

Concentrated Animal Feeding Operations And the Future of Agriculture¹

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Proponents of concentrated animal feeding operations argue that CAFOs represent the future of American agriculture. They promote CAFOs as the natural economic evolution of family farming. Family farms are going to have to continue growing larger to stay economically competitive, they say. They claim that smaller, more diversified family farms of the past have gone by the wayside because they weren't economically efficient; they simply couldn't compete.

There is some validity in these arguments, but a lack of competitiveness doesn't necessarily mean the same thing as economic inefficiency. Many of the family hog farms displaced by CAFOs were actually more economically efficient than the CAFOs that displaced them. When CAFOs began to take over hog production, actual farm records data from all of the major agricultural universities indicated that one-third to one-half of independent hog producers at that time had lower production costs than did the typical CAFOs. CAFOs were able to gain a significant share of the hog market, by displacing the “less efficient” one-third to one-half of independent hog producers. They were more efficient than *some* independent producers, but certainly not all and probably not even most.

Virtually all hog CAFO operations were either owned by or under contract to large hog slaughter and pork processing corporations. These corporations then were both suppliers and buyers of hogs. Once they controlled a significant share of the hog market, they were able to manipulate market prices, driving the prices offered to the remaining independent hog farmers to less than \$10/cwt. in 1998, the lowest in nearly 30 years. The corporate operations didn't care how low live hog prices went because they made up any losses in production through larger profit margins in their processing and marketing activities. Retail pork prices barely budged as live hog prices fell. This is the basic process by which “more efficient” independent hog farmers were driven out of business by “less efficient” CAFO operations. This is not economic efficiency; this is economic exploitation. CAFOs are not the natural economic evolution of family farms they are a fundamentally different kind of predatory corporate business.

It's true that CAFOs are a continuation of a long-term trend toward the *industrialization* of agriculture. U.S. farms have been becoming more specialized, larger, and fewer since the 1930s. But today's corporatization of agriculture is fundamentally different. The control of agriculture by multinational corporations, through contractual arrangements, is allowing agricultural operations to grow far larger than was previously possible for individual farmers or even family corporations. The “smallest” Class 1-A CAFO (7,000 animal units) creates more biological waste than a city of 70,000 people. If this trend is allowed to continue, it will not only destroy the

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natural environment of rural America, it will result in a few corporate executives essentially controlling American agriculture, as there will be very few *real* farmers left. The CAFOs may employ a few *farm workers* locally, but all of the important decisions will be made by people in corporate headquarters, not by local farmers, and corporate investors will receive all of the profits.

This is not some purely hypothetical or illogical forecast. Every state in which hog CAFOs have become prominent has experienced large decreases in numbers of hog farmers. North Carolina, where hog CAFOs first became prominent, experienced a doubling of hog production and a halving of the number of hog farmers in the seven-years between 1986 and 1993. Between 1985 and 2003, the number of hog farmers in the U.S. fell by more than 80%, to less than one-fifth of pre-CAFOs numbers. Industrial operations gain their efficiency by reducing management and labor costs per unit of output. It should come as no surprise that the corporate industrialization of agriculture, which is what CAFOs are all about, results in fewer farmers.

Research has shown that each person employed in hog CAFOs destroys the opportunities of anywhere from one-and-a-half to three real hog farmers, depending on the situation. The number of hogs produced nationally has increased very little throughout the transition from family hog farms to CAFOs, in spite of claims that CAFOs are necessary to meet a growing consumer demand for pork. Since it takes fewer people to produce a given number of hogs in the CAFO production system, there has been room for fewer and fewer real hog farmers. CAFOs do not represent the future of farming; they mean the end of farming.

Over the longer term, CAFOs not only mean the end of real farming in America but also the end of agriculture in America. Eventually the CAFO operations will be forced to leave the United States. Labor and investment costs are far lower in other countries of the world where the giant multinational corporations are already operating today. Environmental concerns and constraints are far less in those “less-developed” countries than in the United States. And people of many other countries of the world are even more desperate for economic opportunities than are people in rural America. Eventually, the contract CAFO operations will leave North America, leaving rural communities with the mess to be cleaned up.

