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ABSTRACT

Due to the U.S. Department of Agriculture's definition of a farm as an "economic unit which produces at least $1,000 worth of agricultural products a year", more than 570,000 farms were eliminated from the 1975 agricultural census. In addition, over 12,000 farms went out of business, continuing a trend begun in 1940. Although American food prices increased 40%, the farmer received only 43 cents for every dollar spent at the supermarket. In 1975, American consumers spent an estimated $177 billion on food and an increasing portion of this expenditure went to corporate coffers through vertical integration of the production and marketing process. The essence of these latest government figures is that little has changed over the years in the lives of farmworkers. Most continued to be exempt from federally guaranteed minimum wages; few are covered by unemployment insurance, social security, and workers' compensation. All are specifically excluded from the National Labor Relations Act statutes which protect the collective bargaining rights of most American workers. Farmworkers also suffer from poor education, squalid housing, inadequate diets, and critical health needs. However, organizations such as the National Sharecroppers Fund, land reform groups, and agricultural cooperatives are working on solving these problems. (NQ)

The Condition of Farmworkers and Small Farmers

REPORT TO THE NATIONAL BOARD
by James M. Pierce, Executive Director
NATIONAL SHARECROPPERS FUND
and RURAL ADVANCEMENT FUND

2 in 1975

"Because USDA doesn't see the small farmer as a sound economic risk, it refuses to invest in them."

Congressman Charles Rose

Every five years the Department of Agriculture, in cooperation with the Bureau of the Census, undertakes the task of counting all American farms. It is a mammoth task, requiring hundreds of people and literally months of complex analysis. The last time it was undertaken in 1969 USDA estimated that they missed about 30 percent of the smallest farms. Small farms are difficult to locate and often these farmers fail to send back the census forms.

In 1975 the time had come again for USDA to count farms; but for this census USDA came up with a new definition of what constitutes a farm. No longer is it sufficient for a farm to be a farm; now to meet USDA's standards, a farm must be "an economic unit" which produces at least $1,000 worth of agricultural products a year. Anything producing less than $1,000 is not a farm and is not included in the census.

USDA explains that this definitional change is necessary to "keep in step with the fast changing tempo of modern agriculture."[1] This adjustment to the "modern tempo," however, will eliminate more than 570,000 farms from the agricultural census—more farms than went bankrupt, merged, sold out or otherwise succumbed to the economic and technological pressures of modern agriculture during the past ten years.[2]

In West Virginia over 45 percent of all farms will be defined out of agriculture, while in South Carolina, Louisiana, Tennessee, Alabama and Mississippi over 30 percent of all farms will be affected. Over 46 percent of all Black farms will fail to meet the new criterion.[3]

In testimony before a congressional committee, Donald Paarlberg from the Department of Agriculture defended USDA's decision not to count one out of every five American farms: . . . "this pro-

1. *The Farm Index*, USDA September, 1975, p. 3.
2. Redefinition of the term farm, *Subcommittee on Family Farms and Rural Development*, November 7 and 12, 1975, pp. 59-60.
3. Ibid., p.37.

posed definition change will be helpful in providing services because we will not pretend that [these] people are farmers . . . We'll describe them more accurately, and thereby make them more appropriate clients for whatever services are being offered be they Agriculture, HEW or through any other media . . ."[4]

Ironically this discussion of whether to eliminate over one-half million small farms from the agricultural census and perhaps from Department of Agriculture services and programs came on the heels of a report from the General Accounting Office criticizing the Department of Agriculture's efforts to assist America's small farmers. This report to the Congress recommended that USDA should: "(1) identify small farm operators . . . [who could] improve their operations by using available technology and efficient management practices; (2) estimate the costs and benefits of programs needed . . . [by] small farm operators and present the information to the Congress for its consideration; (3) examine the potential for research, uniquely designed to improve the economic position of small farm operators . . .; (4) evaluate the economic and social impacts of future research . . . [on small farmers]."[5]

USDA's response to the GAO report is classic Secretary of Agriculture, Earl Butz—bigger is better. ". . . technological changes requiring increasingly capital intensive structure in the industry and other aspects of the production and marketing system for agricultural products, have combined to reduce the number of opportunities for both agricultural employment and efficient small scale farms."[6] Anyway, USDA continued, "[even] if small farms were assisted so that total production were increased, [resulting] price declines could further reduce incomes of small farmers."[7] Rather than follow GAO recommendations USDA has decided to stop counting America's small farmers.

