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PAPERS

A National Conference on
**NEW FACTORY WORKERS IN
OLD FARMING COMMUNITIES:**
Costs and Consequences of Relocating Meat Industries

April 12-14, 1992

**Wye Conference Center
Queenstown, Maryland**

A National Conference on
NEW FACTORY WORKERS IN
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Costs and Consequences of Relocating Meat Industries

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**RESTRUCTURING OF THE U.S. MEAT—,
POULTRY—, AND FISH—PROCESSING INDUSTRIES
IN THE GLOBAL ECONOMY**

by

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Paper prepared for the national conference on "New Factory Workers in Old Farming Communities: Costs and Consequences of Relocating Meat Industries," April 12-14, 1992, Queenstown, MD.

Basically outlines ^{in poultry} shift _{to} hr. sm. farm - sm. mktg process
to rise of sm. # of v. lg integrated farms who are also
diversified into oth. ~~non-food?~~ non-meat mktg. At
the end describes probs that arise in hlt, envtl, wkr
realms. Kind of scattered.

Although agriculture in some areas of the United States can be historically traced to Spanish Land Grants systems and plantation systems, much of the production agriculture is traced to independent yeoman farmers. Agriculture was largely characterized by subsistence farmers at the outset, but with the demands of urban industrialization subsistence farms near cities soon evolved into commercial farms. The development of water transportation and railroads led to similar transformation in agriculture areas more distant from the cities. Farmers were eager for the new market opportunities, but they soon became concerned with the trend toward monopolization in the transportation and market sectors. In time this concern spread to the supply sector of agriculture. Most of the concern reflected in the farmers movement literature since the beginning of the Patrons of Husbandry (Grange) in 1867 has focused on the concentration of control in the supply and market sectors (Taylor, 1953).

The process of concentration of ownership and control of organizations impacting the agriculture sector has been so extensive that today the agricultural sector is often included as just a portion of the food sector. Historically the food system was conceptualized as consisting of the following stages: (1) producers (farmers), (2) processors, (3) distributors, (4) wholesalers, and (5) consumers. Today the production sector has become so dependent on purchased inputs that another stage of production, inputs such as seed, fertilizer, and chemicals, could also be added. The process of reducing the number of firms at each stage, combining the separate stages (except the consumer stage) into a single formalized food system, and the globalization of the system continues. One of the best early examples of this concentration process is in the meat sector, especially the broiler (poultry meat) area.

Integration of the Poultry Industry

Prior to World War II the broiler industry was a by-product of egg production found on most farms. Often egg production was the responsibility of the women and children and provided cash for food and clothes. Broilers were the extra male offspring of laying hens that could be consumed as food by the family or exchanged or sold for non-farm produced goods and services. The broiler business was an uncoordinated system of independent "mom and pop" feed mills, slaughter plants, and family farms.

Most rural communities were characterized by several hatcheries and feed stores from which chicks and feed could be purchased. In fact, most general stores in rural communities carried chicken feed and supplies. In addition, farmers usually had access to many firms which would purchase the broilers and/or eggs. Both supply and marketing firms were relatively small in size and numerous in most rural communities. The industry not only provided an income source for farm families, but it also provided jobs for thousands of people in numerous rural communities across the country.

Probably no other farm commodity was raised in as many regions of this country as poultry. However, by 1950 almost half of all broilers produced in the U.S. were raised in the South Atlantic region, even though chickens were still produced in large numbers in the North Atlantic region, the North Central region and the West. The broiler industry continued to move to the South Atlantic and South Central region until almost 90 percent of the production was located in the south. The industry relocated to the south to avoid entrenched independent broiler producers in the Delmarva peninsula area and unions, thereby guaranteeing cheap labor in the form of African American women. The industry also took advantage of desperate southern farm families who were suffering from a cotton blight.

Poultry production was still close enough to cheap feed supplies of the Midwest to keep transportation costs low. Low cost feed was a product of the regular surplus of feed grains partially supported by government policies which consistently depressed grain prices. Given the desperate economic conditions in the Midwest as a result of the farm debt crisis, the industry is moving back toward the Midwest with expansion in states like Missouri, Oklahoma, Kansas and Iowa.

Table 1. Regional Shares of U.S. Broiler Production for Selected Years.

1950 - 1978 (Percent of U.S. Production)

Year	North Atlantic	East North Central	West North Central	South Atlantic	South Central	West
1950	12.2	9.1	4.5	47.4	19.5	7.3
1955	12.7	7.0	3.5	43.6	26.8	6.4
1960	8.2	4.5	2.3	43.4	36.6	5.0
1965	5.9	2.1	1.9	42.3	43.5	4.3
1970	4.8	1.3	1.3	41.7	46.5	4.4
1975	5.1	1.4	1.3	40.7	47.3	4.2
1978	5.2	1.4	1.2	41.5	46.4	4.3

Source: Brooks, 1980.

