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Family and Individually Operated Farms and Sustainable Communities

by Alan N. Connor



Hart-Parr - Founders of the Tractor Industry
Courtesy of Floyd County Historical Society (Iowa)

Since World War II and the Eisenhower administration, the number of farms and farmland acreage has decreased drastically in the United States. Most of the farms that have been lost were relatively small, operated by families and individuals that had homesteads on the land they farmed. Farming to them was more than a business or a way to earn a living; it was a way of life that incorporated the values of a loving family, good neighborliness, independence, stewardship of the land, making the highest and best use of God's Earth. Farming to them was caring for the soil, the water, and the animals. For many it was a spiritual journey.

In Michigan, my home state, we lost 70 percent of our farms between 1950 and 1992 (U.S. Dept. of Commerce, Census of Agriculture). Most of them were lost between 1954 and 1974. Those losses are consistent with recommendations of the Committee for Economic Development (CED). The CED was organized after World War II and consisted of CEO's of some of the nation's wealthiest corporations, including banks, brokerage firms and insurance companies.

David Rockefeller was its first chair. Although the CED was not a government agency or organization, it had considerable influence on government and Wall Street. One recommendation in its 1953 report follows:

Our program would involve moving off the farm about two million of the present labor force, plus a number equal to a large part of the new entrants who would otherwise join the farm labor force in the next five years (Ritchie and Ristau, 1986).

The rationale for this recommendation was that industrialization would make agriculture more efficient and the urban labor force would be improved by moving farmers to the cities because farmers were reputed to be hard workers.

The Committee's 1962 report boasted that its policy of moving millions of independent farmers off their farms and into the urban workforce was successful. Labor intensive small farms—we don't know how a small farm was differentiated from a large farm—were being replaced by capital intensive, mecha-

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Quaker Eco-Witness (QEW) promotes government and corporate policies to help restore and protect Earth's biological integrity. It works within and through the Religious Society of Friends for policies that enable human communities to relate in mutually enhancing ways to the ecosystems of which they are a part. This witness seeks to be guided by the Spirit and grounded in reverence for Earth's communities of life as God's creation.

QEB's purpose is to inform the **QEW** network to advance Friends' witness on government and corporate policy as it relates to the ecosystems that sustains us. Each issue is an article about timely legislative or corporate policy issues affecting our society's relationship to the earth.

Friends are invited to contact us about writing an article for *QEB*. Submissions are subject to editing and should:

- Provide background information that reflects the complexity of the issue and is respectful toward other points of view.
- Explain why the issue is a Friends' concern.
- Describe the positions of other faith-based and secular environmental groups on the issue.
- Relate the issue to legislation or corporate policy.
- Provide sources for additional information.

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nized large farms. During the Eisenhower Administration, Secretary of Agriculture Ezra Taft Benson told farmers to "Get big or get out." That policy was implemented with a vengeance during the Reagan Administration when John Block was Secretary of Agriculture. Representatives of the Farmers Home Loan Association (FHLA) and the Land Bank went to farmer's homes and persuaded many of them to take out loans to expand and modernize their operations.

Overproduction and Foreclosure

At the same time the U.S. Department of Agriculture (USDA), under Secretaries Benson, Butz, and Block, was paying farmers to over-produce via subsidies, which increased supply to the middlemen and decreased demand and price at the farm gate. When farm gate prices and farm land values declined to a level that was less than the principal of the loan, the FHLA, the Land Bank, the Production Credit Association, and many private banks, rushed to foreclose. I knew farmers who had not defaulted on loans but were foreclosed on because the appraised value of their property had declined below the value of their loans.

The farm credit agencies often sell the land they have foreclosed on at less than full value. In some cases they received only 40 cents on the dollar. Often the purchaser is a corporation or a syndicate of urban business people who know and care nothing about land stewardship, farming, and rural life. They care nothing about where and how their food is produced and have no idea whether it is safe and healthful.

