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THE CORPORATE FARMING DEBATE IN THE POST-WORLD WAR II MIDWEST

JON LAUCK

Ben Hogan balanced a mix of milk cows, corn, soybeans, sheep, and turkeys, avoided borrowing too much, invented his own machinery, and maintained an orderly farm, keeping his fences “horse high, bull strong and hog tight.” Above all, he worked hard: “He worked and never slowed. He bulled his way through the house before sunrise each morning, growling to his sons to get out of bed and do the chores.” He motivated the sons, who worked as hard as he did, by telling them “You’re the laziest damned rednecks I ever laid eyes on. You’re the weakest goddamned mollycoddles I ever seen.” He souped up his tractors so “he could plow or disc or cultivate more acres per day than anyone else in the county.” By the time World War II started he bought out three other farms around Nowell, South Dakota, expanding his operation from 160 acres to 480.¹

Like millions of other midwestern farmers during the postwar price plunge, however, Hogan’s fortunes collapsed. When his credit dried up, he borrowed money from the Nowell-Safebuy processing plant, which had purchased his mortgage from the bank. The loan stipulated that the turkeys he raised with the borrowed money could only make their way to the Nowell-Safebuy, where the company could choose the turkeys it wanted and refuse to buy the undesirables. Ben hated the arrangement: “There ain’t a dirt farmer got a pot to piss in, what with prices are this year. . . A man either keeps raising turkeys or he don’t get no loans. A man can’t make it without loans. There’s no telling how many farms gone under that way since the war. And the Nowell-Safebuy ends up with ‘em all.” When feed costs increased, Nowell farmers could not make their loan payments and filed suit against Safebuy. The judge ruled that the contract gave Safebuy

¹ [GPQ 18 (Spring 1998): 139-53]
“undue bargaining power to set prices on the products it buys and undue power to depress prices in a regional market it virtually controls” and refused to “enforce unconscionable bargains.” The company then decided on a new corporate strategy, actual ownership of the turkey farms, bypassing the family farmers completely and creating a larger, more efficient, integrated corporate farming institution.2

The strategy of the Nowell-Safebuy described in Douglas Unger’s novel Leaving the Land is not new. Corporate attempts to take advantage of scale in American farming are as old as the Republic, but their limited successes kept public criticism at a minimum. The years after World War II, however, marked a “major turning point in American agricultural history” when corporate farming—agricultural production conducted by large-scale industrial corporations in lieu of family farms—became a heated public issue.3 “[Y]ou would end up with what they had in Poland,” predicted the manager of the Grain Terminal Association, “where a large number of great big, fat landlords owned the land, and it was worked by millions of peasants—complete feudalism.” Senator Gaylord Nelson (D-WI), a prominent leader in the effort to curb corporate farming, constantly attacked the “trend toward corporate farms” and attempts by corporate agribusiness to “complete the vertical chain from seed to supermarket.”4 Such fears resulted in a series of studies and long public debates over the issue and prompted significant legislative action, especially at the state level. In retrospect, contemporary warnings about the “emotional appeals” of the anticerporate farming advocates and the “crisis atmosphere” they created seem justified.5 The changes that took place were more influenced by the consolidation of existing family farms than any outside “corporate invasion.”

The debate continues, however. In 1982 Nebraska passed Initiative 300, amending the state constitution to allow only family-farm corporations to engage in farming. In 1983 Jim Hightower, the anticerporate farming activist, was elected agricultural commissioner in Texas. In 1988 South Dakota toughened its corporate farming law to prevent National Farms from establishing a large-scale livestock operation in the state. More recently, fourteen counties in Kansas put anticerporate farming laws on the ballot and they passed in twelve. More than a dozen family-farm, religious, and environmental groups are currently working to prevent large-scale hog operations from becoming the norm in Iowa.6

In the postwar years the president of the National Farmers Organization (NFO) believed that the country was “losing free men” to a corporate agriculture that would soon control farmers’ lives like the large growers in California controlled Mexican farm workers. He viewed corporate involvement in farming as “Phase I of a corporate takeover of the food industry, which would involve acquiring or controlling all phases of production, processing and retailing.”7 The Washington Post noted fears of “20th century agricultural feudalism,” the president of the Agricultural History Society cited the fear of “a latter-day enclosure movement in the American countryside,” and a prominent agricultural economist feared “farming [would] be swallowed up” by corporate conglomerates “as nonchalantly as a pelican swallows a fish.”8

The arguments drew on the historical view that the proper form of the market economy was that of many scattered small-scale producers, a system perverted by the coming of big business in the late nineteenth century. The result was the concentrated wealth and power of the “moneyed men,” the essence of the “monopoly problem” to some, in sectors like steel making and car building. The opponents of corporate farming feared that “agriculture [would] become—like steel, autos, and chemicals—an industry dominated by giant conglomerate corporations such as Tenneco.” Protesting the establishment of a large-scale hog production facility in the early 1970s, the NFO declared that “We are not going to allow
a handful of corporate executives to control food production in the manner in which they now control oil, drugs, and autos."

