CONTESTED GLOBALIZATION OF THE AGRIFOOD SYSTEM: A MISSOURI SCHOOL ANALYSIS OF SANDERSON FARMS AND SEABOARD FARMS IN TEXAS*

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ABSTRACT

The Missouri School of Agrifood Studies began with a focus on the power of agribusiness corporations in relation to quality of life of farmers and their related communities. The poultry industry was the first commodity studied, with later research into other commodity sectors and then the global dimensions of this process. In this paper I continue the Missouri School agenda by focusing on the entry of the poultry firm Sanderson Farms and the hog firm Seaboard Farms into Texas. This paper combines a sociology of the agrifood system conceptual framework with two case studies of agribusiness expansion in Texas to inform discussions regarding the characteristics of the globalization of the agrifood system. The results of the research indicate that the CAFO-based economic development strategies in Texas created significant controversies as local citizens organized to challenge the initiatives. This contested process of the globalization of the agrifood system was mediated by the state, mostly in favor of the agribusiness transnational corporations (TNCs).

“Texas is wide open for business.”
—Rick Perry, Governor of Texas

As founder of the Missouri School of Agrifood Studies, Bill Heffernan followed the tradition of Walter Goldschmidt (1947) in researching the relationship between the structure of agriculture and the quality of life (see Heffernan 1982). His early research on the poultry industry (Heffernan 1972; 1984) highlighted the growing power of integrators related to poultry growers and the long-term implications this might have for quality of life in rural communities. As both vertical and horizontal integration advanced, he noted that poultry growers experienced an increasingly marginalized position with few options; what some researchers called “propertied laborers” (Davis 1980) or “serfs on the land” (Breimyer 1965). His later works documented the adoption and diffusion of the poultry model globally (Constance

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and Heffernan 1991; Heffernan 1990), and into other increasingly oligopolistic commodity sectors (Heffernan 2000; Heffernan and Constance 1994), and the creation of strategic agrifoodpharmachem clusters (Heffernan, Henrickson, and Gronski 1999). His students documented similar patterns in the hog industry (see Constance and Bonanno 1999a; Constance, Kleiner, and Rikoon 2003).

In contribution to the Missouri School of Agrifood Studies, this paper employs two detailed cases from Texas to illustrate the impacts of the globalization of the agrifood system on rural communities, the role of the state in promoting rural development initiatives, and the local resistance that emerges to counter these initiatives. Texas provides a useful research site as an example of the neo-liberal restructuring associated with globalization. In 2004 Texas ranked first as the most business-friendly state in the U.S. (Foulkes 2004). For the past two decades the improvement of the socioeconomic conditions in Texas has been promoted through neo-liberal policies and a probusiness stance. Republicans who won key state posts campaigned on free-market platforms that stressed that the attraction of corporate investments in unregulated and/or deregulated sectors created socioeconomic expansion for everyone. As publicized by the Texas Governor’s Office, “Texas is wide open for business” and if corporations don’t like high taxes, they “should come to Texas” (State of Texas 2004). This is the socioeconomic context that attracted agribusiness TNCs to Texas to service the global agrifood market more flexibly.

This article begins with a brief overview of the literature on the globalization of the agrifood system that focuses on three perspectives on the relationship between agribusiness corporations, local and community actors, and the state: the structuralist, post-modern, and critical. Then the two cases from Texas are reviewed. First is the story of the poultry corporation Sanderson Farms and the social movement organization that results from its move to Texas as the base for its “second phase of expansion.” The second case documents the resistance to the expansion of the hog industry in the Panhandle Region of Texas by focusing on Seaboard Farms’ search for the site of its “second hog pyramid.” The cases reveal how TNCs’ global sourcing strategies in support of economic accumulation create controversies that then generate locally-based resistance and social movement formation. This tension between economic development and societal legitimation is mediated by the state as pro- and anti-corporate agriculture forces use different

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1 The methodology employed is the case study based on the collection and analysis of existing documents and interviews with key informants. The case study approach is guided by Friedland’s (1984) commodity systems analysis.
branches of the state to advance their agendas (see Bonanno and Constance 2006; 2008). The discussion section applies the conceptual framework to interpret the two cases, and evaluates their relative utility. The conclusion looks at the diffusion of this agrifood model into Mexico, and globally.

THE GLOBALIZATION OF AGRIFOOD

During the 1990s the globalization of agriculture and food became a central topic in the sociology of agriculture (see: Bonanno and Constance 1996; Bonanno et al. 1994; Goodman and Watts 1997; McMichael 1994). The globalization of economy and society emerged in the 1970s as corporations devised strategies to avoid the restrictive regulations of the 1st World nation-states associated with the “rigid” Fordist regime and to revive capital accumulation based on flexible accumulation and the hyper-mobility of capital (see Dicken 1998; Harvey 1989). These strategies included capital flight, the decentralization of production, the informalization of labor, and global sourcing. Transnational finance capital and transnational corporations created global value chains based on global sourcing. In response to these corporate strategies, especially capital flight, individual states engaged in deregulation and privatization actions to try to re-attract capital investment to their nations, often resulting in a “race to the bottom” to provide the most incentives and supportive regulations. Faced with a situation in which capital operated at a global level and the state was restricted by geography but needed business investment, the state’s ability to regulate corporate activities and protect its citizens from TNC’s decisions was diminished (Habermas 2002). This process of neo-liberal restructuring can be viewed as a corporate attack on the successes of the social-democratic project associated with Fordism resulting in a weakened ability of subordinate groups to participate in substantive forms of democracy (Bonanno and Constance 2008).

For the purposes of this research, the literature on the globalization of the agrifood system that focuses on the relationship between agribusiness transnational corporations (TNCs), the state, and local actors can be generally divided into three categories: the structuralist, post-modern, and critical perspectives (see Bonanno, Constance, and Lorenz 2000; Constance 2002). The structuralist position (e.g.,

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4 The Missouri School of Agrifood Studies is a data-driven research agenda based on case studies built with document and historical analysis. Following a grounded-theory approach, it has tended to use data to inform theories and concepts rather than test theories with data.

5 These labels and related conceptual positions are employed for heuristic purposes to allow for a more agile analysis of the cases, and in general follow major theoretical perspectives in sociology.
Friedland 1991; 1994a; 1994b; 1995; Heffernan 1990; 2000; McMichael 1996a; 1996b; McMichael and Myhre 1991) views TNCs as powerful global actors that control the agrifood system, as well exert substantial influence over the nation-state. As a result, the nation-state becomes an instrument of global capitalism and thereby loses its ability to control its socioeconomic agenda and successfully mediate conflicts between opposing social groups. Structuralists do view resistance to TNCs as possible; however, such resistance is limited and subject to TNCs’ powerful counterattacks. McMichael calls these phenomena the “globalization project” and the “race to the bottom”—a frontal attack against the interventionist role of the nation-state in favor of neo-liberal restructuring at the national and global levels.

Grounded in the micro-oriented actor-network approach, the post-modern position (e.g., Arce 1997; Arce and Fisher 1997; Long and Long 1992; Marsden and Arce 1995) criticizes determinist, macro interpretations of globalization and TNCs that ignore the micro aspects of the uneven process of globalization and the diversity of outcomes. While acknowledging that TNCs have substantial powers, their actions are fragmented and reinterpreted at the local level as actors make sense of and construct their everyday lives through reflexive interpretations of situations. Therefore, resistance and alternatives are always available as people mediate and reconfigure TNC actions designed to structure the global agrifood system. In this view, TNC initiatives can be reinterpreted to produce opportunities that can empower local actors. Arce concludes that mediation and interpretation enhance reflexivity, and consequently, allow individuals and communities to take advantage of emerging global situations.

