

# **Farmer and Worker Solidarity is Our Only Hope**

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**I**n the spring of 2020, meatpacking plants around the country closed in response to high rates of COVID infection in the workforce. Farmers were left without a place to sell their cattle. Workers were without jobs. Both were in need of income.

The shuttering of plants came atop of a simmering long-term problem for cattle ranchers. Nearly 17,000 beef farmers had gone out of business each year since 1980. From 1980-90 the number of operations in the largest 13 cattle states dropped 40%.

At a Congressional hearing at the Nebraska Capitol, later in the summer, slaughterhouse workers testified to unsafe working conditions they were facing as they returned to the meat packing plants. "Nobody comes to replace face masks, because by 10 am in the morning, the face mask is all wet and covered in blood," said a meat plant worker, Araizario Moreno, at the Aug. 6th hearing.

John Hansen, President of the Nebraska Farmers Union attended and spoke at the Congressional Hearing, "...The farm community wants workers protected for economic and moral reasons."

Problems that beef farmers faced during COVID shutdown came atop the continued drop in beef prices paid by slaughter plants. Beef farmers were not getting a price that would allow them to stay in the business, then, nor now. "It's a great life, but it's a terrible way to make a living," says David Write, a fourth-generation Nebraska cattle rancher.

Cattle ranchers used to earn more than 50 cents for every consumer dollar spent on beef. Today that's dropped to less than 37 cents on the dollar. "In the last couple of years, it's gotten kind of to the point of ridiculousness," said a Missouri beef farmer.

## **Consumers Demand More, While Ranchers Get Less**

Demand for beef has been high over the last decade, yet ranchers say earnings have stagnated or decreased, while meatpacking companies have accrued big profits. Big Beef has increased profits by anywhere between 34% and 66% from 2010 to 2020, while ranchers have lost about 10%.

Consolidation of packing companies, increased concentration of feedlots, unfair purchase arrangements between packers and farmers, and the drive by packers to increase their profits at the expense of farmers and workers brought this about.

## **Consolidation also Brought Higher Prices to Consumers and Lower Prices for Beef Farmers**

A handful of corporations now have tremendous control over the price that ranchers receive for their cattle and the price the consumers pay for packaged meat.

In 1977, the four biggest beef packers controlled 25% of the market. With consolidation came fewer but larger meatpacking plants. Today the four big ones, Tyson Foods, Cargill, plus National Beef Packing Co. and JBS (both subsidiaries of Brazilian corporations) control 85% of the beef steaks and roasts sold in this country.

By 2010, the number of beef packing plants went down by around 81%. In 2011 nearly 66% of the cattle were slaughtered in 26 beef packing plants owned by the Big Four. In 1977, according to the USDA, 84% of U.S. steers and heifers were slaughtered in plants that killed fewer than half a million cattle a year. By 1997, plants in that category dropped to 20%.

As the number of packing companies decreased, so did the number of feedlots. Eighty eight percent of all the cattle sold by feedlots in 2011 came from just 2,120 feedlots with a capacity of more than 1,000 head. The remainder came from feedlots that have a capacity of less than 1,000.

As consolidation increase, competitive prices waned. Today the four biggest packing companies are increasingly raising their own livestock or entering into contracts with giant feedlot companies that give them an unfair competitive advantage with ranchers. Cargill Meat Solutions owns the third largest U.S. feedlot. JBS-USA owns the largest U.S. cattle feeding company, JBD Five Rivers Ranch. These two packers owned feedlots alone sold approximately 20% of the cattle in 2006. Owning cattle means that these companies can slaughter their own animals without needing to purchase any on the market. This can depress prices paid to ranchers.

### **Indirect Price Influence Through Inordinate Control of the Market**

The big four meatpackers, with little buyer competition, can control who gets to sell their cattle and when. Cattle need to be sold to a plant that doesn't require that they transport the animals. Beef cattle also have to be sold within a narrow time frame or their value decreases, because they will get too big. This leaves packing companies near feedlots with a big advantage when it comes to price bargaining. It also means that any smaller independent feedlot owner who is too politically vocal in protesting this system can be singled out and side lined from selling their cattle. Meatpackers have responded to sellers' restrictive time and place requirements by offering a guarantee to purchase the cattle. This is known as "forward contracting," and the cattle are considered "captive supplies." Research shows that these cattle sellers have had to accept lower prices when they utilize forward contracting.

