

MAKING A FISCAL CASE AGAINST

# Industrial Agriculture

## Economist Says Industrial Ag Poses Risks To The Industry

EDITOR'S NOTE: This is the first of two stories from the 2011 Nebraska Environmental Action Coalition meeting held in Lincoln, Neb., April 30.

BY RITA BRHEL  
P&D Correspondent

LINCOLN, Neb. — Nuclear energy and industrial agriculture may not have much in common on the surface, but there is a point at which they are similar: both are dangerous if not carefully monitored.

"There are two kinds of systems — systems that are inherently dangerous and systems that are inherently safe. And with a nuclear plant, which is inherently dangerous, if something goes wrong, you'll have disaster after disaster after disaster," said Bill Weida, an economist with the Socially Responsible Agricultural Project based in McCall, Idaho, and a speaker at the 2011 annual meeting of the Nebraska Environmental Action Coalition on April 30 in Lincoln.

The Socially Responsible Agricultural Project is a nonprofit organization that provides free assistance to communities working to protect themselves from concentrated animal feeding operations, and to those working to promote local foods. For more information, visit [www.sraproject.org](http://www.sraproject.org).

"This is a good dividing line between industrial agriculture and traditional agriculture," said Weida, who uses "traditional agriculture" as a catch-all term to refer to infrastructure that includes sustainable production, small farming, and local foods. "If everything works correctly, that's fine. But if something goes wrong with industrial agriculture, unlike its traditional counterpart, you have a problem."

And that, he claimed, is exactly what has happened in the United States.

### TWO TYPES OF FARMING

Up until the middle of the 20th century, producers predominantly farmed in one of two ways: with low fixed costs and high variable costs, through which they could weather market ups and downs because their fixed costs were low.

And then, with the help of technology, came the introduction of industrial agriculture, in which producers operate in a system marked with high fixed costs and low variable costs. This means that, while there is more potential for higher profits, there is less flexibility in volatile markets. And this is the type of farming that land-grant colleges have been teaching agricultural students for the past several decades.

What best defines the difference between the two types of farming is the response to the change in market prices: When the price of hogs goes down, the traditional farmer increases the number of hogs produced to spread out the cost; the industrial farmer reduces the number of hogs produced to manage his costs. The problem with the latter is this is what leads to bankrupt operations and makes room in the market for factory farms, pushing the smaller farms out of the business, Weida explained. Through the years, the United States has lost 90 percent of its traditional hog producers, 80 percent of traditional dairy producers, and 40 percent of traditional beef producers.

It seems that this is simply the law of economics, but a few things don't add up with the advent of industrial agriculture: increased food safety concerns; poorer food nutrition; increased air and water pollution; and rural communities that have been reduced to third-world economies. On the flip side, industrial agriculture is able to pro-



PHOTO: RITA BRHEL  
Bill Weida, an economist with the Socially Responsible Agricultural Project based in McCall, Idaho, was one of the featured speakers at the 2011 annual meeting of the Nebraska Environmental Action Coalition, held April 30 in Lincoln.

vide food underpriced at about 30 percent. For the consumer, it has become a trade of quality food for cheap food.

Traditional agriculture has not been able to compete. In the current agricultural environment, in which the majority of producers practice high fixed-cost, low variable-cost farming, the traditional farming infrastructure has not been able to stay intact. And traditional agriculture cannot stand up to industrial agriculture without the whole of the infrastructure.

"Turns out, consumers are willing to pay more for better food — and it costs more for traditional agricultural products because it's a closed system: farmers are doing all the production, processing, and marketing — but the only way consumers can know its better is to know where it came from. Traditional agriculture has to have traceability back to the grower in order to charge more, in order to cover the costs incurred," Weida said. "Right now, the land and production skills for sustainable agriculture still exist, but what's missing is the processing and marketing."

### GOVT.-BACKED CHEAP FOOD SYSTEM

Industrial agriculture likes to believe that it is a system that works, and will commonly refer to economies of scale — that the larger the operation, the more profitable it is. However, the research doesn't back it up.