The critical perspective views the globalization of the agrifood system as a contested terrain characterized by the struggle of opposing class- and/or interest-based groups (e.g., Bonanno and Constance 1996, 2000, 2006, 2008; Constance and Bonanno 1999a, 1999b, 2000; see also Goodman and Watts 1997). Although TNCs are extremely powerful actors that source the globe for the most favorable factors of production, they also have limits and therefore their control of the global economy and society is contested. Employing the Fordist/post-Fordist dichotomy as their conceptual frame, these authors contend that earlier Fordist arrangements that supported a long run of capital accumulation unraveled in the late 1960s as labor and new social movements used the interventionist state to challenge the

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Although the authors summarized here agree on many aspects of the globalization of the agrifood system, in this analysis I choose to stress their differences.
dominance of business interests at the economic, social, and cultural levels. These constraints on business profits in the 1st World were eventually overcome through the transnationalization of production processes, a central aspect of post-Fordism; the goal was to avoid the restrictive nation-based regulations of Fordism. Post-Fordist globalization, therefore, is essentially a strategy to revitalize capital accumulation by restructuring production processes at the global level and thereby maximizing flexibility through the increasing hyper-mobility of capital (see: Harvey 1989). While increased flexibility is advantageous, the social interdependence of globalization can also be liability for TNCs as it can create controversies when anti-corporate resistance and social movements challenge the projects. Contested globalization is carried out in the arena of the state ([local state [i.e., county, State of Texas]], [nation-state [i.e., U.S.]], and [global state [i.e., World Trade Organization]]). This perspective adopts a midrange approach between the determinist aspects of the structuralist approach and the super-empowered actors of the post-modern view.

SANDERSON FARMS COMES TO TEXAS

Accumulation Strategies: Corporate Sourcing and Community Incentives

In 1995 Sanderson Farms, headquartered in Laurel, Mississippi, was the 13th largest broiler producer and processor in the US with $393 million in sales (Feedstuffs 1995; WATT Poultry USA 2001). In early 1995 it announced the beginning of its second stage of expansion (Smith 1995). By 2000 it had grown to the 7th largest poultry firm employing 8,147 people in its five integrated poultry complexes in Mississippi, Louisiana, and Texas. Sanderson Farms marketed more than 500 different products shipped to every state in the U.S. and many foreign countries (Sanderson Farms 1999a). In fiscal year 1999-2000, exports accounted for about 7 percent of the total sales of $603 million (WATT Poultry USA 2001). By 2005 Sanderson Farms was the 5th largest poultry company in the U.S. with more than $1B in sales (Sanderson Farms 2005).

In February 1995 Sanderson Farms announced that it was evaluating sites in Texas as the location for its next phase of growth. CEO Joe Sanderson, Jr. said that the new complex would require a total investment of $68 million for the new feed mill, hatchery, and poultry processing plant, and another $56 million from the contract growers for pullet and broiler housing and grow-out equipment (Brown 1995a). He stated, “Texas offers a unique opportunity for the next phase of growth for Sanderson Farms” (Brown 1995a:9).
Also in February 1995, Bryan, Texas city officials met to consider a request from the Bryan-College Station Economic Development Corp. (EDC) to offer incentives to attract a new Sanderson Farms poultry processing plant to the area (Howell 1995a). After Bryan-College officials visited a Sanderson Farms processing plant in Mississippi, they stated they were impressed with the company and its operations. John Anderson, President of the EDC stated, “It would distress me if it went somewhere else. It’s something that would be good for the community” (Howell 1995b:A1). In a move to attract the Sanderson plant to the area, the Bryan City Council decided not to annex the area of the proposed plant for 15 years, a decision that would allow the plant to remain in Brazos County (Whitley 1995). Soon after, the Brazos County Commissioners granted a ten-year tax abatement for Sanderson Farms. In defending the announcement, Commissioner Gary Norton stated, “In today’s way of doing business, if you don’t play the corporate game you lose out” (Lambert 1995:A1). County Judge Al Jones said that the court would continue to offer whatever incentives it could to compete with other areas. “As long as there are entities competing for new business, Brazos County must be a participant in offering abatements and incentives,” said Jones (Lambert 1995:A1).

In May 1995 Sanderson Farms announced that it would build its new processing plant in Brazos County and the new feed mill in adjacent Robertson County (Brown 1995b). The new complex was to add 29 percent to production capacity (Meat&Poultry 1995). Joe Sanderson, Jr. cited market accessibility to the 14 million people living within 200 miles of Bryan-College Station as the most important factor in the decision to locate in Brazos County. Other criteria in the site selection were local economic conditions and probusiness attitude, the residents’ reception to the company and available resources such as utilities, potable water, and labor. CEO Sanderson said that the new complex was designed to provide “maximum marketing flexibility” through the production and processing of branded products, as well as value-added products, for both retail and food service market segments (Logan 1995). At full staff the operation would employ 1,400 workers, making it the largest non-governmental employer in the county (Taylor 1997).

Sanderson Farms was promised more than $600,000 by local governments, besides city and county tax abatements. It was also given 11.62 acres in the Bryan Business Park for its hatchery site (Taylor 1997). At full operation the processing plant and feed mill complex supports about 85 independent contract producers and provides Sanderson Farms access to the large and growing Texas, Southwest, and West Coast markets (Sanderson Farms 1999b). Bob Billingsley, director of development for Sanderson Farms, said the entire Brazos Valley community would
benefit from the company. “We feel it our role as good corporate citizens to be a vital part of the community,” Billingsley said (Krinsky 1998:E1). Then Texas Agriculture Commissioner Rick Perry (and now Governor) commented, “One of the very wise things Sanderson Farms did was work close with the community leaders before settling on Bryan-College Station. It will pay huge dividends for them” (Krinsky 1998:E12). In their 1999 Annual Report, Sanderson Farms stated that “one tradition that has been adhered to through the years, regardless of location, is a mutually beneficial relationship between Sanderson and the communities in which we work” (Sanderson Farms 1999a:11).

While some consumer and environmental activists opposed the location of the plant and the incentives provided to locate in Brazos County, supporters predicted that the city’s investment in time and money would pay off. Other opponents argued that the poultry litter contained arsenic that would contaminate local soils and water bodies. They expressed concerns over airborne stenches and the fact that the poultry processing jobs were low paying and would bring an influx of workers that would strain the social services of the community (Taylor 1997). In rural areas, the neighbors of the growout barns began to organize to protect their quality of life and property values.

Controversy and Resistance: The Normangee Group

While the processing plant and the hatchery are in Brazos County, the growout barns are spread through the countryside in Leon, Madison, Grimes, and Robertson Counties. Broiler growout barns are typically 40 ft. wide by 500 ft. long and house from 30-32 thousand chickens. Growout operations range from 4-26 barns on one site. The contractee mortgages their land to borrow money to construct the growout barns. Each barn costs about $125,000. The average size operation of eight barns requires a $1 million investment. The contractor arranges for the contractee to secure building loans. The contractor is responsible for delivering the day old baby chicks to the contractee, providing the feed and veterinary services, and picking up the birds for processing (after 40 days). The contractee is paid by the weight the birds gain, a factor that is greatly affected by the number of birds still alive at the end of the growing cycle. The contractee is responsible for housing costs, water, electricity, and labor (including picking up and incinerating the “deads,” ensuring that the watering and feed devices are working properly, and litter disposal).

Some of the first barns to go up were near Normangee and Flynn in Leon and Madison Counties. In the spring of 1998 “12 to 15 couples joined together to
discuss the problems of the influx of chicken barns in the area” (Abernathy 2000). Mr. Abernathy lives near Flynn and had already seen six broiler houses erected “in his backyard.” The main concern of the group was to determine how many houses were going up in the area, as they were already having problems with odor, flies, and increased respiratory problems. The “Normangee Group” elected officers and each family contributed $100 for expenses (Abernathy 2000).

