**Sometimes I Feel Like a Galley Slave: Chickenizing Chicken Farmers**

By

Donald D. Stull, Professor Emeritus of Anthropology, University of Kansas

[Draft of chapter to appear in *Farming the Future: Challenges, Innovations, and Farmer Responses to a Rapidly Changing World*, Jane W. Gibson and Sara E. Alexander, eds., University of Nebraska Press, currently in preparation.]

To understand industrial agriculture, we must understand the chicken industry. In his 2005 book, *Chicken: The Dangerous Transformation of America’s Favorite Food*, Steve Striffler argued that what he calls industrial chicken epitomizes both the triumph and tragedy of America’s industrial food system. Not only has it transformed what we eat: since 1960, when U.S. Department of Agriculture began keeping records, chicken production in the United States has risen almost 900 percent—it is up by 113 percent since 1990 (Meat+Poultry 2016). It has also reshaped American agriculture, leading agribusiness steadily toward vertical integration, concentration, contract growing, product branding, and further processing. In doing so, it has exploited farmers, processing workers, and the communities that host its plants, all the while abusing animals and polluting air and water.

The poultry industry as we know it was born in the 1920s on the Delmarva Peninsula, which encompasses portions of Delaware, Maryland, and Virginia. Commercial production of broilers--eating chickens--expanded rapidly after World War II, and the “broiler belt” stretched from Delmarva through North Carolina, Georgia, Alabama, Mississippi, and Arkansas to East Texas. As the broiler belt wrapped itself around much of the South, the industry was pioneering what some say is “the most advanced form of food production in the entire world” (Williams 1998:ix) and others decry as “industrial agriculture” (Heffernan 1984).

By the late 1950s a contract system was emerging that promised to reduce risk for growers and maximize profits for companies. The poultry company provided the farmer with day-old chicks from the hatchery, feed, medications, and technical assistance. The farmer provided fully equipped chicken houses, utilities, and labor. He also had to dispose of dead birds and manure. In return, he received a guaranteed payment tied to the feed-conversion ratio--the less feed it takes to grow the bird to market weight, the better (Morrison 1998:146; Williams 1998:50-51). By the early 1960s, the independent chicken farmer, who raised his own birds and made his own decisions about how best to do it, had been transformed into a chicken grower bound by a contract to raise a company’s birds according to its specifications.

Combining production, processing, and distribution in the same firms allowed the poultry industry to vertically integrate. Broilers are hatched, raised, slaughtered, and processed in tightly integrated production complexes within limited geographic catchment areas by firms referred to as integrators, a reference to their business model. The poultry industry is also highly concentrated: 20 integrators accounted for 96 percent of all broilers produced in the United States in 2012. The top four firms—Tyson Foods, Pilgrim’s Corporation, and Purdue Farms, and Sanderson Farms—control 54 percent of all production (MacDonald 2014:4; Schneider 2017).

Public demand for chicken meat began its steady--and dramatic--rise around 1960. From 1960 to 1995, U.S. broiler production grew on average 4.6 percent annually, from 1.5 to 7.4 million birds, and slaughter weight rose on average from 3.35 pounds to 4.66 pounds. By 1990 per capita chicken consumption had more than doubled, reaching 61 pounds per person in that year (MacDonald 2014:6). Poultry companies expanded their production facilities, encouraged existing growers to add new houses, and recruited new ones. But by the beginning of the 1990s the broiler belt was becoming saturated with chicken houses, and concerns were mounting about the industry’s treatment of its growers and processing workers, as well as environmental problems related to disposal of manure and dead birds (Hall 1989). And so poultry companies began moving into new territories. One of those was Kentucky.

**Methods**

For the past 30 years, I have studied the meat and poultry industry’s impact on American farmers, processing workers, and host communities (see Stull and Broadway 2013 and Stull 2017). In 1998, I began studying poultry and tobacco growers in and around Webster County, Kentucky, where I was born and am half owner of a family grain farm. For six months (July-January) I gathered data by participant observation, informal interviews, mapping, and collection of pertinent documents. I conducted formal interviews with a purposive sample of poultry growers, tobacco growers, and growers of both. I also interviewed grain farmers; hourly poultry workers; residents and attorneys involved in complaints against the poultry industry; city and county officials; county extension agents and specialists; bankers; service providers; clergy; business owners and town residents. Several of those I interviewed were relatives or long-time friends or acquaintances.

I returned in July 2005 to explore the effects of the tobacco buyout and the end of the federal tobacco program, and to update my research with poultry growers. For the next six months, I carried out ethnographic research in a six-county area of western Kentucky, extending from the banks of the Ohio River to the Tennessee state line. I recorded formal interviews with a purposive sample of current tobacco growers; former growers; and farmers who had diversified into so-called alternative crops, including poultry, fresh water shrimp, fruits, and sod. I also interviewed poultry growers, including several I interviewed in 1998, and two county agents, a state government official, and a grower co-op official.

Between these two extended field seasons, and since, I regularly returned to Webster County for at least one month each year to visit relatives and friends and to keep abreast of agricultural developments. Since retiring from the University of Kansas in 2015, I have divided my time between Kansas and Kentucky.

It should be noted that I am a charter member and vice president of the Organization for Competitive Markets (OCM), a nonprofit research and advocacy organization working for open and competitive markets and fair trade in America's food and agricultural sectors. I also serve on the board of directors of the Socially Responsible Agriculture Project (SRAP), a national organization that provides support for communities affected by concentrated animal feeding operations (CAFOs).

