THE CORRUPTION OF AMERICAN AGRICULTURE

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Executive Summary

The rise of corporate agriculture to dominate the economies of rural and farm communities has been one of the most devastating events in U.S. history. The days of Jefferson's yeoman farmer are long gone. Only 60 years ago there were over six million farms dotted across the American landscape. By 1998 only two million remained, and many of these are small and medium-sized operations. To illustrate: in 1965 there were 85,000 farms in Virginia, averaging 145 acres. By 1997 there were 47,000 farms, averaging 181 acres.

The bulk of corporate agriculture's profits accrue to only a few hundred super farms. Three percent of farms with more than $500,000 in sales account for over 44% of agricultural production in the U.S. In 1940 the average farmer fed only 22 people; today an average farm feeds 139. This "efficiency" is not the result of mechanization, which took off more than a century ago. This is industrialization, and industrialization of agriculture has not been good for farmers; it has been good for corporate profits. The farm value of agricultural output in 1997 was $120 million dollars, while total farm production expenses were $189 billion. To stay afloat, farmers are forced to seek out full-time employment, accumulate debt, or lease the farm.

These depressing numbers can be explained by the rise of corporate agriculture in the U.S. According to economist Bill Heffernan, most if not all areas of food production – from beef packing to grain milling – are controlled by a few companies. In most sectors, over 50% of the industry is concentrated. For example, farmers who plant cotton have only one place to buy seeds, the chemical conglomerate Monsanto, which sells 87% of the cottonseeds in the U.S. In the case of beef packing, five companies (IBP, Conagra, Cargill, Farmland National Beef, and Packerland Packing Co.) control 79% of the market. The poultry industry is no different; four firms process over 50% of all chickens and turkeys raised.

Another dangerous phenomenon is vertical integration. Such companies as Cargill control the cattle feed, the cattle farmers' products, and processing for the supermarket. Thus many farmers are unable to compete in a marketplace where monopoly prices rise continually for what they must buy, like seeds, fertilizer, and equipment, while prices for what they produce are kept low by the small number of processors who control the market.

As the companies have flourished, rural communities have suffered economic, social, and environmental effects of concentration, merger, and vertical integration. Food processing jobs have gone to immigrants willing to work for minimum wage under substandard working conditions, while the tax base no longer can support good schools and necessary social services,

and the community can no longer sustain small businesses.

Most economists and politicians see the current farm crises and argue that the only way to save the family farm is through the promotion of international trade. However, U.S. Department of Agriculture (USDA) data over the last 25 years do not support this claim. The North American Free Trade Agreement (NAFTA) has been anything but a boon to farmers. In 1990 the U.S. agricultural trade balance with Canada and Mexico showed a $1.5 billion surplus. It peaked at $1.7 billion in 1996, only to plummet to $691 million in 1998, just four years after adoption of NAFTA.

How is it that policy makers either failed to see what was happening or, seeing, it failed to act appropriately? Government and corporate agriculture have had a close relationship for many decades. Corporate agriculture is one of Congress' most generous and potent lobbies. Since the 1994 election cycle, corporate agriculture – representing such interests as forestry, food processing, farming and retailing – has given nearly $100 million in soft money and individual contributions ($24.million n 1994, $30 million in 1996, and $43.3 million in 1998). In 1994, 7 of the 10 leading recipients of corporate agriculture money in the House of Representatives sat on the Agriculture Committee. The influence of corporate agriculture is not restricted to contributions and lobbying. Executives of agriculture corporations have moved freely from the private sector to government agencies like the Environmental Protection Agency, the Food and Drug Administration (FDA), Cabinet positions and Congress. As one example among many, Senator Christopher "Kit" Bond (R-MO) is a current member of Monsanto's Board.

State level government is no better. A 1999 survey in Virginia of 123 elected officials found that 29 had an agricultural conflict of interest. In Virginia, 61% of legislators who reported financial conflicts sat on committees that regulated their professional or business interests.

Out of this relationship between money, people, and policy, corporate agriculture's profits grew from less than $5 billion in the 1970s to over $20 billion today. Most farm subsidies have gone to the largest farmers, landowners, and businesses. For every dollar of profits earned by Archer Daniels Midland's corn sweetener and ethanol operations, taxpayers contribute $10 and $30 respectively.

Even the self-proclaimed "voice of agriculture", the American Farm Bureau Federation, has devoted its financial and political muscle to back the wishes of corporate agriculture, no surprise since the organization is a big financial and insurance company. The Bureau supported the 1996 Freedom to Farm Act, which was supposed to end the role of the federal government in agriculture and let the "free" market sort out the winners and losers. But the results so far have been that the federal government has paid out yearly agricultural bailouts that are larger than before the enactment of Freedom to Farm.

At the same time that these policies have not helped independent farmers, the environment and consumers have also suffered. Concentrated animal farms pollute waterways. In North Carolina alone, over 100 hog operations have been caught dumping animal waste into rivers and streams. Furthermore, corporations interested only in profits have resisted adequate inspection and food safety enforcement, to the detriment of consumers.

U.S. policies should ensure long-term sustainable agriculture. New policies are needed to stop corporations from using the American farmer to harvest record profits, leaving farmers with less and less to show for their hard work. Democracy must be reintroduced to U.S. agriculture, bringing more competition and corporate responsibility, less money in politics, and tools for family farmers to once more participate in the economic, political, and social framework of agriculture. Specifically, we conclude with six policy recommendations:

1) *Protect consumers via stronger food safety laws vigorously enforced*
2) *Strengthen rural communities and support small and medium-sized family farms*
3) *Protect consumers with antitrust enforcement against giant agribusinesses*
4) *Promote use of U.S. farm products to feed hungry people abroad*
5) *Enforce labor rights in rural America*
6) *Reform financing of political campaigns to restore clout to the average farmer, consumer, and small business*

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Introduction and Summary

This report discusses key issues affecting agriculture, the environment, and worker health, rights and safety in U.S. agribusiness. Central to the story is the influence of corporate agriculture in shaping public policy, politics, legislation, and the economic and social well being of rural communities.

Agribusinesses like Monsanto, Archer Daniels Midland (ADM), and Perdue are big contributors to political campaigns, which has led directly to tax breaks, subsidies and environmental loopholes to benefit the companies. These companies have prospered, gaining significant political influence, particularly in rural and farm communities in the South, the Midwest and Great Plains.

As the companies have flourished, rural communities have suffered economic, political, social, and environmental effects of concentration, mergers and vertical integration. By means of a case study of the state of Virginia, the report takes a closer look at the effects of corporate agriculture on rural communities in one state: the farm bankruptcies, water and air pollution, reduced tax revenue, and increased demands on social services. The report concludes that the nation needs more democracy in shaping and implementing agriculture policy for family farmers, farm communities and workers in agribusiness.

As in many other areas of America's economy, agriculture is becoming concentrated in the hands of fewer and fewer companies and individuals. While today's successful independent farms must be much larger than in Jefferson's days of yeoman farmers – how large depending on what is produced – agribusiness is another fish. Large corporations like Monsanto are using their economic power in the market and huge profits to ensure that their economic position is not compromised. Millions of family farmers, workers in agribusiness, and Americans who drink the water and breathe the air are the losers.

Many farmers are unable to compete in a market where costs rise continually for what they must buy, like seeds, fertilizer and equipment, while prices for what they produce are kept low by the small number of processors who control the market. Farm crises are not a new phenomenon, but market concentration, mergers, and vertical integration of food production are more recent, exacerbating the economic inequality that pervades our society today.

Corporate agriculture is one of Congress's most generous and potent lobbies. Agribusinesses benefited most from policies before the Freedom to Farm Act of 1996, and they are benefiting the most from the passage of the Freedom to Farm Act. Annually millions of agribusiness dollars flow to elected officials via political action committees (PACs) and trade organizations. These thousand dollar contributions have fostered legislation easing regulations of the environment and worker safety, and led to trade agreements that resulted in suppressed wages in agribusiness.

When agribusinesses move into rural communities, they build vast chicken farms, feedlots, and processing plants, polluting rivers, forcing local companies out of business, and paying minimum wage jobs. These companies strain local governments and their social services. Once having devastated communities, corporate agriculture often packs up and moves on to less regulated and still lower wage environments in Asia or Latin America.

The U.S. must reform its policies to ensure long-term sustainable agriculture. New policies are needed to stop corporations from using the American farmer to harvest record profits, leaving farmers with less and less to show for their hard work. Democracy must be reintroduced into U.S. agriculture, bringing more competition, less money in politics, and more corporate responsibility. The report concludes with six policy recommendations.

I. Economic and Social Impact of Corporate Agriculture on Rural Communities

U.. **Family Farms Disappear**

Corporate agriculture has affected rural communities in diverse ways. First, there are fewer family farms. While this trend it is not new, it has been accelerating since the 1930s. Second, fewer companies operate agricultural businesses, due to failures, mergers, and takeovers. Third, with no supporting evidence, past and present, free trade has been touted as the savior of family farmers. Finally, local businesses and entrepreneurs in rural communities have withered as the "Wal-Marting" of rural America bankrupts the stores on Main Street.