Engaging the State: Lawsuits and Lobbying

In June 1998 the Normangee Group retained a lawyer to try to stop the construction of some proposed chicken barns near Normangee. The attorney sent a formal letter to the contractee stating that his clients were concerned about the possible negative effects of the broiler barns on their lives and demanded that the contractees “cease and desist all plans” to build the broiler barns. These effects included: foul odors that will drift across the neighbors property on a daily basis; a dramatic increase in the fly population due to the increase in chicken litter; dust from the feed and litter being blown on the neighbors’ residences regularly; and various noises such as cackling chickens, alarm bells and whistles installed in the poultry houses. In combination, the consequences of these effects “will be that my clients will have to suffer substantial physical discomfort, annoyance, and inconvenience in using their own homes, and the market value of their home and property will be diminished significantly” (Bennett 1998a:1). Furthermore, the neighbors’ health will be put at risk because of the long-term exposure to the barns. In response to this action, a Sanderson Farms lawyer contacted the Normangee Group lawyer and informed him that the contractees were moving forward with construction and that “Sanderson Farms would provide legal defense for this particular grower and anyone else who is sued for constructing houses” (Bennett 1998b:1).

In July 1998 a representative of the Normangee Group wrote a letter to their state senator complaining about the odors of the chicken houses in Leon County. The response letter acknowledged the request for investigation and turned the issue over to Texas Natural Resource Conservation Commission (TNRCC). A TNRCC representative was sent to Leon County to investigate the alleged odors and concluded that the growers met the environmental regulations according to Texas standards. Yet the representative then stated that “herein lies the challenge. The current odor regulations in Texas are subjective—no benchmark exists by which to measure the severity of or harm created by a particular odor... any new
regulation must balance the legitimate and competing interest of two groups: private property owners and private citizens” (Ogden 1998).

Resistance Expands: The Leon County Environmental Group

The Normangee Group held regular meetings, started a newsletter, and through word of mouth grew in numbers. The group decided that to include everyone in the Leon County area that they would change the name to the Leon County Environmental Group (LCEG). New officers were elected, members wrote letters to regional and national news programs and placed ads in local newspapers (LCEG 1998a). At this time their attorney reported to the group regarding the proposed lawsuit. Due to the unknown costs associated with a protracted lawsuit in which Sanderson Farms would provide legal support for its contractees, as well as the uncertainty of the potential outcomes, the LCEG Group reluctantly decided to not pursue the lawsuit (LCEG 1998b). The LCEG renewed its letter writing campaign to state political representatives but all of the letters were forwarded to TNRCC. TNRCC responded to each letter and suggested that the group contact the Texas Department of Health regarding fly infestation concerns and local authorities for noise related issues (Saitas 1998).

The Poultry Summit: The State Mediates the Conflict

In late September 1998 the “Poultry Summit” was held in Leon County to address the concerns of the LCEG. It was attended by the state senator, county commissioners, county judges, local growers, and representatives from the local state representative’s office, Sanderson Farms, the Texas State Soil and Water Conservation Board, the U.S. Natural Resource Conservation Service, the Texas Poultry Federation, and the TNRCC, along with local and surrounding county news media. Issues discussed were the odor, flies, noise, property values, stockpiling of manure and the response time for complaints to the entities listed above. Although these issues were addressed, nothing was resolved and the state senator closed the meetings with comments on potential solutions such as limiting the number of houses within an area and having only one agency monitor all the problems (Johnson 1998; The Normangee Star 1998).

Resistance Broadens: Texans for Responsible Poultry Production

In January 1999 people from Madison and Grimes Counties increasingly attended the LCEG meetings to discuss the risks associated with poultry production in their areas. The LCEG members decided that to be inclusive and
represent all Texans, they would change their name to Texans for Responsible Poultry Production (TRPP) (Abernathy 2000). Each county would still be represented as a “chapter” of TRPP. Andre Dean, a member of the Madison County chapter, commented that there were rumors of a chicken farm coming into their neighborhood. According to Dean (2000):

We had heard of a bad situation with chicken farms in Leon County and some of us went to their meeting in December 1998. That was the spark to get going or we would suffer their fate of 12-24 chicken houses within 1 mile of this little community of 12 homes near Jewett that was under a nasty cloud of stench and flies, and valid concerns for the future of massive buildup of chicken manure with the real health concerns for our future. Concerns were stench, fly infestations, health concerns, lack of any enforceable controls or constraints by any government agency, inability of private citizens to sue for redress by state law protecting all agricultural projects from lawsuits after their first year of operation, manure run-off and loss of enjoyment of our own property as a violation of our 5th and 14th amendment rights to property.

Along with the new name change, new goals were set for TRPP. These goals were directed at changing legislation for poultry operations such as removing the AFO/CAFO distinctions for poultry producers. Broiler operations were considered AFOs (animal feeding operations) and were not subject to the stricter waste management regulations associated with CAFOs (confined animal feeding operations) (LCEG 1999).

Engaging the State: Proposed Legislation and the Scientific Study

After several trips to visit state senators and representatives to express their concerns, TRPP members decided to draft their own legislation—the Enjoyment of Private Property Bill. They sent a draft of the bill to their state senator and asked him to provide recommendations for improving the bill. Primary concerns addressed in the bill were (1) for the nuisance protection of poultry growers to be remanded, (2) for nuisance to be defined by law, (3) for the establishment of an odor tolerance zone, (4) for mandatory setbacks from neighboring properties, and (5) that a permitting processing be required for licensing of the broiler barns. They also asked the senator to sponsor the bill in the Texas legislature (TRPP 1999a).
In April 1999 the state senator and other state legislators introduced a rider in the appropriations bill calling for $100,000 in funding to conduct a statewide assessment of poultry operations. The rider provided funding for research to be done by the TNRCC and Texas A&M University on minimizing odor emissions and arsenic contamination from poultry facilities and finding the best method for taking corrective action when nuisance odors are confirmed (TRPP 1999b). TRPP stated that this rider may help the growers, Sanderson Farms, and the neighbors come to a “workable solution to what is considered a serious threat to the enjoyment of life and property...some of our most fundamental rights under the constitution” (TRPP 1999b:1). In May the Enjoyment of Private Property Bill was hand delivered to two senators and five representatives before the meeting of the legislature, along with more than one thousand citizens’ signatures. Although lauded by the legislators as an example of citizen democracy, the bill was not introduced for a vote of the legislature due to insufficient time to mobilize the necessary support. The state senator assured the TRPP members that the utmost attention would be given to the matter of poultry operations and that the rider study would look at all sides of the issue, not just the side of Sanderson Farms, the growers, or the TRPP group (TRPP 1999b).

Resistance Expands: Citizens Against Poultry Pollution

In their first meeting of 2000, TRPP asked political candidates to attend and discuss their positions on the growth of the poultry industry in the region. Most candidates said they were not aware of the extent of the growth of the industry in the “out counties” and expressed their “concerned about the proximity of the chicken houses to populated areas and about property devaluation” (TRPP 2000:1). At this meeting an executive board was elected including one representative each from Leon, Madison, Robertson, and Grimes Counties and one for the North Texas Chapter and the East Texas Chapter. The chairpersons of each group met each month and reported back to their respective groups. The entire group met every three months. It was also decided to change the name of the group to Citizens Against Poultry Pollution (CAPP) to remedy a perceived confusion regarding the meaning of TRPP (TRPP 2000). The CAPP members renewed their commitment to use the legislative process to change state laws related to the regulation of the poultry industry and the protection of their private property rights (CAPP 2000a).
The Scientific Study Results, Water Quality Regulations, and the Decline of Resistance

In the summer of 2000 the results of the research funded by the rider were announced. CAPP was very disappointed with the results of the study done by the TNRCC and Texas A&M University. CAPP felt that the study report was only an extensive literature review and did not contain a substantive research dimension (CAPP 2000b). CAPP argued that while the TNRCC had done some air testing at one site in Madison County, the testing was useless because there were no chickens at the facility when the testing was conducted (CAPP 2000c).

