Capitalism, the Agro-Chemical Supply Industry, Farm Profitability, and Dependency

Capitalism: motive force is profit

-nature’s resources & services are free (stable climate, soil, freshwater, etc…)

-the problem of ***externalities***: “costs” not borne by those outside of market transactions (not generally built in to market)

-profitability highest when there is one or a few producers and thus have pricing power dominate (eg. agro-industrial inputs)

-this model has led to growth in the ag inputs industry, with most of farm revenue over time going to inputs purchased off farm rather than to farmer (graph)

-this chemically intensive model has degraded soils, water, atmosphere (more carbon emissions) and related biota (all are externalities), creating yet more chemical input dependency and expenses for farmers

-politically powerful agro-industry sets agenda for gov’t sponsored research, exacerbating dependency

-**paradox: nature’s services can almost completely provide the same services as the agrochemical industry provides, without degrading the resource, and few to no externalities**