

Field Notes



Kerr Center for Sustainable Agriculture

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◆ VIEWPOINT ◆

An Open Letter to Dan Glickman

February 19, 1999

The Honorable Dan Glickman
Secretary United States
Department of Agriculture
Washington, D. C.

Dear Mr. Secretary:

Last year was a tough year for farmers and livestock producers. Record low prices for hogs, continuing low prices for cattle and commodity crops, and adverse weather made it difficult for many in agriculture to keep going. But keep going is what we have always done! But even more disturbing than the weather are the daily newspaper reports about mergers and acquisitions that continue the trend of concentration in agribusiness. And that means that markets are not as open and free as they should be. All of this bad news compelled me to write you a letter that addresses what I see as key problems and solutions in agriculture, issues that the USDA needs to address swiftly and decisively.

This is my third letter to

a Secretary of Agriculture. The first two were in an official capacity, as chairman of the National Sustainable Agriculture Advisory Council. I'll start with a brief sketch of my credentials and experience, so you may assess my credibility and my qualifications to comment on agricultural policy.

My name is Jim Home, I am a 51-year-old son of a share-cropper, born and raised in southwestern Oklahoma. I was educated in a rural high school in the town of Roosevelt, named after Teddy Roosevelt, a near ghost town today. I continue to farm and ranch but my real livelihood comes from serving as president of The Kerr Center for Sustainable Agriculture, Inc. in Poteau, Oklahoma. The Kerr Center is a non-profit foundation, established by the family of the late Senator Robert S. Kerr of Oklahoma. I have a B. S. degree in Agricultural Education, a M. S. in Agricultural Economics and a

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Ph.D. in the biological sciences. Since 1972 I have leveraged my passion for farming by assisting farmers and ranchers throughout Oklahoma. I and a few others provided the initial testimony in the mid 80's to both the Senate and House Committees that made the Sustainable Agriculture Research and Education (SARE) Program actually happen. I have since served as chair of the Southern Region SARE Program, an unpaid job I did because I believe in the program.

But I'm not here to talk about myself. I want to take the remaining space to visit with you about the concerns that I have for agriculture. Having lived among and represented farmers all my life, I believe I know well the issues that actually hurt farmers most: market concentration, the notion that exports will save us, the illusion of agricultural efficiency, and the false promise of corporate agriculture.



Jim Horne

Market Concentration

Never before have so few been in charge of so much, especially when we start talking about food. I'll not cite the figures, we are both familiar with them. But I will tell you the impact of market concentration.

Even if farmers use the very best management practices in producing food, the most sophisticated marketing techniques, such as the use of futures and options, it is not enough. We cannot even come close to negating the effect that a handful of firms controlling over 80 percent of our meat-packing industry and a huge chunk of our grain market is having on us. Prices are not being fairly or openly reported. Proving it requires a desire for truth and a band of attorneys backed by big money or a Department concerned with its clients.

In Oklahoma, there is virtually no live market for pigs or chickens today. That is unless you want to trade off the tailgate of your pickup at the edge of town. While the Department has preached and taught that free markets and competition are the best thing for

agriculture, its own policies have contributed to the loss of both in the United States. Smaller processors are being forced out of business or bought out and competition is being reduced instead of increased throughout all of agriculture. Because of NAFTA and other trade agreements, farmers in other countries have competitive advantages over our own farmers. Is this what the Department means about a more global and competitive environment? Perhaps the Native American knew best when he said that Washington speaks with a forked tongue.

The profits in agriculture are not being made at the farm gate. The USDA needs to take bold steps to turn this around, and begin searching for and supporting new forms of businesses owned by farmers such as new generation co-ops. These businesses will help keep farmers on the land and keep rural communities intact.

On behalf of two million farmers, I urge you, Mr Secretary, to take immediate action, using the

full force of your Department and its allies, to stop the further concentration in agriculture and its processing industries. It is a matter of food security.

Exports

Every Secretary of Agriculture I have known since I was a young lad on the farm has told us how exports would not only save us but would actually put money in our pockets. But have they?

I recall listening to the radio and hearing announcements that Russia would import grain. Prices would skyrocket in financial markets, and then a few days later prices would fall drastically when the deal was canceled. For many farmers, it's tough to understand how this could be; how the price of something they produce as a staple commodity could be worth so much one day and so little the next.

Two things that contribute to price volatility are: the weather (which can't be controlled) and the policies that come forth out of USDA (which can be). The average farmer is not the winner when prices are

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volatile – the winners are the handful of large grain and meat packing companies that win either on the cash market or through their hedged positions.

Therefore for the 90 percent of farmers that are uncomfortable with or lack sufficient volume to utilize marketing strategies, the market gyrations surrounding an export sale mostly have painful consequences. A cynic might look at the situation and say that we in agriculture have reverted to the social Darwinist view of survival of the fittest, that you must become a market whiz or you don't deserve the right to farm.