Because of the increased controversy over the possible negative water quality impacts of the growth of large scale poultry operations, in early 2001 legislation was proposed and passed that required that each person who owns or operates a poultry facility design, submit, and implement a water quality management plan (WQMP) to protect the natural resources of the State of Texas (TSSWCB 2009). The CAPP group welcomed this legislation but felt that it did not go far enough as it did not address other important issues such as air quality and property values (Hagerbaumer 2001). After the WQMP legislation was passed, CAPP’s efforts to further regulate the poultry industry slowly declined and ended in 2003 as social movement energy and interest waned.

CORPORATE HOGS AND THE TEXAS PANHANDLE REGION

“It’s inevitable that … [the farms] are going to come here,” said the director of Texas Tech University’s Pork Industry Institute. The availability of land and the dry climate make it “the best place to raise pigs at the moment” (Lee 1999:2).

Global Sourcing Strategies

In 1992 Seaboard Farms announced it would build a new pork-processing facility in the Panhandle town of Guymon, Oklahoma. Seaboard Farms, Inc. is a division of Seaboard Corporation based in Merriam, Kansas, a diversified transnational agribusiness and transportation company primarily engaged in pork processing and cargo shipping domestically and commodity merchandising, flour and feed milling, and sugar production globally. In 2003 Seaboard Corporation had 5000 U.S. and 5000 international employees with annual net sales of $1.8B (Seaboard Corporation 2003a). According to Seaboard, the total control of production from genetics through processing has enabled the firm to increase its
market share in the U.S. quickly as well as become a leading exporter of pork to Japan, Mexico, and other global markets (Seaboard Corporation 2003b).

Seaboard Farms entered the pork business in 1990 when it bought the old Wilson Foods plant in Albert Lea, Minnesota (Barlett and Steele 1998). Before Seaboard arrived, the city ($3.4M), state ($5.1M), and federal government ($25.5M) had subsidized the building and operation of the plant. Albert Lea provided further subsidies to entice Seaboard to reopen the plant. After completing the deal, Rick Hoffman, Seaboard’s vice president of finance, said, “We’re especially grateful to the state of Minnesota and the city of Albert Lea, who together since 1984 have supplied literally millions of dollars in the form of grants, tax incentives and loans to the facility . . . Truly this has been a lesson in economic development” (Barlett and Steele 1998:3).

Even as Seaboard announced that it would build a new hog-processing facility in Guymon, it promised to keep the Albert Lea plant open. Although the city continued to provide more than $13M in additional subsidies, in 1994 Seaboard closed the Albert Lea plant (Barlett and Steele 1998). To attract Seaboard to Guymon, the city, county, and state put together an initial $21M incentives package. The non-union immigrant labor and probusiness corporate farming laws in Oklahoma also made Guymon attractive. The state of Oklahoma funded road and bridge work to handle Seaboard’s trucks. It also paid $1.79M of Seaboard’s $2.78M in county taxes in fiscal years 1996-97 and 1997-98 (Barlett and Steele 1998). Overall, Oklahoma taxpayers paid about $60M in incentives for Seaboard’s Guymon location (KCSA 2000).

Supporting Economic Accumulation: The Deregulation of CAFO Rules in Texas

As Seaboard was locating in Oklahoma, in nearby Texas, F/R Cattle Corporation contested a citation from the Texas Air Control Board regarding odors emanating from its facilities. It claimed that the odors coming from their feedlot were part of a “natural process” and were therefore exempt from environmental regulations. While F/R lost the original trial and the appeal, the Texas Supreme Court found in their favor. Because of this decision, the Texas Natural Resources Conservation Commission (TNRCC and successor to the Texas Air Control Board) informed its regional offices that all CAFO odor citations were to be reviewed at the central office to determine whether there was sufficient evidence to warrant citations (Morris 1997). In the years that followed this decision, the number of nuisance odor citations dropped drastically.
As part of the events mentioned above, in December 1993, a prominent Texas state senator met with five men who had a strong interest in Texas' nuisance-odor rule: three from TNRCC and two from the Texas Cattle Feeders Association, an organization that the Senator had once directed (Morris 1997). The feedlot representatives were there to protest TNRCC’s persistent citing of cattle feedlots. In 1994 the senator drafted a proposal to simplify Texas’ CAFO permitting process which included the elimination of the public hearing process and, therefore, the opportunity for local residents to voice their opinions and participate in the decision making process. In a letter to TNRCC the senator stated, “The perception throughout the United States is that the regulatory environment in Texas is burdensome and creates disincentives for (CAFOs) to locate in Texas” (Morris 1997:10a). In 1995 TNRCC incorporated the Senator’s suggestions into the new CAFO permit rules.

The meeting “broke a regulatory logjam enabling pork producers to quickly establish themselves in virgin territory” (Morris 1997:1a). The weakened odor nuisance process accompanied by the elimination of public participation in decision making concerning the establishment of CAFOs became valuable state-induced incentives for the proliferation of CAFOs in Texas. By 1999 Seaboard Farms and four other major hog companies with permits to raise about 2M hogs/year had moved to the Texas Panhandle (Ledbetter 1997b; Lee 1999) (see Table 1). The initial investment of $400M in hog facilities was projected to increase to $1.2B and triple the state’s hog population. Citing the general economic decline in the area due to the oil bust, then Lieutenant Governor Rick Perry (previously Texas Agricultural Commissioner and now Governor of Texas) hailed the expansion of these farms in the state as a great example of economic development. “Frankly,” he said, “nobody has shown me a compelling reason not to be for it” (Lee 1999:3).

Resistance Emerges: Texas Farm and the ACCORD Lawsuit

As a part of the state policy to attract business, Texas economic development officials recruited Nippon Meat Packers to create a pork production platform to grow hogs in Texas and export pork back to Japan (Curry 1998). The state of Texas and Perryton, the county seat of Ochiltree County in the Texas Panhandle, provided fiscal incentives to Nippon Meat Packers’ subsidiary, Texas Farm, to locate in the area (Ledbetter 1997a; Lee 1999). Within a few years Texas Farm’s $200 million investment made Ochiltree County the fourth largest pork-producing county in the U.S. (Bryce 1997).
Table 1. **Change in Ranking for Selected Major Hog Production Corporations in the U.S.: 1996-1999-2008 (Based on Number of Sows)**

<table>
<thead>
<tr>
<th>Company</th>
<th>1996</th>
<th>1999</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seaboard Farms</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Continental Grain/PSF</td>
<td>13</td>
<td>2</td>
<td></td>
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<tr>
<td>Smithfield Foods</td>
<td>4</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Vall, Inc.</td>
<td>44</td>
<td>25</td>
<td></td>
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<tr>
<td>Texas Farm</td>
<td>Not ranked</td>
<td>20</td>
<td>18</td>
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Source: (Freese 1998; 1999; 2006; 2008). *Smithfield Foods is the largest pork producer and processor in the U.S. and the world; it bought Vall, Inc. in 2002 and Continental Grain/PSF in Sept. 2007; in 1998, Continental Grain was the world’s largest cattle feeder, third largest fully-integrated hog producer (with PSF), sixth largest integrated poultry company, and an important player in the global animal feed business (ContiGroup 1998); in 1996, Vall, Inc. was headquartered in Spain; Texas Farm is a wholly-owned subsidiary of Nippon Meat Packers of Japan; and Seaboard Farms remains ranked at #3 in 2008 but it markets and sells all the products from the #2 firm, Triumph Foods.