Even without a massive redefinition of small farmers over 12,000 farms went out of business in 1975.[8] This decline continued a trend begun in 1940. Over the past thirty-five years more than 3 million American farms have folded. An estimated

4. Don Paarlberg testimony before the House Subcommittee on Census and Post Office, September 26, 1975.
5. "Some Problems Impeding Economic Improvement of Small Farm Operations: What the Department of Agriculture Could Do." Comptroller General of the United States. August 15, 1975, p.1.
6. Ibid., p.30.
7. Ibid.
8. *Agricultural Statistics*, 1975, p. 417.

480,000 rural businesses have disappeared, further contributing to an exodus of people from the land to the cities.[9]

Even those government farm programs, originally designed to assure a reasonable income to American farmers, have failed to assist the small farmer. In 1975 farms producing sales of $40,000 or more, which account for only 16.6 percent of all farms, received 47.4 percent of the 530 million dollars of all government payments to farmers.[10] The average payment to those farms producing less than $5,000 in sales for 1975 was $41.[11]

Today America's small farms are being forced into a capital and energy intensive form of agriculture which they can ill afford. All this has caused and will continue to cause tremendous upheaval and displacement among American farmers.

9. *Nutrition Action*, March 1976, p.5.
10. *Statistical Abstract of the United States*, 1975, p.620.
11. Ibid.

"I think that the impression that some would have that they're poverty-stricken, downtrodden people who don't have enough to eat is not true. I found them to be very, very happy people, happy with what they were doing. Happy to work two days a week."

Florida Farm Bureau Federation Lobbyist

In 1975 2.7 million Americans 14 years old and over performed farmwork for wages some time during the year.[12] For the majority—1.6 million people—farmwork was the only source of employment; due to the seasonal nature of the work they were effectively unemployed over 50 percent of the time.[13] According to USDA statistics farmworkers averaged 114 days of work and earned less than $2,000 for the entire year of 1975.[14]

The average American farmworker is young—median age 23 years, over three-fourths are male, usually a head of a family and poorly educated. They live in virtually every part of the country but are mainly concentrated in the south, west and north-central states. Fewer than 23 percent of American farmworkers are employed year-round.

The essence of these latest government figures is that little has changed over the years in the lives of those hardworking people who plant and harvest our food. It is not a new story.

In 1960—Thanksgiving Day to be exact—Edward R. Murrow broadcast the first television documentary on the problems of migrant workers. Murrow began: "This is CBS Reports. 'Harvest of Shame'. It has to do with the men, women and children who harvest the crops in this country of ours, the best-fed nation on earth. These are forgotten people; the under-protected, the under-educated, the under-clothed, the under-fed."

The Murrow broadcast stirred the consciences

12. *The Hired Farm Labor Force*, USDA, p.1.
13. Ibid., p.5.
14. Ibid.

of many Americans, but it was not until 1966 when Senator Robert Kennedy convened hearings into the plight of America's farmworkers that the Federal Government officially opened an inquiry. This hearing record is more than 20,000 pages of testimony but the Kennedy hearings resulted in few legislative changes.

Ten years after the Murrow broadcast, Chet Huntley and NBC News produced "Migrants: An NBC White Paper" but little had changed even by 1970.

In 1971 and 1972 the House of Representatives Subcommittee on Migratory Labor held extensive hearings into the problems of farmworkers. The problems are graphically documented in multi-volumes but the problems have not abated, and the legislative remedies enacted over the years are few.

