



Community and Labor Issues in Animal Agriculture

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Animal agriculture is undergoing fundamental change, driven by new production technologies, changing consumer demand, genetic improvements, new retailing pressures, and globalization. One significant outcome is a change in the relationship between farms and rural communities. Much production has shifted from independent operators to larger production units, which are more technologically advanced, using supply chains and marketing channels to link to the economy at large. These vertically-coordinated operations largely bypass community linkages. However, new operations may bring new resources, opportunities and economic growth to local economies. Large production or processing operations require a concentration of workers, who may not be highly paid and may have to be recruited from other locales. All this challenges the socio-economic structure of communities where these enterprises are located. New economic opportunities may impact the community's autonomy, norms, traditions, pace, culture, and control. These impacts include: (1) a diversification of the population that will add cultural richness to the area, but also increase demands on local government and institutions with regard to services for an expanding resident population; (2) creation of new jobs, but many that will place workers at the lower tier of the wage structure; (3) local entrepreneurial opportunities that could build on new value-added market niches; and (4) increasing possibility of conflicts arising from a different set of values associated with the changing composition of the population, or with animal agriculture-related practices.

This article draws on a much longer report, *The Future of Animal Agriculture in North America* (Farm Foundation, 2006). It provides a factual backdrop to the community and labor impact question, and suggestions for researchers

and policy makers to help improve the relationship between animal agriculture and their communities.

Situation and Context

The community and labor impacts associated with livestock and poultry production and processing are significant, but very diverse. Labor is more mobile than is industry infrastructure and inputs that give a particular region a comparative advantage in animal agriculture. Livestock and poultry production adds value to local resources by creating jobs directly and indirectly as producers and workers purchase goods and services. The local economic impact of this industry will depend in part on the community's ability to meet the needs of producers or processors. In some rural communities where animal production and processing has expanded, there are more jobs than available local workers; immigrants increasingly fill these generally unskilled jobs. Regions of the United States and Canada are sometimes challenged to integrate new people and new cultures into existing communities. Mexico, whose rural communities often supply the immigrant workers to U.S. and Canadian companies, benefits from the remittances sent to families. However, the out migration, and subsequent reduction of human resources to fill the jobs in the North, creates challenges in rural Mexico.

Over the last 20 years, four significant trends occurred in the U.S. livestock sector: growth and concentration, shifting geographic location, increasing scale, and, in meat processing, movement of employment to rural areas from urban locales. The share of meat processing employees in non-metro areas rose to 60% (300,000) by 2000, from less than half in 1980. Rural plants are larger. Estimates are that more than 85% of the beef, pork and chicken comes from large plants with more than 400 employees. Lower

land and labor costs, less stringent environmental restrictions, and declining transportation costs explain the shift of meatpacking from urban to rural areas.

This portends an important policy issue on the horizon for policy makers and communities: the potential movement of meatpacking overseas in search of lower costs/less burdensome regulation. In recent years, U.S. foreign direct investment in the poultry and swine industry in Latin America has been increasing. Up until 1990, less than 6% of global poultry and pork production was traded internationally. Now almost 14% of poultry and 9% of pork is traded, and the portion is increasing rapidly. The next phases of the pork and poultry industry may involve significant offshore production. This would have important implications for local communities currently dependent on meatpacking and livestock for jobs and economic activity.

The makeup of the industry's labor supply has changed with the inclusion of a significant number of immigrants from Latin America. It is estimated that 10.3 million unauthorized foreigners live in the United States, including 1.7 million children less than 18 years of age (Passel, 2005). Fifty-seven percent come from Mexico and 24% from other Latin American countries. Unauthorized migrants represent an estimated 5% of the general U.S. workforce, but account for 29% of farm, 19% of food preparation, and 27% of animal slaughter workers.

The percentage of young people less than 34 years of age continues to rise in Mexico. These demographic conditions, combined with a relatively weak Mexican economy, have created a strong labor export market within the NAFTA community. The sizeable new supply of labor from

Mexico complements the high rate of job growth over the last 10 years in the United States. The highly flexible labor market allows the United States to absorb a lot of immigration. Within the NAFTA context, it was expected that trade barriers would fall, allowing resources to be efficiently allocated. The labor exodus from Mexico though was not anticipated because of expectations for expanded foreign direct investment in Mexico. Most United States policy makers had concerns about opposite job flows, from the United States to Mexico. This raises an important policy question of what is preferred—a well-functioning NAFTA where capital and labor move freely, or somehow differentiating capital from labor in order to address important short-term social issues arising from migration.