It seems to me that agricultural surpluses are viewed as valuable, not because they help farmers, but because they can be used to offset negative balance of trade payments and keep food cheap. At the same time, these agricultural surpluses drive down prices and put farmers out of business. In other words, agricultural surpluses turned into exports are being used as a tool to support a country (the United States) that is about five percent of the population of the world, yet uses about 40 percent of the resources of the world, many of them imported and certainly not essential for life. Trading food for trinkets worries me when the cost of producing food is not accounted for.

It is difficult to say anything negative about exports for fear of being misunderstood. There are indeed hungry people all over the world. But, often they are hungry because of inadequate distribution, waste, and corrupt or greedy governments, not because there aren't enough calories produced to feed the world. If we are to be both kind and helpful to the rest of the world, then let's get to the task – helping them feed themselves.

Can we not wake up and see that a bushel of wheat is much more than just wheat? There is a whole production process behind it that consumes the earth's limited natural resources. No one is even talking about the hidden cost of full throttle agricultural production, such as removing sediment and pesticides out of the water. Not to mention the cost of restoring some ecological balance to our farming systems.

If society only knew the true cost of exports, it

might come to the conclusion that what we gain is not worth what we are paying. Yes, exports have cost us farmers on the land, increased soil erosion, and polluted water.

On behalf of the many farmers, mostly small and medium-sized family farmers who have been underserved by your Department, who are increasing in age and are unable to grasp the sophisticated market programs, much less understand the impact of USDA rules and regulations, I challenge this injustice.

It is necessary that our Congress and our USDA officials recognize the impact of their actions on the lives of the people that their department was created to serve, a department that Abe Lincoln called “the people's department.” Please recognize, Mr. Secretary, that exports are not a panacea, and that they have played a significant role in changing the structure of agriculture, in decreasing social fairness, creating ecological disturbances, and in wasting the nation's treasury of natural resources to offset a negative balance of trade. We are now experiencing the beginning of ecological disturbances in many fragile areas across rural America.

Agricultural Efficiency

For as long as I can remember, the whole game of agriculture was about becoming more efficient. That generally involved becoming more specialized. Certainly during the 60's when I was a college student, we were moving out of an age when farms were more diversified into an age of specialization and the development of monoculture farming. It was hard to argue against the point that specialists could do a much better job than a general farmer. Who could argue with the notion of reducing waste, feeding more with less, and squeezing the profitability equation to show more cash profit? Undoubtedly, we assumed it was the right thing to do. Efficiency was even promoted in the name of old fashioned thrift, an idea that has always appealed to farm families.

However, Mr. Secretary, you and I know that this kind of efficiency is somewhat superficial. Efficiency has turned out to mean moving people off their home places. Why is it that the USDA and our deans of agriculture can spew forth the stats on efficiency without counting the real cost to society? In this land of

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plenty, is efficiency the only measuring stick? It has spawned the false idea that if we can become efficient enough we won't really even need our neighbor.

It's no wonder when I drive north across the western tier of Oklahoma and Kansas counties, I don't see people on the land any more. Instead I see big tractors rolling across fields and then the boarded up windows of what used to be the hometowns of so many farm boys and girls. Were it not for my mother who lives in such a town, I would not look forward to those visits back home. Who wants to witness the making of a modern day ghost town? Surely, Mr. Secretary, as a Kansan, a neighbor, you know what I am talking about.

Rural America is being desolated because of this notion of efficiency. Again I ask, have we as a nation, through our farm policy, adopted the principles of Darwin, that only the toughest deserve to remain? I wish it were not so, but the evidence seems quite clear that historically, we have done just that. Believe me, I'm a red-blooded American who believes that a little competition is good, but if farm policy is about providing missiles to assist the strong in gaining more land, and providing darts to those who are small and underserved – our family farmers – then it is wrong on both moral and ethical grounds. Mr. Secretary, make sure that when you make policy that at least you “do no harm” to those who remain.

And Mr. Secretary, it would be even better if you would develop programs that would help provide opportunities for young farmers, move swiftly to implement the findings of the Small Farm Commission, and expedite the settlement to those that have suffered outright discrimination from the Department that Abe called the “people's department.”

Corporate Agriculture

As an agricultural economist, I know all about the prevailing paradigm that when outside capital comes to a community, it is good for the community. For many years I accepted it. But Mr. Secretary, unfortunately, we are finding that profits from that outside business normally flow back to where that original money came from. Local institutions and businesses are bypassed in the construction phase of corporate-owned confined

animal feeding operations. This is exactly what has happened with the coming of corporate-raised hogs (and to a lesser extent with corporate chickens) to rural areas in our state. And where are the good jobs that these industries are supposed to bring? Mr. Secretary, surely you remember the Time article on corporate agriculture, and remember the U.S. News and World Report article on INS raids of processing plants and the way these plants exploit their workers. Mr. Secretary, help us to avoid sweatshops in agriculture in this country. We don't need them.