The latest television inquiry into the plight of American farmworkers was produced in 1975 by WPBT in Miami, Florida. In a nationwide broadcast, "A Day Without Sunshine," WPBT focused on farmworkers in Florida's citrus industry. WPBT found Florida's citrus workers averaged $3,000 annually. The Florida citrus industry enjoys annual sales of more than 1.1 billion dollars.[15] They found incidents of squalid housing, no showers, no toilets, isolation and intimidation. Not surprisingly they found close ties between the multi-million dollar citrus industry and the state government.

Since 1935 Florida growers and processors have had their own state bureaucracy—the Florida Department of Citrus. It has a staff of 200 and an annual budget of 61 million dollars.[16] The State Citrus Commission conducts marketing surveys, legislative research, advertising campaigns—the Florida Sunshine Tree—and, in general, works in behalf of the industry. Much of this work translates into direct dollars-and-cents benefits to Florida's agribusiness interests. WPBT found that in the past five years the Florida legislature has passed 40 bills to assist agribusiness; in 1975 it appropriated 105 million dollars for the projects and programs of agribusiness.[17] During the same period the legislature passed five bills to help farmworkers. The legislature appropriated $300,000 in 1975 for farmworkers' programs.[18]

15. Robert Thurber, Producer, "Day Without Sunshine," WPBT Channel 2, Miami, Florida, pp.1-2.
16. Ibid., p.15.
17. Ibid., p.38.
18. Ibid.

The problems of Florida's citrus workers are not unique. Nationally farmworkers suffer similar inequities. Most farmworkers are exempt from federally guaranteed minimum wages; few are covered by unemployment insurance, social security and workers' compensation; all are specifically excluded from the National Labor Relations Act statutes which protect the collective bargaining rights of most American workers. This exemption from the NLRA does not deny farmworkers the right to unionize, but it does exclude them from federally enforceable organizing and bargaining rights.

The problems of low wages and lack of protection ripple throughout the lives of farmworkers. Squalid housing, inadequate diets and health care and dangerous pesticides shorten the life expectancy of the average American farmworker to 49 years. They continue to be the least educated and most exploited worker in American society.

The fifteen years following Edward R. Murrow's Thanksgiving broadcast, plus two full-scale congressional inquiries into the hardships suffered by American farmworkers, have produced little to end the "Harvest of Shame." It is a sad commentary on our society which provides price supports, tax write-offs and free technology to the landed but denies fundamental labor rights long enjoyed by most American workers to the men, women and children who harvest our food.

"As long as the people in the middle can keep consumers and farmers divided, they gain and we lose and the nation loses."

Congressman Mark Andrews

In the past three years American food prices have increased 40 percent. USDA points the finger at the weather and inflation for the price increase. The agribusiness crowd points to increased labor and transportation costs while a congressional committee puts the onus on yet another Russian grain deal.

One thing is certain: it is not the farmer who is profiteering from these dramatic rises in the price of food. For every dollar spent at the supermarket the people who raise the food receive only 43 cents.[19] Fifty-seven cents goes to a myriad of middlemen—the packers, processors, brokers, canners, wholesalers, truckers and retailers—who design, operate, control and, not incidentally, profit from the system which brings food from the fields to the supermarket.

Too often the price paid to the American farmer bears little relationship to what is paid at the supermarket. The price of wheat in June 1975 was 45 percent lower than in June 1974 but the price of bread increased 10 percent during the same period.[20] Even in the face of falling farm prices the price of food remains permanently inflated.

The chief beneficiaries of this phenomenon are a handful of corporations which have cultivated a dominant position in the market from which they can exercise virtual monopolistic control of a given agricultural product. Often this is accomplished through government regulation but always through government acquiescence.