Given the events of the era, frequent comparisons were made to the competitive problems of the oil industry. Congressman David Obey (D-WI) compared the corporate farming issue to "Our troubles with a few oil giants," and Micki Nellis of American Agricultural News argued that "When the same companies which control the energy also control the food, they can bring any nation to its knees—including America." Senator Abourezk of South Dakota agreed that "While monopoly control in food is not yet what it is in oil, all the symptoms are there." An oft-sighted bumper sticker on midwestern pickups: "If you think oil prices are high, wait till they own the farms."10

Earl Butz, Nixon's choice to be secretary of the US Department of Agriculture (USDA) in 1971, contributed further to the fears of corporate farming. Butz worked for the much-hated Secretary of Agriculture Ezra Taft Benson in the 1950s, advocated rolling back farm programs, encouraged larger farms, and served on the boards of agribusinesses like Ralston-Purina and Stokely-Van Camp; he was barely confirmed by the Senate after a bitter debate. When anti-corporate farming bills came before the Congress his department opposed them, earning him condemnation as an "apologist for corporate power" from the New York Times and many others.11

The views of those farmers who felt they were being sold out to corporate agriculture seemed legitimized when it was revealed that some government officials were involved as corporate officers or consultants to agribusiness. Clifford Hardin, who was replaced by Butz as secretary, took an executive position with Ralston-Purina when he left. Clarence Palmby, who was assistant secretary of agriculture when the Russian grain sales of 1972 were organized, afterward went to Continental Grain Company, one of the major companies involved in the transaction. Another assistant secretary, prior to taking his post, was a senior vice president at Bank of America, which was involved in corporate farming investments. Virgil Wodika, before taking over the Food Bureau of the Food and Drug Administration (FDA), was a paid consultant to Ralston-Purina, Libby, McNeill & Libby, and Hunt Foods.12

Thus, Congressman Jim Abourezk (D-SD) could tell the statewide South Dakota Farmers Union picnic in 1972 that USDA officials were "retreads from the Benson era or recent recruits from the corporate boardroom." When running for president that year, Senator George McGovern asserted that Butz "was thoroughly committed to the gentlemen farmers in agribusiness, who couldn't tell a chicken coop from a chain store." Senator Fred Harris (D-OK) could argue that "the government has continually sided with the giant agribusinesses, turning its back on the little man." Senator Edward Kennedy (D-MA) warned the Iowa Farmers Union that "we may be forced to watch corporate agriculture spread its tentacles to every farm in the nation." When running for president in 1976, Jimmy Carter could denounce the "sweetheart arrangement" between USDA, big grain firms, and agribusiness. The Agribusiness Accountability Project could label the agribusiness-USDA connection as "Agri-Government." And a farm couple could tell Senator Hubert Humphrey (D-MN) that "the Department of Agriculture & Administration & Big business guns [were] out to get [them]."13

Many believed that corporate influence also dominated the land-grant colleges that were responsible for research and extension services for agriculture. The farm activist Jim Hightower argued in 1972 that "[The land-grant college complex]—composed of colleges of agriculture, agricultural experiment stations and state extension services—has put its tax dollars, its facilities, its manpower, its energies and its thoughts almost solely into efforts that have worked to the advantage and profit of large corporations involved in agriculture." Instead of providing leadership on issues like the corporate farming debate, "the land grant
community has ducked behind the corporate skirt, mumbling apologetic words like 'progress,' 'efficiency,' and 'inevitability.'" When land grant colleges did conduct research, many farmers and farm groups did not believe the studies because of the colleges' corporate connections.14

The federal Small Business Administration (SBA) also received criticism. Created in the 1950s to offer low-interest loans to start-up businesses, the SBA made loans to individuals hoping to start livestock confinement operations, creating a great deal of hostility from farmers already established in livestock production. Senator Nelson, chairman of the Senate Small Business Committee, noted SBA support for hog confinements: "The SBA's loan practice in this area is especially disturbing because hogs are known to many farmers as 'mortgage burners'—low capital ways for young farmers to get a foothold in farming. As it stands, the SBA's policies are helping to fund the very factories which are driving people out of farming."15

