

DO YOU REMEMBER ENRON? LEHMAN BROTHERS? A.I.G.? MF GLOBAL? REFCO? CESSNA? THESE ARE ALL EXAMPLES OF WHAT CAN OCCUR WITH BUSINESS IS “UNSHACKLED.”

**To:**

State Senator Jeff King  
State Representative Virgil Peck

**From:**

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**Date:**

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**Subject:**

Repeal of bans on out-of-state corporate ownership/operation of Kansas farms/ranches, and decontrol of cattle and swine factory feedlot operation.

**Ref:**

<http://www.kansascity.com/2013/03/09/4110488/kansas-lawmakers-weigh-repeal.html>

It is critical for the long-term well being of the state and its citizens to perform a critical and in-depth analysis of the egregious proposals to repeal the ban on out-of-state corporate ownership and operation of Kansas farms and ranches that has served the people of the state well for over 80 years, although it has indeed limited the short term profits of transient owners, speculators, market manipulators, and labor exploiters, AS IT WAS INTENDED TO DO.

The FIRST task should be to identify the “front groups<sup>1</sup>” promoting the repeal of the corporate farming ban and decontrol of feed lot operations, and then to identify their sponsors, both corporate and individuals. In and of itself, this is likely to stop this effort to hijack yet another vital sector of the Kansas and heartland economy, much as turning the kitchen overhead light on makes the cockroaches run for the protection of darkness. *Like cockroaches, the major of losses are caused, not by what is carried off, but what is ruined.*

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<sup>1</sup> <http://news.heartland.org/newspaper-article/2006/07/01/appeals-court-considers-nebraskas-corporate-farming-ban>

Concurrently, an independent legislative research effort should be made to collect and correlate the effects “corporate farming<sup>2,3</sup>” and decontrolled feedlot operation have had, possibly in cooperation with K.U. and/or K.S.U., not only in other states, but as the same supranational corporations are involved, in other countries<sup>4</sup>, ***not on the well being and profits of the corporations***, but on the median incomes in the agricultural production sector, the rural economies, governmental revenue collection, rural area need/demand for social services, and environmental damage, e.g. the aerial application of unapproved biocides. It will also be instructive to see how the extensive supranational corporate ownership of agricultural operations also results in virtual immunity from prosecution, other than a few [relatively] small fines. The analysis and evaluation of this data should go far beyond the normal narrative interpretation, and should econometric correlational studies of changes in agricultural sector income, rural depopulation and urban in-migration, demand/need for social support services, educational opportunities, crime rates, and governmental revenues (because of the high probability of corporate tax evasion through opportunistic transfer pricing) with implementation of transnational corporate farm/ranch ownership/operation.

*Kansas is not the only state under assault by the corporate farm grabbers, and would be well advised to co-ordinate their investigations, evaluations and actions with the eight other states<sup>5</sup> with, and organizations<sup>6,7</sup> advocating, restrictions on corporate farming.*

The numbers<sup>8</sup> documenting the corporatization of Agriculture in the United States:

- Four corporations control 82% of the nation’s beef cattle market;
- Five major packers control 55% of the hog industry;
- Small farms comprising 94% of all U.S. farms receive only 41% of all farm income;
- There are 300,000 fewer farmers than there were 20 years ago;

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<sup>2</sup> [http://en.wikipedia.org/wiki/Corporate\\_farming](http://en.wikipedia.org/wiki/Corporate_farming)

<sup>3</sup> <http://business.uni.edu/economics/Themes/wittmaack.pdf>

<sup>4</sup> for example <http://www.asiantribune.com/news/2009/12/07/corporate-farming-pros-and-cons-pakistani-economy>

<sup>5</sup> <http://nationalaglawcenter.org/readingrooms/corpfarming/>

<sup>6</sup> for example <http://www.ilsr.org/rule/corporate-ownership-limitations/2024-2/>

<sup>7</sup> <http://www.cfra.org/newsletter/2007/08/100-years-anti-corporate-farming-laws>

<sup>8</sup> <http://www.celdf.org/anti-corporate-farming-laws-in-the-heartland>

Just four companies—Cargill, Archer Daniels Midland, Bunge, and Louis Dreyfus—control up to 90 percent of the global trade in grain. In the United States, three of those firms process 70 percent of the soybeans and 40 percent of the wheat milled into flour. The bulk of corn and soy grown by US farmers ends up feeding animals in vast factories, and here, too, the consolidation is dramatic: Three companies<sup>9</sup> now process more than 70 percent of all beef, and just four firms slaughter and pack upwards of 58 percent of all pork and chicken.<sup>10</sup>

**Feed lot deregulation is another extremely critical area, as this is the last link in the chain of total vertical integration**<sup>11</sup> from the birth of the calf or shoat to the wholesaling of meat to the supermarkets.

If you think it would be of interest or help in deciding on this critical issue, please feel free to forward or circulate this summary.

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<sup>9</sup> <http://grist.org/article/2009-09-22-meat-wagon-jbs-pilgrims/>

<sup>10</sup> <http://www.motherjones.com/environment/2011/10/food-industry-monopoly-occupy-wall-street>

<sup>11</sup> <http://www.gpo.gov/fdsys/pkg/CHRG-107shrg87865/html/CHRG-107shrg87865.htm>