"The idea that industrial agriculture is making money is central to keeping it alive. They got to keep that fake idea alive," Weida said.

For example, the economy of scale for a dairy is 800 animals. Beyond this point, the efficiency of a dairy operation declines and so does its profitability (income minus cost). But there are many dairies in the

United States with 20,000 to 30,000 head.

"How does this work? Quite frankly, it doesn't work," Weida said.

Producers involved in industrial agriculture only stay in existence through the continued support of the government: domestic subsidies, the U.S. exporting excess production, and the U.S. buying excess production and redistributing it through the school food program. There are big bucks to be made in government subsidies, and the bigger the operation, the more government support it receives — no matter the detriment to the national food supply, environment, or small communities.

"Anymore, that's what agriculture is — it's all about the money," Weida said.

On the other hand, traditional agriculture centers on the holistic contribution it makes to the community: safe, healthy foods that preserve the environment and fuel the local economy. When it comes down to economics, traditional agricultural producers won't make the money that those in industrial agriculture do, because the government isn't backing up their market prices. But, from what Weida has encountered, this doesn't matter: "Sustainable farmers are irrationally wedded to their land," he said. "I talked with one producer who is making just half a percent of profit on her farm, and I told her that economically, she would be better off to sell the land and put the money in a savings account, but she'd never do it because she's in love with the land."

The U.S. government is spending lots of taxpayers' money on industrial agriculture, trying to keep it afloat, and it's evident that this system doesn't work, Weida said. But, "because the government either didn't care or had no immediate answers for any of

this, they did nothing."

"Consider if the Centers for Disease Control and Prevention had said 50 years ago that the best treatment for breast cancer was bleeding and that recommendation stuck up to this current day — that's exactly what the U.S. Department of Agriculture did," he added. "The CDC changed as determined by the research; the USDA didn't."

### HOW TO CHANGE THE COURSE

America is at a crossroads — it can continue ignoring the risks of a cheap food system, or it can provide consumers a viable option by giving traditional agriculture a foothold.

"Either we're going to continue the course we're on, in which they're won't be anything to save in 10 to 15 years, or we change the way we do things," Weida said.

"There will always be a group of people who want the cheapest food they can get," he continued, but he believes that the majority of consumers do care about the quality of the food they eat. "The person who should make the decision is the consumer, and for the consumer to make the decision, it has to be apparent."

As the national food system is organized now, it's easy for industrial agriculture to muddy the truth.

Weida offers three solutions to the U.S. government:

- **Formally realize that traditional agriculture is different enough from industrial agriculture that the two cannot be managed by the same entity (U.S. Department of Agriculture)** — There must be separate government offices to oversee industrial versus traditional agriculture. Huge conglomerates are not the same as the small farmer, and so they shouldn't have to follow the same regulations;

- **Understand that all solutions must come on a regional basis, that it cannot be done with a one-size-fits-all national plan** — There is no mechanism for the federal government to treat regions differently, but because regions are so different in their agricultural emphasis, agricultural government must be under local control. For example, West River may be predominantly grazing beef cattle but East River is predominantly row crops, and each region's economy must develop on its own — West River's communities cannot use the same game plan as East River;

- **Acknowledge that the damage to the traditional agriculture infrastructure has been so great that there is not enough extra money to restore it** — Instead, some of the money used to support industrial agriculture will need to be redirected for traditional agriculture. This includes funding for land-grant colleges. And to do this, the government will have to stress that it's important to save traditional agriculture, whether it's to improve the quality of the food supply or to improve the health of rural economies.

For consumers and producers interested in reforming the traditional agriculture infrastructure, Weida points to local support as key.

"Many rural regions are now food deserts," Weida said, referring to that fact that there is not a grocery store for 50 to 100 miles of small communities. "As fuel prices rise, people aren't going to be able to afford to go get food. That's an opening — Wal-Mart is not going to move in there, but traditional agriculture infrastructure can."

Industrial agriculture doesn't care about the health of the local community, he said. Traditional agriculture can heal a community.

"We have to get back to a century ago," Weida said. "The argument is that we won't be feeding the world. That's right, and so? There's nothing that says that we have to."