Wholesale and retail prices did not decline, however. The Commodity Credit Corporation (CCC), a federal corporation, granted loans to large capital intensive, corporate operators who used their crops as collateral. When the borrowers defaulted on the loans, the CCC took the crops that it held in storage and the loan was considered paid in full. Of course U.S. taxpayers paid for the storage of grains, butter, dried milk, peanuts, peanut butter, cheese, etc.

Price supports were enacted after World War II to guarantee farmers a decent price for their product and to keep them on the farm. There also were price caps established during the war to keep some farmers from overcharging for food commodities, such as meats and sugar that were in short supply. Price supports have continued and are in force today. If the price at which a farmer sells his or her crop is less than the support price, he or she can apply to the USDA for a loan deficiency payment, which is the difference between the market price and the support price.

Price Supports and Corporate Farms

For the large corporate farms, deficiency payments can amount to millions of dollars. To the smaller independent family or individual farmer the deficiency payment does not amount to much. Most of the farmer's income including deficiency payments must be used to service debt. During the 1980s, interest on much of that debt was anywhere between 13 and 21 percent.

Many large corporate and factory farms are subsidiaries of holding corporations, such as TRW, Tenneco, Occidental Enterprises, Dean Foods, super market chains, and insurance companies. Companies such as Pruden-

tial, John Hancock, and Travelers have become farm owners via foreclosure. They hire managers and use the most environmentally unfriendly chemicals and mechanical methods. In essence, they mine the soil, and pollute ground and surface water. When the soil is no longer productive, they develop the land themselves or sell it to a developer at a much higher price than the value of agricultural land. They can write off farm operation losses on their federal tax returns, as well as collect millions in deficiency payments.

Agribusiness and Pollution

The very large corporate agribusiness operations that totally confine thousands of animals are environmental disasters waiting to happen. Manure management is an ecological problem. The amount of land on which such operations are built is not usually enough for spreading all the manure produced. The lagoons in which the manure is stored eventually leak and allow the manure to leach into nearby surface and ground waters polluting them with nitrogen, which stimulates vegetation growth in the streams, lakes, and rivers crowding out aquatic life. Fecal bacteria that leak from lagoons into rivers, lakes, and streams can be hazardous to the health of those who drink the water, eat the fish, or swim in the water.

Many family-sized farms have been convinced to use capital and chemical-intensive methods by our land grant college research and extension programs and the American Farm Bureau Federation. In many cases such methods do not fit the family-sized operation. Most machinery, implements, and other farm technology manufactured in the U.S. today are designed for the huge factory farm.

Ecological, Labor-Intensive, Efficient Farming

In contrast, independent, relatively small family and individually operated farms try to maintain soil fertility and reduce chemical inputs—herbicides, insecticides, and synthetic fertilizers—to the least amount that makes their yields profitable. Many such farmers have moved to natural or organic farming where they use natural fertilizers, birds, and other insects to get rid of those that harm crops, and soil conditioning methods that suit the crops they raise. They also raise a diversity of crops and livestock that replace nutrients in the soil and maintain its fertility because they know that is what the Creator intended.

Not only are the independent family and individual farm operators who reside on the land they farm more likely to be better stewards of their land, they are also more efficient than the large factory farm. In a study comparing labor intensive Amish farms, conventional family-sized farms, and factory sized farms, the Amish were the most efficient when energy inputs and energy outputs were measured. (Johnson, et. al. 1977.)

Johnson and his colleagues found that most very large factory farms had a net energy loss. If fossil fuel energy, irrigation, and grazing land were not subsidized and if large factory farm owners could not collect the bulk of USDA's deficiency payments, most probably could not stay in business.

Some family and individually owned operations have become agribusinesses. The American Farm Bureau Federation, has preached "get big or get out," to its members. The Agriculture Extension Service and the Farm lending institutions have hyped that line also. Some farmers have done that successfully, but most of those who have tried to expand to a size that competes with corporate-sized factory farms have defaulted on loans they could not service due to high interest rates and low prices.