The industrialization of agriculture did not occur overnight or accidentally. It arose by deliberate policy of the United States, combined with the coming of the global marketplace. Family farms continue to be the foundation of farming in this country, but they lack their former political clout. To meet the U.S. Department of Agriculture (USDA) definition of a farm, it must produce at least $1000 in sales of a given commodity from products like livestock or corn.[1] **Table 1** displays some significant changes in American agriculture over the past 60 years. In 1940 the number of farms in the U.S. reached an all-time high of over 6.1 million farms, reflecting the New Deal remedial agriculture policies that followed the worst years of the Great Depression. By 1998 only 2 million farms remained, many of which are either not productive or mere hobby farms. Three percent of farms with more than $500,000 in sales account for over 44 percent of agricultural production in the U.S.[2]

Table 1 – Change in Farm and Ranch Characteristics, 1940 to 1998

Characteristics	**1940**	**1998**
Farm Size	135 acres	469 acres
Number of Farms	6.1 million	2 million
Farm Populations	31 million (23%)	2 million (0.6%)
People Fed per Farm	22	139
Value of Product Exported	$0.7 billion ($8.5 in '98 dollars)	$54.7 billion
Net Farm Income	$5 billion ($59 in '98 dollars)	$55 billion

The table shows some very important trends in agriculture over the last sixty years. While the number of farms has decreased, the average size of a farm has almost tripled. At the same time, fewer farmers are needed to feed more people. The average farmer in 1940 fed only 22 people; today an average farm feeds 139. Intuitively, one would conclude that U.S. farmers are prosperous. As in many industries, farmers have adjusted to a national and global marketplace by increasing the size of their farms in hopes of capturing greater economies of scale.[3]

As can be seen in **Table 2**, however, that hasn't quite happened. **Total farm production expenses** represents what farmers pay to corporations for fertilizer and other chemicals, seed and equipment. **Farm value of agricultural output** represents what farmers receive for what they produce. **Processing and marketing value of agricultural output** represents what food processors, wholesalers, and retail stores receive from consumers for food. The numbers show clearly that the main beneficiaries of current agriculture policies are companies that supply the farmers with chemicals, seeds, and equipment and the companies that buy, process and market farm products. Farmers spent $189 billion in 1997, and received only $120 billion for their farm products that year. Before 1970, corporate agriculture profits were only a few billion dollars, but today corporate profits hover near $20 billion. Together tables 1 and 2 show that there are fewer farmers, producing more food, and receiving less net income for what they produce.[4]

Table 2 – Farm Expenses, Value of Farm Output, Processing, and Corporate Profits

Year	**Total Farm Production Expenses** (Billion Dollars)	**Farm Value of Agricultural Output** (Billion Dollars)	**Processing and Marketing Value of Agricultural Output** (Billion Dollars)	**Corporate Profits Before Taxes** (Billion Dollars)
1955	22.2	18.7	34.4	N/A
1960	27.4	22.3	44.6	N/A
1965	33.6	27.1	54.0	N/A
1970	44.5	35.5	75.1	3.6
1975	75.0	55.6	111.4	7.1
1980	133.1	81.7	182.7	9.9
1985	132.6	86.4	259.0	10.4
1990	153.3	106.2	343.6	13.2
1995	173.5	113.8	415.7	19.5
1997	189.0	120.0	441.1	18.4

Source: USDA/Economic Research Service Briefing Reports

The decline of the family farm can be traced primarily to three factors: the growth of agribusiness, productive abundance, and failed public policies. Farming is becoming an industry of two groups: the large producers and small and/or part time farmers who market to niche consumers. Most farmers are no longer tied to the land. Fifty percent of the farmland in the United States is not owned by farmers.[5] In some cases, farmers become tenants. Elsewhere they contract, such that a producer commits to supply an agribusiness company with a given commodity like chickens or corn with a price negotiated in advance. Family farms are squeezed, forced to compete in a marketplace with a small number of corporate suppliers and a small number of corporate buyers of farm products. Farmers are often left with few incentives or resources to protect natural resources, keep waterways clean, or reduce their use of chemicals. They are competing in a global marketplace that has different rules and less sustainable ways of producing agricultural goods.

"A widely dispersed base of land ownership is fundamental to American Democracy," said the Reverend David Ostendorf, director of the Iowa-based farm advocacy group Prairiefire.[6] When farmers are removed from the land, they are less likely to vote and participate in the democratic process. When farmland is sold, it is bought up by farming companies, which contract or rent to farmers who must survive in a global marketplace.

Some argue that bigger agriculture is better, that bigger farms – whether huge hog farms or thousand acre wheat farms – are more productive than Joe Smalltime's farm with a few chickens and a few acres of corn. Peter M. Rosset, executive director of the Institute for Food and Development Policy, counters that, "small farms are 'multi-functional'- more productive, more efficient, and contribute more to economic development than large farms. Independent farmers can also be better stewards of natural resources, conserving biodiversity and safe-guarding the future sustainability of agricultural production."[7] The USDA Commission on Small Farms concluded recently that we need to change the policies that encourage corporate-style farming and damage rural and farm communities.[8] Another side effect of few suppliers: farmers are forced to buy sterile genetically-engineered seeds. This makes it impossible to husband seeds for planting the following year. Moreover, many kinds of engineered seeds have unknown health and environmental effects. Only the pluses are mentioned by the seed manufacturers.[9]

Small and medium-sized farms have several social and economic benefits that should be cultivated. They often produce diverse food products including vegetables and meat. Unlike huge cattle feedlots or thousand acre farms, they are able to protect and maintain waterways and air quality. Small farms are the backbone of community in fostering small business, local entrepreneurship, and local financial institutions that offer loans to farmers. They are able to produce for local markets, giving consumers a chance to connect to the food they eat. Finally, small and medium-sized farms are presumed by some to be particularly compatible with family life, instilling certain traditional values in children.[10]

Although these benefits of small and medium-sized farms have at least been assumed to be basic to the American ethos and political rhetoric, U.S. agriculture policies have tended to be detrimental to small farmers. Legislators and executive agencies are influenced by powerful organizations representing the largest farmers. Price supports and subsidies too often benefit the largest farmers. Land grant colleges and universities, funded by the government, function as arms of corporate agriculture in research alliances to produce new seeds and fertilizers. Small farmers are not included in this process, having weaker means of influencing public policy. With little resistance from government or from the non-farming population, corporate agriculture has become the dominant force in U.S. and global agricultural production.

B. Agriculture Consolidates

The term "agribusiness" refers to the whole industry engaged in operating large farms, manufacturing and distributing farm equipment and supplies, and the processing, storing, and distributing of farm commodities.[11] To much of the public the word "agribusiness" has come to replace the words "farming" or "agriculture," reflecting our changed perception of the role of corporations in the production of food. Many consumers have come to believe that Safeway and Fresh Fields produce and grow their own food. Other city dwellers don't even think about how food is produced; it just shows up regularly on the local grocery store shelf. Consumer preferences have changed from "farm products" to "food products". Although most people can tell you what products Perdue Farms sell and what Kellogg or Land O' Lakes produces, few know or care who produces the original basic ingredient the chicken and butter package. Farmers often are only fuzzily perceived these days.

First, the agriculture industry needs to be examined as closely and critically as other industry sectors. The vast majority of small to middle-sized farms in the United States, over 90%, are still owned and operated by independent family farmers.[12] If farmers had more control over the marketplace, they could thrive with little or no need for government support, except when hit by natural disasters. But farmers are stuck in the middle of a battle for agricultural dollars between their suppliers and the food processors. Farmers who plant cotton are limited to one place to buy seeds, the chemical corporate conglomerate Monsanto, which sells 87% of the cottonseeds planted in the United States.

The loudest voices argue that agriculture is changing; if farmers want to survive, they must change. Without seriously examining why agriculture is changing, they blame globalization, government subsidies, and the marketplace for the plight of family farmers. Only recently, a few observers have focused on the concentration and merger mania that has swept the supplier and processing sectors of the agriculture industry. A recent study by Purdue University found that more than 725 acquisitions, mergers, strategic alliances and partnerships took place in the U.S. agriculture industry between 1990 and 1999, including the 1998 merger of the world's two largest grain traders, Cargill and Continental Grain.[13] For readers of business sections, national newspapers report the world's huge agricultural conglomerates like Cargill and ADM merging with and acquiring smaller companies and each other.

For decades Professor William Heffernan of the University of Missouri has studied the concentration in agriculture, releasing a report in 1999 to the National Farmers Union, "Consolidation in the Food and Agriculture System." According to Heffernan's report on agribusiness companies in the Midwest, most if not all areas of food production from beef packing to grain milling are controlled by a small number of companies. In most sectors, over 50% of the industry is concentrated. For example, in the beef-packing sector, five companies (IBP Inc, ConAgra, Cargill, Farmland National Beef, and Packerland Packing Co.) control 79% of the market. Moreover a number of companies like Conagra, Cargill and ADM operate in different areas of the food industry. Heffernan writes, "The major decisions in the food system are being made by an ever-declining number of firms, a growing number of which are involved in food system clusters. They are primarily concerned with maximizing their profits. Conagra says its major mission is to increase the wealth of its stockholders."[14]

Table 3 – Percent of Slaughtering Industry Concentrated in Top Four Firms

Census Year	Cattle	Hogs	Chickens	Turkeys
1963	26	33	14	23
1967	26	30	23	28
1972	30	32	18	41
1977	25	31	22	41
1982	44	31	32	40
1987	58	30	42	38
1992	71	43	41	45
1998	79	57	49	42

Source: Longitudinal Research Database, U.S. Census Bureau.