The suspicions and fears and prognostications of a "corporate takeover" of production agriculture were consistently legitimized by farm-state politicians. The corporate farming issue became a staple of postwar Democratic politics beginning in the 1950s. George McGovern of South Dakota is a good example. When changes in the poultry industry in the 1950s increased production and efficiency, it tended to drive egg prices down, triggering angry letters from farmwives about the dwindling amount of "egg money." McGovern responded by criticizing the "huge corporate interests" and "vertical integration" in farming.16 During his 1960 senate race against Senator Karl Mundt (R-SD), McGovern told a Democratic fund-raiser that "If Nixon is elected, with men like Mundt who support him . . . the family farm is doomed as an institution and corporate agriculture will sweep the country."17 When he ran for president in 1972 he advocated his bill to "prohibit giant non-farm conglomerates from taking over family farms" and the Democratic platform stated that the "family-type farm is threatened with extinction. American farming is passing to corporate control."18 Politicians such as Senators Nelson, Hubert Humphrey (MN), Walter Mondale (MN), James Abourezk (SD), Harold Hughes (IA), Frank Church (ID), and Fred Harris (OK) all invoked the issue in similar ways.

In addition to elected officials and the warnings of prominent farm organizations like the Farmer's Union and the NFO, religious leaders (especially Catholics), environmentalists, assorted writers, and network television were involved in the corporate farming debate. The rural life director of the Catholic Church in South Dakota told the state legislature that "The family and ownership of land is the natural God-given way of human living and whenever the church or the state or powerful influential people forget that, and take over the ownership of God's land in a disproportionate manner, the economic, spiritual, and social balance of a nation is disturbed and evils of every kind result." The director of the Heartland Project of midwestern Catholic bishops asked that the "ideology of 'free enterprise'" be subsumed to "Christian, Jewish, and humanist perspectives that emphasize relationship, interdependence, and distributive justice, including fair compensation." In 1973 the Nebraska Catholic Conference advocated legislation to stop the "expansion of giant farm corporations" and called on Catholics in Nebraska to inform themselves on the issue, to celebrate Rural Life Sunday, and to support groups with similar views; internationally, the church adopted the view that "if certain landed estates impede the general prosperity because they are extensive, unused, or poorly used, or because they bring hardship to peoples or are detrimental to the interests of the country, the common good sometimes demands their expropriation."19 In 1979 the president of the National Catholic Rural Life Conference reminded Catholics that "we are but sojourners and guests upon the Lord's land," promoted farming "as a way of life," and criticized "An agriculture characterized by industrialized
farms with absentee owners [which] benefits a relatively privileged few and seriously weakens the nation’s stability.” The forty-four members of the Midwestern Roman Catholic Bishops also published the pamphlet Strangers and Guests: Toward Community in the Heartland, which proposed ending corporate acquisitions of farmland. When the NFO, which had a disproportionately high number of Catholic members, started advocating collective bargaining for farmers as a strategy for preserving family farms and avoiding corporate agriculture, the church supported their efforts. Pope John XXIII even released a papal encyclical on agriculture promoting collective bargaining.

Environmentalists also objected to corporate farms, viewing them as “unnecessarily disruptive of the environment,” using more pesticides and herbicides, generating more waste, and producing surpluses that depressed prices, hurting small farmers. Senator Nelson, one of the earliest advocates of environmental protections in the 1960s and 1970s, urged cooperation between environmental groups and small farmers. During debate over an anticorporate farming bill in 1972, Nelson’s legislative assistant told environmentalists to support the bill because the “small, independent farmer has close ties to the land and therefore is far superior to the insensitive manager when it comes to environmental protection.”

Activists included Wendell Berry, probably the best-known critic of “industrial agriculture.” When Earl Butz reviewed Berry’s book The Unsettling of America, the clash between Butz’s view of free-market economic change and Berry’s defense of “agricultural fundamentalism” and the “man-earth relationship” became clear. The Center for Rural Affairs, founded in 1973 in Walthill, Nebraska, by the activist Marty Strange, consistently advocated reducing technology and energy-intensive inputs, the use of which it considered part of the country’s “cultural crisis,” and promoted “renewable and sustainable” farming as an alternative.