After 40 years of federal milk regulations, there is some evidence that the regulations originally designed to protect dairy farmers have diminished public benefits, and the principal beneficiaries of continued federal regulation appear to be regional

19. *The Farm Index.* USDA. December 1975. p.23.
20. Joel Solkoff. "Once is Not Enough," *New Republic,* September 6, 1975. p.17.

milk cooperatives. A recent conference sponsored by the Community Nutrition Institute explained the relationship of federal regulations and dairy cooperatives and the price of milk and dairy products. Among the findings of the conference are:

- "Regulation provides an estimated $375 million increase in consumer expenditures for carton milk. There is no conclusive evidence to show that the gain stays with the dairy farmer.
- "Dairy cooperatives have gained enough leverage in the market to control upwards of 70 percent and more of the milk in a given federally-regulated area."[21]

But it is not just the agricultural cooperatives utilizing federal regulations or acquiescence to enhance their profitability. America's large corporations are year-by-year moving to dominate various sectors of America's food industry. A 1967 Federal Trade Commission study revealed that 50 of some 32,000 food manufacturing firms pocketed 60 percent of the profits. The Agribusiness Accountability Project, a Washington, D.C., nonprofit research organization, estimates that this percentage has increased to 75 percent by 1975.

American consumers spent an estimated $177 billion on food in 1975 and an increasing portion of this expenditure went to corporate coffers through vertical integration of the production and marketing process. The current concentration in the food industry is staggering: one corporation controls 36 percent of the raisin industry; one company produces 90 percent of the canned soup; four corporations account for 65 percent of American sugar; four firms produce 80 percent of all canned goods; four firms control 90 percent of all breakfast cereal sales.[22] It is estimated by the American Agricultural Marketing Association that 50 percent of America's food production will be under corporate contract by 1980; this percent will increase to 75 percent by 1985.[23] Six multinational grain firms control 90 percent of the 11 billion dollar grain export trade.

American agribusiness firms have not as a rule found it necessary to purchase large land holdings to dominate the food industry. Land is expensive and it is easier through contract arrangements to buy farmers rather than farms. Researchers at the

21. *Community Nutrition Institute Weekly Report*, March 18, 1976, p.4.
22. Daniel Zwerdling, "Boom Times for Agribusiness." *Skeptic*, p.25.
23. *Agribize*, Tiller, p.5.

University of Illinois have concluded that under corporation contracts American farmers sell more than half their fresh vegetables; virtually all their vegetables for processing, as well as citrus fruits, chickens, sugar beets and sugar cane.[24] Through this process food prices have little relationship to the costs of production and equitable returns to the farmer. Corporations control the market and thus price, and many American farmers are little more than hired hands.

24. *Skeptic*, op. cit., p.25.

"We have to move and follow the crops, or starve."
Migrant Worker

Some forty-two states depend on migrant farmworkers, to plant, cultivate or harvest agricultural products. Migrant worker's pick apples in Virginia; they cultivate sugar beets in Minnesota; they harvest melons in Arizona. Often they work from sunup to sundown with little more to show for their labor than another year of survival. These workers annually leave their home base states of Texas, Florida and California and move north planting, cultivating and harvesting American food. No one really knows how many workers follow the migrant stream; the latest USDA figures put the number at 209,000.[25] Thirty-one percent are between 14 and 17 years old; virtually all are poor.[26]

The average migrant worker earned $1,688 in 1975, and for 49 percent this was their total annual income.[27] Beyond poverty wages, the migrant worker's life is further complicated by shabby housing, inadequate food and little or no medical care. A Senate subcommittee on Migrant Labor found infant mortality rate among migrants to be 125 percent above the national average; incidence of tuberculosis was 260 percent greater than the general population.[28] Dr. Eric W. Mood of Yale, Chairman of the Committee on Housing and Public Health of the American Public Health Association, found migrant workers have 2 to 5 times the rate of respiratory and digestive diseases of the general population and 35 times the rate of infestation by intestinal worms.[29]

Like all farmworkers, migrant farmworkers suffer from the lack of labor protections. They are consistently cheated by crew leaders, overcharged for food, given shabby housing and deprived of social security deductions. Most are not covered by workers' compensation and unemployment compensation. Farm labor housing standards, occupational safety standards, crew leader registration statutes

25. *The Hired Farm Labor Force*, USDA, p.6.
26. Ibid.
27. Ibid.
28. "The Land Ours for a Season," *World Ministries Commission*, Elgin, Illinois, p.32.
29. *Washington Post*, January 23, 1975.

remain virtually unenforced by the Department of Labor. While the costs of nonenforcement of these laws are incalculable in terms of human suffering, this nonenforcement represents an estimated 3 billion dollars a year savings to American agriculture.[30]

In 1974 the Congress outlawed children under 12 years of age from working in agriculture. The Congress found that child labor in agriculture "is, as was industrial child labor years before, economic exploitation of human resources."[31] These congressional findings notwithstanding, a House Subcommittee on Agricultural Labor held hearings in 1975 on a bill which would have permitted children under 12 to reenter the fields. Advocates of the bill argued that children were needed in the strawberry fields of Washington and the potato fields in Maine for these agricultural enterprises to survive.