**Big Chicken Lands in Kentucky**

The expansion of the broiler belt to new territories like Kentucky was part of a broad restructuring and relocation of the meat and poultry industry. Small towns in the Midwest and South became home to beef, pork, and poultry plants in the 1970s, 1980s, and 1990s, as packers shuttered their urban plants and moved to the country to be near their supplies of animals and to cut transportation and labor costs. But these new packinghouse towns could not supply enough workers for plants reliant on large workforces and prone to high employee turnover. Quickly exhausting local labor supplies, companies recruited from farther and farther afield. This translated into dramatic population increases, due to the rapid influx of immigrants and refugees–and continuous population mobility. I have discussed community impacts, working conditions of processing workers, and environmental consequences elsewhere (see Stull and Broadway 2013); here I will limit myself to the impacts on poultry growers.

Absent at the beginning of 1990, Kentucky now boasts four large chicken processing plants, two primary breeder hatcheries, six feed mills, three layer complexes, and 3,000 chicken houses on 850 farms in 45 of Kentucky’s 120 counties. In less than two decades, chickens flapped past Kentucky’s traditional agricultural powerhouses of tobacco, horses, and cattle to become the state’s leading agricultural and food commodity. Soaring from 1.5 million broilers in 1990 to 308 million in 2014. Kentucky now ranks seventh among the states in chicken production (Keeton 2010:6; Kentucky Poultry Federation n.d.).

Kentucky, crisscrossed by interstate highways, is within a day’s drive of more than two out of three Americans (Ulack, Raitz, and Pauer 1998:3). Low levels of education and income, coupled with declining fortunes in two of its major industries--coal and agriculture--held promise for a readily available supply of workers for poultry-processing plants and growers to supply them. Adding to its appeal was an abundance of corn and water and a dearth of environmental regulations and rural zoning. Eager to attract outside industry, state and local governments anted up $165 million in tax credits and incentives (Associated Press 2000).

Tobacco—historically the state’s primary cash crop—was under increasing attack, and tobacco farmers were being encouraged to find alternative crops (Stull 2000). Chickens appealed to some Kentucky farmers, especially those with limited acreage, because they are raised inside massive houses, thereby eliminating weather as a factor in production, and growers are guaranteed a minimum price per pound for each bird they raise. Poultry companies also promised easy financing for minimal investment, coupled with attractive incomes in exchange for a modest amount of labor—“full-time money for part-time work,” as company hawkers liked to say.

Tyson’s Robards, Kentucky, processing plant, originally built by Hudson Foods, opened on July 9, 1996. The first chicken houses to serve this plant were completed in September 1995. Four years later Tyson’s plant received chickens from 124 growers who operated 667 chicken houses in 10 counties. Of those, 572 (86 percent) were in three adjacent counties immediately to the south of the processing plant. The greatest number, 227, were in Webster County (Tyson Foods n.d.:6). Today this plant employs about 1,200 workers to slaughter and process 1.5 million chickens a week. At this rate, 60 broiler houses, each home to about 25,000 birds, are emptied every week.

In the summer of 1998, when I began my research on the impact of poultry production on agriculture in western Kentucky, Tyson’s Robards plant was barely two years old, and its growers were still enjoying the honeymoon. That fall, a grower who had been raising broilers for about a year told me:

I kinda like foolin’ with ‘em. It’s kinda relaxin’ in there. You don’t have to deal with people and stuff. You can just go in there and work with ‘em. And they’re not fussin’ about nothing. They don’t say much (he laughs). As long as they got food and water, they’re tickled. The main thing I like is the money.

He owned 10 broiler houses with his father, which he figured yielded “somewhere around $8,000” a house. But poultry growers, like other farmers, do not factor the cost of their own labor into calculations of profit. This grower estimated that the 10 houses required on average about five hours of labor a day, which he and his father provided with the help of a “girl.” How much she was paid he did not say.

She fixes up all his chickens and stuff. Now he does the managin’ as far as the water lines, raisin’ feed lines, chicken feed and stuff like that. She picks up the dead chickens for him. And, ya know, does some other stuff. There are days when things happen and it takes you all day maybe. Ya know, water line break or something or motor go bad or something.

In 1998, Webster County’s economic development director told me the benefits from the Tyson poultry complex included 227 poultry houses and the income they generated for their owners, as well as the feed mill, which was valued at $18 million.[[1]](#endnote-1) The mill employed 32 people and purchased 12 million bushels of grain a year from local farmers at a premium of $.07-10 per bushel. Tyson’s processing plant, located just over the line in Henderson County, employed more than 1,500 people, of whom 15-17 percent lived in Webster County. It had an annual payroll of $41 million, paid $12 million in payroll taxes, and purchased $6 million in local goods and services.

A pullet grower I interviewed that November shared the economic development director’s positive assessment:

I think it has been great. It’s contributed to the decline of the unemployment rate. It’s brought a lot of dollars in here. . . . for every direct dollar there’s a whole bunch of spinoff dollars. I know that they buy a lot of things here locally. . . . Our grain farmers are getting prime money for their grain. They buy a lot of repair parts out of local firms and other stuff. . . . The wages paid out and the spinoff dollars . . . have tremendous effect on the country around here. It’s upgraded water systems; it’s upgraded sewage systems. It’s a heck of an improvement.

“A heck of an improvement”? By 2005, a decade after the first chicken houses were built, many growers did not think so. Tyson let growers keep all the money from the first flock—minus costs for electricity and water—so, as one local skeptic put it, “they get dollar signs in their eyes.” But beginning with the second flock, loan payments kick in, and the reality of income, expenses, and cash flow become increasingly apparent.

“Shawn” made $36,000 on his first flock in the summer of 1998--more than most people in the county made in a year. Energy prices soared in 2001. Shawn spent $2,800 on electricity per flock for his six houses that summer and $25,000 to heat his flock that winter. Many of the chicks he received in his next flock were blind. Shawn and other growers complained that Tyson was extending the time between flocks to 20 days, the maximum their contract allowed before the company had to pay a penalty. A flock takes about seven weeks to mature, and several such delays could cost the farmer a whole flock per year--the difference between profit and loss.