The state leaders’ idea that CAFOs represented a solid community development strategy was not shared by all local residents. As CAFO numbers increased, some residents who lived near the Texas Farm facilities formed Active Citizens Concerned Over Resources Development (ACCORD) to address the negative impacts of CAFO development (Lee 1999; Morris 1997). Unhappy with their lack of lobbying success and suspicious of the “too friendly relationship” between state government, TNRCC, and agribusiness interests, ACCORD sued TNRCC claiming that the rule changes deprived property owners of their fundamental right to a hearing before the permitting of a CAFO (Lee 1998; Morris 1997).

In November 1997 District Judge Margaret Cooper ruled that the new CAFO permits approved since 1995 were invalid as TNRCC had failed to show “reasoned justification” for eliminating public hearings (Ledbetter 1997c; Lee 1998). Industry representatives filed motions to deny the ruling, arguing that the new regulations were more stringent than ever before while doing away with frivolous complaints and speeding up the process (Lee 1998). They claimed that the blocked permits represented operations worth $2.3B and 2,400 jobs. Furthermore, they feared that the ruling would curtail the impression of Texas as the “next frontier for giant hog farms.” According to the director of the Pork Industry Institute at Texas Tech University, “It has already had an effect. Companies are doing site selection - they’re just doing it in other states” (Lee 1998:4d).
The Hog CAFO Tour and Public Hearing in Ochiltree County

In April 1998 the Perryton Chamber of Commerce sponsored a tour of Ochiltree County hog operations followed by a public hearing. On the tour were two state representatives, five members of the House Environmental Regulation Committee, several CAFO industry officials and interested citizens. The official purpose of the tour and meeting was to study the “cumulative effects of numerous CAFOs in a concentrated geographic area and to determine whether environmental protections are adequate” (Brown 1998:8). The tour began with stops at two Texas Farm facilities located within 10 miles of Perryton. At these sites the group of about 25 vehicles got no closer to either facility than the county road, from which no animals or waste lagoon was visible. The group stopped at a lagoon under construction where Texas Farm officials explained the process of building the clay lined lagoon pits. The tour then stopped at a feedmill under construction where the manager explained their dedication to environmental protection and detailed efforts to control dust and minimize odors. Next the group stopped at a CAFO where they observed the operations from about one-half mile away and smelled no odors. Finally, they stopped to view the construction of the new Texas Farm feedmill (Brown 1998).

Visitors signing in at the public meeting were greeted with banners for ProAg (Plains Residents Organization of Ag Growth), a newly-formed organization with members in Kansas, Oklahoma, and Texas. The ProAg group formed in early 1998 to combat anti-corporate hog farm sentiments that had emerged in several states “targeted by the industry for development” (Brown 1998:24). Sign-up sheets for those people wishing to address the Committee were available at the ProAg table, along with free bumper stickers, hats, and newsletters promoting the group (Brown 1998).

The House Environmental Regulation Committee heard the testimony of 29 people. A state senator started the testimony by praising the economic benefits of pork production and the slaughter facilities, which he promised would follow. He cited the example of the hog expansion around Guymon, Oklahoma after the Seaboard Farms processing plant located there in 1995. Since then, Seaboard Farms and Hitch hog production facilities had expanded to 740,000 head annually. He added that an $8 million investment by the City of Guymon had resulted in 5,000 new jobs, residential property value increases of up to 30%, and 140 new businesses in the past five years (Brown 1998). He admitted that Guymon was also experiencing housing shortages, a surging crime rate, school crowding, and odor problems, but that those are “more social problems than pork problems” (Brown
He shrugged off the complaints about noxious odors coming from the hog farms saying, “Once you get a mile away, you can’t hardly smell them” (Brown 1998:8).

Challenging the state senator’s position, a local resident testified that the third generation farm she lives on had 400,000 hogs to the south, southwest and east of it. “Our roots run deep,” she said. “We care about our community and our environment. I live by hogs 24 hours a day, and have not found one Seaboard or Hitch official that lives by them” (Brown 1998:9). Many residents in the area are victims of “hog smog,” which she described as pockets of ammonia that linger in furniture and drapes in their homes. Showing pictures of decomposing hog in dumpsters to the Committee, the resident noted that neighbors of hog farms suffered health problems such as nausea, headaches, and congestion and have seen their quality of life and property values decline. She reported other negative effects such as increased gang activity in the schools, increased demand on welfare programs, and overall crime rates up by 65% with violent crime rates even higher than that (Brown 1998).

The Chair of Texas Tech’s animal science department testified that the hog production industry would double in the next five years. “We can shrink—and eventually die—or grow. The pig industry has provided a vehicle for communities to grow (and) to preserve a way of life” (Brown 1998:9). He recommended the maintenance of Texas’ environmental law and CAFO adoption of the latest technologies. He also suggested that the state legislature create penalties for false charges make against CAFOs equal to the penalties for violations by CAFOs. Furthermore, along with physical setbacks, there should be “philosophical setbacks,” or what he called “pig enterprise zones,” which would buffer the industry from “agricultural terrorism” and “corporate sabotage” (Brown 1998:9). The scientist concluded by saying that producing pigs in confinement in ways that do not harm the environment was possible. “It is possible to produce pigs without odor” (Brown 1998:9).

**Reregulation by the State: New CAFO Rules for Texas**

In February 1998 TNRCC proposed revisions to the CAFO regulations to address the concerns raised by Judge Cooper’s ruling (Robbins 1998a). Depending on the type of operation, some CAFO applicants would have to go through the public hearing process as demanded by the ACCORD lawsuit, but others would not. The TNRCC chairman urged quick adoption of the revisions because the industry had been “stalemated” since the ruling. “We’ve got an industry that’s at a complete
standstill now,” he said (Robbins 1998a:1). During the public hearings on the revisions, ACCORD and other groups continued to express concerns regarding the safety of the Ogallala Aquifer, the source of drinking water supplies for the Panhandle Region, as well as other quality of life issues (Robbins 1998b). These groups were especially worried about the permits that did not require a notice or public hearing (Morris 1997). Industry representatives urged TNRCC to base the new rules on the best available science and sound engineering, while critics asked them to write them as they would want them if they lived next to a facility (Robbins 1998c).

While TNRCC announced in August that it had approved the proposed revisions, the new rules were put on hold as it negotiated to get authority from USEPA to administer the Federal Water Quality Permitting Program (Robbins 1998d). In September USEPA granted TNRCC authority to implement a “Texas Version” of the Clean Water Act’s National Pollution Discharge Elimination System (Robbins 1998e). Under the Texas version, CAFO corporations could apply for one permit to meet both state and federal regulations (Ledbetter 1999). CAFOs could obtain a “permit by rule” that avoided notices and public hearings if the company agreed to go through a standardized process to meet certain criteria. A public comment period allowed citizens to challenge the permits and then TNRCC evaluated the challenges based primarily on technical merits. The new permits also required a Nutrient Utilization Plan to manage the waste being applied to the land but the permit did “not regulate land application of manure by third-party capacity” (Ledbetter 1999:2). This signifies that if waste is applied by another entity than the CAFOs, then restrictions and regulations imposed by the rule do not apply. The TNRCC commissioner commented, “That industry is important to Texas. We cannot go completely out of whack in relation to other states or they’ll go to other states—or even other countries” (Lee 1999:3). ACCORD’s attorney criticized the regulations. “The word’s gotten out around the country that if you want to create a nuisance and get away with it, come to Texas,” he said (Lee 1999:4).

