The rise of corporate hog farming

Corporate farms and slave labor are making the United States the lowest-cost producer for pork.

Midwest farm states are under pressure from food and trading monopolies to change their laws, which have protected family farm livestock producers from exploitation by corporations. Over the past several years, there has been an intense effort by cartel-controlled meat producers to get around or suspend laws against corporate hog farming.

In Minnesota, speculators and corporate monopolies are bypassing existing law, which says that no corporation can invest in the production of livestock unless it is engaged in breeding stock. Some 1,200-2,400 sow set-ups are springing up around the state, producing male pigs as well, which then can be sold for slaughter, circumventing the law.

In some cases, 25-30 farmers are banding together to set up these giant hog-producing operations. The rumor is that the cartel conglomerate ConAgra is financing their set-ups. Other farmers are becoming finishers who feed the pigs until they are ready for slaughter or sale, under contract to the cooperatives, which furnish the feed and medicine and pay a set price for the pigs. The contracts are only for a year, and when the cartel-backed producers drive out the family farmer, the cartel is free to drop the price.

Family hog farmers who went bankrupt in the 1980s because of low prices, are reporting that they cannot get credit to restart hog raising, even though they still have their buildings. However, they report, credit is available even to those farmers who had large debts which had to be restructured, for setting up corporate hog farms. The farmers report that credit is coming from the Farm Credit System's Bank of Cooperatives. The FCS was established by the government to maintain the supply of low-cost credit to the nation's family farmers.

Publicists for the meat cartels, which want to control production from the farm to the slaughterhouse, claim they must have top-down control over the production process, or "vertical integration," a process which has already impoverished chicken growers, to supply the demand for low-fat cuts. Once the monopolies drive out their competition, including smaller processors and packers, and reduce supplies and raise prices, meat of any kind will be a specialty which only wealthy yuppies preoccupied with low-fat diets will be able to afford.

Similar efforts to rescind or suspend laws against corporate hog farming are under way in Iowa, Nebraska, and Kansas. Well-organized lobbies for the cartels are telling the legislatures that if the laws don't change, they will lose their markets to states where "low-cost" hog production is permitted, namely impoverished rural areas such as North Carolina and Arkansas, where Tysons and Murphy Farms have set up.

Behind these demands are companies such as IBP and ConAgra, which record 20% rates of profit, while the family farmer or grower in most cases is recording a negative profit. IBP, headquartered in Dakota City, Nebraska, is the world's largest processor of beef and pork. Its goal, say spokesmen, is to become the world's least-cost producer. Securities analysts rate them as the dominant low-cost producer.

What does this mean? When told that IBP was buying a hog processing plant in Logansport, Indiana, a spokesman for the Commercial Foods Workers Local 280 told *AgriNews,* "Given a preference of no jobs at all or IBP, I would let the plant sit empty. I think the community would be better served." He said the company, which has five plants in Iowa and one in Nebraska, and hog-buying stations all around the region, exploit their work force and have a bad safety and environmental record.

Cartel companies get generous tax breaks and grants. IBP received $3 million in state and local grants to purchase the defunct Wilson Foods hog-processing plant in Logansport. Additionally, it will be taking advantage of various enterprise zone schemes being sponsored by the Iowa legislature, and the federal government's new enterprise zone initiative. Depression-wracked areas will be allowed to entice corporations to set up shop by suspending federal and local safety, labor, and tax regulations.

Pushing the expansion of corporate hog production in Missouri is the New York investment banking house of Morgan Stanley, which has been lining up investors for Premium Standard. Premium has moved into the desperately poor farming area of northwest Missouri, where family farmers have been driven out of business. There it has set up hog confinement buildings capable of housing 700,000 hogs a year. The workers at these giant facilities, mostly formerly self-employed family farmers, will earn starting salaries of $13,000 per year. Premium was granted an exemption from the state's corporate farming law and allowed to set up their own packing plant. According to the *Kansas City Star,* the stench from the lagoon which was dug to contain the urine of these hogs reaches five miles away.