In 1971 NBC produced a program entitled “Leaving Home Blues: An NBC White Paper on Rural Migration.” In the program, news correspondent Garrick Utley spoke of “forced migration: the movement of people from rural America who don’t want to go. Who would not go if they had a choice. But the choice is gone: devoured by markets and mechanization in agriculture and the failure of industry or government to provide new or adequate jobs.” Nebraska, one of the areas featured in the program, in the ten years prior to 1971 had seen 73,000 more people leave the state than enter. One Nebraska farmer offered to show the newsmen all the vacated farmsteads and the planted fields where farmers’ homes had stood five or ten years prior. The program forcefully depicted the problem of rural depopulation but infuriated anticorporate farming advocates for not making a more specific link to corporations. The Agribusiness Accountability Project, which helped NBC produce the show, attacked the network’s president for his “toothless,” “superficial,” and “cowardly” production, accusing him of deleting the mention of “every corporate offender that is big enough to cause trouble for NBC.” The Agribusiness Accountability Project and others made clear to the public that they believed corporate farming accounted for the outmigration.

Perhaps the most convincing evidence of an impending corporate order in grain belt farming were precedents in the American South, California, and the Third World. The changes in poultry that led to a large degree of contractual integration between corporations and small farmers was perhaps the most daunting. As the New York Times told the story, “Until after World War II, many broilers were raised in the barnyards of family farms. Small flocks of chickens, always underfoot, supplied added income, cash for birthday presents or a winter weekend in the city. Today, there is virtually no market for barnyard chickens. Instead, the family farmer is usually growing broilers under contract for one of the big-agrigiants.” The corporation could reduce
payments or cut the farmer off completely at any time, but it was difficult for the farmer to escape since he owed the corporation for the production supplies furnished by the corporation. The situation triggered lawsuits on the Delmarva Peninsula and farmer-picketing of corporate offices in northern Alabama. The USDA calculated that the chicken farmers were making about 54 cents an hour, an arrangement denounced as "poultry peonage" by Ralph Nader and his raiders. Roger Blobaum, an Iowa Democrat who ran for Congress in 1970, argued that "The value of corporate secrecy was dramatically illustrated in the 1950s when feed companies persuaded chicken growers in the South to sign contracts that made them as powerless as sharecroppers." Harrison Wellford, a Harvard fellow connected to Nader's Center for the Study of Responsive Law, invoked the fear of such conditions migrating north: "The role of major national corporations such as Ralston-Purina and Pillsbury in the integrated chicken industry of the south should be instructive for all those who wish, for social or economic reasons, to preserve the independence of the family farmer." The president of the NFO in 1971 issued warnings about the "Kleen Leen" integration contracts offered by Ralston-Purina, who "draws on years of experience turning independent broiler growers in the South into low-income contractors." The president of the NFU argued that "This is bringing business integration right onto the farm, somewhat reminiscent of the notorious sweat shop system for sending piece-work into tenements for cheap hand labor." Jim Hightower asserted that "This corporate invasion of poultry has humbled thousands of these small farmers, reducing them from hearty free-enterprisers to assembly-line cogs." Many feared that the "contract system [that] has turned many chicken producers into little more than low-paid employees of the large broiler companies" would also develop in grain-belt hog, cattle, corn, wheat, and bean sectors. The NFO consistently cautioned against the coming of vertical contracting to the grain belt. As they saw it, packers and processors could use individual contracts with farmers to undermine the collective bargaining for a master contract that the NFO advocated. Ralph Nader came to the NFO convention in 1971 and echoed the complaints about the government's "refusal to invoke the antitrust laws against vertical integration." Grain belt fears of corporate takeover were also enhanced by stories originating in California. Tenneco, Standard Oil of California, and Belridge Oil Company, for example, all bought large pieces of land on which to grow fruits and vegetables. The Federal Trade Commission actually charged United Brands and Purex Corporation with seeking to monopolize the production of fresh vegetables, arguing that United Brands was trying to change the lettuce and celery business from one of small, independent growers to one dominated by conglomerates. The concerns among grain-belt farmers were also heightened by the steady stream of stories in the postwar period about the plight of farm workers, especially in California. Many believed that theirs was a future of wage-labor to mega-farms, like the Mexicans picking lettuce, grapes, strawberries, and tomatoes in the Central Valley—like the Joads' journey from independent Plains farmers to California farm workers in The Grapes of Wrath. Religious leaders and social reformers in the 1950s, reform politicians and the media in the 1960s, coupled with President Johnson's War on Poverty, highlighted the problems of the farm workers of California. When the Agribusiness Accountability Project was formed in December 1971, its stated purpose was to study the problems of farm workers and expose the agribusiness conglomerates that frustrated efforts to help them—it was not long before the mission of the organization was expanded into corporate farming and antitrust areas.