According to classical competitive economic models, low commodity prices paid by these large companies should lead to lower food prices for consumers. Consumers do spend a smaller portion of their incomes on food than they did 30 years ago, but this is because more money is needed for other priorities like housing. Farm value of food has declined since 1984, falling dramatically in the 1990s. Meanwhile the retail price of food has remained level or increased as food-marketing costs for companies have decreased dramatically.[15]

Classical economics theory tells us that our agricultural abundance should drive the price of food downward, leading to increased demand. However, unlike many other consumer products, humans in a given population can consume only a finite amount per day and consumption does not vary greatly because of price (at least in a well fed country like ours). Professor C. Robert Taylor of Auburn University explains the discrepancy between farm value and retail cost in two ways: first, retail prices increasingly include more services provided by processors, wholesalers and retailers, and second, the growing economic power that flows from the concentration of corporate agriculture.[16] Concentration of economic power in corporate agriculture has led to price fixing, in violation of time-honored anti-trust laws. Archer Daniels Midland, one of the largest food processors in the world, pleaded guilty and was fined $100 million for fixing prices on the chemical lysine, a feed additive.[17] General Mills and other cereal makers have also been caught engaging in monopolistic pricing of their products

Another trend in corporate agriculture is increasing vertical integration, which occurs when one company competes in all areas of food production from field to store. For example, Cargill ranks in the top four firms producing animal feed, feeding cattle and processing cattle,[18] controlling the price at all levels. Vertical integration is not a new phenomenon, but it has been expanding. In the poultry industry, for example, four firms process over 50% of the chickens and turkeys in this country. Contracting is an integral part of vertical integration, especially in livestock production. Usually a company like IBP or Conagra enters an agreement with a producer. IBP supplies the feed and livestock, the farmer supplies everything else and is responsible for manure cleanup or pollution runoff. The company and farmer agree to a price per slaughtered animal. This system is reminiscent of old-time tenant farming in the South. As in those days, many contract farmers receive little for the livestock they raise.[19]

Perhaps the king of vertical integration is Smithfield Foods in southern Virginia, which produces hogs and processes hogs. According to the Des Moines Register, Smithfield owns about 785,000 sows, producing 12.8 million hogs a year, or about 70 percent of the capacity at the company's plants. After recent rebounds in hog prices, Smithfield was making $30 a head on every hog it sold while it lost $5 a head on every hog it processed. By being major players in both producing and processing, Smithfield is a winner whether the marketplace favors producing or processing of hogs. The President of Smithfield, Joseph Luter III, told the Des Moines Register that by vertically integrating, "you can beat the cycles, that's helped us on Wall Street because they don't like up and down earnings".[20] So the goal of vertical integration, mergers, concentration, and alliances is to beat the business cycle. Meanwhile, family farms are being squeezed out, and consumers are not benefiting from low farm prices.

Agriculture concentration has many side effects besides increasing corporate agriculture's profits. Family farmers are losing their land through foreclosure and sale. Consumers are not benefiting from low farm prices, but are experiencing increases in retail prices for food. Rural communities are becoming home to large, environmentally unsafe livestock operations. The processing plants pay minimum wages with no worker rights and few benefits. Corporate agriculture is promoting a global agenda to export their operations to China and Latin America to reap even greater profits, without the involvement of individuals in the democratic process.

C. Trade's Pluses and Minuses

Most economists and politicians argue that the only way to save the family farm is through more trade agreements, which would open new markets and increase farm prices and farm income. To the contrary, trade has become the Trojan Horse for family farmers. USDA figures show that trade policies over the past twenty-five years have not significantly changed farm export volume or farmers' income.[21] Over that period of time, U.S. agriculture exports increased by 116%, from $21.5 billion to $57.5 billion, while U.S. agricultural imports rose 255%. This is part of the reason why farm income increased only 26% during that time and decreased in real dollar terms by nearly 65%. Corporate agriculture is the main beneficiary of our huge production and cheap grain prices, which allow them to sell more grain and livestock around the world at prices competitive with those of Third World countries. American farmers do not trade grain; grain traders trade grain.

It is helpful to take a close look at three recent major trade agreements that involve agricultural trade, the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO), and Permanent Normal Trade Relations (PNTR) with China. Under NAFTA, Canada, Mexico, and the United States agreed in 1993 to break down barriers to each other's exports and imports. The parties agreed that economic viability, especially for Mexico, would depend on the ability of goods to be exchanged freely among the three North American countries. Farmers were promised new markets for their agriculture goods. Perhaps as many as 200,000 new jobs would be created.[22] But NAFTA hasn't delivered to farmers as promised.

According to the Economic Policy Institute, in 1990 the U.S. agriculture trade balance with Canada and Mexico showed a $1.5 billion surplus. It peaked at $1.7 billion in 1996 and plummeted to $691 million in 1998. Much of the decline is attributed to low currency values in both Canada and Mexico against a strong U.S. dollar. Overall, the U.S. agricultural trade balance with its two neighbors has fallen by 45% since 1993. At the same time, U.S. exports worldwide increased by 35% with no change in net farm income, as U.S. family farms were forced to compete with cheaper food products from both Canada and Mexico. [23]

Consumers were told that by decreasing tariffs and export subsidies required by NAFTA they would enjoy cheaper food in the supermarket. This has not happened. U.S. retail food prices have increased over the last decade. The real price of tomatoes has risen 16% since NAFTA . Hog prices have declined by over 50% in recent years with no effect on retail prices paid by consumers.[24] NAFTA has benefited corporate agriculture handsomely; they pay low prices for livestock and commodities produced in the three countries, which are then processed by giants like ADM and Cargill. The official position of the Clinton Administration, however, was that "NAFTA has been a tremendous success for American agriculture."[25]

The WTO, which grew out of the General Agreement on Trade and Tariffs (GATT), sets rules for exporting and importing goods between nations. As a kind of watchdog of global trade, it arbitrates disputes and embodies the precept of low tariffs and few or no "artificial" trade barriers. One of the major disputes yet to be settled by the WTO governing body is that of agricultural subsidies. While the United States effectively ended most subsidies and price supports for farmers with the Freedom to Farm Act in 1996, many other countries – especially in Europe – continue to heavily subsidize their family farmers in order to preserve a countryside dotted with small, prosperous farms and surrounding communities. Businesses may lodge complaints with the WTO alleging that food safety and environmental regulations are artificial trade barriers.

U.S. trade policy over the last eight years has been one of liberalization regardless of social cost. Yet the evidence is clear that trade liberalization by itself does not lead to higher farmer incomes. Trade policies in developing countries of Latin America and Southeast Asia will enable those countries to produce more of their own food to feed their growing populations. There is little evidence that increased trade of U.S. agriculture products will address problems faced by U.S. farmers, and farmers need mechanisms to control their product by storing grain when prices are low, to take advantage of times when crop prices are higher. As economist Robert E. Scott describes the failure of U.S. trade policies, "Previous rounds of trade negotiations have failed to generate sustained, reliable growth in demand for U.S. farm products. In addition, the diffusion of advanced agricultural technologies around the globe has had a depressing effect on U.S. farm prices.[26] While the push for trade liberalization and a decreased role of government continues to be U.S. policy, it is not the solution to decreases in family farm income.

The United States' most recent trade liberalization action was the extension of Permanent Normal Trade Relations – or PNTR (previously known as Most Favored Nation, MFN, status) – to China. Because of human rights violations and an absence of labor rights, Congress required MFN status with China to be reviewed annually on recommendation of the President. With PNTR, there will be no more annual review.

China has been pressing for membership in the WTO for years. Officially, U.S. support isn't needed for China to gain WTO membership, but in reality PNTR and U.S. support are a substantial plus in gaining worldwide recognition in the global marketplace. The Clinton Administration and the Republican leadership in Congress succeeded in passing PNTR with China by arguing that it will allow U.S. products, including agricultural products, into the largest potential marketplace in the world, China's massive 1.2 billion population.

In reality, China is currently able to feed most of its billion people, albeit at a low level, and exports three times as much food as it imports. Nevertheless, there are some predictions that China will need to increase its agriculture imports because of future strains on its own land and water resources. China's high exports can probably be explained by the high tariffs and export subsidies on agricultural goods that according to the PNTR agreement would be phased out over a ten-year period. This sounds great for family farmers, but China's record of violating and ignoring its international agreements is not promising. Projected U.S. farm exports and benefits for family farms are far from a sure thing.[27] Trade liberalization may be part of the solution to farmers' problems, but ought not to be achieved at the expense of human rights abroad, and democracy, the environment, worker rights and safety, or food safety and self-sufficiency at home.

U.. **Corporate Agriculture Hurts Local Economic Development**

Perhaps the greatest impact of corporate agriculture has been the devastation it has brought to rural and farm communities, the "main streets" of rural towns. As farms have become fewer and larger, the displacement of farm families has led to boarded up seed stores and local eateries that depended on a stable farm economy to survive and prosper. With corporatization of agriculture, main streets of America were replaced by fast-food chains and mammoth retail stores selling everything a human being needs.

Osha Gray Davidson describes in great detail the plight of rural and farm communities in <u>Broken Heartland: The Rise of America's Rural Ghetto</u>:

> formerly healthy, mostly middleclass communities throughout the Midwest, the small towns that have given the area its distinctive character since its settlement, are being transformed into rural

> ghettos—pockets of poverty, unemployment, violence, and despair that are becoming more and more isolated from the rest of the country. As the coastal economies have boomed, the Heartland has collapsed. 'The most American part of America' is fast becoming 'American's Third World.'[28]

Davidson estimates that 54 to 60 million rural Americans have been touched by the farm crises of the 1980s and late 1990s. Communities that once relied on agriculture to spur their small businesses or manufacturing trades have seen agriculture prices sink with little or no help from state or local governments. Farmland communities were once powerful political players in Congress, but have been outweighed by growing suburban populations.[29] Rural development and investment are low budget priorities. For example, the state of Virginia funds the demand of its growing suburbs of Washington, D.C. for infrastructure and businesses development, while the rest of the state, including the Shenandoah Valley and Southwest Virginia, have lacked funds for roads, small businesses, and environmental protection.

Economist Glen C. Pulver attributes the decline of rural America to increased productivity in agriculture, mining, and manufacturing while retail trade has become centralized – the Wal-Mart effect – killing off local stores.[30] Rural America has become the breeding ground of Concentrated Animal Feeding Operations (CAFOs), large processing plants, and low paying jobs. Food processing and packing plants were once hubs of the urban landscape that – when unionized – supported high paying jobs with benefits. But corporate agriculture discovered economies of scale in moving their plants to rural America, closer to farm suppliers, hiring minimum wage workers, offering no benefits and often unsafe workplaces. Increasingly, immigrant workers from Mexico and Asia became available and worked for the lowest wages – undocumented workers being the most vulnerable to exploitation.

