And the best place to do our part in the re-creation process may well be at home, by creating and nurturing sustainable, local food systems. In the process of creating sustainable/local food systems we will be helping to create a new and better world for the future.

Local food systems reconnect people within local communities and reconnect people to the earth through local farmers. Local food venues, including farmers markets, community supported agricultural associations or CSAs, on-farm sales, and roadside stands bring farmers and their customers together, face-to-face through their common interests in and dependence on food. Through these connections people have an opportunity to regain a sense of their interdependence with the other people in society and the other elements of nature, which is been weakened if not destroyed by industrial economic development. They begin to understand that we are still as dependent on the bounty of nature for our food as people were in the days of hunting and gathering or subsistence farming. Our relationships with society and nature are more complex and less direct but are no less critical. Sustainable farmers understand the importance of these connections; they are a part of the day-to-day reality of farming. Farmers have an opportunity to share this understanding with their customers and their neighbors at farmers markets, CSAs, and other local foods venues.

Sustainable farmers understand they have to work with nature rather than try to conquer nature. They have learned to respect the basic principles of holism, diversity, and interdependence. These same principles are just as critical in all other aspects of life; they are just more readily apparent in farming than in most other occupations. As non-farmers learn more

about farming, through local food systems, they gain understanding and respect for the principle of nature that must guide their own work and life.

If we are to create a sustainable society, farmers and non-farmers alike will also need a greater appreciation and respect for the essential principles of human relationships, such as trust, kindness, and courage. We can buy foods from farmers we know and trust to produce good food sustainably, rather than depend on certifications, rules, and regulations. Farmers can reinforce this trust by being trustworthy, rather than taking advantage of trusting customers. Farmers can ask for fair prices without expecting anything more and their customers can willingly pay fair prices without expecting anything less. Farmers and their customers can develop caring relationships by being understanding and forgiving when things don't work out as expected, without fear of being exploited for their kindness. Out of relationships created and nurtured through local food systems, people can gain the courage to be trusting and kind in their relationships with people in general.

Local food systems can also build greater respect for the essential principles of economics. Farmers must produce things that are scarce if they expect to earn an economic livelihood, not simply things they like to grow or that grow well in their local area. At those times when everyone has tomatoes in their back yards, tomatoes are not scarce and thus have little economic value, regardless of how good they may taste or how nutritious they may be. Customers learn that sustainable foods are scarce because they can't be produced by the industrial food system and thus command a higher price in the market place. Both farmers and their customers learn the principle of efficiency, as they attempt to use their limited money, time, and energy to get the most of what they need out of the food system to support their desired quality of life. Local food systems also support the economic sovereignty of both farmers and their customers by giving them an alternative to the industrial food system in meeting their basic needs.

Local food systems can help sustain local economies but local foods cannot be sustained by economic values alone. The industrial food system exists because it was more economically efficient than the food system it replaced, and it persists because today's large food corporations are maximizing economic returns to their shareholders. Sustainably produced foods ultimately will cost a bit more because their costs include the social and ecological costs, as well as the economic costs. Local food must be economically "affordable," but local systems must be sustained by ethical and social values, rather than economic values. Relationships between farmers and their customers must be personal, which means they must be social as well as economic. Perhaps more important, relationships among farmers, their customers, and neighbors must reflect shared ethical or cultural values: A commitment to caring for each other and caring for the earth simply is simply the right way to work and to live.

Creating a sustainable community-based food system will require radical changes in the food system as a whole. This is an economic reality that few farmers are yet willing to face. As I indicated at the Small Farm Today Conference last year, neither the *vertical competition* of the past free-market food economy nor *vertical integration* of the current corporately-controlled food economy is sustainable. The only sustainable alternative is "*vertical cooperation.*" Cooperative relationships are fundamentally different from the competitive relationships that coordinate market economies and the exploitative relationships that characterize today's

corporatist economy. Cooperative relationships are mutually beneficial. Within *vertically cooperative* food systems, economic benefits are shared fairly and equitably among consumers, retailers, processors, farmers, and anyone else involved in the collaboration. Vertically cooperative systems coordinated or guided to meet the needs of all through *cooperation* rather than relying on *competition* or *integration*, which some to benefit at the expense of others, including at the expense of future generations. The participants together decide what to produce, where and when it will be available, how it will be produced and processed, and who will produce and process it.

They also agree on a pricing arrangement that ensures consumers will get products they need and want at price they are willing and able to pay. Everyone might not get exactly what they might prefer, but everyone would benefit from the continuing relationships, and the relationships would be sustainable. Equally important, in a *sustainable* vertical cooperative everyone must receive enough to sustain them economically without exploiting the natural and human resources that must sustain those of future generations. Such organizations will be sustained by shared ethical, social, and economic values. Furthermore, ethical principles must be given priority over social values, and social values must priority over economic preferences if the economic, social, and ecological benefits are to be sustainable.

Moving from the conceptual to the practical, people often ask me what they can to do help create a sustainable economy or society. There are many suggestions I could make, but I typically start by suggesting that everyone become involved in matters of their local watershed and their local foodshed. A watershed is a geographic area where the rainwater that falls within that area ultimately drains into a common stream or outlet. Most of us realize we live in a watershed and that the quality of our water and our health is affected by everything that happens at elevations above us in our watershed. Thus we have a personal stake in protecting our watershed. While protecting “our watershed” we are also helping to protect the natural ecosystem from which everything that supports humanity is ultimately derived.

Many people don't realize they also live in foodsheds. A foodshed is a geographic area that produces food for a particular population of people. Most foodsheds in America are global, in that the foods for particular populations are produced all over the world. Global foodsheds are a natural consequence of economic globalization, which is driven by economic value and quite simply is not sustainable. If we are to create sustainable food systems for the future we must re-create *local* foodsheds, where much if not most of our foods are produced within our local communities. This means much if not most of our food will be produced by people we know and trust, or at least could get to know well enough to know if they are worthy of our trust. Local foodsheds not only reconnect people within local communities and economies, they also protect local watersheds and thus contribute to social, economic, and ecological sustainability. Everyone has an opportunity to become involved in matters that affect their local communities and coming together with neighbors to create re-create “vertically cooperative,” local foodsheds is a good place to start.

We each have something important to contribute, no matter how insignificant we may think we are as individuals. I have become convinced over the years that we each have a purpose in life – not something specific that we were are meant to accomplish but something in general that

we are meant to do, day-by-day, as we go through life. I believe our purpose is defined as some higher level within the hierarchy of reality. We can't create or choose our purpose; we must discover it. We can never prove that we have a purpose through research or reason; we must sense it intuitively or spiritually and accept it by faith. We somehow know we are a part of something higher or greater than ourselves and are meant to make a contribution to some greater good of humanity. I believe most real farmers know they were meant to be farmers; farming in their purpose in life.

I believe if we are able to live a life of purpose, the life we were meant to live, we will have made the greatest contribution we possibly could make to the greater good. Equally important, we will have been as happy as we possibly could have been. I believe a sustainable lifestyle reflects a life of purpose and thus a life of happiness – a life of peace and contentment at the core of our being. I believe also that we can all find at least some part of our purpose by reconnecting with nature and with people in our local communities. We have an opportunity to help create a new food economy and to help create a new and better future for humanity. In the process, we might just find that our path of purpose to a life of happiness also begins at home, in our local communities.