Lurking behind the fears of the California system was a 1946 study—The Tale of Two Cities—of two small California towns in the Central Valley, Arvin and Dinuba. One of the communities was dominated by large-scale corporate farming and the other was
structured in a pattern similar to small towns in the grain belt, with many small, dispersed family farms comprising the agricultural community. Although the two towns were in the same climate, produced the same amount of commodities, and were equidistant from other towns, cities, and transportation, other differences were striking. The town surrounded by family farms had more and better schools, churches, recreational facilities, civic organizations, public services, a better standard of living, greater individual ownership, and a 61-percent-larger retail trade. Many grain belt leaders believed such traditions and institutions in their small towns would be destroyed with the coming of corporate farming. 33

When the United States became heavily involved in foreign aid after World War II, policy-makers placed a steady emphasis on land reform in recipient countries. Said President Truman to the United Nations: "We know that peoples of Asia have problems of social injustice to solve. They want their farmers to own their land and to enjoy the fruits of their toil. That is one of our great national principles also. We believe in the family size farm that is the basis for our agriculture and has strongly defended our form of government." Ngo Dinh Diem received lectures about the need to broaden land ownership in South Vietnam and the countries of Latin America were steered in this direction by the Alliance for Progress, as were all the countries that participated in the United Nations' World Land Reform Conference in 1966. Harold F. Breimyer, an agricultural economist at the University of Missouri, noted that "Our development counselors exhort nations so burdened to undertake agrarian reform. Fine; but we ought also be mindful of our own state of affairs" and other farm advocates offered warnings about the potential "Central Americanization" of the grain belt. 34 Later in the same year that Breimyer made his comments, for the first time in American history, a National Land Reform Conference was held in San Francisco and the corporate farming issue discussed. Smaller midwestern land conferences were later held to carry on the work started in San Francisco, and Senator Fred Harris (D-OK) extolled the "need for land reform" in the Senate. 35 The president of the NFU even advocated a land reform program in which the federal government would buy good land for resale to small family farmers at reduced prices. In 1975 the NFO called attention to the death of Wolf Ladejinsky, who fled Bolshevism in the Soviet Union in 1922, came to the United States and received a master's degree in agricultural economics in 1931 from Columbia, and became an advocate of land reform. By helping to coordinate the redistribution of land in postwar Japan, South Korea, Taiwan, and South Vietnam, he became "Russia's greatest enemy in Asia." The NFO noted that when the communists invaded South Korea, they met little resistance where land was held by a few large landholders but met heavy resistance where land reform had succeeded: "The inhabitants there had a stake in the land and organized to defend it." They juxtaposed Ladejinsky's work with Secretary Butz's "advocacy of big, integrated agricultural operations." 36

As the Arvin and Dinuba and land reform arguments indicate, one of the core criticisms of corporate farming involved the corrosive affect of concentrated land ownership on republicanism and the civic tradition. The images of antirepublican regimes like the landed caudillos of Latin America, the injustice of concentrated land ownership in South Vietnam, the feudal kingdoms of medieval Europe, and the enclosure movement were all invoked against corporate farming. As opponents saw it, the new land barons would be corporate conglomerates like Tenneco and ITT. The goal of the Arvin and Dinuba study was to test the "hypothesis that the institution of small independent farmers is indeed the agent which creates the homogenous community, both socially and economically democratic." The president of the Iowa Farmers Union was opposed to "corporate agriculture of the Fascist type," and Senator McGovern, on the floor of the Senate, wondered "whether
the new society toward which we are heading, a sort of corporate collectivism, is what we really want." Not by accident, Senator Nelson's subcommittee print after the corporate farming hearings quoted Webster:

Our New England ancestors brought thither no great capitals from Europe; and if they had, there was nothing productive in which they could have been invested. They left behind them the whole feudal policy of the other continent. . . . They came to a new country. There were as yet no lands yielding rent, and no tenants rendering service. The whole soil was unreclaimed from barbarism. They were themselves either from their original condition or from the necessity of their common interest, nearly on a level in respect to property. Their situation demanded a parcelling out and division of the land, and it may fairly be said that this necessary act fixed the future frame and form of their government. The character of their political institutions was determined by the fundamental laws respecting property. . . . The consequences of all these causes have been a great subdivision of the soil and a great equality of condition; the true basis, most certainly of popular government. 38

Fewer farms also meant more farmers were forced to migrate to the most unstable, violent (especially in the mid-1960s), socially stratified, and undemocratic of places, the big cities. "The mobs of great cities," Thomas Jefferson said, "add just so much to the support of pure government, as sores do to the strength of the human body." A North Dakota farm couple argued that the corporations are "driving contented folks off the land to the already congested, crime-laden city life. This is certainly not the way the Good Lord intended it to be." M. W. Thatcher agreed: "I think and I believe that the most important thing that we have to do to maintain democracy is to preserve on the farm lands that independent husband and wife and those children in that castle on their land, that farm family on their land, supporting these villages and these towns and maintaining that character of life, or you won't have a democracy fifty years from now. It's both, or neither. You don't think there's any democracy in Harlem, do you?"
The president of the NFU added other "festing ghettos—Watts, Detroit, Chicago, and Washington." 39

