

Agriculture by Marcia Merry

U.S. cattle 'collectives' grow

While former Soviet republics consider how to take down collectivized farming, U.S. cartels are making a "quiet revolution."

There is at present a shift in the U.S. beef production food chain, away from the traditional independent, family-run operations and into huge feedlots. The Kansas City Federal Reserve calls it, "The Quiet Revolution in the U.S. Food Market," in an article in its May/June *Economic Review*. The direct or indirect beneficiaries are the select companies of the food cartel, including: Cargill, Iowa Beef Processors (IBP), ConAgra, Continental Co.

The Iowa Business Council, a voice of the companies in the food cartel, recently issued a glowing report favoring the shift, and calling for eliminating small family enterprises in Iowa, to make way for the giant cattle operations.

If this process of subverting our system of family farms and ranches continues, don't expect the consumer to gain; expect less beef, more expensive meat, and more adulterated food.

First look at the figures on the cattle herd and the dwindling number of independent ranchers and farmers, then consider what is happening to beef:

There are only between 98 and 99 million head of cattle in the United States, when in 1982 the national cattle inventory stood at 115 million head, and in the mid-1970s, the inventory was over 130 million head.

As the numbers declined, so did the independence of ranchers and farmers. In the 1960s, no more than 16% of the beef cattle were raised and sent to slaughter through advance "contract" with the cartel packing-house, or through actual "vertical integration" in which the processor

owned or controlled the animal right from the start, through to the feedlot, to the slaughter. As of 1990, this percentage has gone up to 22.5% and is still growing.

These new, collectivized cattle operations have concentrated in Kansas. Some of the feedlots hold 60-70,000 head. Some of the world's largest beef-processing plants are located in Liberal, Garden City, and Dodge City. Some, like Supreme Feeders, are service businesses. For a fee, they feed and market cattle owned by the investor.

The large majority of Iowa feedlots, in contrast, are on family farms and hold fewer than 1,000 animals. The Iowa Business Council people, such as one of its prominent authors, Thomas Urban, chairman of Hi-bred, Inc., want to break the back of the family farm and independent feedlot system in Iowa, and open the way to what they call "futuristic," large-scale livestock production in the state. Their report laments that the boom in big feedlots since the '70s displaced Iowa as the nation's leading cattle-feeding state, now behind Texas, Nebraska, Kansas, and Colorado.

The Iowa Business Council wants Iowa to produce beef with methods more like those of chicken farms. Close to 100% of all the broilers produced in the United States are produced by contract, or direct vertical integration, according to the latest statistics given by the Kansas City Federal Reserve.

The Iowa Business Council tempORIZES about this, saying that family farms can coexist with large-scale cor-

porate-style operations that produce the lean animals that food processors want. The report warns that even Iowa's preeminence in hogs will be lost, if contract or "custom" feeding is not accepted, because the state is being challenged by modern, factory-like hog farms in North Carolina and Missouri.

Iowa has so far resisted those techniques because of constituency loyalties toward the independent family farm and laws discouraging corporate animal farming. But the *Des Moines Register* and others are campaigning for an end to these communities' resistance.

The Iowa Business Council influenced the Iowa Senate to vote to establish "agricultural enterprise zones" in the state, with tax breaks for large livestock facilities. The bill failed in the House because of an odor issue. But State Sen. Berl Priebe, an Algona cattleman and chairman of the Senate Agriculture Committee, said, "Iowa's got to move that way or it's going to lose the industry. . . . We've got to start looking at people who are willing to come out and invest \$500,000 to \$1 million in agriculture building. The average farmer doesn't have that kind of money to invest."

The Kansas City Federal Reserve approves of this process in Kansas, claiming:

"Processors have sought to keep high-capacity processing plants operating at peak efficiency. Advances in genetic engineering, processing, and transportation will result in a wider range of conveniently prepared red meat products targeted at health conscious consumers."

An example of the "futuristic" product came this month with the announcement by Quaker Oats of its new skinny meat product. Oat mash is inserted in place of animal fat in beef.