Broader Forms of Resistance: Stricter CAFO Regulations in Panhandle Region States

As more information became available on the effects of CAFOs, several states and counties in the Panhandle Region began rewriting the corporate farming laws to regulate the industry further. By late 1997, 18 of the 20 counties in Kansas that had held referendums on whether or not to allow large hogs farms had voted no, including Seward County where Seaboard hoped to expand (Bryce 1997). By 1999 Colorado required covers on waste lagoons (Lee 1999). In early 1998 the Oklahoma
legislature created a one-year moratorium on future hog and poultry operations (Talley 1998). Seaboard criticized the moratorium and said they were looking at optional sites in other states. Sponsors of the bill said they were “trying to do what’s responsible for Oklahoma” and “get a handle on these issues before we go forward with further expansion” (AP 1998a:1). During the same period Seaboard agreed to pay an $88,200 fine from the state of Oklahoma for improperly disposing of its dead hogs (AP 1998b). Oklahoma went on to pass some of the strictest rules in the nation whereby new large hog CAFOs must be at least two miles from a residence (Derichsweiler 1998; Lee 1999). “It’s much, much too restricting,” said Seaboard CEO Rick Hoffman. “I think ultimately Oklahoma is not going to be an attractive place for swine production” (Talley 1998:1).

Global Sourcing Strategies and Resistance: Seaboard’s “Second Hog Pyramid”
Seaboard Farms invested $550M in the Panhandle Region of Kansas, Oklahoma, and Texas to develop its “first hog pyramid” around Guymon. In 1998 it started to look for the site of its “second pyramid” (Lee 1999). In February three Texas Panhandle cities (Dumas, Hereford, and Pampas) and two Kansas cities (Garden City and Great Bend) were under consideration for the location of the processing plant. In March, Seaboard announced that it would build its new plant in Great Bend (Storm 1998). Expressing disappointment at the announcement, the mayor of Hereford commented, “I guess one of the reasons they selected Great Bend was the uproar over the CAFO regulations” in Texas (Storm 1998:1). A board member of the Dumas Economic Development Corporation stated, “When the judge downstate sided with the environmentalists, it pretty much throttled hog operations. I think it redirected live production to other areas” (Storm 1998:1).

In April of the same year there was a backlash against Seaboard in Great Bend. Four city council members who supported Seaboard were “handily defeated by write-in candidates” (McLean 1998:1). The newly elected city council refused to allow Seaboard to connect to its sewage plant (Davis 2001d). The defeats of the city council members raised fears that several Republican lawmakers statewide could be vulnerable in the November elections. A Republican state representative from Topeka commented, “It’s an omen that the anti-hog feeling in Kansas is much deeper than heretofore realized” (McLean 1998:1). Even with the setback in Great Bend, in August 1999 Seaboard proceeded with plans to expand in Kansas when it applied for hog production permits in four western Kansas counties—Wallace, Wichita, Scott, and Kearny (AP 1999). The Kearny County Alliance hired an engineer and attorney to fight Seaboard and Wallace County commissioners placed
a one-year moratorium on all new constructions in rural areas until the county wrote zoning codes. The moratorium was patterned after the one adopted in Stevens County when Seaboard was expanding there (AP 1999).

In February 2000 Seaboard agreed to pay fines of $30,250 involving spills and the lack of odor abatement equipment at its Dorman Sow Farm in Beaver County in the Oklahoma Panhandle (AP 2000). Critics noted that they “found it pathetic and ironic” that Seaboard had been fined for not having the odor abatement system while it still was allowed to operate. In responding to the critics, the attorney for the Agricultural Department's Water Quality Division said there had been a misunderstanding. While the agency said that the system should be installed and working, Seaboard understood that it was to be phased into operation (AP 2000).

In June the Sierra Club sued Seaboard alleging 12 violations of the federal Clean Water Act at the Dorman site. The chairman of the Oklahoma chapter of the Sierra Club said Seaboard had “repeatedly polluted Oklahoman’s waterways” and violated federal law (Jenkins 2000:1). Because the fines assessed by the state were “woefully inadequate,” the Sierra Club was going to a “higher authority” (George 2000).

Rising opposition to the plant in Great Bend and the decreased availability of hogs in central Kansas due to local social movement activities forced Seaboard to abandon its plans to expand in Kansas (Morning Sun 2000a; WWIM 2000). In February 2000 Seaboard announced that it was now considering St. Joseph, Missouri as the site for its second processing plant (Morning Sun 2000a). As news of the plant spread, some businesspeople expressed concerns that the labor market was already tight and that Seaboard might attract employees away from their companies. Other citizens feared an influx of immigrant workers and increased demands on social services (Morning Sun 2000b). The group Citizens Opposing Seaboard formed and the St. Joseph city council soon approved a resolution against the company (Davis 2001c; Taylor 2001).

As opposition to the plant grew in St. Joseph, Seaboard evaluated a location across the state line in the Doniphan County town of Elwood, Kansas. In August 2000 it bought land to build a plant there (Morning Sun 2000c; WWIM 2000). Seaboard quickly ran into opposition in the Elwood area as well. The first tension was between the Doniphan County Zoning Board and the City of Elwood (Davis 2001a). The zoning board voted twice to deny the company the zoning change needed to build the plant but the city council had the final word and voted in favor of the change. The pattern repeated itself regarding a “conditional use permit” for Seaboard’s rendering plant as the zoning board again voted against the permit and sent the decision back to the city council. During this time Concerned Citizens of
Doniphan County formed and sued Elwood for granting Seaboard the annexation and the rezoning “in a closed door session to try to keep the public from knowing about the proposed project” (Davis 2001b:1). Finally, other cities and counties in the area began developing various restrictions and zoning alterations to prevent the development of the hog farms that would service the Elwood plant.

In March 2001 Seaboard announced that its plans to build in Elwood were “terminated” (Davis 2001c). Seaboard officials indicated that the downturn in the U.S. stock market combined with the slowdown of exports to Asia due to economic problems were the reasons for the decision. The fact that the Kansas Department of Health and Environment had informed Seaboard that there were problems with their air permit was, at least, a factor. While Elwood city officials expressed regrets about losing the economic development opportunities, opponents to Seaboard were elated. Seaboard CEO Rick Hoffman said it was not the opposition but rather the lagging economy that forced the decision (Davis 2001d).

Global Sourcing and Economic Incentives: Seaboard Heads Back to Texas

Due to the difficulties experienced in the areas discussed above, in December 2001 Seaboard turned its attention back to Texas. It applied for a permit on the Moore and Hutchinson County line fueling speculation about Seaboard building its new processing plant near Dumas, a site it had investigated in 1998 (Storm 2001). A Seaboard representative commented that “pork-processing in Texas looks extremely attractive compared to one in Oklahoma” (Storm 2001:2). In response to the announcements, in 2002 the Panhandle Alliance formed in Moore County and quickly began an information campaign to educate area citizens about the hazards of CAFO-based hog production (Panhandle Alliance 2002a). The coordinator of the Oklahoma Family Farm Alliance provided some advice to the Panhandle Alliance and other residents of Moore County and Dumas (Hatfield 2001). She asserted that the hog industry could be a plus to the area but the citizens “must act now” or regret it later. She stated (Hatfield 2001:1):

Is Seaboard headed your direction because the company loves your rural landscape and wants to see towns prosper? Frankly, it sees you as a pushover. Texas law is weak in protection of the environment and the rights of rural citizens. More populist states, such as Oklahoma, allow legal hearings on almost every permit. Texas does not. Oklahoma passed laws and established agency rules restricting the swine industry. Not Texas. You
already know that the folks in Austin won’t take care of you; the Panhandle is the path of little resistance.

She encouraged Dumas to “realize their leverage” and make Seaboard be a “good corporate citizen.” Seaboard had been trying to locate the second processing plant for four years. It was “rebuffed by Kansas, slapped by Oklahoma, banned in Nebraska, cold-shouldered in Missouri and Colorado” so the “last thing they want to do is start all over again” (Hatfield 2001:2). Seaboard should pay good wages instead of requiring public subsidies and should shoulder the social costs instead of receiving tax abatements. County commissioners and other officials should use their powers to enact ordinances to protect the quality of life of their constituents and Seaboard will abide by these if it truly wants to be a “good corporate citizen.” She concluded, “Any public official who is not willing to negotiate the best deal for Dumas should be evicted immediately” (Hatfield 2001:3).