In 1968 Senator Nelson's Small Business Subcommittee on Monopoly held regional hearings on the subject of corporate farming (one of the stated goals was to update the Arvin and Dinuba study conducted in 1946). 40 The first hearing began on 20 May in Omaha, Nebraska. The president of the National Farmers Union, Tony Dechant, and the presidents of the Nebraska, Iowa, and South Dakota Farmers Union all testified. Dechant warned of corporate farms taking advantage of tax write-offs, wreaking environmental damage, threatening small rural communities, and interfering with traditional marketing systems. Ben Radcliffe, president of the South Dakota Farmers Union, argued that a study by his organization discovered "452 corporations owning agricultural land in South Dakota, totaling 1,633,529 acres, or the equivalent of five medium-sized South Dakota counties . . . one out of every 27 acres of farmland in our state." 41 The second hearing in Eau Claire, Wisconsin, was delayed by the assassination of Senator Robert Kennedy—who received significant farmer support in his presidential primary wins in Nebraska and South Dakota that year—but produced similar testimony when it was held. 42 Later in the year the NFU released its book The Corporate Invasion of American Agriculture, hoping it would publicize the problem and reverse the view that the loss of family farms was inevitable. 43

Those alarmed by the trends they detected could point to several examples. Based on its experience operating a 180,000-acre ranch in Wyoming, Gates Rubber Company bought several thousand acres in Colorado and also set up egg production operations in Colorado and New Mexico. The NFU argued that Gates
was buying so much land that it was driving land values to a level that prohibited local farmers from expanding. Kansas City-based CBK Industries moved into production agriculture, and the president promised a whole new age of farming. The president of the Iowa Farmers Union also reported on the 6,000-acre operation known as Shinrone Farms, which bought hundreds of thousands of dollars in machinery from Massey-Ferguson and painted them white with green shamrocks due to the "sentimentality about Ireland" of the owner, a Detroit trucking executive. The Center for Rural Affairs reported on forty-three "factory-type" hog operations in Nebraska in 1974. Environmental Applications Inc. started an eighty-acre operation in southwestern Minnesota to produce 13,000 hogs a year. Swift and Ralston-Purina proposed a $2.5 million-a-year hog production operation near Kahoka, Missouri, which the NFO feared would eventually "monopolize a whole type of production" through "elimination of independent producers of hogs and consequent elimination of effective and efficient competition."

The Arizona-Colorado Land & Cattle Company expanded its holdings to 1.2 million acres and started cattle feedlots and meatpacking. The Ceres Land Company of Sterling, Colorado, acquired several thousand acres of land in eastern Colorado to irrigate pastures and feed cattle. More familiar companies cited in the debate include Tenneco, American Cyanamid, Bunge Inc., Del Monte, Goodyear, Gulf & Western, Heinz, Libby-McNeil & Libby, Minute Maid, Pillsbury, Standard Oil, DuPont, Dow, Chase Manhattan, Getty Oil, and Textron. Tenneco, the thirty-fourth-largest US corporation who promised its stockholders "integration from seedling to supermarket," became a symbol of the much-feared "corporate farmer." Once Tennessee Gas Transmission Company, Tenneco expanded into oil production, shipbuilding, chemicals, manufacturing (including the acquisition of J.I. Case), and tens of thousands of acres of land for growing fruits and vegetables, and was seen as representa-

tive of the "conglomerate invasion of agriculture."44

In the early years of the debate the studies and statistics of corporate farming were always in dispute. At the opening of Senator Nelson's hearings in Omaha, two agricultural economists from the University of Nebraska argued that information on the level of corporate farming was simply not available, despite the examples cited by the many witnesses calling for legislation. The NFO, on the other hand, constantly pointed out that the level of contractual integration was obscured, that the USDA was using 1963 statistics as late as 1971, and that professors at land-grant colleges were afraid to conduct research properly because they feared losing grants offered by companies like Ralston-Purina and Safeway. In 1971 Senator Nelson held Congressional hearings on agribusiness "secrecy" in an attempt to get better statistics on the number of corporate farms in operation. The chairman of the Agribusiness Accountability Project, Phillip Sorenson, called for a law requiring the Securities and Exchange Commission to ask companies about their farming activities and for an annual report to Congress on corporate involvement in agriculture.46