Of course, the proponents of CAFOs continue to promote the conventional propaganda that American farmers are the most efficient food producers in the world. They tell farmers if they want continue to be competitive in global markets they are going to have to become part of the new corporately controlled agricultural supply chain, meaning contract agriculture. Even if they would prefer to continue farming as independent producers, they are told there are simply no logical alternatives to large-scale, contract production.

Contrary to corporate propaganda, a variety of new opportunities for American farmers have emerged in response to growing environmental and social concerns associated with the corporate agriculture. For example, the market for organic foods has been growing at a rate of nearly 20% per year over the past 15 years, doubling every three to four years. The organic market now accounts for about \$15 billion in annual retail food sales, about 3% of the retail food market. This growing preference for organic is not simply a reflection of consumers trying to avoid pesticide and agrichemical residues in their foods. They are concerned about a wide range of

issues, including the impacts of their food choices on farmers, farm workers, and stewardship of the land and water.

Recent surveys indicate that around three-fourths of American consumers have a strong preference for locally grown foods preferably grown on small family farms. The market for “local foods” has been estimated at \$5 billion per year and is growing even faster than organics. People want to know where their food comes, how it is produced, and who produced it. A new market for “ethical food” is emerging from growing consumer concerns about humane treatment of animals, depletion of fossil energy, and the impacts of international trade on subsistence farmers in other countries.

Many Americans have simply lost confidence in the integrity of the corporations and the government agencies with whom the integrity of the food system has been entrusted. Many are buying as much food as they can locally, from people they know and trust. These disenchanted American consumers make up at least a quarter and possibly a third of the total food market, and their numbers are rapidly growing. Over the long run, the potential for this new market is unlimited; it could literally transform the concept of what it means to eat well in America. The new sustainable/local food movement, not CAFOs, is the American farmer's best hope for the future.

Some of the most promising opportunities for American farmers are in livestock and poultry production. Hogs produced on pasture and in deeply bedded hoop houses have become profitable alternatives to hogs grown on the crowded slatted floors and cramped crates of CAFOs. The market for humanely raised pork is part of the new “ethical food” market. Studies at Iowa State University show that hogs can be produced in hoop houses just as efficiently as in CAFOs; they just require better management and more hog farmers. They support more good hog farmers? <http://www.agmrc.org/agmrc/commodity/livestock/pork/productionresearcheconomicsprofit.htm>

The new markets also provide alternatives to chicken, beef, and dairy CAFOs. Grass-based, free-range, and pastured livestock and poultry are among the most profitable alternatives for poultry, beef, and dairy farmers. Pastured and free-range poultry production became popular because of growing concerns about health and food safety and about inhumane growing conditions in industrial poultry production. Grass-based livestock operations initially gained popularity because of low investment requirements and low cost of production. However, it has become increasingly popular because of growing evidence of important health benefits in grass-fed products compared with products from animals fed in confinement. Pastured and free-range livestock production also allows producers to avoid hormones and antibiotic concerns and to meet the humane standards of production demanded by an increasing number of consumers.

The markets for sustainable/local meats and milk are growing far faster than are the numbers of farmers willing to produce for these new markets. The number of farmers markets – where meat, cheese, and eggs are taking their place along side local produce – has more than doubled in the past ten years. Many food buying clubs now offer their subscribers animal products along with vegetables and berries. Sustainable livestock and poultry producers also have opportunities to market through national organizations such as Organic Valley (<http://organicvalley.coop/>) and Niman Ranch (<http://www.nimanranch.com/>) or to form their own cooperative organizations,

such as Country Natural Beef of Oregon (<http://www.oregoncountrybeef.com/index.html>) and Good Naturesd Family Farms of Kansas (<http://www.goodnaturesd.net/>). There are a growing number of profitable and sustainable alternatives for farmers. CAFOs represent the agriculture of the past, not the agriculture of the future.

In summary, CAFOs are not the future of family farming in America, but they could mean the end of American agriculture. The American people simply will not tolerate an agricultural system that degrades their environment, violated their ethics, and threatens their health and well-being. If CAFOs are the only domestic alternative, Americans will import their meat, milk, and eggs from other countries. Family farmers are perfectly capable of providing food security for America without destroying the environment or exploiting their neighbors or customers. If CAFOs can't compete while meeting these same standards of performance, Americans will be better off without them. Americans need to wake up to what CAFOs really mean for the future of farming, while we still have some real family farmers left.