In 1983, the Rath packinghouse closed in Columbus Junction, Iowa. With it went 600 jobs in a town of only 1400 people. The town was on the brink of devastation until IBP, a giant beef and pork processing company, decided to reopen the plant and double the number of employees in the community. "When people heard IBP was coming to town, they saw dollar signs everywhere," a local Columbus Junction resident said. Indeed, IBP did bring more jobs to Columbus Junction, but the jobs paid $6 an hour, so local retail sales fell sharply. IBP also attracted a steady stream of poor, underemployed, transitory young men from surrounding jurisdictions, leading to higher housing costs.[31]

IBP and corporate America are taking advantage of two types of state laws in the rural Midwest and South: "right-to-work" and "right-to farm" laws. Twenty-two states, mainly in the Midwest, Great Plains and South, have passed some sort of right-to-work laws. These laws purport to "protect" workers who choose not to join a union. In fact, the laws have served to prevent organizing unions altogether. Rural areas have also been the birthplaces of CAFOs, farms raising thousands of animals under crowded conditions in small areas. With CAFOs come pollution and odor. "Right-to-farm" laws, passed in a number of states, prevent farmers and corporations from being sued by neighbors of the CAFOs. Together these measures help corporate agriculture pay low wages, usually without benefits, and pollute the environment.

Perhaps the most far-reaching effect of corporate agriculture on rural and farm communities has been on local businesses. Large companies that move into rural areas are usually lured by tax breaks and subsidies. In Guymon, Oklahoma local officials recruited a large pork processor, Seaboard Corporation, in hopes of stimulating its declining economy. Seaboard was given millions of dollars in tax breaks, subsidies, lax environmental enforcement, and pro-corporate-farming laws to build processing plants. Seaboard's employees did help increase retail sales, but no more than sales in surrounding counties that depended more on farming.[32]

Companies like Seaboard are touted as the savior of rural America, but the economic results have been mixed. They may increase the number of jobs, but the jobs pay low wages. They tend not to bring a significant net increase in businesses, since some businesses move or fold when processing plants supply their own inputs. The Seaboards bring higher real estate values for property owners and higher costs for renters. In contrast, other kinds of new businesses can bring communities an economic multiplier effect that Seaboard's entry did not provide.[33]

Agribusinesses make promises, but fail to deliver on many of them, as can be seen in the case study that follows, illustrating the impact on the state of Virginia. Although, Virginia is a less significant agricultural state than Iowa or Nebraska, much of the state retains its rural character and provides a good example of the effect of corporate agriculture on a diverse agrarian state.

U.. **Economic Impacts on the State of Virginia: A Case Study**

Corporate agriculture has been a part of rural Virginia for many decades, affecting the economy in three ways: changing the face of family farms, consolidating agribusinesses, and impairing local businesses and development. Like the rest of U.S. farming, Virginia finds itself with fewer and larger farms. In 1965, there were 85,000 farms, averaging 145 acres. By 1997 there were 47,000 farms in Virginia, averaging 181 acres. Most likely to go under or change were farms with fewer than 50 acres. Farmers with the smallest incomes were forced to expand production during years of high and low prices alike to make up for past deficits. As a result, net farm income over the past ten years remained stagnant or fell.[34]

By diversifying the products they raised, Virginia farmers prevented an even worse fate. They raised crops like corn and wheat along with cattle and hogs, and have branched out into such specialty areas as orchards and greenhouses. However, the king of Virginia agriculture, especially in the west along Interstate 81, is poultry.

Rockingham County alone produces over five million broilers and two million turkeys per year. Over the past thirty years, Rockingham also raised the most cattle – both beef and dairy.

Many livestock operations have grown larger and more concentrated. Four companies, Tyson, Wampler, Rocco, and Perdue control the entire poultry production process in Rockingham Country, at the same time replacing local grain companies with their own grain milling and storage facilities. Local family farmers and producers have been replaced by contract workers who raise thousands of chickens and turkeys under oppressive working conditions, earning a meager yearly income. Local processing plants have been replaced by large corporate factories that are more dangerous, pay less, and use resources produced outside of the community. Vertical integration of the poultry industry in Rockingham County is complete.[35]

These poultry companies have been cited many times for health and safety violations. Even low environmental standards have been violated to produce cheap chickens and turkeys. Because companies retain no responsibility for manure cleanup, contract farmers are forced to spread manure on fields that are already saturated. Small producers are either bought out or forced to join the "contract team". As in the Middle West, poultry companies have brought jobs and new opportunities for local residents, but one can wonder whether the citizenry wanted these changes or were forced to accept them in the cutthroat world of corporate agriculture.

Concentration in corporate agriculture generates many immediate side effects. Local roads are burdened by increased traffic from workers and heavy trucks needed to transport the poultry. Strains are put on the local water supply. Environmental damage is inflicted on local waterways, while odor and dirt permeate the neighborhood. Corporate agriculture tends to alter the landscape of local communities and accelerate uncontrolled growth. As Virginia Tech Professor Wayne Purcell put it, "Get bigger, get cheaper, or get out."[36] With the help of willing local officials, corporate agriculture has displaced local grain and seed companies and local retail stores. Rockingham County has done little to foster the growth and prosperity of its small and medium-sized businesses, choosing instead an unsustainable development plan for its residents. The county entices in large retail stores, offering little to help its local businesses compete. Zoning and land use policies favor corporate agriculture over family farming.

Rockingham County, with a population of almost 100,000, is on the verge of urban sprawl and untamed development, although some hope remains. The most productive agricultural county in the state is nearing the point of no return that was passed by most of Northern Virginia two decades ago. Rural life and a more sustainable environment could still be preserved by renewed support for local control over agricultural production, by discouraging suburbanization of farmland, by encouraging investment in local businesses, and by an end to coddling of corporate agriculture.

II. Political Impact of Corporate Agriculture on Rural Communities

U.□. **Agriculture Dollars for Election Campaigns**

Campaign finance reform is urgently needed for many reasons. Despite majority support in both houses in the last Congress, legislative action was stymied by a filibuster led by the Senate leadership, while campaign coffers overflow with money from businesses, labor and special interest organizations. Over the years, corporate agriculture has been one of the leading contributors to election campaigns and has influenced legislation on agriculture policy, environmental deregulation, and labor rights.

Since the 1994 election cycle, corporate agriculture – representing a variety of interests, including forestry, food processing, farming and retail food – has given nearly $100 million dollars in soft money and individual contributions ($24.2 million in 1994, $30 million in 1996, and $43.3 million in 1998).[37] There is no reason to believe that these amounts decreased in the 2000 elections. Corporations like ADM, ConAgra, and Monsanto would like to influence the new Administration beyond agriculture policy, on such issues as biotechnology, labor rights, minimum wage, and trade.

We know who the players are in corporate agriculture. For example, since 1995, big tobacco's Philip Morris contributed $6.5 million, while the RJR Nabisco corporation contributed $2.7 million. Poultry/livestock/grain giants Archer Daniels Midland and Conagra gave $1.4 million and $500,000 respectively. The food retail conglomerate Pepsi-Cola contributed $850,000. Dairy and forest products industries are also heavily into political contributions.[38]

The trends are revealing. Before the 1994 mid-term elections that swept the Republicans into control of Congress for the first time in 40 years, agriculture contributions were divided almost evenly between Democrats (44%) and Republicans (56%). Two years later Republicans received 73%. The contributions produced results when Congress supported NAFTA and Freedom to Farm, and blocked tobacco regulation.[39]

Members of the House and Senate Agriculture Committees are the biggest beneficiaries of corporate agriculture's largesse. For example, in 1994, 7 of the 10 leading recipients of corporate agriculture money in the House of Representatives were members of the Agriculture Committee, the top recipient of all, E. "Kika" de la Garza, the Chairman of the House Agriculture Committee in 1994.[40]

Since passage of the Tillman Act back in 1907, corporations have been prohibited from making direct contributions to candidates.[41] To get around the law, corporations create political action committees (PACs) or contribute to associations that represent their interests on Capitol Hill. One of the biggest corporate agriculture companies, Archer Daniels Midland, does not maintain its own Washington lobby office, but funds trade organizations like the National Corn Growers Association and the Corn Refiners Association to lobby on its behalf.[42] As a result, hundreds of millions of taxpayer dollars now subsidize ADM's ethanol (a corn based alcohol used as automobile fuel) and sugar enterprises. The libertarian Cato Institute reports that 43 percent of ADM's annual profits are from products that the U.S. government subsidizes heavily. For every $1 of profits earned by ADM's corn sweetener and ethanol operations, taxpayers contribute $10 and $30 respectively. Corporate agriculture lobbies Congress for tax loopholes, subsidies, and other friendly legislation.[43]

Agriculture, money, and politics have had a close relationship for many years, since the early 19th century focus on tariffs. From the agrarian movement at the end of the19th century to the New Deal era, family farmers had power in numbers to push reforms in U.S. agriculture policy. Those days are over. Independent farmers now constitute only 2% of the population. Today corporate agriculture is using its financial muscle to dictate agriculture policy from Freedom to Farm to PNTR for China.

U.. **Farm Bureau represents Corporate Agriculture**

The American Farm Bureau Federation touts itself and its many organizational publications as the "Voice of Agriculture" (www.fb.com). Yet even this traditional farmer organization now speaks for corporate agriculture. Although its current president states, "The Farm Bureau will continue to work toward its two main goals – to enhance net farm income and to improve the quality of life for farm families"[44] – according to its own members and a number of conservation organizations, the Farm Bureau is strictly a mouthpiece for corporate agriculture and its own financial and insurance interests.