In 1969 the agricultural census included corporate farming for the first time. In the first compilation of data from the census, released in 1972, the Census Bureau reported only 21,513 farms with sales over $2,500 that were "corporate," or about 1.2 percent. Of these farms, 19,716 had less than ten stockholders, indicating many incorporated family farms. But several of the conclusions of the researchers were challenged by Professor Richard Rodefeld, a sociologist at Michigan State University, in a speech to the First National Land Reform Conference. Rodefeld argued that early statistics counted the sharecroppers on large southern plantations as part of a "multiple-unit operation," but later statistics counted the sharecroppers separately, giving the impression that fewer large farms had appeared and that fewer family farms had disappeared. He also argued that the aggregate
statistics obscured the large-scale corporate involvement in states like California and Arizona and that the amount of sales accounted for by large farms was grossly disproportionate to their actual numbers. Senator McGovern argued that the “new information” proved that he and other anticorporate farming advocates were not “crying wolf” and called on the USDA to stop ignoring the problem; USDA economists responded by calling the “corporate farmer” a “straw man.”

The statistical clash was showcased in the early 1970s when Congress held hearings on corporate farming. The American Farm Bureau Federation told Emanuel Celler, chairman of the House Judiciary Committee, that there is “little solid evidence that [the entry of conglomerate corporations into farming] is a serious problem.” On the basis of the best USDA statistics available they argued that less than 1 percent of farms were incorporated and that many of these were family owned. J. Phil Campbell, the undersecretary of agriculture representing the Nixon administration, also opposed legislation limiting the corporate ownership of farmland on this basis, while also fearing the damage it would do to existing corporate farm operations. The National Grange also worried about the precedent, arguing that “it would be the first time in our knowledge that Congress had passed legislation that would limit by law persons who could engage in a particular industry.” Professor Rodefeld testified that aggregate statistics were misleading, that corporate farms were actually dominant in certain parts of the country, and that the “inevitability” of corporate farming justified early legislative action. He challenged the USDA on what he considered their incompatible views—corporate farming was not a problem but an anticorporate farming law would hurt many corporations.

The intense fears associated with corporate farming would slowly subside as more and more studies indicated that the “invasion” argument was overdrawn. The Food and Agricultural Act of 1977 included a provision directing the secretary of agriculture to conduct a large-scale investigation of the structure of agricultural production. The Carter administration’s new secretary of agriculture, Bob Bergland, a farmer from northern Minnesota, announced a “national dialogue” on the structure issue at the National Farmers Union annual meeting in 1979. He aimed to overcome the earlier statistical problems by “amass[ing] the most comprehensive and reliable base of data ever compiled.” By 1982 USDA numbers indicated that corporate farms still only represented 2.6 percent of all farms in the country, but did account for 23 percent of product sales.

Whatever the statistics, the concern about outside corporate control was long-standing in the grain belt and, unlike other regions in the 1970s, a consensus existed that the trend toward corporate farming should be opposed. The Populists passed laws limiting corporate farming in Minnesota and Nebraska, and in the 1930s laws were passed in North Dakota and Kansas. Building on this tradition in the 1970s, South Dakota, Minnesota, Wisconsin, and Missouri limited corporate farming, and Iowa and Nebraska adopted formal reporting requirements. Iowa also limited ownership of land by trusts other than authorized farm trusts, family farm trusts, or testamentary trusts. The Populist antagonism toward concentrated economic power and the agrarian proclivity for dispersed and decentralized ownership were still powerful in the grain belt and evident in the laws passed in the 1970s. The Iowa law spelled out the need for a dispersed agriculture and the need to preserve small communities, the Nebraska law was designed to prevent the potential monopolization of agriculture, and the South Dakota law “recogniz[ed] the importance of the family farm to the economic and moral stability of the State.”

Starting in 1971 the US Congress also held several hearings on bills—usually entitled the Family Farm Antitrust Act—which would have formally outlawed ownership of farmland by anyone possessing more than a few million dollars in nonfarm assets. The federal efforts were consistently stymied, however, by the thin evidence of an “invasion,” the reluctance...
of the USDA and the Department of Justice, the criticism of the measure for midwestern "parochialism," and the fact that Congress, unlike farm-state legislatures, was not made up of farmers and small-town business leaders dependent on the farm economy. Political concerns about the size of the bonanza farms on the nineteenth century Plains eased when the farms "disintegrated in the hard nineties" and so too did worries about corporate farming ease when large-scale operations like Black Watch Farms and the farm operated by Gates Rubber Company failed, further deflating legislative efforts. Numerous studies indicated that larger farms were not more efficient than smaller, family farms—maximum cost-saving production efficiency could be reached farming under 1,000 acres of corn and wheat. It was also discovered that the reason some corporations became interested in farming in the 1960s and 1970s stemmed from a tax loophole, which was subsequently closed. The federal legislative effort also sputtered since many farmers benefited from acquiring new land and, in the Midwest, most consolidation stemmed from farms being bought by other farmers, like Ben Hogan before the war and not by outside corporations. Even Hogan's nemesis, the Nowell-Safebuy, went bankrupt. The company should have noticed the Gates Rubber Company's fiasco with wheat farming in Colorado. Gates had to hire 50 percent more workers than the total number of independent farmers who previously ran the farms for the same amount of production. Safebuy, soon after it adopted its corporate ownership strategy, began losing money, laid off its workers at the turkey processing plant, and shut down.

