Ready for 'designer meat' at $15/lb.?

by Sue Atkinson

In the last year, you may have noticed the innovation in your supermarket's meat case of "designer meats"—name-brand poultry and meat, selling for at least $7.50 a pound and up, for example "Tyson," and others. A few frills are added—pepper, garlic, etc.—as rationalizations for the prices, but no amount of inducements can enable today's households hit by the "recovery" to afford this meat, or the amount of meat they ought to have at any cost.

However, what is involved is not just another food "gimmick," like another breakfast cereal. In fact, the appearance of "designer meat" signals a process of cartelization in the U.S. and world meat supply that already constitutes a threat to the potential to maintain and improve diets around the world. One of the world's biggest food cartels, Cargill, has made plans for its own line of "brand-name" cuts—for any who still can afford to eat.

What is happening is that the backbone of the "American System" form of food production—the independent family farm operation using high technology and advanced animal husbandry, is being replaced by giant cartel-owned pork and beef operations, that control the meat from the live animal stage to your supermarket. Over the last 15 years, the chicken, turkey, and other poultry supply of the United States has been "vertically integrated" in this fashion. Now, it is happening to pork and beef.

The jargon in the industry describes this differently, but means the same thing: Charles Levitt, a senior livestock analyst for Shearson Lehman Brothers, says that "economic factors" are moving livestock feeding toward large corporate operations. "The poultry industry lost large numbers of small, indpendent producers as corporate giants arose. The same phenomenon is occurring in the hog industry. This is not surprising, because several of the largest hog farrowing and production operations in the nation are tied directly to large poultry firms."

Between 1970 and 1986, the number of operations with hogs in the United States dropped by 60%. At the same time, such world food cartel companies as Louis Dreyfus, one of the giant "merchants of grain," has gone into cartelized hog production. The new cartel-related hog operations encompass units with outputs of 5,000 to 10,000 head per year. One such company is the Kansas City-based National Farms, Inc. This company alone, with $50 million invested in buildings and breeding stock, is large enough to displace 500 average-sized farmer feeders.

National Farms has bought land in South Dakota, where it plans to duplicate its Nebraska operations. This would increase its sow herd from 18,000 to 36,000, and its annual production from 350,000 to 700,000 hogs. Tax subsidies totaling $4.5 million are available to them for this expansion.

National Farms could also duplicate in South Dakota the business tactics it used in Nebraska. The Nebraska land was purchased in the 1970s, just as land values were increasing. In 1981, this land was sold to Prudential Insurance Company of America, and then leased back to National Farms, in order to maintain large benefits from government farm programs. (The company received $3.4 million in payment-in-kind grain from the U.S. Department of Agriculture in 1983.)

Bill Haw of National Farms discounted claims that his firm and other large commercial feeders are damaging rural communities, or planning to charge high prices to consumers. He said there are 175 people who are staying and working near the complexes, located at Atkinson, Nebraska. About 55 of those employees are managers, making from $12,000 to $26,000 a year. The rest are hourly wage workers who start at $4.75 per hour, and work 50-55 hours per week.