

The Global Economy



Rural Linkages to a World Economy: Exporting Natural Capital

- Global linkages not new:
- Historically – export natural capital
 - Ex. Lumber, furs
- South exported
 - Rice, cotton, tobacco

Rural Linkages to a World Economy: Importing Human Capital

- Global linkages not new:
 - Immigrants
 - Open borders
- 1882 when Chinese Exclusion Act put in place

Global Forces: Farm Crisis

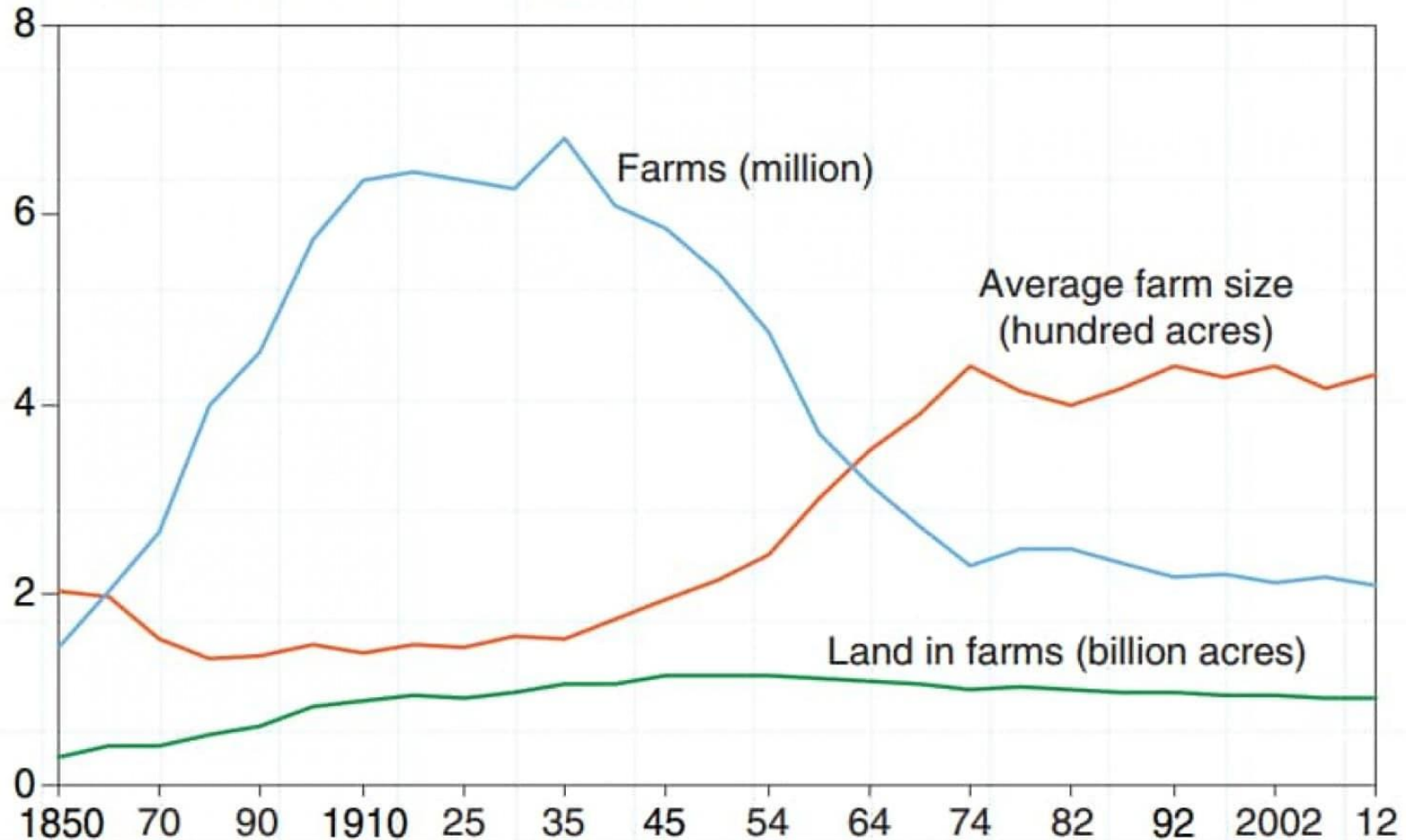
- International demand for grains increased in '60's
- Credit easy to get; farmers take loans, buy land
- Recession hits – farmers cannot pay loans

Result of Recession of 1980's

- Farm foreclosures as high as during Great Depression
- Result: Farmers sell land
 - **More and more corporate owned farms**
 - **Fewer “owner operator” farms**

Farms, land in farms, and average acres per farm, 1850–2012

Million farms/hundred acres/billion acres



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, Census of Agriculture.

Corporate Agriculture

- Loss of family farms
 - Huge corporate farms buy out small farmers
 - Receive the government subsidies
 - Commercial farming – pesticides, mono-crops
 - Industrial agriculture
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- Watch film: King Corn

Today's Challenge

- Cyclical trends in national and global economies affect stability/growth of smallest rural communities