In the summer of 2002, Tyson picked up Shawn’s last flock and terminated his contract. Tyson told him to make $10,000 in improvements to his houses. When he said he could not afford the expense, the company representative said to borrow the money. When Shawn said he was too far in debt to qualify for another loan, the company refused to send him more birds. After deducting expenses from the payment for his last flock, Shawn said he received a check from Tyson for $33.22.

Shawn’s six chicken houses stood empty until 2005, when Tyson paid more than $50,000 in back taxes he owed on his farm and bought his chicken houses and the 31 acres they sit upon for 40 cents on the dollar. He was able to retain ownership of the farm’s remaining 130 acres, however. A month later a Mennonite farmer new to the area bought the houses from Tyson (for a 2.3% profit) and the remainder of the farm from Shawn. Five-and-half years later the Mennonite sold these houses to another grower for almost double what he paid for them—but still 25 percent less than Shawn’s original purchase price.

Shawn’s story is far from unique. Other growers I first interviewed in 1998 suffered monetary setbacks. Financial difficulties, dissatisfaction, and turnover are common to chicken growers Some just called it quits. Some sold out. Others declared bankruptcy, and lenders foreclosed on their houses. Or Tyson repossessed them, and then ran them with hired labor. Tyson’s ad in a local newspaper for a farm manager for one of these complexes required that applicants: “\*Must be capable of bending, squatting, pulling, lifting, and prolonged walking and standing \*Must be able to work in dusty environment and inclement weather conditions \*High school diploma or equivalent preferred \*COUPLES PREFERRED.” The ad also warned that: “Absences from the farm cannot be for more than two hours at a time.”

Such working conditions keep chicken growers “in a state of indebted servitude, living like modern-day sharecroppers on the ragged edge of bankruptcy” (Christopher Leonard, as quoted in Charles 2014) It is no wonder some growers sold out, left their houses empty, or abandoned them altogether. As a grower who quit after four years told me: “They was just saying whatever they could to get you to grow chickens. . . . It was all misleading. Money, payback, like the time you had and the time that you had to put into it. It wasn’t right. . . . It just got to where I didn’t like it any more. Putting up with Tyson and being there 24/7 and I couldn’t go anywhere, and picking up dead chickens. . . .”

Of Webster County’s 227 broiler houses, 140 (62%) changed hands at least once in the first decade of production.

In 2005, when Tyson took over Shawn’s chicken houses, it had more growers than it needed, but by 2008 it wanted 60 new houses. By then, new broiler houses cost around $200,000 to build, $50,000 more than a decade earlier. In the meantime, Tyson was compressing the period between flocks, leaving its growers barely enough time to clean out their houses before another flock arrived. “Frank” probably spoke for many Tyson growers one Saturday morning, over coffee, eggs, and toast at a local café, after a crew finished catching his birds:

“I feel like I just got out of jail. I’ve never been in jail, but getting rid of those chickens feels like it must feel to get out of jail.”

“Yeah,” a café regular replied, “but you’ll be back in jail next week.”

“Yes, I get birds again on Friday,” he said with a sigh, as he pondered everything he had to do to get his houses ready for the next flock.

Tyson could not stay in business if all its growers were unhappy. As one of Tyson’s top growers, Frank told me: “I’ve made more money than I was led to believe that I would make, and most of the bad press that the poultry industry got when they arrived in Kentucky, as far as I’m concerned, almost none of it has proved to be true.” He liked growing chickens, but he admitted “it probably takes more work than I thought it would. Sometimes I feel like a galley slave, but I can get up when I want to, go to bed when I want to, and I can say the hell with it for a day or so, if I want to. It beats working for a living. ” I could not help but see the irony in that last sentence, one I often used to describe my own work as a college professor. But all things are relative, and Frank did employ one full-time worker to help with his chickens.

The summer of 2011 was hot and dry. It was hard on chickens and chicken growers. Frank lost 5,000 six-week-old chickens to the heat in early August, just one week before they were to go to slaughter. Another grower lost 50,000. Altogether, Tyson growers lost 200,000 birds in western Kentucky during that heat spell. Growers are not paid for birds that die before the company picks them up, and they must dispose of their dead birds.

Frank sold his six broiler houses in 2013. He was 70 years old, had been growing chickens for Tyson for 15 years, and came out ahead on the sale of his houses. He didn’t know whether to blame the company or the local plant manager, but his relationship with the company had soured. “Over the last six months, Tyson has proved you and your coauthor right,” he admitted, referring to what Michael Broadway and I had written about the poultry industry in *Slaughterhouse Blues*. “The problem with Tyson,” he concluded, “is that they think growers don’t know anything and don’t need to know anything, except the delivery date and the pickup date for their chickens.” A county extension agent put it this way: “Tyson thinks chickens grow themselves.” As a result, company representatives do not treat growers well. They understate the amount of work that goes into raising chickens and overstate the income from them.

In September 2017—22 years after the first chicken houses were built—40 grower complexes holding 215 chicken houses are still in production in Webster County. Another eight complexes held 20 chicken houses that were idle and 17 houses that had been torn down or destroyed by high winds. Of the 48 original complexes, 32, or 67 percent, had been sold at least once. Some chicken houses have been sold as many as seven times, and on average they have been sold 2.8 times since construction. These complexes contain 174 houses—81 percent of the active houses! Of 21 grower complexes where I could determine purchase prices over time, 13 were sold at a loss, while eight were sold at a profit.

Companies like to say that they and their growers are financial partners in the poultry industry. Each side does put up about half the capital necessary to support the industry, but the relationship is far from equal. The integrator owns not only the birds, but the genetic patent on them. It owns the feed, medicine, trucks used to bring feed to the grower and haul his birds to its slaughter facility, and the brand under which they are marketed. The grower owns the farm, the houses where the chickens are raised, and the considerable debt incurred to finance, maintain, and upgrade them. The grower must provide the labor necessary to raise the birds, pay for water and utilities to heat or cool the chicken houses, and dispose of their manure and any birds that die in his care.