## SDSU Farm Tours Slated For 2011

BROOKINGS — South Dakota State University has announced tentative dates for its 2011 summer and fall tours at its agronomy farms around South Dakota.

The Dakota Lakes Research Farm Tour near Pierre is set for June 30, starting at 1 p.m. The SDSU Plant Science Farm Tour in Brookings takes place June 28 beginning at 4 p.m. The Southeast Research Station Tour near Beresford on July 12 gets under way at 3 p.m.

The Northeast Research Farm Agronomy Field School near South Shore is set for July 7-8, tentatively from 9 a.m. to 5 p.m. each day. Regis-

tration is required.

The Northeast Research Farm Tour, South Shore, takes place July 14 beginning at 4 p.m. The Southeast Research Station Fall Tour, Beresford, is scheduled for Sept. 8 starting at 10 a.m.

SDSU Extension Crops Specialist Bob Hall said the tours offer growers a chance to connect with SDSU researchers and Extension specialists. SDSU experts field producers' questions and offer the latest information about crop varieties, weed control, insect control, plant diseases, soil fertility, and ongoing SDSU research on a wide range of topics.

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**Memorial Day Deadlines**

**The Yankton Daily Press & Dakotan will be closed Monday, May 30th, for the Memorial Day holiday.**

The following deadlines will apply:  
Out On The Town — Wednesday, May 25  
Tuesday, May 31 newspaper — 5 p.m., Wednesday, May 25  
Wednesday, June 1 newspaper — 5 p.m., Thursday, May 26  
Thursday, June 2 newspaper — 5 p.m., Friday, May 27

**There will be no newspaper on Monday, May, 30, 2011.**

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## Farmers' Market Workshops Set For Region

Several farmers' market workshops are being planned for northeast Nebraska and southeast South Dakota in the upcoming weeks.

Make plans to attend the Hartington farmers' market workshop that will be held Wednesday evening, May 11, at the Hartington Library, 106 South Broadway. The workshop will run from 7-9 p.m.

Earlier that same day a workshop will be held in Santee at the Santee Health Clinic located at 110 South Visiting Eagle Street from 1-4 p.m.

Other workshops are planned for Mitchell (S.D.) Saturday, May 14, at the James Valley Community Center from 9:30 a.m.-3:30 p.m.; Kimball on Saturday, May 21, from 12:30-4:30 p.m. (location to be announced); and Plainville, Neb., a date in June to be announced.

Headlining the Hartington and Santee events is featured speaker Billene Nemec. She managed the Haymarket in Lincoln, Neb., for 14 years, and now chairs the Nebraska Buy Fresh, Buy Local program. Nemec is an experienced farmers market and local food advocate, presenting workshops around the region on sustaining farmers' markets in local communities. She will be speaking on "How to Start a Successful Market" and "What it takes to be a Successful Market Vendor."

"The information at these workshops will be particularly helpful to those considering becoming a market vendor during the upcoming season," according to Sandy Patton, coordinator of Farmers' Market Moms. "Anyone that is interested in buying or selling at a market should plan to attend one of the workshops."

The South Dakota events will feature Pat Garrity of South Dakota's Buy Fresh Buy Local program, local market managers, successful market vendors and SDSU Extension educators.

If interested in learning how to successfully sell garden produce, baked goods, jams and jellies, honey, eggs, arts and crafts, or whatever your specialty you won't want to miss these free events.

Attendees will have an opportunity to get a free Farmers Market Moms T-shirt and will learn how they can become involved in their local farmers' market.

These events are hosted by the Farmers' Market Moms project. They are aimed at gaining new customers and vendors for local farmers' markets, assisting in promoting farmers' markets and promoting family gardening in Nebraska and South Dakota through training, education and health awareness. The project is administered by Northeast Nebraska RC&D in Plainville, Nebraska and is supported through a grant by the Farmers' Market Promotion Program (FMPP), through the Agricultural Marketing Service at USDA.

For more information, call Sandy Patton at 402-842-2555 or email [sandyp@threeriverwb.net](mailto:sandyp@threeriverwb.net).