In response to a petition drive against the plant, in early 2002 the Dumas Economic Development Corporation (DEDC) held a public meeting to discuss the situation (Storm 2002a). The DEDC executive director noted that after Seaboard contacted the DEDC, the office had only done its job in providing informational support and conducting an impact study on the proposed plant. The director stated that if Seaboard did locate near Dumas, the DEDC would make $400,000 available to cover infrastructure costs and encourage the building of low-to-moderate cost housing and $40,000 for parks and other amenities. “The $440,000 was the amount defined by the study as the net tax gain if the project was to be located in Dumas,” he said (Storm 2002a:1).

In mid-January the Dumas City Council held a meeting to discuss the possibility of selling water to Seaboard for the processing plant (Storm 2002b). The city manager reported that it would cost about $3.6M to bring the 770,000 million gallons of water per year to the plant and that “Seaboard would pay for it” (Storm 2002b:1). According to a Seaboard spokesperson, “As far as the plant goes, the locations we are looking at continue to flip-flop. We are actively looking at two or three sites, and Moore County is one of those sites” (Storm 2002b:1). The following week the city council voted 5-0 to sell the water to Seaboard (Storm 2002c). At the “overflow meeting” agency officials reported that while there was adequate water for the plant, that the council would have to plan to acquire more water rights because based on conservative estimates Dumas had 31 years of water supply remaining at current usage rates. The board president of the DEDC, also a local banker, spoke of how Moore County’s agricultural and petrochemical industries
were in decline. “In a community, you can’t hold still; you grow or die,” he said. “We don’t get to pick and choose. This is an opportunity that came to us” (Storm 2002c:2). Critics of the plan pointed to a county newspaper poll showing 82% of local residents opposed the new plant.

Soon after the Moore County Commission voted to provide revenue bonds to build a sewage treatment plant if the processing plant moved to the area (Storm 2002d), Seaboard announced that Moore County would be the location for its new plant (Storm 2002e). Members of the Dumas City Council, Moore County officials, the DEDC, and Texas state leaders were present at the announcement in Seaboard’s Kansas headquarters. The mayor of Dumas said, “Dumas and Moore County are pleased with Seaboard Farms’ decision to locate in our area. This project will provide a tremendous amount of economic stimulus to our community” (Storm 2002e:1,2). A Seaboard spokesperson commented that the entire project would involve about $350M in investments including several area sites to raise hogs for slaughter. Upon hearing the news a Dumas resident who had spearheaded the effort to oppose the plant expressed his discontent. “It’s been a set-up deal, is all I can say,” he said. “In my opinion, this was a done deal before the public ever knew about it. I’m disappointed that the public was left out of the process . . . ” (Storm 2002e:2). After the announcement, Seaboard filed several permit applications for the processing plant near Dumas and for production facilities to produce about 1.5M hogs in the Sherman/Moore County area (Storm 2002f; 2002g).

As Seaboard filed the permit applications, the Palo Duro River Authority Board of Directors sent a letter to TNRCC expressing concern about the proliferation of hog CAFOs in their watershed area (Storm 2002h) and asking the agency to examine the issue more thoroughly. During the same time the Panhandle Alliance held an educational meeting in Amarillo that featured several area speakers with expertise on water issues from organizations such as: Panhandle Groundwater Conservation District; Canadian River Municipal Water Authority; City of Amarillo Utilities; and the Promised Land Network (Panhandle Alliance 2002b). Speakers noted that the Ogallala Aquifer was the only source of water in the area and one of the most valuable assets of our land. One attendee concluded, “I believe elected officials have sold out to agribusiness” (Burleson 2002:13a).

On June 27 the advisor to the Pampa Chapter of ACCORD sent a letter to Governor Rick Perry that expressed ACCORD’s deep concern regarding the contamination of the Ogallala Aquifer by hog waste and the large quantity of water needed to supply the established and proposed hog farms in the Panhandle Region. He questioned that the TNRCC had considered the cumulative impact that four
millions more hogs would have on the area. He added, “This area has become first choice of the pig industry, because other states have been forced to severely restrict and regulate pig factories for environmental reasons. Yet Texas still permits the open-pit waste lagoons, which are the most economical for pig producers, but pose the most danger to the environment” (Haydon 2002:1). In concluding, he requested that Governor Perry rectify the failure of TNRCC to protect the natural resources of Texas “before it is too late” (Haydon 2002:2). In his response, Governor Perry expressed his reliance on and trust in the TNRCC to care for the state’s natural resources. He stated that he “had no authority over the agency’s registration or permitting process” but he did “believe that affected Texans should have a fair opportunity to have their views considered as part of the permitting process” (Perry 2002:1).

DISCUSSION

The two cases provide valuable examples of the process of the globalization of the agrifood system: global sourcing strategies of TNCS in support of economic accumulation create controversies and legitimation crises that create social movement resistance mediated by the state. The Sanderson Farms’ story shows how local elites provided economic incentives to attract Sanderson Farms to East Texas as the base for its “second stage of expansion.” Sanderson Farms sourced the supportive business climate and access to millions of consumers, noting that the “pro-business climate” in “Texas offered a unique opportunity” to “maximize market flexibility.” People living near the chicken growout barns organized to protest health, environmental, and property value concerns. They employed several strategies including lawsuits and legislation to halt the development. Through public hearings, university studies, and new water quality regulations, the state mediated and attempted to resolve the controversy.

The hog case also provides insights into the interplay between the advocates of corporate agriculture (political, economic, and academic actors), TNCS employing global sourcing strategies, and local resistance movements. After Texas deregulated the corporate farming laws in the mid-1990s, it became one of the best places in the world to produce pork. Hog TNCS such as Seaboard Farms, Texas Farm, Smithfield Foods, Continental Grain, and Vall, Inc. rapidly expanded their hog production activities in the Texas Panhandle to service national and global markets. Texas Farm and Vall, Inc. were subsidiaries of firms in Japan and Spain, respectively. These firms were recruited by the State of Texas as part of a rural development strategy. Again, anti-CAFO groups formed and challenged the legitimacy of the
strategy that ruined their quality of life and threatened natural resources. The state intervened on a variety of levels, at different times in support of the pro-CAFO forces and anti-CAFO forces. However, as surrounding states tightened their regulations, Texas became the “state of choice” as pro-CAFO advocates prevailed in reregulation. The case illustrates how the activities of Seaboard Farms met with significant resistance as it tried to secure the location for its “second hog pyramid” and finally settled in Texas.

In both cases people mobilized to challenge the globalization of the agrifood system. The cases provide insights into how local social movement groups emerge and resist the CAFOs; they show how people engage the state to try to address their concerns. While ACCORD and CAPP did gain some successes in their attempts to employ the state to protect their property and quality of life concerns, in the end their actions were mostly countered by the agribusiness interests and their allies in the government. Although the pro-CAFO interests were successful in creating a pro-agribusiness climate in Texas, the ability of social movement groups in the neighboring states to stop Seaboard’s attempts to locate in their communities illustrates other examples of successful resistance.

Accumulation, Legitimation, Social Movements, and the State

The events of the cases presented above speak directly to the issue of globalization and its consequences to local communities. Socioeconomic improvement in Texas in the past decade has been promoted through neo-liberal oriented policies, deregulation, and the fostering of a probusiness cultural climate (Bonanno and Constance 2006; Constance and Bonanno 1999b). Doing business in Texas meant to “play the corporate game.” Although local communities “must participate in incentives” to attract the firms, this action “pays good dividends.” This is the business climate that attracted Sanderson Farms and Seaboard Farms to Texas.