A more recent type of forward contracting uses the same guaranteed purchase of the cattle, but does not specify a firm price at the time the cattle are delivered. The price the seller receives is tied loosely to the market price at the time of delivery.

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Is there a history of coordinating buying to force the price of cattle down? In 2006, all four of the biggest packers withdrew from the cash cattle market for more than two weeks. The price drop stopped independent cattle feeders from selling their cattle.

### **Union Busting and Plant Closings Lead to Sharp Decline in Wages**

In 1980, 46% of workers in the meat industry were union members. In the 1980s, the companies began to ask for wage cuts and the workers began to fight the companies. Between 1983 and 1986, there were 158 work stoppages in cattle and hog slaughter plants involving 40,000 workers. During these confrontations, many companies shut their doors, and others actually defeated workers' efforts. The unionization rates in meatpacking have shrunk from 90%, among mostly white workers in the 1950's to 18% in 2020. Wages have fallen sharply. According to Erroll Schweizer's article in the May 3, 2022 issue of Forbes, "The average meat packing wage is \$19 an hour, with many thousands paid much less than a livable wage. About 1 in 5 meat plant workers is eligible for SNAP, double the rate of 20 years ago." The average age of workers has also gone down sharply.

*(Continued on pg. 12)*

## Conditions in the Biggest Packing Plants for Workers are Notoriously Dangerous

Today 38% of the country's meat processing workers are foreign-born, compared to just 17% of all workers, according to the Economic Policy Institute. Many of the immigrant workers in food processing come from Latin America, Africa, and Southeast Asia. Undocumented immigrant workers are more fearful to speak up about workplace problems because of their immigration status. Conditions for meat packing workers have often been described as "dehumanizing." In a Sept 4th 2022 article in the Lincoln Journal Star by Jenna Thompson, workers told of frequent injuries, hazardous working conditions, as well as, discrimination and harassment by supervisors. The number of injuries in meatpacking plants are high. It is one of the most dangerous industries in the U.S. The conveyor belts run fast, the animals are large and the machinery is dangerous. One worker told about being injured and yelling "I can't move" and her supervisor telling her to get back on the line - 'Get back to work'. Workers are being penalized for taking time off, even if time off is due to being injured on the job and going to the hospital. Because of the desire to keep the line moving in the plants, employees are denied breaks to go to the bathroom. One supervisor told a worker to wear diapers to work. Time spent in the bathroom is time taken away from employees' lunch period. During that August 6th Hearing NFU President, John Hansen said the following: "We are going to be with you to find a way to be sure your workplace is safe." And Hansen has been true to his word, advocating for proper care of workers. President Hansen is teaching us the way to deal with unjust packing companies that are out to increase their profits, at the expense of workers and farmers. Our only hope is support one another and standing together.

Note: *The National Family Farm Coalition (NFFC) urges people to contact their U.S. Representatives, especially those on the House Appropriations Committee, to stand with farmers and ranchers and reject any attempts to limit the USDA Secretary's authority or the USDA's capacity to fully and effectively enforce the Packers and Stockyards Act*

## Technology: A Growing Threat to Food Sovereignty

By: Patti Naylor

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There's no question - advances in science and technology have improved the lives of most people. However, as we have seen with the recent concerns regarding Artificial Intelligence (AI), having a blind faith in technology without questioning and analyzing the benefits and risks can take us down a precarious (dangerous) path. This is a growing concern in agriculture, especially with precision ag or climate-smart ag, as the use of drones, robotics, autonomous tractors, sensors everywhere, and AI-guided agronomic advice increases. Farmers, peasants, consumers, and farm justice advocates from around the world recognize the risks of genetically modified seeds, including the ecological and social costs to this technology and its threat to food sovereignty. Now, the threat is increasing dramatically through the political and economic power of corporations that are collecting huge amounts of data on land, seeds, water, livestock, production systems, and consumer behavior.

At the United Nations Committee on World Food Security, in which I participate as a member of Family Farm Defenders, National Family Farm Coalition, US Food Sovereignty Alliance, and La Via Campesina, the negotiations for policy recommendations on "Data Use and Analysis Tools for Food Security and Nutrition" recently came to a close. Throughout the two-year process, those of us in the Civil Society and Indigenous Peoples Mechanism (CSIPM) consulted with people on the ground - peasants, farmers, Indigenous People, and consumers - and learned more and more about the impacts and concerns surrounding the collection of and use of data and the digitalization of our global food system.