Suffice it to say that more and more communities are being with overcrowded schools, rises in crime, and environmental liabilities, such as polluted water, rather than prosperity. It is clear that this pollution threatens the ecological communities that agriculture is dependent upon. We are changing the balance of nature. And instead of bringing economic prosperity to a broad cross-section of people in the area, these corporations have exploited workers and siphoned profits to only a few in the community, while most of the profits go out-of-state and sometimes out of the country.

Solutions

There are other concerns that I have, the effects of biotechnology and the loss of biodiversity, to name two of the most serious. The list could go on and on, but the question before us, Mr. Secretary, is “What can you do, and what can I do?” I and countless farmers are willing to do our share. Government cannot save us, it cannot guarantee us a profit but the government can do a few things.

1. It can stop promoting expansion of industrial agriculture and allowing concentration of agribusiness until the last family farmer moves to town. We don't need another reorganization of the Department of Agriculture. What we need is a reorientation towards a more sustainable agriculture. Help us convince the world that sustainable agriculture is not about starving the world, but is about empowering people wherever they are to sustain themselves.

2. It can stop talking about the value of sustainable agriculture and begin to fund it in a significant way. We need to go from a widow's mite of twelve million per

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year for the Sustainable Agriculture Research and Education (SARE) program to a respectable level of funding. As you have been told, the program can easily fund twice the proposals it receives and suffer no loss in quality of projects. Something is wrong when the Kerr Center, a rather modest institution from a small state, itself devotes to sustainable agriculture the equivalent of ten percent of what the gigantic USDA spends!

3. It can make sustainable agriculture a priority within the many agencies of the USDA. I am pleased to see that some agencies are doing this. But there is a lot of catching up to do. Somehow employees of "the people's department" need to be reinvigorated to carry out the job of meeting the needs of the present generation, without

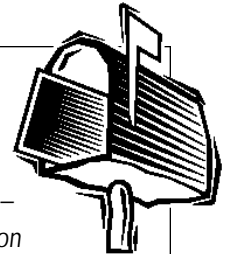
jeopardizing the choices of future generations.

Please Mr. Secretary, distinguish yourself from other secretaries. Renew our faith that you are a man of deeds, not just words. We await your reply.

Sincerely,
Jim Horne, Ph.D.
President, Kerr Center
for Sustainable Agriculture

The Kerr Center invites readers to write us with their own perspectives on agricultural policy.

Interested readers may access *A Time to Act – A Report of the USDA National Commission on Small Farms* at www.reeusda.gov.



Oklahoma Catching Co-op Fever

In 1997, speaking at the Kerr Center Rural Development conference, former North Dakota agriculture commissioner Sarah Vogel described her state's "co-op fever." A new generation of farmer-owned cooperatives, which allow farmers to add value to their crops, Vogel said, had resulted in millions of dollars in new investments, thousand of new jobs and "a sense of renewal and optimism."

In attendance at the Kerr Center conference were Oklahoma Farmers Union president Philip Klutz and Oklahoma House agriculture committee chairman M.C. Leist, who accepted Vogel's invitation to visit North Dakota and learn more. Last year Rep. Leist and House and Senate colleagues created a Task Force on

Agricultural Cooperatives to develop public policy options and recommendations relating to product-development and marketing-oriented cooperatives. Kerr Center president Jim Horne was appointed by Governor Keating to serve on the 12 member committee.

For years Horne has advocated helping family farmers add value to their crops. As the Task Force's final report noted, "There is common agreement an urgent need exists to implement policy that will increase the net income of Oklahoma farmers and ranchers to a level that will allow them to continue in business. The development of cooperative ventures to enhance processing or find new and better uses for Oklahoma agriculture commodities can have direct benefit to our producers."

The Task Force recommended the creation of a new Advisory Board which would give grants and loans in several areas. These include:

Cooperative Marketing Grants

The purpose of this category is to promote productivity, to provide added value to agricultural products, to stimulate and foster agricultural diversification, and to encourage processing innovations.

Marketing and Utilization Grants

The funds in this category will be used to assist in the development or implementation of sound domestic or international marketing plans for Oklahoma agricultural products through financing market feasibility studies, business plans and test marketing.

Farm Diversification Grants or Loans

These could be used for projects that help Oklahoma family farms and ranches become more diversified by adding non-traditional crops, livestock, or on-farm value-added processing of agricultural commodities.

Basic and Applied Research Grants and Loans

Funds would be used for business creation or expansion, or research which would likely lead to a marketable product.

Currently there is a bill in committee in the Oklahoma legislature dealing with these recommendations.