In 1919 representatives from 30 states gathered in Chicago to form The American Farm Bureau Federation. For most of its early history the Farm Bureau was closely allied with the U.S. Department of Agriculture (USDA), created by the Land Grant Act of 1862 (becoming a cabinet-level department in 1889). The relationship was so close that many farmers believed that the Farm Bureau was a government agency.[45] During Henry A. Wallace's tenure as Secretary of Agriculture in the late 1930s, however, the federal government began loosening its ties to the Farm Bureau because of the organization's support of corporate agriculture and its other business interests. Today the Farm Bureau effectively weighs in on such issues as cutting the capital gains tax, weakening environmental regulations and funding child nutrition programs (big purchasers of agricultural products).[46]

Far from being the spokesmen for a romanticized yeoman farmer, the Farm Bureau is a big financial and insurance company wolf in tax-exempt, nonprofit sheep's clothing. It claims 4.9 million family members, who provide over $200 million annually for its advocacy efforts. But the 4.9 million figure is hard to defend. According to the USDA, there are only 2 million family farmers left in the United States, and the Internal Revenue Service has found that only a tiny fraction of those 2 million family farmers are members of the Farm Bureau. Most members are non-farming insurance customers who are required to join before they can purchase insurance or use any of the Farm Bureau's services.[47] According to *Dollar Harvest* (written in 1971 by President Clinton's national security advisor Samuel Berger), "Farm Bureau businesses sustain and preserve the organization. In terms of money, policy, and power, they dominate the organization."[48] The organization's for-profit business dealings include insurance, real estate, investments, and even oil production. Many of the board members of the Farm Bureau are also board members at insurance companies and investment houses.[49]

This self-styled "voice of agriculture" seems to be something quite different. But have family farmers been the prime concern of the Farm Bureau? During the height of the 1980s farm crisis, the Farm Bureau held a million dollar annual convention in Hawaii.[50] Current commodity prices for corn, wheat, rice, and soybeans are at record low levels, while the Farm Bureau continues to support the industrialization of agriculture. "Big is not necessarily bad," were current Farm Bureau President Bob Stallman's words when the issue of agriculture concentration was discussed at a House Agriculture Committee hearing in July 2000.[51]

Rather than help the family farmer, the Farm Bureau supports the interests of ADM and Cargill, the corporate agriculture companies with which the Farm Bureau has financial dealings. Their agenda does not include promoting democracy in agriculture or the stewardship of rivers and streams by farmers. In many ways they promote the interests of "new conservatism", a general anti-government, anti-Environmental Protection Agency (EPA), and anti-regulation ideology that supports cutting taxes on the wealthy and burdening middle and lower income families. In general, the Farmers Union and the National Grange have been more in tune with the interests of independent farmers.

C. Government Officials Work for Corporate Agriculture

The Farm Bureau is not alone in promoting the interests of corporate agriculture. The revolving doors between government agencies and corporations serve many industries, including corporate agriculture. Executives of corporate agriculture companies move into positions within the EPA, the Food and Drug Administration (FDA), and even cabinet positions. Margaret Miller was a chemical laboratory supervisor at Monsanto until she took a position in the U.S. FDA. Miller was under investigation in 1994 by the U.S. General Accounting Office (GAO) for her role in approving a cow growth hormone produced by Monsanto. The GAO concluded there was "no conflicting financial interests with respect to the drug's approval".[52]

Cabinet secretaries have also been targeted by corporate agriculture. For example, Mickey Kantor, former Secretary of Commerce and former U.S. Trade Representative in the Clinton Administration, played a crucial role in initiating the Uruguay Rounds of GATT negotiations in 1993. After leaving the government, he joined the board of directors of Monsanto, a big beneficiary of the trade liberalization of the Uruguay Rounds. Attorney Kantor also represented a grain trade industry group, U.S. Wheat Associates, at the WTO meeting in Seattle, Washington.[53]

Mike Espy, former Clinton Secretary of Agriculture, was investigated for his acceptance and cover-up of $35,000 in gifts from companies and individuals that he was suppose to regulate, in violation of the Meat Inspection Act of 1907. Most of these gifts came from the giant poultry company Tyson Foods. Espy was acquitted of all charges in December of 1999, but some agribusiness officials were found guilty of improper gift-giving.[54]

After President Reagan's Secretary of Agriculture, John Block, left office in 1989, he took a job with the National-American Wholesale Grocer's Association. Secretary Block was once quoted as saying, "We have to get away from the romantic anachronism that developing countries should strive for food self-sufficiency."[55] President Clinton's last Secretary of Agriculture, Dan Glickman, was once on the House Agriculture Committee and accepted thousands of dollars from the very companies and trade groups that he was charged with regulating at USDA.[56]

Members of Congress have become big investors in corporate agriculture. Former Senator John Danforth (R-MO) invested over $7 million dollars in Ralston-Purina, a company that was sued and fined millions of dollars for false advertising in the early 1990s.[57] One example of a Senator who votes on regulatory and tax issues affecting companies in which he is connected by investments or decision making is Christopher "Kit" Bond (R-MO), who sits on the board of directors of Monsanto. Probably the granddaddy of all corporate agriculture moochers was former U.S. Senator Lauch Faircloth (R-NC), who was a major stockholder in Lundy Packing, a hog processor in Clinton, North Carolina. Faircloth devoted much of his only term in the Senate trying to weaken the Clean Water Act. Hog operations are among the worst industrial polluters of our waterways.[58]

Rep. Christopher Cannon (R-Utah) owns stock valued at between $250,000 and $500,000 in Premium Beef of Nebraska. Rep. Norman Sisisky (D-VA) owns stock worth nearly $250,000 in Conagra, one of the largest hog processing companies in the U.S. The company has benefited greatly from the growth of CAFOs in southeastern Virginia, located in Rep. Sisisky's district.[59]

Conflicts of interests abound, making for an environment unhealthy for the democratic rights of average Americans. The revolving door between positions in corporate agriculture and government allows decisions on farm policies to be influenced by for-profit corporations, so that special interest policies become public policies. Financial conflicts of interest, whether by ownership of substantial amounts of stock or campaign contributions from corporations directly affected by official actions, cheat the American public of the genuine public service they deserve.

D. Money and Public Policy Formation

Over the last two decades, money has become a major player in the passage of legislation. Agriculture legislation is no exception. The Federal Agricultural Improvement and Reform Act of 1996 (popularly known as either FAIR or "Freedom to Farm") purported to end the sixty-year-old agriculture policies of price supports and government payments to farmers for limiting production of crops. Freedom to Farm was intended by some proponents to end government payouts to farmers, forcing them to compete in the marketplace.

The FAIR act did end the sixty-year old farm program. It was advertised as a way to end subsidies and price floors on commodities like peanuts and sugar. But it did not do that. The 104th Congress sought to scrap the New Deal agricultural programs with a more market-oriented approach to farming, but would find that getting rid of these programs was more difficult than ending payments to family farms.

The peanut program was initiated to alleviate the crisis faced by farmers in the 1930s. This New Deal program relied on quotas to keep prices up so farmers could make a living and compete in international markets. Over the years, peanut growers were required to own a quota in order to grow peanuts, but they were allowed to lease the quotas they owned. The yearly cost of such a program was several hundred million dollars per year. In 1996, when the FAIR act was being debated several Senators, including Rick Santorum (R-PA), offered an amendment to kill the peanut program, which was defeated by a vote of 59 to 36. Between the years of 1991-1996, those 59 senators who voted to kill the amendment received on average $2,720 from peanut interest groups, while those in favor of the amendment received on average $306. Most campaign contributions came in the form of PAC and "soft money" donations during the 1996 election cycle. House Agriculture Committee Chairman Rep. Pat Roberts (R-KS) received over $23,000 in 1996, and the subcommittee chairman overseeing the peanut program received $21,000.[60]

Another program that survived the cutting board was the federal sugar program. According to the GAO, the federal sugar program costs consumers over $1.4 billion dollars over what they would have paid had there been no sugar program. Most of the benefits of this program go to a few companies, primarily in Florida and Louisiana. Among the biggest beneficiaries are Flo-Sun and the Fanjul family, receiving $65 million a year in government subsidies. Sugar interests contributed more than $2.6 million via PACs and "soft money" in 1996, receiving in return a five-year extension of government sugar programs until 2002 when the farm bill will again be debated.[61]

Over the years, most farm subsidies have been distributed to the largest farms and landowners. As shown in **Table 5**, the top 10% of all recipients in the United States were paid 61% of all USDA subsidies since passage of the Freedom to Farm Act in 1996. As a result of low demand throughout the world and devastating weather in many parts of the country, the federal government paid out more after the FAIR Act than before.[62]

Table 4 – Concentration of Receipts of USDA subsidies, 1996-1998

Percent of recipients	Percent of payments	Number of recipients	Total payments 1996-1998	Average Payments per recipient 1996-1998
Top 1%	16%	14,434	$3,605,246,059	$249,774
Top 2%	24%	28,868	$5,583,250,053	$193,406
Top 3%	31%	43,302	$7,189,204,390	$166,024
Top 4%	37%	57,736	$8,540,559,309	$147,924
Top 5%	42%	72,170	$9,707,547,371	$134,509
Top 6%	47%	86,604	$10,730,666,489	$123,904
Top 7%	51%	101,038	$11,637,229,400	$115,176
Top 8%	54%	115,472	$12,448,441,953	$107,804
Top 9%	58%	129,905	$13,177,981,478	$101,443
Top 10%	61%	144,339	$13,838,571,867	$95,875
Bottom 90%	39%	1,299,050	$9,017,799,889	$6,941
All recipients	**100%**	**1,443,389**	**$22,856,371,757**	**$15,835**

Source: Environmental Working Group. Compiled from USDA data

There were large payment disparities within states as well as nationwide. Mississippi had the greatest inequity in government payments, with the top 10% reaping 83 % of the benefits.[63] Similar inequities occurred in Alabama and Tennessee. **Table 5** also shows that 1.3 million recipients receive such meager amounts under Freedom to Farm they hardly cover expenses.[64]

Since lobbyists always tout agriculture programs they advocate in terms of the plight of family farms, it is time to redirect Government payments to encourage small and medium-sized family farms. They have been hurt the most by government policies, and they are for the most part the best stewards of the land and natural resources. As a rule they also are more productive than large farming operations.

Another type of agribusiness subsidy takes the form of USDA advertising of farm products, such as pork, beef, and milk, through a checkoff assessment on producers. A petition by 10% of producers is required to end the assessments – an onerous burden. To most people's surprise, pork producers voted 15,951 to 14,396 to end the assessment, and the Clinton Administration agreed to respect the vote. When the action was challenged in court by the large producers/processors, the Bush Administration reached an agreement with them to continue the program. Now small producers have taken the issue to court.[65]

E. Political Impact on the State of Virginia

Money has become the key to public policy formation at both state and federal levels of government. The State of Virginia has few laws regulating campaign finance. It does not require disclosure of campaign contributions. While the role of money in state election campaigns is far less blatant than at the national level, it still is very much present. The main sources of concern in state legislatures are financial and employment conflicts of interest, how policy is formed, and which legislation gets passed.

