'Factory food zones'?

Congress has passed bills for "free enterprise zones" that would displace family farming with factory farming.

Over the summer, measures have worked their way through Congress under the label of "free enterprise zones" which, among other effects, would encourage *maquiladora*-style livestock and food-processing factories in rural areas in the United States. The *maquiladoras* are virtual slave labor camps in Mexico.

The first week in August, the Senate Finance Committee passed an amalgamated "urban aid/tax cut" package, preparatory to joint Senate-House conference committee resolution. Bush vetoed a previous version five months ago, but there are signals that he may sign this new package, which was given impetus by the Los Angeles riots.

The $31 billion package is a grabbag of measures including tax breaks for retirement funds, charities, tips at restaurants, etc. At the top of the list are proposals for "free enterprise zones" in designated regions where tax breaks are supposedly to induce new businesses and jobs.

The Senate version of the bill calls for 25 enterprise zones in poor areas, 10 of which are to be in rural areas or on Indian reservations. The House bill calls for 50 zones—25 in urban and 25 in rural areas. The White House had called for 300.

Whatever the final roster of zones turns out to be, the concept is anathema to family farming, food processing, and distribution. In the name of spurring business, the congressional measures are giveaways to the dominant food companies—in particular, livestock raising and slaughtering—in helping them set up large corporate operations inside designated zones, where they will be free from regulations governing labor, health, and other safety standards, and given large tax breaks and low-cost infrastructure. The new legislation will aid the trend to huge production establishments already planned by the food cartel companies.

A meat cartel already accounts for over 80% of the meat processed in the United States, including Cargill, ConAgra, IBP, and Tyson. Smaller owner-operators, already in financial trouble, will be forced by the "free enterprise" provisions into an impossible competitive disadvantage. The local, smaller operations will get none of the tax breaks given to the large operations that sell stock to investors, and that hire hourly workers to tend their livestock.

The House bill gives corporations a 15% employer-tax credit for the first $20,000 in wages paid to each employee. The bill also allows investors to write off 100% of the cost of buying stock in new corporations set up inside the zones. Large livestock companies could set up new corporate offshoots in which they would be the majority stockholder, but sell a portion of the stock to investors. There are no stipulations that local entrepreneurs and residents get advantages; just the opposite.

Already, giant meat production units are in the making in the farm belt, under the name of "rural revitalization," while family farmers and independent processors are being ruined. Take pork as an example. On July 21, a huge new hog operation was announced to be located in Logan County, Oklahoma, in the northwestern part of the state. Cimarron Pork, Inc. plans to set up a $12.5 million farm on 320 acres in the Cimarron River basin.

The project is to start with 2,400 sows that will be bred to produce 55,000 feeder pigs (50 pounds a pig) sold under contract to farmers to finish. Subsequent expansion phases are planned to create two more 2,400-sow facilities, resulting in an "agriplex" housing also 7,200 gilts and 400 boars, and producing 150,000 feeder pigs a year.

Oklahoma Gov. David Walters and state Rep. Sean Voskuhl (D-Marshall) have praised the project, though Cimarron Pork will create only 55 jobs. Voskuhl told the press that the Oklahoma site was chosen because of its economic advantages, including cheap land and energy prices relative to such traditional swine-producing states as Minnesota, Indiana, Illinois, Iowa, and Nebraska.

On July 27, Tyson Foods, Inc. of Springdale, Arkansas, one of the nation's largest producers of hogs (accounting for 1 million head annually), announced that it is entering the hog-slaughtering business with the purchase of Mariah Packing in Monmouth, Illinois from Purina Mills, Inc.

Tyson is a monopoly poultry producer and processor, controlling broiler production from the stage of raising the birds, through to slaughtering, processing, and selling brand-name products. Now it is moving to produce pork "from birth to shelf." The company already operates Henry House, supplying pork for institutions in Holland, Michigan. With the Mariah facility, Tyson could refuse to process any but its own hogs, cutting out area farmers.