Community Sustainability

Large agribusinesses, whether they be dairy, beef, or hog feeding factories, cash grain or fruit and vegetable producers, do not purchase their capital equipment, seed, feed, and fertilizer from local businesses. They buy fleets of tractors, combines, and other implements directly from the manufacturer. (Tenneco owns the Case-International tractor and farm implement corporation.) Seed, feed, and fertilizer is shipped in by the railway carload from the processor. Thus, local farm supply businesses close and people move away. Churches, schools, and other public services and institutions can no longer operate because the tax revenue is no longer adequate to support them. Such operations do not sustain communities—they suck the life out of them.

In 1944 Walter R. Goldschmidt studied two farm communities in the Central Valley of California. One was primarily a community of large, agribusiness farms—average size 497 acres—and the other was a community of small, family operated farm—average size 57 acres. They noted that the town the family farms surrounded and supported was a better place to live than the town in the agribusiness community.

The family farm community had more schools, three times more churches, more community social events, and active social and civic organizations. It had more parks and places for meeting and recreation. A higher proportion of the town residents and farmers participated in community decision-making because social distance between hired workers, farm owners, and town business owners was less in the family farm community than in the agribusiness community. Houses and public buildings of the small farm community's town were built for permanence, and the major business and residential streets were paved. The small family farm community had a larger population than did the town in the agribusiness farm community because those farms supported more persons per acre than the large farms could.

Current Agriculture Legislation

The Bush Administration's 2004 budget proposal has recommended reducing two programs that are important for family farmers and for the environment. The Conservation Security Program (CSP) gives grants to farmers who take land out of cultivation for row crops and put it into hay or pasture that will improve or maintain its quality. Wetlands preservation is included in CSP. The Environmental Quality Incentive Program (EQIP) allocates funds to enable farmers to bring their excretia management operations (manure/urine lagoons) up to EPA standards with regard to effluent discharge and air quality. The Administration budget proposal reduces appropriations for both CSP and EQIP to almost nothing, diverting those funds to other agri-corporation uses.

Country of Origin Labeling is proposed legislation that most independent farmers believe is extremely important. It allows consumers to make informed choices in regard to the source of the food they buy. Under this legislation, some foods must also include ingredients if they are combined. Corporate food processors are fighting this labeling requirement because they have investments in foreign factory farms.

Conclusion

In conclusion, from the environmental, economical, political, and socio-cultural perspectives the smaller, family-sized farm is better for the local community than the very large, agribusiness farm. If it is better in all localities from all those perspectives, then it is logical to assume that it is better globally from a spiritual perspective.

What Friends can Do

To help preserve independent family and individual farm operations and rural communities in our home and nearby rural counties, Friends can:

- 1) Buy as much food as possible from local independent producers.
- 2) Encourage the establishment of a farmers market in your town or city so that local producers can sell fresh, healthy food to local consumers at prices profitable to the producer and reasonable to the consumer.
- 3) Encourage local grocery stores to buy and sell locally produced products. (Here in Michigan some of us are boycotting Washington apples. Michigan apples are just as good and fresher when sold here. We are also boycotting Old Orchard fruit juices. Old Orchard is a Michigan corporation that imports concentrated apple juice from China's agribusiness corporations rather than using Michigan apples for juice. Chinese farm labor is underpaid and overworked.)

4) Call and write federal legislators to urge them to maintain the allocations recommended in the 2002 farm bill for such items as the Conservation Security Program and the Environmental Quality Improvement Program.

5) Urge your legislators to support Country of Origin Labeling of meats, dairy products, fresh fruits and vegetables.

For Further Information

Alternative Farm Systems Information Center: Sustainable Agriculture <www.nal.usda.gov/afsic/agnic/agnic.htm>

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