For several years the Center for Public Integrity, a Washington, DC based think tank, has tracked the special interest conflicts that influence many state representatives. Conflicts can include owning a farm, owning stock in an agribusiness company, or being employed by a corporate agriculture company. Since many state legislatures are in session for only two or three months a year – and some meet only in alternate years – most state legislators have jobs in addition to their elected office. This creates great potential for conflicts that are not faced by members of the U.S. Congress. For example, a 1999 survey in Virginia of 123 elected officials found that 29 had an agricultural conflict of interest.[66]

Many members of Virginia's House of Delegates who serve on agriculture and environmental committees have vested interests in areas of agriculture. Conflicts arise when Delegates must vote on legislation that would require tougher environmental standards or raise the costs of permits for CAFOs. Those same public officials may own stock in ConAgra or Smithfield, both of which raise millions of hogs on CAFOs.

For decades a battle has ensued over how to dispose of animal manure in the western and southern parts of the state. Chesapeake Bay suffers from pollution by tons of farm fertilizer and manure runoff. Despite a significant public outcry to stop pollutants from flowing into the Bay and local rivers, until recently there has been no widespread agreement on who should be held responsible and how the pollution should be curbed and regulated. Corporate agriculture has opposed meaningful regulations at both national and state levels, preferring ineffective voluntary measures and government incentives (tax breaks). As more and more money finds its way to state and national elected officials, the push for agriculture and environmental reform has stalled. In fact, Maryland is taking steps to stop runoff from poultry farms on the Eastern Shore, but Chesapeake Bay can't be cleaned up until Virginia or the federal government also acts.[67]

The Center for Public Integrity's 50 States Project encompassed the broad scope of the role of money in public policy formation, beyond agriculture. In Virginia, 61 percent of legislators who reported financial conflicts sat on committees that regulated their professional or business interests. Forty-one percent had direct ties to businesses or organizations that lobbied elected officials in both of the State's legislative branches. Twenty percent of those surveyed received money from industries regulated by government agencies they were charged with overseeing. Hard evidence of direct ties between money and policy is hard to pin down, but environmental regulation presents great potential for elected officials to use their positions of power to influence the passage of legislation or the allocation of tax dollars in favor of corporate interests.[68]

III. Social Impact of Corporate Agriculture on Rural Communities

The social consequences of agribusiness on rural America may be even more devastating than the economic and political consequences, and these social effects are especially difficult to reverse. When corporate agriculture comes to town it usually causes environmental pollution, labor abuses, strained social services, and increased crime and poverty. This in turn burdens local schools, reduces property values, and spurs more uncontrolled growth.

U.. **Environmental Effects**

Perhaps the most damaging impact is environmental destruction. As corporate agriculture and U.S. agriculture policy withered away family farms, a few super farms emerged. Many experts have predicted that only 50,000 such farms will be needed in the years to come, requiring fewer acres of land to produce the same or more of a given farm product. Such concentrated production intensifies environmental damage.

The greatest threat to environmental health is the Concentrated Animal Farming Operation. CAFOs raise thousands of animals – pigs, cattle, or poultry – in confined spaces – barns or other buildings. Thousands of animals defecating in a limited place create problems. Hog manure usually gathers in large lagoons, while poultry and cattle manure accumulates in huge piles. Ken Silverstein described the swine CAFOs he found on a 1999 trip to North Carolina:

> Spilled hog waste reaches streams and rivers via ditches that farmers dug decades ago to drain the land for crops. Manure, rich in nitrogen and phosphorus, speeds algae growth, which chokes off aquatic life; hundreds of thousands of dead fish were found floating down a stretch of the Neuse River in the Southern end of the state. The fish were killed by a toxic microbe called pfiesteria-the 'cell from hell'-which many scientists believe thrives on the runoff from huge livestock operations.[69]

The problem arises because, unlike small and medium-size farms that can use animal waste as a fertilizer for pasture, factory farms produce too much waste for the amount of land that they have. Factory farm managers tend to saturate the land with too much manure, leaving the excess to run off, contaminating streams, waterways, and ground wells.[70] Thus far, the federal government has declined to step in and require standards for factory farm operations, leaving the matter to state and locality standards, which are few in number and inadequate.

Factory farms also affect the overall health of the community as they employ the most desperate of job seekers. A study by Duke University researchers found that people who lived near hog confinement units in North Carolina suffered more depression, anger, fatigue and confusion than people who lived away from such farms.[71] Large farms tend to force smaller independent producers out of business and generate fewer jobs than the farms they supersede.

In North Carolina alone over 100 hog operation have been caught dumping animal waste into rivers and streams. The lagoons that store the hog waste have been known to leak and pollute wells. On June 21, 1998, 25 million gallons of raw sewage flowed into the New River after a manure pit ruptured at a plant. The North Carolina State Health Department issued a "white paper" in 1998 stating that the state health director considered exposure to hog farm odor a public health risk. Moreover, animal waste carries viruses and bacteria that can infect humans.[72] One advocacy group reported a link between swine waste and gastric ulcers and possibly stomach cancer. Other groups have linked factory farms to miscarriages in women in Iowa.[73] Corporate poultry farms are causing harm well beyond the local population and nearby waterways. Since 1995 producers have fattened poultry by feeding them small doses of antibiotics, rendering certain bacteria resistant to these antibiotics that are necessary to humans, creating a nationwide threat to public health.[74]

A few states have tried to curtail the expansion of these large farms. A Nebraska law forbids the ownership of farms by corporations. Similarly, South Dakota's "Amendment E" passed in 1997 limited ownership of farms to individuals and cooperatives. Both state laws have been challenged in court on constitutional grounds, but so far have been upheld. Most states require that corporate agriculture obtain permits for their factory farms, and some localities are reasserting power in deciding who gets a permit to set up a factory farm.[75]

Communities have been torn apart over the issue of factory farms. To many people they offer a quick infusion of jobs and money, while other people find them fatal to independent producers and environmental health. Corporate agriculture has yet to expend much time and money being responsible citizens of these communities. Rural sociologist John Ikerd summed up the corporate mentality, "The Corporation does not have a choice. It can only be a corporation. It can't care about neighbors. It can't care about families and other things. The corporate mentality is profit and growth."[76] Since corporations by law are answerable to stockholders, specific laws are needed to require additional obligations to the public at large, although some courts have used current law to begin to punish corporations for injuring rural residents. A Missouri Circuit Court jury awarded $5.2 million to rural residents who suffered spills, odors and flies courtesy of Continental Grain's hog operations.[77] It is up to legislators to provide additional tools to protect the public interest.

B. Labor Rights and Migrant Workers

Workers – in factories and on farms – are perhaps the most affected citizens within communities of corporate agriculture. Many rural communities are in states with "right-to-work" (anti-union) laws, "right-to-farm" (pro-corporation) laws, and very lax environmental standards.

Meat packing plants used to be mainstays of such large cities as Chicago, St. Louis, and Indianapolis. Once they became unionized, the workers in these plants were well-paid, most earning over $30,000 a year with health benefits. But the economic recessions of the 1980s and subsequent strikes were red flags to corporate agriculture. They wanted an environment more conducive to large profits and found just what they were looking for in rural America.[78]

Generally they moved to the South and Midwestern states of Nebraska, Oklahoma and the Dakotas, most of which tended toward anti-union, anti-environment, and anti-government sentiments. Rural and farm communities were unable to defend themselves. Most of these communities, just recovering from the farm crisis, welcomed any businesses that promised any kind of jobs. An Iowa Beef Processing (IBP) representative pulled aside a local banker in Columbus Junction, Iowa, in 1983 and told him, "Your town will never be the same."[79]

Corporate agriculture brought factory jobs that frequently paid less than $7 an hour, seldom offering benefits like health insurance. Usually workers in these jobs had none of the collective bargaining rights and security enjoyed by their urban predecessors. The jobs attracted a steady stream of migrant and undocumented immigrant workers, who were often subjected to dangerous working conditions.

In 1995 IBP, one of the nation's biggest meat packers, reaped profits of $257 million and sales of over $12 billion. That year IBP's CEO Robert Peterson raked in $1 million in salary and $5.2 million in bonuses. A worker's average wage was $7 per hour. The company kept most of the workforce for less than six months – thus they were temporaries with no benefits. Undocumented workers were favored because they were insecure, without any oversight by the Immigration and Naturalization Service. "The company loves to work with illegals," said an IBP employee. "When you are illegal you can't talk back."[80]

IBP and the other agribusinesses argue that they are bringing jobs and opportunities to rural America. "This is about the whole American immigrant experience. We are providing a stepping stone," remarked IBP personnel director Roberto Trevino. "If you are new to this country you are not going to be a doctor. Instead you take the jobs Americans don't want and you may not get ahead. But you do it for your kids."[81]

Corporate agriculture tends to take the position that its responsibility stops at the company's front door. Mark Drabenstott, a vice president of the Federal Reserve Bank in Kansas City summed up the corporate agriculture mindset towards its workers: "The industry is going to go where it feels welcome. These days, the discussion is not so much whether to go to Iowa or Missouri, it's do we stay in the United States or do we go to Mexico."[82] Some companies have already started raising swine in western Canada and are considering the same in Mexico. Rural communities in the U.S. and Canada may be just a brief stop on corporate agriculture's journey to the developing world.