The situation in Canada differs significantly from that of Mexico and the United States. In the past 30 years, immigrants have accounted for a progressively smaller share of a farm population in Canada. Today, in Canadian agriculture, an immigrant is likely to be a farm operator from the Netherlands, Britain, Switzerland or Germany. The number of immigrants moving to rural Canadian communities is still small in absolute terms.

Economic Impacts

In communities across North America, the economic benefits generated by the animal agriculture sector go beyond producers. Communities and regions where business is conducted receive indirect economic benefits through job expansion and enhanced entrepreneurial activity to serve the industry.

Economic multipliers reflect the effect of changes in one sector across

a whole regional economy. Each dollar generated by economic activity in animal agriculture generates additional economic activity—directly through job creation, indirectly through the procurement of goods and services, and from increases in income and spending resulting from more active markets. While the magnitude of these effects differs by sector, animal agriculture has higher economic multipliers than such sectors as mining, textiles, forestry or crop agriculture (Goldsmith and Idris, 2001).

Jobs, taxes and other economic benefits of animal agriculture are realized beyond the local level. Global trade liberalization—including the inputs that supply livestock farms and products from animal agriculture—opens communities to outside competition, new market opportunities, and greater access to new resources and input supplies. This may affect economic multipliers by changing historical patterns in which inputs are sourced locally. As U.S. businesses compete globally, their suppliers and the business environments in which they operate must also be globally competitive. This implies that a community seeking industrial investment needs to assure its business environment is competitive with other communities around the globe. For example, information and communication technologies and infrastructure, critical for modern animal agriculture and processing businesses, have historically lagged in rural communities. Communities may receive technological spillovers that benefit other industries and consumers as they upgrade information infrastructure to better serve animal agriculture and processing.

Specialized support occupations in such areas as accounting, law, veterinary medicine, breeding, and mar-

keting may develop clusters of expertise surrounding communities that engage in new higher-technology meat and livestock businesses. These clusters of expertise create benefits for communities that include high-income employment and additional demand for information and communication technologies and infrastructure. Entrepreneurship in the form of technical services in the areas of veterinary care, nutrition, environmental and human resource management, construction and maintenance, information management, transportation and logistics, and marketing may add even more economic growth within the surrounding region.

Community/Social Impacts

The siting of large animal production operations can generate considerable local controversy at the same time economic activity expands. Issues of contention are: potential odor problems, water availability and use, manure disposal, and the desired structure and size of farm businesses. Common complaints are that:

- recipients of economic benefits are not local,
- jobs associated with animal agriculture are of poor quality,
- changed demographic makeup of the workforce is problematic,
- there is a negative impact on property values,
- there are negative health consequences for nearby communities due to changes in air and water quality,
- there will be a deterioration of infrastructure, specifically roads and bridges, and
- there will be traffic congestion and increased manure and dirt on the roadways.

In the United States, meatpacking attracted newcomer immigrants with relatively little education and sometimes few English language skills a century ago, but the meatpacking labor force was mostly U.S.-born as recently as 1970, when immigration was at historic lows. Since then, immigration has increased sharply, and a third of meatpacking workers today may be foreign-born. Hispanics were 15% of the U.S. meat industry's labor force in 1990, and 35% in 2000. The arrival of Hispanic or Asian workers quickly changes the face of rural areas that have not experienced significant immigration in recent years. Most areas, especially those losing people and jobs, welcome new residents because they buy homes and shop at local markets. But there are also tensions which accompany demographic change.

Positive impacts on communities from an influx of immigrant workers include:

- most workers are married, and while not known with any certainty, it is thought that increasing numbers of spouses are also in the United States since crossing the border has gotten more difficult,
- a higher proportion of Hispanic or Asian men participate in the workforce than from other population groups,
- workers do unwanted jobs that are necessary in today's society,
- repopulation of rural areas,
- a younger workforce, and
- replacement for aging baby boomers.