Growers are compensated according to what economists call a “tournament pay system” (Taylor and Domina 2010:3). The National Chicken Council (2012), which represents the industry, prefers the term “performance-based incentive structure.” Whatever you call it, grower compensation is tied to relative performance. The integrator sets the base price per pound live weight, then makes adjustments in pay according to grower performance as judged by feed efficiency and flock mortality. Each grower is measured against all others whose birds are slaughtered at that plant in the same week. In 2012, Tyson’s base pay for its Kentucky growers was 5.43 cents per pound, considerably higher than its base of 4 cents in 1998. It had also implemented a new performance-based incentive structure that annualizes the pay comparisons between growers. In this rolling tournament, the economic consequences of one poorly performing flock is reduced, since it will be figured along with all the other flocks the farmer grew out that year. Of course, the economic benefits of a high-performing flock are also reduced. Thus, the system levels out individual grower scores on a rolling per annum basis.

By 2012, Tyson had also increased the size of its broilers form 5.5 to 6.5 pounds. Grow-out for each flock averaged 48-51 days, but could go as high as 53 days before “live-haul” trucks took the birds to the processing plant. Tyson was averaging only 14 days between flocks, which was as short as Frank would like. But, as he told me, Tyson can send you the next flock whenever it wants. When I asked what the shortest time he needed to get ready for the next flock, he replied: “Whenever Tyson says the next flock is coming.”

The integrator provides teams to catch the chickens and trucks to transport them. Growers are paid only for those birds that reach the processing plant alive. But growers are not present when the birds are weighed and cannot challenge head counts, weights, death loss, or the peer rankings that determine the amount of payment per pound. Growers have little recourse in disputes with integrators, and stories of abuse and intimidation are commonplace. The integrator can send you sick birds or “short” flocks; it can “short” you on feed or “short weigh” your birds when they are delivered for slaughter; it can keep your birds waiting at the processing plant scales so they lose weight and you lose money; it can require you to make costly upgrades to your houses; it can mandate resolution of disputes through arbitration and require you to sign away your rights to sue. And if you challenge the company, it can cancel your contract.[[2]](#endnote-2)

**Big Chicken Is on the Move Again**

Poultry production expanded steadily the 1980s and 1990s as population, per capita consumption, and exports all rose (MacDonald 2014:6-8). Annual poultry slaughter slowed early in the 21st century, however, and few new poultry processing complexes were built. But that is starting to change. Sanderson Farms brought a new broiler complex on line in Palestine, Texas, in 2015, another in St. Pauls, North Carolina, in 2017, and plans to open yet another Texas complex in 2019 (Thornton 2016; Fielding 2017). Holly Poultry opened a new plant in West Baltimore, Maryland, in 2017, quadrupling the company’s production (Meatingplace 2017). These developments pale compared to the expansion that is coming to northeast Nebraska.

In 1968, Perdue became the first poultry company to brand its product. Fifty years later, Costco is poised to become the first retailer to fully integrate its poultry line, by contracting with Lincoln Premium Poultry LLC to produce rotisserie chickens exclusively for its stores. Lincoln Premium will run the production side of the operation, but Costco will own the processing plant, and all its product will go to Costco stores. The plant will require roughly 404 chicken houses in the area around Fremont—332 broiler houses, 24 pullet houses, and 48 breeder houses. When fully operational, the plant will employ 1,000 workers to process 2 million birds a week (Clayton 2016; Gerlock 2017). The company broke ground in June 2017 on the $300 million project, which is projected to open in May 2019 (Scott 2017).

For every pound of gain, a chicken produces half a pound of dry waste. This waste, combined with the rice hulls or wood chips used to line the floors of chicken houses, is called litter. Lincoln Premium says its broiler houses will hold 43,000 birds each per flock, and each house will produce six flocks in a year (44 days per flock, 14 days between flocks), for a total of 258,000 broilers per year per house (Clayton 2016). Grown to a weight of six pounds, each broiler house will produce 774,000 pounds, or 387 tons, of litter a year. Its 332 broiler houses will thus produce 128,484 tons of litter a year. Spread on fields at four tons per acre, the recommended rate, this litter will fertilize 32,121 acres, or 50 square miles of Nebraska every year (at 640 acres per square mile).

Early on, rural western Kentuckians welcomed the poultry industry because it promised new jobs and the salaries and tax revenue they brought, new markets and premium prices for the corn they grew, and cheap fertilizer, in the form of abundant amounts of chicken litter, for their corn and soybeans. But they hadn’t yet smelled chickens or their litter. Tyson employees and growers like to call it the smell of money. But for those who live near chicken houses, which were built in complexes of two to 24 houses, there is nothing likeable about the stench of houses when flocks near maturity and the litter when it is spread on fields. By the time the plant opened, poultry-house neighbors were complaining of odor, flies and other vermin, ground water pollution, and damage to roads caused by increased and overweight truck traffic. County and municipal governments tried to enact zoning ordinances to ensure adequate setbacks of poultry houses from neighbors’ properties and homes—but it was too late.

An Iowa State University study found that two western Kentucky chicken houses emitted over 10 tons of ammonia in one year—levels sufficient to cause respiratory harm. The Sierra Club sued Tyson and several of its growers for excessive emissions of ammonia and dust under the Clean Air Act and other federal laws (Stull and Broadway 2013:171-173). But Big Chicken is now firmly entrenched in Kentucky, and with it, the harmful environmental and health consequences it brings.