After World War II, public research on broiler production at land grant universities was focused on improving: (1) vaccines and antibiotics to allow large numbers of birds to be kept close together in confinement, (2) confinement housing, (3) broiler genetics to produce faster growing meatier birds, and (4) feed rations for faster weight gain with mechanized feeding and watering which reduced labor needs. All of these new technologies reduced the risk of growing and processing broilers. Much of the uncertainty due to nature was eliminated as growing broilers moved from the barnyard to the factory. At the same time new technologies in chicken processing such as the automated rubber fingered feather plucker made processing less labor intensive.

As the risk was reduced in the broiler business, firms invested and began to coordinate all aspects of the broiler enterprise. During the 1950s and 1960s feed mills bought processing plants and contracted with area farmers to raise broilers for a certain amount per pound - a piece worker. Companies like Ralston Purina, Cargill, Tyson, and Wayne Feeds (Division of Continental Grain) also integrated the production input (feed), production, processing, distribution and wholesale stages of broiler production under one locus of control — one system of management.

Most recently, integrating firms have completed the integrating process by gaining control at retail outlets. Brooks (1980:206) notes: "Through joint ventures with retail chains and through separate operating divisions, a number of broiler firms have extended their service into fast food outlets and takeout centers." At this time, retail stores are content to handle branded poultry as opposed to extending their own activities backward into the processing of poultry. The chairman of Safeway, the world's largest food retailer, says that Safeway will continue to handle private labelled poultry in their stores unless the branded poultry becomes too profitable for the poultry integrators (Broiler Grower, 1982).

As suppliers of the chicks and feed, as well as processors and distributors, were combined into single integrated firms, the ownership of the birds during the production process shifted to the integrating firm. The farmer, now referred to as a grower, signed a contract with the integrating firm and relinquished all major decision making responsibilities. By 1980, 95 percent of all broilers were produced under contract with one of the 125 firms. There were no markets for independent producers (Heffernan 1984). Today, if farmers wish to produce poultry commercially, they must sign a contract with one of the 50 integrating firms. The largest firms, Tyson, ConAgra, Gold Kist and Perdue produce almost half of the broilers in this country. These organizations enter into contracts with growers who live not more than twenty-five to thirty miles from the processing plant. In only a couple of areas are processing plants located within fifty to sixty miles of each other, giving a grower the option of having two markets. Most growers have access to only one integrating firm (Heffernan, 1989).

Under the conditions of most contracts, the integrating firm provides the birds, feed, management, and veterinary services. Although growers provide capital for the buildings, the buildings have to be built to company specifications. Because the integrating firm owns the birds and provides the feed, it decides when the birds will

be delivered, picked up, and what they are fed. The power relationship between the farmer, now called the "grower," and the integrating firm has changed (Heffernan 1984). Studies show that growers feel they had no power in their relationship with the integrator (Heffernan 1974).

The imbalance in the relationship between the grower and the integrating firm is enhanced by the risk the grower assumes. The grower provides the land, building, utilities and equipment. Broiler growers typically contract for one batch of chickens at a time — perhaps six or eight weeks. On the other hand the growers usually mortgage their house or farm to build the very specialized growout buildings which cost around \$100,000. The mortgage is often for a period of ten to twenty years. Integrating firms prefer growers to have more than one building per farm to reduce transportation costs. The broiler growout building is so highly specialized that it can seldom be used profitably for anything except broiler production.

The main job of the grower is to make sure the automated feeding, watering, and climate devices work properly. Other jobs include removing the dead birds and watching out for disease outbreaks. The grower becomes an animal tender paid at a piece rate. Growers are often offered incentives for high conversion ratios and low dead bird numbers, but growers are suspicious of these systems because all of the weighing of birds and feed is done at the feed and bird processing facilities. Growers suggest the weights may not be honest. Recent court cases against two major integrating firms underscore the growers' concern (Charlier, 1990).

Often journalists and others discussing the poultry industry misrepresent the role of the grower. Statements suggesting that a large number of broiler growers benefit from a reduction in grain prices or rise in broiler prices imply that hundreds of grower families benefit economically. The growers are only piece rate workers. They receive about two and one-half cents per pound of bird produced in their facilities. The economic gain goes to the few poultry integrating firms. The growers' income remains relatively unchanged.