Migrant workers especially from Mexico are the main harvesters of the food that Americans eat everyday. They toil in the fields picking the fruits and vegetables that most of us take for granted. Corporate agriculture buys from contractors who employ most of these farm workers, people who are forced by circumstances to take any job they can get, regardless of pay and working conditions

The typical farm worker is a young man of 31 from Mexico or elsewhere in Latin America, who works less than half the year on huge fruit and vegetable farms for just above minimum wage. Many of these workers have been engaged in this type of job for more than five years. Fifty percent of farm workers are married, and over 60% have incomes below the poverty line. The median income over the last decade for a farm worker has been less than $7,500 for an individual and $10,000 for a family.[83]

Corporate agriculture has greatly benefited from this steady flow of underemployed workers. "No one wants to state the truth—that food processing in America today would collapse were it not for immigrant labor," stated University of Northern Iowa Anthropologist Mark Grey. "The entire debate over whether or not immigrants are of economic benefit is disingenuous."[84]

According to the California Legal Assistance Foundation, the average farm worker faces three types of problems when entering the fields of corporate agriculture: wage and hour violations, retaliatory job actions, and illegal workplace practices. Farm workers are paid either an hourly wage or at a piece-rate wage. Farm workers are exempted from the federal minimum wage/overtime laws (state law provides coverage in California) and other labor protections enjoyed by most American workers. The federal government, answering to corporate agriculture, continues to foster substandard conditions, through immigration "guest worker" statutes. According to a California Legal Assistance Foundation survey of lawyers who represented workers alleging violations of California labor laws, some employers failed to pay minimum wage and others paid nothing.[85]

In North Carolina, too, migrant farm workers are exploited. Under the H-2-A "guest worker program," employers must certify the unavailability of American workers. Despite evidence that American workers are available, defenseless Mexicans evidently are preferred.[86]

Corporate agriculture understands the power they wield over desperate workers and use it to fire or penalize workers who complain about working conditions and wages, or who seek medical treatment after being sprayed by pesticides. The fields in which farm workers must work also often lack adequate toilet facilities and drinking water. Workers are forced to work with dangerous farm machinery or with poor tools (picks and hoes) that can cause physical ailments. Sometimes entire families toil all day together in fields with children who may be 10 and 12 years old. Federal law generally prohibits employment of young children, but farms are exempted.[87]

Workers also experience sexual harassment on corporate farms. One woman farm worker in California explained that "my friends told me they had been forced to sleep with the foreman to get their jobs, something I've heard many times. A foreman once demanded the same thing of me, but I refused to do it, and he treated me really badly afterwards."[88]

C. Education and Social Services

The impact of corporate agriculture burdens many communities by requiring added services, such as education and health care. These burdens are illustrated in a study of Oklahoma, contrasting the economic and social effects of Seaboard Corporation, a vertically integrated hog producer in Texas County, Oklahoma, with counties without these corporate influences.[89] With Seaboard's infusion of new jobs, public school enrollment increased by 12 %, requiring the construction of a new elementary school in Guymon, Oklahoma. Because Seaboard recruits and hires many migrant workers, since 1990 Texas County schools faced a 125 percent increase in limited English proficient students in their schools 1990. These increases dwarf the increases in neighboring counties.[90]

The huge infusion of students has led to greater expenditures, higher student/teacher ratios, higher dropout rates, and a more diverse student body. Teachers are presented with large numbers of students who need to be taught English before they can catch up with the other students. From 1990 to 1997, the Texas County dropout rate increased by 55 percent to 5.9% of enrollment. Surrounding farm-dependent counties saw only modestly increased dropout rates. [91]

Even under normal circumstances, demands on school systems are greater in rural communities than in suburbs. Rural communities tend to have difficulties hiring and retaining well trained teachers, unable to compete with urban and suburban schools that pay more and have lower student/teacher ratios. On the whole, federal and state governments have neglected rural areas in providing education dollars, leaving rural areas with inadequate tax bases to raise sufficient revenue to provide competitive pay for teachers and investments in students. Since states are unwilling to make up the shortfall, only the federal government can remedy the strains that corporate agriculture places on rural communities.

Health care is another overburdened social service. The deficit of health care and insurance coverage has always been a problem in rural America. With many communities dependent on farming and nonunion manufacturing jobs, many citizens are left to purchase their own insurance coverage or pay hospital bills out of their own pockets – neither of which they can afford. "The first thing rural people give up when things get tight is health insurance," says Barb Grabner of the Iowa-based Farm Unity Congress. "I see many people who need treatment, but can't afford it. That's a crime in this society." Clinics and hospitals are either too small to handle increases in health care demands or too distant from many rural residents.[92]

When corporate agriculture comes to town, these long-standing problems are exacerbated. Many tasks, such as cutting and gutting chickens and hogs, common in the packing plants of Perdue and Smithfield, are dangerous. The Department of Labor estimates that those low-wage jobs have the most work related injuries, such carpel tunnel syndrome from the repetitive motions required in cutting.[93]

Contract farmers also have high levels of health problems stemming from animal contamination and repetitive motion activities. These farmers usually are desperate for jobs, willing to contract with corporate agriculture to raise the companies' product for wages that are far too low to provide themselves with necessary health care.

Table 5 – Estimated Change in Access to Rural HMO's, 1999-2000, U.S.

	Number of Rural Beneficiaries (1999)	Percent of Rural Beneficiaries (1999)	Number of Rural Beneficiaries (2000)	Percent of Rural Beneficiaries (2000)
No HMOs	6,748,716	73%	7,073,625	77%
Only One HMO	1,568,562	17%	1,388,871	15%
Two or More HMOs	903,185	10%	757,967	8%

According to Families USA, 9.2 million Medicare beneficiaries live in rural areas, and of these more than 7 million do not have access to a single HMO in their areas. There are no HMOs available to rural Medicare beneficiaries in 13 states, and in 14 others only one HMO is available where they live.[94] Rural citizens tend to be older, sicker, and poorer than urban and suburban residents, creating greater strains on an already overburdened health care system.

D. Crime and Poverty

Corporate agriculture affects crime in two ways, first by increasing the number of crimes committed by individuals in rural communities and, second by itself committing crimes. As examples of the first kind, from 1990 to 1997, after Seaboard Corporation moved into Texas County, Oklahoma, the County's crime rate increased by 74% while surrounding communities saw their crime rates drop by 12.5%. Violent crime increased by 378% in Texas County; neighboring counties saw substantial decreases. Divisions in communities over whether more corporate agriculture helps or hinders their towns tends to foster distrust and hostility in the community,[95]as evidenced by greater numbers of civil, in addition to criminal, actions in Texas County.[96] The situation is fairly typical of communities around the country where corporate agriculture is settling. Some of the problems stem from the low wage jobs and community unrest caused by the entry of new workers into areas where they have few community ties. Crime also has an adverse effect on business development inasmuch as small businesses seldom seek to risk opening up shop in communities with high levels of crime.

Migrant workers are often targets of local citizens. In Siler, North Carolina, many new workers in town carried their entire paychecks on their person because they did not want to open bank accounts. Small wonder they become prime targets of local whites who mistrust their new neighbors. Corporate agriculture's active recruitment of workers from Mexico and elsewhere in Latin America tends to engender racial and ethnic hostilities, jeopardizing the health and safety of workers and the community.

Agribusiness itself perpetrates crime in rural communities. Many processing plants break federal and state safety regulations by speeding up factory lines or processing meat in unsafe ways. Companies pollute waterways with animal and toxic waste and are punished by little more than a slap on the wrist – not with the kind of punishment they would understand: pain in their pocketbooks. Regulations and fines are insufficiently specific and mandatory.

Poverty and hunger continue to be major problems in rural America. Although rural communities made substantial progress in curtailing poverty in the 1960s and 1970s, since 1980 that progress has come to a halt and even reversed slightly. Of the 52 million residents in rural or non-metropolitan areas in the United States in 1995, 8.1 million (15.6%) were poor, about the same number of rural poor people as in 1980.[97]

Most of the rural poor live in a broad swath of the southern U.S., from the Atlantic to the Pacific coasts. Reasons for this include: proximity to Mexico, the concentration of rural areas, and the political climate. Twenty years ago, corporate agriculture sought to take advantage of this area of the country, moving into rural communities with corporate-friendly governments and less educated citizens willing to work for low pay. Average wages for workers in corporate agriculture hover around the poverty level, $16,895 for a family of four.

As noted above, farm workers are not covered by the federal minimum wage. Even insofar as it covers non-farm agribusiness employment, minimum wage jobs keep families below the poverty level. The gap between incomes of urban and rural workers has increased during the 1990s. USDA research indicates that raising the minimum wage would not have an adverse impact on the price of food in grocery stores.[98]

E. Social Effects of Agribusiness on Virginia

About 10 percent of Virginians are employed in farm production, agricultural processing, distribution of farm goods, and supply of inputs, while 11.3% of the gross state product is directly related to agriculture. The face of agriculture in Virginia is changing, however, from one of small and medium-sized farms to one of corporate agriculture, not without long-term social effects that are not immediately obvious.[99]

Rockingham County, in the heart of the Shenandoah Valley, is the largest agricultural county in Virginia accounting for over 20% of the state's agriculture-related sales.[100] Poultry, today completely vertically integrated, is the main agricultural sector. Where once small family owned feed businesses and family farms predominated, corporate agriculture has transformed the county. Rocco, Inc. was founded in 1939 in Harrisonburg, Virginia, as a family-owned feed business. In the company's own words, it has grown up to be "a completely vertically integrated company."[101] Rocco controls all aspects of chicken and turkey production from egg to retail store and contracts with farmers who raise those chickens and turkeys. Companies like Rocco and national corporate agriculture giants like Tyson and Perdue continually perpetuate social dislocation.

The biggest change in Rockingham County can be seen in its diversity. The population has changed from predominantly white to including many new immigrant families from Latin America and parts of the southern U.S. Population growth has begun to strain local education and social services, with overwhelming demands for language education, translators, and affordable housing. Although these trends are not unique to western Virginia, population there is growing faster than communities can provide for their citizens.

Some of the shortfall results from the fact that some agribusinesses do not provide an adequate tax base for the community. Many national companies like Tyson and Perdue reside outside the community and purchase many of the products they need from other parts of the country. Poverty and hunger are visible problems in Rockingham County. Just a few years ago, homeless people and food banks were rarities; today they are not.

Beyond Rockingham County, most of Virginia, excluding the Washington, DC suburbs and the Tidewater area, are fertile ground for corporate agriculture. In many of Virginia's rural communities, jobs in farming, manufacturing, and mining are declining, while urban areas and suburbs prosper. The state government has neglected rural Virginia, providing incentives for corporate agriculture to come and thrive.