Lincoln Premium hopes to recruit 120 area farmers as contract poultry growers for the Fremont plant. In its initial publicity the company said the standard broiler complex will consist of four houses, and cost about $1.5 million to construct. According to Harvest Public Media, Tim Mueller, who raises corn and soybeans on 530 acres near Columbus, Nebraska, plans to borrow $2 million to build four broiler houses, and eventually 12 more houses, which would require $6 million more in loans (Gerlock 2017). Like Kentucky tobacco farmers who took up poultry growing two decades ago, Mueller sees chickens as a way to diversify his farm operation and bring in a steady income in a time when Nebraska farmers are getting the same price for their corn they got in the early 1970s (John Hansen, personal communication, June 20, 2017).

Initial backers estimated that growers can expect net income as high as $116,000, although the Lincoln Premium project manager said income from a four-barn operation would be more like $95,000 (Clayton 2016). In the fall of 2016, Lincoln Premium’s draft broiler production contract said base pay would be 6.48 cents. But by summer 2017, it was having trouble attracting enough grower interest and spoke of adding a cent to the base pay ((Mike Weaver, personal communication, June 19, 2017). Either way, it would pay well above the national average of 5.77 cents per pound in 2011 (MacDonald 2012:26).

The net farm income reported for contract broiler growers with three to four houses in the 2011 USDA Agricultural Resource Management Survey was only $51,264 and that of growers with more than six houses was $107,729 (MacDonald 2014:38). In 2011, nearly a fifth of large grower operations and nearly a third of smaller ones had negative farm income—more than 20 percent of the smallest poultry farms failed to cover cash expenses (ibid.:37). In 2001, a study by the National Contract Poultry Growers Association and the USDA found that 71 percent of all growers’ whose sole source of income came from chicken production lived below the federal poverty line (PEW Charitable Trusts 2013)

In addition to offering above-average base pay to broiler producers, Costco and Lincoln Premium say the grower contract will be different than those that bind other broiler growers to their integrators. Its growers will receive 15-year contracts, the amount of time it will take them to pay off bank loans needed to finance their chicken houses. It will pay a bonus for the best performing flocks, but it will not cut growers’ pay for below-average performance, a common practice in the industry (Gerlock 2017). That is good news.

Nevertheless, the contract puts virtually all the eggs in the company’s basket. Although the production contract is for 15 years, it can be terminated by the company for any number of reasons, including company economic hardship. The company has the right to make changes in housing specifications “to comply with industry standards, customer requirements, good production practices, and changes in applicable law,” and it can require the grower to make capital investments during the contract period. Shawn is an example of the financial hardship, even ruin, such requirements have meant for poultry growers elsewhere. According to a 2017 class action lawsuit filed against the five largest poultry companies in U.S. District Court in the Eastern District of Oklahoma, “Integrators often monitor Growers’ debt burdens, requiring them to undertake unnecessary and expensive upgrades if they ever do near financial independence—with the intent of keeping Growers debt-laden and subservient to a specific integrator” (Fassler 2017).

And at the end of that 15 years, the company can terminate the relationship or renew the production contract on a flock-to-flock basis only.

The company determines the number, frequency of placement, size and breed of the birds placed with the grower. The contract says it will place approximately six flocks with its broiler growers each year of the contract. But the company retains the right to increase or decrease the number of flocks or the number of chicks delivered in each flock, or both, as dictated by market conditions, consumer demand, or other factors. And the company is in complete control of the health of the birds it places with each grower, the quality of the feed, and the timing of any veterinary services it may provide. To its credit, Lincoln Premium does promise to provide a certified scale to weigh broilers and feed, to allow growers to observe weighing of feed delivered to and of live broilers picked up from their operations--provided observations “do not interrupt normal production flow of Company operations.”

Concentrated animal feeding operations (CAFOs) have received widespread condemnation for air and water pollution, and the risks they pose to the health of their workers and those who live nearby. Lincoln Premium’s broiler contract holds the company harmless from any and all losses, claims, damages, assessments, or legal actions arising from broiler production, and it assigns growers responsibility and liability for all noxious emissions, broiler disposal, or related pollution.

Lincoln Premium says it will not use a tournament system to determine grower compensation, a system presently used in 93 percent of broiler contracts (MacDonald 2012:27). But the manner in which it calculates grower payment will be a tournament in all but name. All growers will receive the same base pay. Those growers whose efficiency is above the average of all others whose flocks were picked up in the same week can earn up to one-half cent per pound above base. But those growers whose rolling three-flock average is above peer average cost may be placed on a grower improvement program. If their performance does not improve, their contracts may be terminated. Growers’ attention to their flocks is a significant factor in their performance, of course, but so too is the quality of the chicks, feed, and veterinary services provided by the company—and these are beyond growers’ control.

The contract requires growers to waive their right to a jury trial in any disputes with the company. Growers must submit written complaints to the broiler manager, who can decide against the grower, merely by choosing not to respond. The grower can appeal to the production director, who likewise can decline to respond and find against the grower. The grower can then appeal to a five-member alternative dispute resolution committee made up of one company broiler grower, one company breeder grower, and one pullet grower randomly selected from among those who agree to serve, and two persons appointed by the company. Decisions require a vote of four of the five committee members to pass--and they are not binding. Such a dispute resolution system is fraught with possibilities for company pressure and abuse.

The company says the complex’s demand for local corn and soybeans will give a major economic boost to local farmers: 300,000 bushels of corn and 3,000 tons of soybeans a week (Clayton 2016). When Hudson first came to western Kentucky in 1996, it said it would buy 12 million bushels of grain a year from local farmers—at a premium of 7 to 10 cents a bushel. But not long after Tyson bought the Hudson chicken complex in 1998, it stopped paying a premium, and soon thereafter the company began requiring local farmers to negotiate sales and delivery with Tyson headquarters in Arkansas. Now grain for Tyson’s Kentucky plant is as likely to come by rail from who knows where as it is from farmers down the road.

