

06-22-04 The Plight of America's Poultry Farmers¹

Fifty years ago, there were more than one thousand companies in the United States involved in poultry production. Competition among these firms resulted in favorable contracts for poultry farmers and favorable choices for consumers. Over the decades, many of these companies folded, merged with one another, or bought each other out. Today, 95% of the chickens produced for meat in the US are grown under contracts to fewer than 40 companies. Astoundingly, 50% of the chicken market is controlled by only four companies.

The companies that dominate poultry production are all *vertically integrated*. That means they control many or all links in the chain of production. To get their poultry to the market, farmers enter into contracts with these companies. Under the terms of these contracts, poultry companies provide not only chicks, but also feed and medicine, and agree to buy the grown chickens back from the farmers at a guaranteed price per pound. In return, farmers must supply not only land and labor, but also must make thousands of dollars in investments in equipment and buildings. Previously, when there were many more companies and they were less vertically integrated, there was greater competition, and contract terms benefited farmers.

Today, however, most American poultry farmers live at or below the poverty line. Like serfs in a feudal system, they are unable to ever escape their debt and contractual obligations. Even as farmers struggle to make ends meet, it has been alleged that some companies cheat them by understating the weight of the birds purchased from the farmers, overstating the weight of the chicks provided, and/or providing low-quality chicks or feed. But farmers are often afraid to speak out against these unfair practices, because if they do so their contracts may be cancelled, and their names placed on a blacklist.

In addition to the ill-effects experienced by poultry producers, consolidation and vertical integration in the food industry is bad for consumers because it decreases competition, which limits consumers' choices. Our dominant chicken production system is dependent on production methods that put consumer and environmental health at risk. For example, overuse of antibiotics in factory farm chicken production is rampant, and leads to antibiotics being less effective in treating human illnesses. Also, intensive factory farm production results in manure management problems, contributing to air and water pollution. Further more, consolidation in the chicken industry has changed our landscape, wiping out the bucolic small family farm, and replacing it with ugly factories.

How can you be assured that your chicken is of the highest quality, and that its producer is earning a living wage? Simple: buy it through your CSA or local farmers' market. If your CSA does not offer meat products, talk to a member of your core group. Just Food can work with them and your farmer to make chicken and other products available through your CSA.



¹ In formation in this column comes from: Howard, Phil. Consolidation in Food and Agriculture: Implications for Farmers and Consumers. *CCOF Magazine*. Winter 2003-2004. Available online at http://www.ccof.org/magazine/archives/mag_w0304.pdf.