The intensity and passion of the corporate farming debate reflected the fears and pain of thousands of farm families who left the land after World War II. In a period when rural depopulation quickened and many small towns withered, the coming of corporate farming seemed a likely culprit. For all the sound and fury, however, the postwar economic transformation of American farming did not produce a production oligopoly of a few corporate giants. Farms grew and consolidated, but largely within the confines of family operations. Corporate involvement in agricultural production, whatever the extent, remains an issue as rural America attempts to adapt to a social structure with fewer farmers and fewer farms.

Notes

2. Ibid., pp. 73-74, 153-54, 176-79.
4. Text of Philip M. Raup, "Needed Research into the Effects of Large Scale Farm and Business Firms on Rural America," 1 March, 1972, DB SA0056C, James Abourezk Papers, Richardson Library, University of South Dakota (RLUSD); M. W. Thatcher speech to Farmers Union rally, Pipestone, Minnesota, April 1953, FF Speeches by Thatcher, 1953-54, DB 2, 149.E.10.7(B), M. W. Thatcher Papers, Minnesota Historical Society (MHS); Nelson, Congressional Record, 93rd Cong., 1st sess., 119, pt. 4: 4813; Angus McDonald, "Vertical Integration Trends—Particularly in Regard to the National Tea Company," Supplement no. 1, Legislative Analysis Memorandum no. 58-8, 11 December 1963, National Farmers Union-National Council of Farmer Cooperatives Papers, ISUL.
South Dakota, Papers of the Tenth Agri-Business Day, 4 April 1972, Economic Pamphlet no. 140, Economics Department, Agricultural Experiment Station, South Dakota State University, p. 4.


32. Washington Post, 5 October 1971; Agribusiness Accountability Project press release, 1 December 1970, FF 2, DB 1, Agribusiness Accountability Project Papers, ISUL; Reverend Eugene L. Boutilier (Director of National Campaign for Agricultural Democracy) to Gaylord Nelson, 20 May 1968, FF Agriculture, Corporate Farming, DB M74-549 #255, Nelson Papers, WHS.


37. Sydney Gross (president of the Iowa Farmers Union) and McGovern are quoted in Nelson and Dechant, "Effects of Corporation Farming on Small Business" (note 23 above), pp. 16, 18.


40. Gaylord Nelson to Carl T. Curtis, 26 April 1968, DB M74-549 #255, FF Agriculture, Corporate Farming, Nelson Papers, WHS; Roger Blobaum to Gaylord Nelson, 8 February 1968, FF 47, DB 5, Series III, NFU Papers, UCB.


42. Gregory Stephens of the Kansas NFO Oral History Project told me in a telephone conversation on 20 August 1996 that the NFO was one of Kennedy's greatest supporters. Kennedy won eighty of the eighty-six rural counties in Nebraska. Prairie Farmer, 1 June 1968; Nelson press release, 6 June 1968, FF Corporate Farming Omaha Witnesses and Eau Claire, DB 12, M74-549, Nelson Papers, WHS.


45. President Lowell E. Gose, Iowa State Farmers Union state convention speech, September 1974, FF PL 1.1.3 Farmers Union 1973-74, DB 86a, Clark Papers, ULI; Oren Lee Stately, copy of statement to Senate Small Business Committee, 1 December 1971, DB A0056A food hearings, Abourezk Papers, RLUSD.


49. William J. Kuhfuss to Emanuel Celler, 21 March 1972, John W. Scott, statement on corporate farming, 14 April 1972, Richard Rodefeld statement, 22 March 1972, all in DB A0056C, Abourezk Papers, RLUSD; Lowell E. Gose, speech to Iowa State University Farmers Union convention, September 1974, FF PL 1.1.3 Farmers Union 1973-74, DB 86a, Mc C 414, Clark Papers, UIL; Orville Freeman to Tony Dechant, 5 September 1968, FF 47, DB 5, Series III, NFU Papers, UCB.