While drawn to probusiness Texas, the events of the cases reveal the problematic nature of the globalization of the agrifood system for TNCs. A common theme in both the structuralist and critical perspectives (the post-modern view does not deal directly with this issue) is that globalization decreases the state’s ability to perform its historical role of fostering capital accumulation while also maintaining societal legitimation (see Habermas 2002; O’Connor 1973, 1974; Offe and Ronge 1979). Neo-liberal restructuring within states combined with the global hypermobility of capital restricts the state’s ability to mediate the negative aspects of globalization. In the sociology of agrifood literature, Friedland (1991) and
Constance and Bonanno (1999b) discuss the three functions of the state in supporting socioeconomic development. The first function is economic accumulation. The state must provide a favorable business climate to attract and maintain economic investment (and hence, economic growth, jobs, and taxes). The second function is societal legitimation. While the state needs to provide a business climate conducive to attract investment, the citizens must perceive these investment strategies as acceptable and legitimate. For example, if the populace views the development strategies as too detrimental to the local area, the state suffers a legitimation crisis and reduced citizen support. The final function of the state is mediation. The state must mediate conflicts that arise between opposing social groups regarding economic development strategies and balance accumulation with legitimation.

Although the economic expansion projects succeeded at the accumulation level, it failed at the legitimation level. While receiving cooperation from the upper strata of the State of Texas, as well as city and county elites, in the form of deregulation and incentives packages that led to the economic expansion, the companies did not contemplate the discontent in the rural areas where the broiler and hog CAFOs were located. Rural residents criticized the CAFOs as detrimental to their health, soil, water, and air natural resources, community cohesiveness, and property values. In their view, they neither benefited economically from the project, nor saw the companies as good neighbors. Sanderson Farms was not viewed as engaging in a “mutually beneficial relationship between Sanderson and the communities in which we work.” The Panhandle Alliance was urged to force Seaboard Farms to be a good corporate citizen in Texas, as it had been chased out of surrounding states.

In both cases, the CAFO system of agrifood production was seen as an unacceptable and illegitimate form of socioeconomic development by the citizens across the region. Due to the growing dissatisfaction with state agency responses to their concerns, TRPP drafted and delivered the Enjoyment of Private Property Bill in an unsuccessful attempt to prompt legislative action. ACCORD’s decision to pursue a lawsuit because they felt their politicians were ignoring them and perceived them to be aligned with agribusiness is an even stronger example of the legitimation crisis related to CAFOs as an economic development program. As the controversy over CAFOs escalated, national level organizations such as the Sierra Club also sued to force individual states to regulate the CAFOs. To mediate the situation, the national government responded with CAFO legislation in 2003 and new EPA regulations.
To resist the CAFO expansion, rural residents organized as social movement groups and used a variety of strategies such as lawsuits, letter writing campaigns, petition drives, political lobbying, and self-designed legislation to try to protect their interests. Although the state tried to mediate the controversy by sponsoring the “Poultry Summit,” “Ochiltree Country CAFO Tour,” and other actions, local residents criticized these efforts and blamed the local and state elites for cutting deals with agribusiness.

The events of the cases often provide more support for the structuralist view than the post-modern view. Although social movement groups did organize to challenge the CAFO development, agribusiness quickly and successfully countered this action. For example, the Normangee Group dropped the lawsuit against the grower when Sanderson Farms retaliated with the threat of legal proceedings. Although the movement expanded from the sub-county (Normangee Group) to regional (CAPP) level, it failed to stop the spread of the poultry CAFOS. Similarly, although the ACCORD lawsuit was initially successful at halting the corporate strategy of deregulation, ensuing reregulation negated the victory. The corporations effectively sourced Texas as a production platform; more regionally-based for poultry and global for hogs. More support for the post-modern position can be found in the social movement successes in Kansas, Oklahoma, and Missouri that halted Seaboard’s location attempts in those regions, and pushed it back to Texas.

The cases offer several instances where under the globalization project state powers often accommodate corporate investment and capital mobility. Although the F/R Cattle Company lost the original odor lawsuit and the appeal, the Texas Supreme Court found in their favor. As a result, the ability of local citizens to use odor nuisance complaints to challenge CAFOs was substantially curtailed. Texas Farms (Nippon Meat Packers) was solicited to create a global hog commodity chain by the Texas Department of Commerce; communities competed with incentives to attract the second Seaboard pyramid. Using the rhetoric that it was “the corporate game” and that Texas did not want to get “out of whack” with surrounding areas by creating regulatory “disincentives” to investment, agribusiness allies noted that there was no choice but to “play it” or “lose out.” The political and economic officials intervened to protect corporate interests while only marginally, and unsatisfactorily, addressing local residents’ concerns. The incentives provided to Sanderson Farms and Seaboard Farms, the lack of support for regulation of CAFOs, the inadequacy of the state promoted scientific study of the environmental issues related to confinement poultry, and especially the reregulation of the “permit by
rule” hog regulations that continued to eliminate the public hearing process are all indications of the limits that the local state encounters in mediating conflicting demands in favor of subordinate groups. Citizen’s opportunities to engage in substantive democracy were eliminated in favor of CAFO development.

The critical perspective provides a middle ground to evaluate the case. Although political and economic elites were successful in convincing Sanderson Farms and Seaboard Farms to locate in Texas, the fact that the economic development projects were characterized by a series of contested actions as local residents rose in opposition and agribusiness advocates mobilized to counter the resistance highlights the limits encountered in the globalization of the agrifood sector. While not the victory that the social movement groups might prefer, the “Poultry Study” and WQMP legislation for poultry and the Nutrient Utilization Plan for hogs can be seen as state attempts to accommodate the concerns of local residents. In summary, although continuing to perform its accumulation function through support of the livestock industries, due to social movement group resistance the state was forced to address the legitimation crises and mediate between the opposing groups. This process can be viewed as a contested terrain where the battles over the future form of the global agrifood system are carried out.

CONCLUSIONS

Texas is a model of the globalization of the agrifood system, a model based on a neoliberal agenda: “Texas is Wide Open for Business.” The cases provide evidence that this motto is accurate. This model is being exported as agrifood TNCs create global value chains based on flexible production (see Fold and Pritchard 2005; McMichael 2005). For example, after NAFTA deregulated foreign direct investment, through vertical and horizontal integration Pilgrim’s Pride and Tyson Foods, Inc. expanded their market share to become the number two and three poultry firms in Mexico, respectively, where domestic consumer markets are growing rapidly and the costs of production are much lower that in the U.S. (Constance 2008). Pilgrim is also the largest poultry firm in Puerto Rico. With its acquisition of IBP in 2002, Tyson became the world’s largest meat company. Tyson’s official corporate motto is: “Segment, Concentrate, and Dominate” (Tyson Foods, Inc. 2004–2005). While the success in Mexico attests to the implementation of this business strategy, “Tyson’s real future overseas lies in the companies it is quietly building in emerging nations like China. Next frontiers of expansion: rebounding Brazil, and Eastern Europe” (Morais 2004:6). “These efforts move us
quickly forward along our strategy of producing quality products for our worldwide customers from cost effective global locations” (Tyson Foods, Inc. 2005:2).

As these cases illustrate, in the near term Texas is the “cost effective global location” for the production of pork and poultry (Pilgrim's Pride is headquartered in Texas). In the longer term global sourcing strategies appear to indicate that the opportunities for market expansion are elsewhere. The poultry model as developed in the U.S., and noted by Heffernan as creating a system of dependency and marginalization for the producers and declining quality of life in the associated communities, is now being adopted and diffused across commodities and countries as “the model” of agroindustrial development globally (see Boyd and Watts 1997; Constance 2008).

While agribusiness TNCs often have the upper hand in the contested creation of the global agrifood system, it appears that the global economic crisis is pushing the interventionist state back into ascendancy as accumulation and legitimation have to be mediated and re-balanced. The growing critique of neo-liberal globalization and the calls for stricter forms of business regulation indicate a broader legitimation crisis (see Habermas 1973) and probable shift in the rules of the game. It will be interesting to see how the Missouri School of Agrifood Studies engages this new research agenda.

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