Had children been permitted under law to reenter the fields, years of efforts to improve the education of migrant children would have been lost. Even with the existing prohibition, the National Child Labor Committee estimates that between 350,000 and 400,000 children of migrant farmworkers suffer severe educational deprivation. Only 40 percent of migrant children enter the 9th grade and less than 11 percent complete high school. Too often these educational handicaps perpetuate the migrant stream.

For many observers the only real answer to migrant farmworker problems lies with organization. The enactment of the California Agricultural Labor Relations Board in 1975 gives California farmworkers an opportunity, through elections to select which union, if any, they want to represent them in labor negotiations. Unionization has improved the wage and other labor protections for migrant farmworkers in Texas, Arizona, California and Florida. A recent contract negotiated by the United Farmworkers in California provided a minimum wage of $3.10 per hour for general labor plus 26-1/2 cents per hour in health and pension benefits.[32] These are substantial improvements in an industry largely exempt from minimum wages and fringe benefits; these UFW negotiated wages and benefits affect only a small percentage of the nation's farmworkers.

30. Ronald B. Taylor, "Something in the Wind," *The Nation*, February 22, 1975, p.207.

31. Subcommittee on Agricultural Labor Hearings on the Fair Labor Standards Act, April 18, 1975, p.39.

32. ACCION, February – March 1976.

"We are in a phrase, saving lives by the million, through medicine, and condemning them to misery by not being able to feed them, and it's going to get worse."

Howard K. Smith
ABC Evening News

For years the United States has believed that the application of American agribusiness techniques could be exported around the world to avert famine and hunger. This hypothesis is now in serious jeopardy because of the high cost of petroleum. The price of oil has tripled unexpectedly, and America's brand of agriculture is totally dependent on oil and oil derivative products—fertilizers, pesticides. Already in India the "green revolution" has apparently faltered because of the high cost and scarcity of oil.

The magnitude of the world hunger problem is staggering and will continue to be so. In the U.S. alone, 8.6 billion dollars—over two-thirds of the Department of Agriculture's annual budget—are spend on domestic food programs.[33] The World Bank estimates that "one-third to one-half of the two billion people in the developing nations suffer from hunger or malnutrition and 20 to 25 percent of their children die before their fifth birthday." The United Nations Children's Fund reports that 400 million of the world's children are malnourished today.

Critics charge that the United States lacks a coherent national food policy. Others charge that America's food policy is controlled by an unholy alliance between USDA and agribusiness which seeks to profiteer from world hunger.[34] Secretary of Agriculture, Earl Butz, however, claims, "we have a national food policy—a policy designed to encourage production."

Under Secretary Butz American farmers have

33. Earl Butz, "A Policy of Plenty," *Skeptic*, p.59.
34. See "The Fields Have Turned Brown," Susan DeMarco and Susan Sechler.

moved into full production. Over 50 million acres of land have been brought into production since 1972. American farmers have increased their production to the point where they must sell two-thirds of their wheat, half of their rice, soybeans and cotton and one-fourth of their corn to some uncertain international cash market.[35] In 1975 foreign agricultural sales totaled more than 22 billion dollars largely resulting from yet another major Russian wheat deal.

The key, though, to Secretary Butz's full production is the "free market." For the developed nations of the world able to pay America's export prices, this "free market" has meant only higher food prices; many developing nations are simply priced out of this cash market.

The free market incentive is not without its risks for the American farmer, since it is predicated on the assumption that there is a cash market for American agricultural products somewhere. USDA in effect gambles that drought, frost or whatever will strike somewhere in the world in sufficient severity to cause a country or countries to buy American agricultural products. The Russians bailed out this policy in 1972 and again in 1975; if the foreign sales fail to develop, American farmers will court disaster.