Potential negative issues with the changing labor force include:

- increased demand for social service resources in the community,

- increased need for bilingual workers in public safety, health and other key sectors,
- more students with limited English proficiency,
- low propensity to continue education because of English being a second language, a low education level, or limited access to educational resources,
- increased poverty among unauthorized migrants,
- greater demand for health care at local clinics and emergency rooms,
- lack of health insurance placing a strain on limited health resources in rural areas,
- a higher prevalence of infectious disease, diabetes and maternal health issues,
- fiscal stress on local governments as increased tax income may not keep pace with increased service needs, and
- strain on local housing stock as a result of an influx of immigrants (which at times results in immigrants being placed in poor, overcrowded housing).

Future Options and Implications

Economic Development

Rural communities in North America compete in a global environment. Provinces, states, regions and communities seeking investment need to assess how their location will potentially make animal agriculture operations globally competitive. This creates challenges in a world of varied wage and regulatory conditions.

Industry has a responsibility to the community in which it does business. Industry needs to be proactive and a responsible citizen, providing leadership in creating positive experiences for communities. The inability to create these positive community

experiences will only limit their ability to site or expand.

This phenomenon, whereby communities oppose the siting or expansion of livestock and meat facilities, is no longer unique to the United States. The opposition is structural and can be found in many communities around the globe. It reflects both direct concerns about changes to their neighborhoods and larger concerns about globalization, new technologies, large farms, and multinational food companies. At its heart, communities feel a loss of local control and see rapid change in the face of these large and sometimes unfamiliar neighbors.

As a result, the industry needs to complement the numerous economic benefits it brings with a set of positive social impacts. Some communities will always oppose the industry, but many would welcome a partner to help them socially and economically develop.

By no means inclusive, this article has highlighted some of the needs that industry can help address: the positive incorporation of immigrants into the fabric of the community, expansion of IT infrastructure, investment in entrepreneurial activities that add value to the current animal agriculture component of rural communities, and expansion of opportunities for education and training in order to strengthen the community's human capital resources.

There is potential for the animal agriculture sector to use many of the tools employed in industrial sector economic development:

General Tools.

- Government bodies should consider homogenized industrial policies, so animal agriculture is not singled out. Homogeneity of pol-

icy minimizes multiple levels of industry performance, improves efficiency in regulatory oversight, and ensures equal treatment across industries.

- Focus on rural economic development, not just animal agriculture development. Local communities should avoid trying to pick winners, but instead use evaluative tools and policies that are conducive to an overall healthy business environment that is attractive to a variety of industries and their suppliers.
- Develop industry strategies to create positive community impacts. Active communication about respective needs and strategies to address those needs is critical for a healthy industry-community relationship.
- Use provincial, state or regional economic development resources and streamline the regulatory process.
- Conduct research to better understand the type of contributions animal agriculture and processing makes to a community.

Specific Industry Offsets.

- Property tax reductions for neighbors.
- Service and infrastructure improvements for the community.
- Fiduciary bonds to dissipate risk borne by communities, such as new demands industry might place on water resources.
- Appropriately scaled public infrastructure investments, such as upgrading roads and bridges, increasing utility capacities, and augmenting highway access.
- Compensation for harmed parties from confined animal feeding operation impacts as is done with other industries.

Labor

Local, regional, and national government officials need to consider maintaining immigrant worker programs that ensure adequate labor supply to the animal agriculture industry. Helping immigrant workers adjust to a new location and culture and helping communities adjust to new immigrant populations can be advantageous to employers. For example, communities and industry can work together helping immigrants learn English, navigate the social services system, establish bank accounts and credit, obtain affordable housing, and adapt schools and their curriculum to an English-as-a-second-language student body.

Mexico and the United States are examining options to improve the legal movement of workers between the two countries. As workers attempt to earn a livelihood, they need to be able to take advantage of work opportunities without running the risk of violating the law. Potential options include illegal immigrant legalization, a guest-worker program, and exempting Mexico from visa quotas. The United States might consider a program similar to Canada's Seasonal Agricultural Worker Program (SAWP) to address seasonal worker shortages, though seasonality of work is not as common in the livestock sector. At the same time, Mexican and U.S. officials have also discussed improving conditions for unauthorized Mexicans in the United States by ensuring their human rights, access to health care and education resources, and providing opportunities to obtain legal status (Rodriguez-Scott, 2002).

For More Information

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