Communities are often seduced by meat and poultry companies who describe their jobs as “good-paying.” Some of them certainly are. But 90 percent of workers in meatpacking plants are hourly line workers, whose wages are below or barely above the poverty line. In the summer of 2017, line workers at Tyson’s Robards, Kentucky, plant start at $12 an hour. In 2016, Lincoln Premium said line workers at its Fremont, Nebraska, plant will average $13 an hour. At $13/hour, working 40 hours a week, 52 weeks a year, a worker would gross before taxes and withholding $520 a week, $27,040 a year. This is less than $3,000 above the 2016 federal poverty level for a family of four, and well below income eligibility for free ($31,560) and reduced-price meals in public schools ($44,955).

If the partnership between Lincoln Premium and Costco proves successful by industry standards, it will likely become a model for other large retailers, such as Walmart. Tyson and other meat and poultry companies have long maintained that they are in many ways controlled by the retailers who buy their product. Costco is now taking vertical integration that one final step—it will control its rotisserie chickens all the way from the genetics through the hatchery through the chicken house through the processing plant to the retail meat counter and into the customer’s shopping carts. If this venture succeeds it may well be emulated throughout the poultry industry. And if it does, can pork be far behind?

**Chickenizing the Rest of American Agriculture**

The pork industry has followed closely on the heels of poultry. In the early 1980s, less than 5 percent of hogs raised by American farmers went to the packinghouse under some kind of marketing contract. In 2009, nine out of 10 were owned directly by meatpackers or under contract to them. And in those three decades, 91 percent of hog farmers went out of business (Stull and Broadway 2013:15-16).

Traditionally, meatpacking company buyers bid on pens of live cattle and paid their owners in cash. But the packers are changing how they pay for the cattle they slaughter, extending their control of the market through what is known as captive supply. For example, by 2010 more than half of cattle slaughtered in Kansas were bought on a pricing formula based on the weight and quality of meat and byproducts each carcass yields, adjusted according to formulas or grids specified by the company. Packers also procure cattle through forward contracts, which require delivery at a future date for a predetermined price. Or they may own the cattle they slaughter, finishing them at their own feedyards. For example, JBS, the world’s largest beefpacker owned Five Rivers Cattle Company, the world’s largest cattle feeding company, with a capacity of almost a million head, until it was forced to divest amid a bribery scandal in 2017 (Rochas 2017). And because beef plants procure cattle from feedyards within about a 300-mile radius, even cattle feeders who sell on the cash market often have only one bidder on their animals. More than half, and by some estimates as much as 80 percent, of the cattle slaughtered in the United States are now obtained through captive supply—either through forward contracts, formula pricing, packer ownership, or feeders who have only one viable buyer. (Stull and Broadway 2013:37; Domina and Taylor 2010:3). Is it any wonder then that from 1980 to 2009, 41 percent of beef cattle producers went out of business (Stull and Broadway 2013: 16)?

Dairy has followed a similar trajectory. Between 1970 and 2011, the number of dairy farms in the United States dropped 88 percent, from 648,000 to less than 52,000 (Valenze 2015:338). Most of the farms that went out of business were in traditional dairy states like Wisconsin, Vermont, and New York, and were small, milking fewer than 200 cows (Kardashian 2012:9). Replacing these small farms are megadairies in the places like southwest Kansas, northeast New Mexico, and North Texas. Between 2000 and 2006, dairies milking more than 2,000 cows doubled (ibid.). Following chicken’s example, megadairies confine their animals—a 2007 USDA survey of animal management on over 2,000 dairy farms found that about half their cows are on concrete flooring, while pasture was the predominant flooring for only 5 percent of dairy cows (Kardashian 2012:174).

It is not an exaggeration to say that modern agriculture has been “chickenized.” Wherever we look—pork, beef, dairy—we see the imprint of Big Chicken: concentrated animal feeding operations (CAFOs), vertical integration, growers forced into one-sided contracts with multinational monosponies, the disappearance of viable markets. And it is not just meat and dairy that have been chickenized—so too have other agricultural commodities. Tobacco is especially instructive.

Tobacco was long a cornerstone of family farm agriculture in Kentucky and 16 other states, primarily in the Upper South. The federal tobacco program, established in the 1930s, limited production by establishing quotas on the amount and type of tobacco that could be grown on individual farms. Farmers sold their leaf at auction to company buyers, and the program guaranteed purchase of their leaf at a minimum price, if not by a company (for at least a penny above the federal price-support level), then by a grower cooperative, financed at no net cost to taxpayers by the Commodity Credit Corporation. By stabilizing the price farmers received for their leaf, the federal tobacco program helped many small family farms survive. But in 2004, the program was terminated.

Tobacco farmers are now free from government regulations on how much and what kind of tobacco they can grow, but they no longer enjoy the price guarantees that previously protected them.[[3]](#endnote-3) And they are no longer able to sell their leaf to the highest bidder. Like chicken growers, they are bound to precarious contracts with a shrinking number of multinational corporations—contracts that specify how much and what kind of tobacco they can grow, at what price, and with what inputs. And if it chooses, the tobacco company can reject all or part of their crop, leaving the grower with few, if any, marketing options.

To stay in business in tobacco’s new free market, Kentucky’s farmers have been forced to “get big or get out.” Double-digit annual increases in input costs (fuel, fertilizer, hired labor) since the end of the tobacco program have forced them to, as one tobacco farmer remarked, “go the same way as grain farmers. Fifteen or 20 years ago, a man could farm 1,000 acres and make a pretty good living as a grain farmer, now he needs 2,000 acres to take home the same money.” The same is true of tobacco farmers--this grower has increased his tobacco acreage nine fold in the past two decades.