While Secretary Butz has been throttling the American farmer to produce, produce, he has been steadily dismantling forty years of agricultural policy which has—not without deficiencies—provided a measure of protection to farmers. He has not only gotten USDA out of the grain storage business, he has sold the storage bins. Price supports and direct subsidies to farmers are at their lowest level in history. Virtually the only protection remaining available to farmers in the event the "free market" becomes glutted, is the guaranteed loan value of the crops, which is set at roughly one half of the cost of production.

Secretary Butz's free market incentive coupled with a tripling of petroleum prices has sent farmers into a "boom and bust" economy. Even in periods of relative scarcity and high foreign demand, net farm income has steadily dropped from a high of 32.2 billion dollars in 1973 to 23.7 billion in 1975. The free market is unpredictable and in any event is available only to those nations with cash to pay. In this situation the American farmer, large and small, is on a tight rope without a safety net, and the world's food crisis remains.

35. J. Phil Campbell, U.S. Undersecretary of Agriculture, April 22, 1975, International Symposium, University of Illinois.

". . . Let's not stop with noble words and good intentions. Let's commit ourselves to continue to work together—as a cohesive group—for the future of rural America."

Senator Dick Clark

Today over 73 percent of America's population is crowded together in urban areas on less than 2 percent of the land. This transformation of America over the years from an agrarian society to a decidedly urban society has sapped rural areas of their people and resources and simultaneously created urban problems of tremendous proportions.

Demographers have recently noted that the vast rural-to-urban migration of the past 30 years has been halted.[36] Analyses of the census reports show that beginning in the 1970 rural counties in various parts of the country have actually gained slightly in population. Whether this trend will persist is unknown but this phenomenon may be a harbinger of change in rural America. What is certain is that the continued growth and prosperity of rural America requires a national policy which assures the survival of small farms and small communities.

To a large extent this will specifically mean a reversal of many federal policies which have for years consigned rural America to decay and neglect and have consistently denied rural citizens an equitable share of federal expenditures in health care, housing, education, transportation—in virtually every category of federal endeavor.

For too many years now, rural development has been little more than a political slogan; this political slogan can serve as a catalyst for a national policy to preserve rural life as a viable option to a further urbanization of our countryside. This national commitment to rural revitalization needs to be enacted legislatively:

- Equitable federal expenditures for rural areas;
- Full funding and implementation of the Rural Development Act;

36. Calvin Beal, "The Revival of Population Growth in Nonmetropolitan America," USDA, June 1975.

- Enactment of equitable farm labor legislation;
- Enforcement of residency requirements and the 160-acre limitation in federal land-reclamation areas;
- Re-orient USDA and the Land Grant College System to the research and technology requirements of the small farmer;
- Reform tax statutes which encourage tax-loss farming and
- Restrict monopolistic concentration in the food industry.

There are many organizations around the country today working to correct our past failings in rural areas. There are land reform groups, agricultural cooperatives, agriculture-based rural communities—all working for a better rural America. In Washington, the National Sharecroppers Fund carries out a legislative program on behalf of rural people. Near Wadesboro, North Carolina, the Rural Advancement Fund has created the Frank P. Graham Training Center which operates a program of agricultural and vocational training geared to enable people to stay in rural areas.

Many of the efforts have demonstrated that it is possible to revitalize rural areas. Rural life need not be marked by hardship; with a little creativity and single-mindedness of purpose all our rural citizens can look forward in confidence to a full life with dignity.

NATIONAL SHARECROPPERS FUND

Works for passage of national legislation to benefit small farmers, agricultural workers, and other rural people.

Maintains constant pressure on government agencies and programs to make them more responsive to the needs of rural areas.

Supports the efforts of farmworkers to organize and works to end their exclusion from the benefits of social legislation.

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Conducts educational programs to acquaint the public with problems of rural America and their relationship to urban problems.

Contributions to RAF are tax-deductible.

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