Rural Virginia, like the rest of rural America, is suffering as the economic guinea pig for corporate agriculture. Although successful in rural North Carolina and the Mississippi Delta, it can also be removed to China and Latin America. Corporate agriculture is creating an economic and social disaster in rural America. In the name of company profits they are leaving a trail of overcrowded schools, low paying jobs, and increased hunger and poverty.

IV. Conclusions and Policy Recommendations

This report began with a discussion of the concentration of economic power in the agriculture industry over the last sixty years, and proceeded to its effects. American consumers and independent family farmers have been the overall losers in this market. Farmers must buy the inputs for their farms, like seeds and fertilizers, from a few suppliers or a monopoly, with no control over whether the seeds are genetically engineered. Farmers must then sell their products, like corn or livestock, to a few buyers or an oligopsony, and they must compete in an unfair, over concentrated marketplace. Farm incomes are declining, the average farmer earning $8,000 in 1996 for their farm operations[102] Many farmers service debt year after year, deriving no net income. Consumers lose in this market structure by paying manipulated food prices. Consumers also lose by being forced to cope with dirty food and to live in a polluted environment, and they are additionally impeded from getting information they seek on innovations such as irradiation and genetically modified foods. Meanwhile corporate agriculture is prospering, for instance, Conagra had revenues of over $24 billion in 1999.[103]

The report also discussed some of the political reasons that these policies were adopted and why enactment of remedial legislation will not be easy. Nevertheless, the time has come to end the failed agriculture policies that preceded the Freedom to Farm Act of 1996 and likewise the economic havoc and environmental consequences that followed. The notion that the market place can solve the problems of American farmers and consumers is naive or ideological, or both. Agriculture does not function like the automobile and telecommunication industries. Farmers cannot easily change what they plant or which livestock they raise in the middle of the growing year, while the automobile and telecommunication industries are not particularly sensitive to floods and droughts. Farmers' fortunes are determined in the long term, especially in long-term stable market prices. To reverse directions, democracy must be returned to agriculture in the United States.

U.. **Policy Recommendations**

The federal government must actively protect consumers and independent farmers. Government programs prior to the Freedom to Farm Act of 1996 were not working, but FAIR was no solution. When government used land set asides and subsidies to control the supply of farm products, that policy benefited only the largest producers. Small and medium-sized farms were left the scraps of financial help. The government must promote consumer and environmental protection and a more productive, sustainable agricultural policy that empowers the most productive farms, which tend to be small and medium-sized operations (optimum size depending on the type of product being raised).

1) ***Protect consumers*** by means of strong food safety enforcement by the USDA and FDA and by vigorous enforcement of environmental protection laws. Corporate agriculture is stifling enforcement of laws to protect waterways from pollution from animal manure

generated by CAFOs, and the soil and air from pesticides, leaving a devastating legacy in our communities and unhealthy residues in our food. Programs must be enacted to promote environmentally friendly agriculture and healthy practices, with punishments sufficient to deter antisocial behavior: substantial fines and jail sentences for executives guilty of repeat offenses. Companies should be required to pay for the environmental and health damages they cause. Trade policies must include assurances that our trading partners enforce environmental standards, so our own standards are not undermined.

At the same time, farmers and consumers should not be forced by corporate agriculture to use Genetically Modified Organisms (GMOs) whose safety has not been demonstrated. European countries and Japan have shown reluctance to use or import GMOs. We should be supporting research on safety and insisting on accurate labeling, rather than pushing untested products at the behest of corporate agriculture.

2) ***Strengthen rural communities and support small and medium-sized family farms***. Enact agricultural policies that benefit farmers, while limiting payments to huge factory farms. The federal government needs to enact several policies to ensure a fair marketplace for farmers and ensure their survival. Government needs to give farmers tools like restoring the Farmer Owned Reserve, which will allow farmers to control when they put their farm products onto the market.[104] Current U.S. farm policies discourage a farm reserve and encourage maximum production that benefits only grain traders like ADM and Cargill.

State and federal governments should support farmers' markets and farm co-operatives. Farmers who wish to have more control over the production and processing of the foods they grow should be provided financial aid to support small and medium-sized operations that have shown their ability to compete with big producers. Governments need to encourage partnerships between local farmers and local businesses. For example, the USDA has supported a program that links local farmers with local schools, helping farmers process the foods and sell them to local schools. Schools get a ready source of affordable and healthy food and farmers get more income and more control over the food they produce. Other creative programs are needed.[105] Organic farming should be supported strongly and effectively, now that the USDA has set "organic" standards.[106]

State and federal governments must invest in rural America, which has had little benefit from the booming economy of the 1990s, and remains mired in slow economic growth. Health care in rural America has lagged behind the rest of the nation. Rural America would benefit greatly from the enactment of universal health care with special attention to distribution of resources to rural areas. Absent universal health care, all employers, including agribusinesses, should be required to provide health insurance and safe workplaces.

Investments in education at all levels in rural communities must be increased. Funds are needed to raise the pay and train teachers in rural public schools and community colleges, to purchase classroom materials, and to construct schools. A recent RAND study concluded that increases in student achievement in public schools are tied to increases in funding for teachers, materials, and students.[107] More funding coupled with policies to foster achievement can make a big difference. Higher education continues to become more expensive while state and federal funding for higher education decreases. Rural America must be included in our investments in technology and higher education.

3) ***Protect consumers with antitrust enforcement against giant agribusiness***. Too often, the Justice Department has stood by and allowed corporate agriculture to gobble up its smaller and medium-sized competitors, failing to enforce the Sherman and Clayton Acts. Even when Cargill, the nation's largest grain trader, sought to buy out Continental Grain, the nation's second largest grain trader, there was little resistance.[108] When price manipulators like ADM are caught, the government ought not to do business with these lawbreakers. To prevent market manipulation, Congress should fully and immediately fund the USDA's enforcement of the Grain Inspection, Packers and Stockyards Act.[109] Vertical integration should be curtailed because it distorts the marketplace. Currently, corporate agriculture is raising and buying their own grain and livestock leaving little room for price discovery in the marketplace.

Patenting of life forms should be prohibited. Patenting gives corporate agriculture monopoly power over pricing these innovations, which are needed primarily by researchers.

Eliminate agricultural corporate welfare. Subsidies and tax incentives should be funneled to small and medium-sized farmers and not to the larger farmers and corporate agriculture. Corporate welfare to agribusiness in the form of subsidies for peanuts and sugar, tax loopholes, and worldwide government-paid advertising should be ended.

4) ***Promote use of U.S. farm products to help hungry people abroad***, and at the same time, help developing countries become food self-sufficient. U.S. foreign aid to poor and developing countries, currently less than .01% of total budget expenditures, should assist their efforts to develop and diversify their economies, rather than serve other foreign and military policy goals. Trade and development policies should no longer give short shrift to the welfare of ordinary people in those countries. The U.S. should work with existing international and nongovernmental organizations to see that our farm abundance and skills help end hunger in the world. Thus the government could buy and store farm products for emergency situations like hurricanes, drought, floods, and earthquakes around the world. Notwithstanding its slogan, Archer Daniels Midland is *not* the "supermarket to the world"; American independent farmers have proven they are the ones who will deliver environmentally safe and healthy food to the world.

5) ***Enforce labor rights in rural America***, including workplace safety and health and a living wage in all agribusiness. The federal minimum wage should be raised and index it to keep up with inflation, with coverage extended to farm employment. For too long corporate

agriculture has profited from the low wages they pay. The minimum wage should ensure that a full-time working family can live above poverty levels. USDA reports that an increase in the minimum wage would raise the incomes of rural and farm residents without increasing food prices significantly. Nor would an increase in the minimum wage indexed to inflation burden small businesses when applied alike to all competitors. Good wages mean good customers.

Trade unions received a severe setback during the Reagan-Bush presidencies. The federal government needs to step in and insure that all workers regardless of job description have the ability to bargain collectively for benefits, fair wages, and worker safety. OSHA must be strengthened and funded sufficiently to monitor safety and health in the workplace. Responding to corporate agriculture, Congress fostered the steady flow of cheap and underemployed workers from outside the U.S. to suppress wages. These workers must be protected and their living standards brought up to domestic labor standards. At the same time, trade agreements must provide for labor rights, serving the interests of workers in the U.S. and abroad.

6) ***Campaign finance reform is critical*** to restoring clout to average farmers, consumers, and small business. Without it, special interest, such as corporate agriculture, have undue influence on legislative processes and executive policies. Corporate agriculture pressed for the Freedom to Farm Act, which benefits agribusiness, not independent farmers. By pumping millions of dollars toward elections and lobbying, they got what they paid for: cheap farm products, to supply their processing and trading operations.

We must sever the link between money and public policy. If political campaigns were publicly financed, soft money and all but modest-sized individual contributions could be banned. All sources of contributions should be disclosed and readily available to the public. Since the people own the airwaves, free radio and television time should be allotted to political candidates. These reforms, combined with shorter political campaigns, understandable ballots, and accurate counting of votes, would contribute to the return of power to all ordinary citizens, including independent farmers.

U.. **Conclusion**

As Osha Gray Davidson wrote in *Broken Heartland*:

> . . . it is the most fundamental American value—democracy itself—that is jeopardized by the changes sweeping through the Heartland. It is not the destruction of the family farm system per se, or of individual rural communities themselves, that is most troubling for the American soul. After all, for two centuries American towns have blossomed during periods of economic boom and then succumbed to the inevitable bust that followed. The question, then, is not should we preserve family farms or rural communities but rather what is replacing them? The answer thus far is chilling: A countryside dominated by super farms, corporate hog lots, and factory towns where people such as Josephine Barrington and Rosie Chambers labor for poverty wages in unsafe and unhealthy conditions, a region in which the ties of community are abraded by economic and social chaos. Small towns and the family farms surrounding them form the cradle of American democracy. When these institutions are gone, where will democracy flourish?
>
> A lesson from field ecology has the last word here, for democracy is a living thing—destroy its habitat and it too will perish.[110]

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