Whether they raise tobacco or something else, farmers are being transformed into growers, laboring under contract to multinational agribusiness corporations rather than selling their crops or stock on the open market. Speaking of the changes facing farmers in tobacco’s new free market, a county extension agent, who also raises chickens for a multinational corporation, remarked on the similarities:

As contract poultry growers, you learn to exist on what you can get. There’s still a lot of management decisions that we don’t make, somebody else makes, and our tobacco producers are finding that out too, as the company comes out and hands them a manual and says, ‘This is what we kind of want you to go by.’ The companies are having a lot more to say about how [tobacco is grown].

He is not the only one who bemoans the chickenization of tobacco. According to a farmer who was growing 10-12 acres of tobacco, “Now, then, they’re saying that Philip Morris is talking like Perdue here in the chicken business. They’re talking about going into a county that tobacco has never been raised in and furnishing the money and putting up barns and start raising it.” Tobacco auctions are no more, so too are competitive markets and grower autonomy that went with them. The contract-grower model, pioneered by poultry, now dominates pork, beef, dairy, and tobacco. It is increasingly prevalent in grains as well.

American agriculture is dominated by vertically integrated and highly concentrated multinational agribusinesses. According to figures compiled by the National Farmers Union, just four companies slaughter 85 percent of cattle, 74 percent of hogs, and 54 percent of chickens. Of those companies, one—Smithfield—is Chinese-owned, and another—JBS—is Brazilian.

In a span of four decades, more than 30 agricultural companies have consolidated into six giants through mergers and buyouts. These six companies now control 63 percent of the seed market and 75 percent of the agricultural chemical market. And it is getting worse. The Chinese National Chemical Corporation’s purchase of the Swiss seeds and pesticide company Syngenta made ChemChina the world’s largest supplier of pesticides and agrochemicals. Dow and DuPont recently merged, and Bayer and Monsanto are in the final stages of merger. When these mergers are completed, ChemChina-Syngenta, Dow-DuPont, and Bayer-Monsanto will control 80 percent of U.S. corn seed and 70 percent of global pesticide sales (Unglesbee 2016).

Multinational oligopolies gobble up more and more of the agricultural and food sectors, while farmers see their share of the food dollar steadily shrink. U.S. corn and soybean growers presently receive only 29 percent of parity; dairy, pork, and beef producers receive 33, 40, and 26 percent respectively. (Parity is the price farmers would receive if farm prices had increased as the same rate as expenses, using 1910-1914 as the base period [National Farmers Union News 2016:2]). The U.S. government has turned a blind eye to the rise of the new agricultural trusts and the monopolistic practices they use to control our food and the farmers and ranchers who produce it.

Competitive markets are fast disappearing, and with them the welfare of farmers and rural communities. Small diversified farms are threatened with extinction in the United States unless the families that still cling to the way of life they symbolize find a way to remake them into viable economic ventures. What Grey (2000) calls our industrial food stream has brought us cheap and abundant food, but it has also depopulated our countryside as agricultural labor has been largely replaced by mechanical, chemical, biological, and information technologies (Adams 2003:1). An alternative food stream has emerged as farmers seek viable ways to earn a living and consumers seek more wholesome foods. “Natural” and organic foods, farmers’ markets, community-supported agriculture, food co-ops, and direct marketing to consumers are rapidly gaining in popularity. But the overall market share “captured” by this alternative food stream remains modest and in danger of cooptation by the same multinational corporations that dominate agricultural production and the industrial food stream.

The chicken industry has been the drum major in American agriculture’s march toward industrialization. Controlled by a few vertically integrated corporations, it has turned animal agriculture into animal manufacturing, independent farmers into growers bound by one-sided contracts. This chickenization of American agriculture and its producers has severe consequences for our food security, safety, and quality. The challenge facing American agriculture is to develop a new model, one that respects land, animals, producers, harvesters, processing workers—and eaters. It will not be easy, or quick. But it must be done if the American family farm is to survive, let along prosper.

**References Cited**

Adams, Jane, ed.

2003 Fighting for the Farm: Rural America Transformed. Philadelphia: University of Pennsylvania Press.

Associated Press

2000 Kentucky Poultry Production Up 13,000 Percent. The Gleaner (Henderson, Ky.), June 25.

Charles, Dan

2014 Is Tyson Foods’ Chicken Empire a Meat Racket”? The Salt, National Public Radio, February 19. <http://www.npr.org/sections/thesalt/2014/02/19/276981085>. Accessed June 8, 2017.

Clayton, Chris

2016 High Hopes for Costco Poultry—Experts Warn Devil Is in the Details When It Comes to Poultry Contracts. DTN/The Progressive Farmer, June 27. <https://www.dtnpf.com/agriculture/web/ag/news/farm-life/article/2016/06/27/experts-warn-devil-details-comes>. Accessed June 21, 2017.

Domina. David A., and C. Robert Taylor

2010 Restoring Economic Health to Beef Markets. August 25. Lincoln, Neb.: Organization for Competitive Markets.

Fassler, Joe

2017 Playing Chicken: A New Class-Action Lawsuit Claims that Poultry Processors Conspire to Keep Farmers Trapped and Dependent. The New Food Economy, February 1. <http://newfoodeconomy.com/chicken-farmer-collusion-suit>. Accessed June 21, 2017.

Fielding, Michael

2017 Sanderson Farms Announces Site for New Poultry Complex in Texas. Meatingplace, March 16. <http://www.meatingplace.com/Industry/News/Details/72167>. Accessed June 21, 2017.

Gerlock, Grant

2017 The Gamble of the Farmers that Raise our Chicken. Harvest Public Media, June 7. <http://hppr.org/post/gamble-farmers-raise-our>-chicken. Accessed June 8, 2017.

Grey, Mark A.

2000 The Industrial Food Stream and its Alternatives in the United States. An Introduction. Human Organization 59:143-150.

Hall, Bob

1989 Chicken Empires. Southern Exposure 17(2):12-17.

Heffernan, William D.

1984 Constraints in the U.S. Poultry Industry. Research in Rural Sociology and Development1:237-260.

Kardashian, Kirk

2012 Milk Money: Cash, Cows, and the Death of the American Dairy Farm. Durham: University of Vermont Press.

Keeton, Kara

2010 Something to Crow About: Kentucky Chicken Producers Challenge Equine as Top Earning Agribusiness Sector. The Lane Report. Lexington, Ky.:Lane Communications Group.

Kentucky Poultry Federation

n.d. Kentucky’s #1 Ag Commodity. Kentucky Poultry Federation. <http://kypoultry.org/pfacts>. Accessed June 6, 2017.

MacDonald, James M.

2008 The Economic Organization of U.S. Broiler Production. U.S. Department of Agriculture, Economic Research Service. Economic Information Bulletin No.38. June.

2014 Technology, Organization, and Financial Performance in U.S. Broiler Production. U.S. Department of Agriculture, Economic Research Service. Economic Information Bulletin 126. June.

Meat+Poultry

2016 USDA: Poultry Production Nearly Doubles Since 1990. Meat+Poultry, November 1.

Meatingplace

2017 Holy Poultry Eyes Expansion with Opening of New Plant. Meatingplace, June 7. <http://www.meatingplac.com/Industry/News/Details/73698>. Accessed June 7, 207.

Morrison, John M.

1998 The Poultry Industry: A View of the Swine Industry's Future. *In* Pigs, Profits, and Rural Communities. Kendall M. Thu and E. Paul Durrenberger, eds. Pp. 145-154. Albany: State University of New York Press.

National Chicken Council

2012 March Madness: Why Contract Growing in the Chicken Industry is not a “Tournament.” March 15. <http://www.nationalchickencouncil.org>. Accessed May 23, 2017.

National Farmers Union News

2016 Farm Price Barometer, January 2016. National Farmers Union News 64(1):2.

PEW Charitable Trusts

2013 The Business of Broilers: Hidden Costs of Putting Chicken on Every Grill. Report, December 20. <http://www.pewtrusts.org/en/research-and-analysis/reports/2013/12/20>. Accessed September 12, 2017.

Rochas, Anna Flavia

2017 Brazil’s JBS Plans to Sell Moy Park, Five Rivers & Stake in Vigor Alimentos. Meatingplace, June 20. http:www.meatingplace.com/Industry/News/Details/73926. Accessed June 27, 2017.

Schneider, Skylar

2017 Stand Up for Family Farmers—Pass the Farmer Fair Practices Act. National Farmers Union, June 1. <https://nfu.org/2017/06/01/stand-up-for-family-farmers-pass-the-farmer-fair-practices-rules/>.

Scott, Chris

2017 Costco Breaks Ground for Nebraska Chicken Plant. Meatingplace, June 20. http://www.meatingplace.com/Industry/News/Details/73916. Accessed June 20, 2017.

Striffler, Steve

2005 Chicken: The Dangerous Transformation of America’s Favorite Food. New Haven, Conn.: Yale University Press.

Stull, Donald D.

2000 Tobacco Barns and Chicken Houses: Agricultural Transformation in Western Kentucky. Human Organization 59:151-161.

2009 Tobacco is Going, Going . . . But Where? Culture & Agriculture 31:54-72.

2017 Cows, Pigs, Corporations, and Anthropologists. Journal of Business Anthropology 6(1):23-40.

Stull, Donald D., and Michael J. Broadway

2013 Slaughterhouse Blues: The Meat and Poultry Industry in North America. Second Edition. Belmont, Calif.: Wadsworth.

Thornton, Gary

2016 Top 10 US Chicken Producers Grow in New Directions. <http://www.wattagnet.com/articles/25893>. March 7. Accessed June 19, 2017.

Tyson Foods

n.d. Tyson’s Live Production Teams Span Nine Counties. In Growing the Future, 12-page advertising insert in several Western Kentucky newspapers, July 1999.

Ulack, Richard, Karl Raitz, and Gyula Pauer

1998 Atlas of Kentucky. Lexington: University of Kentucky Press.

Unglesbee, Emily

2016 And Then There Were Four? DTN/Progressive Farmer, September 23. <https://www.dtnpf.com/agriculture/web/ag/news/article/2016/09/23>. Accessed September 26, 2016.

Valenze, Deborah

2015 Dairy Industry. *In* The Sage Encyclopedia of food Issues. Volume 1. Ken Albala, ed. Pp. 335-340. Thousand Oaks, Calif.: Sage.

Williams, William H.

1998 Delmarva’s Chicken Industry: 75 Years of Progress. Georgetown, Del.: Delmarva Poultry Industry, Inc.

1. Poultry processing complexes consist of a hatchery, feed mill, processing plant, and the poultry houses were the birds are raised. Tyson’s hatchery is located in McLean County, its feed mill in Webster County, and the processing plant in Henderson County. The hatchery, feed mill, and processing plant are only a few miles from each other but are located in different counties to maximize local tax incentives. There are three types of chicken houses. Pullet houses raise breeding stock to 20 weeks of age, when the birds are taken to breeder houses, roughly 10 hens to each rooster. For about 45 weeks breeding hens produce eggs for the hatchery, which produces chicks for the broiler houses. [↑](#endnote-ref-1)
2. More detailed description of Tyson’s western Kentucky poultry complex, its growers and its workers, can be found in Stull 2000 and Stull and Broadway 2013. This chapter draws upon and updates those works. [↑](#endnote-ref-2)
3. For a detailed review of the federal tobacco program, its termination, and consequences for Kentucky tobacco farmers see Stull 2009. [↑](#endnote-ref-3)