Agricultural economists such as Harold Breimyer consider the contract grower system of animal agriculture a form of feudalism he calls "serfs on the land" (Breimyer, 1965). The growers can be treated as employees without any of the social security, workman's compensation, pensions, health, or other benefits. Once the grower mortgages their land for the building, they are in need of batches of birds and therefore are at a disadvantage in dealing with the integrator.

Other agricultural economists think that the production contract is an excellent way for farmers to reduce their risk related to procuring inputs and markets. The farmer agrees to produce animals at a certain rate and therefore has a relatively reliable income compared to other forms of farming. One's values and perceived alternative economic opportunities are involved in the decision to become a grower.

The economic conditions resulting from the farm crisis in the Midwest, new research like that conducted in the poultry industry, and other structural changes in the pork industry have encouraged the contract production of hogs. While independent Midwestern hog farmers have traditionally resisted contract integration, during the farm debt crisis many chose to take a contract instead of lose the farm. Today approximately twelve percent of the hogs are raised on contract and the numbers are rising rapidly (Rhodes, 1990).

The formal and informal relationships between the beef processing stage and the feedlot operations have basically reduced the competition at that level which has direct ramifications for stock and feeder producers. Increasingly large feedlots are subsidiaries of major agribusinesses such as Cargill, ConAgra, and Continental Grain. The nation's largest beef and pork processor, IBP has feedlot contracts with Cactus Feeders, the nation's largest feedlot. With larger and larger percentages of slaughter animals on contract in feedlots, these firms can avoid the open market when prices get too high or supplies get too tight (Krebs, 1990).

Integration of the Poultry Sector into the Food System

Today Tyson is the largest poultry producer in the United States. ConAgra is second largest, but represents a better example of the integration of the poultry industry into the food system. According to ConAgra's annual report, ConAgra is one of the major fertilizer producers and its subsidiary, "United Agri Products (UAP) is the leading distributor of crop protection chemicals to North American markets, . . ." (ConAgra, 1991:23). ConAgra developed a seed line in 1990 and is also a major producer of animal health products. During the farm debt crises of the 1980s, ConAgra - Peavey Grain Company purchased many local elevators in the Plains states. Many of the elevators they purchased were built by local cooperatives in the mid 1970s. Like their members, the cooperatives faced serious economic problems in the mid 80s. Thus, these most modern elevators, often large unit train loading facilities, were sold to Peavey at prices well below the cost of

construction. This gives ConAgra direct access to farmers for marketing its input products and purchasing the farmers' grain. Today ConAgra has over 100 elevators, 1100 barges and 2000 rail cars (ConAgra, 1991). ConAgra is becoming a major producer of livestock feed - including poultry feed which they feed to the birds they own and produce. ConAgra processes the birds in its facilities and sells them as a branded product, Country Skillet, through retail stores, or further processes them in TV dinners, pot pies, etc. under the Banquet and Beatrice food labels. ConAgra is the second largest food company in the country and fourth largest in the world (Milling and Baking News, 1991).

ConAgra is not only prominent in broiler processing, but is equally active in the processing of beef, pork, turkeys, sheep and catfish. The data in Table 2 indicate that ConAgra is a major processor for many food products and, thus, a major market for all meat animals. ConAgra bought Armour, Miller, Monfort and finally Sipco (Swift Independent Packing Company) to become the second largest slaughterer of beef cattle and hogs. ConAgra is also the second largest cattle feedlot and the largest processor of turkeys and sheep. Its dominance in food processing extends well beyond meat products. For example, they also rank first in wheat milling (Heffernan and Constance, forthcoming).

In 1980 ConAgra was a major flour milling firm. Through acquisitions, by 1990 ConAgra had bought Armour from Greyhound, Banquet Foods from RCA, Monfort of Colorado, Del Monte frozen foods, Morton, Patio, and Chung King from RJR/Nabisco, Swift Meat, and Beatrice Foods, including Butterball Turkeys, Eckrich Meats, Peter Pan peanut butter, Wesson oils, Hunt's ketchup, and Orville Redenbacher popcorn. Other brand names like Swiss Miss, Healthy Choice, Chun King, Kid Cuisine, La Choy and County Line are also ConAgra products (Constance and Heffernan, 1991b).

ConAgra is not alone in its control of the slaughter of livestock. Cargill, under the name Excel, is also a major firm. Cargill ranks third in beef slaughter having bought MBPXL (previously Missouri Beef Packers and Kansas Beef Industries) in 1979 and Spencer Beef from Land O' Lakes in 1986 (Constance and Heffernan, 1989a). Cargill is also fourth in cattle feedlot capacity, fourth in pork slaughter, sixth in turkey production, twenty-first in broilers (Constance and Heffernan, 1989b) and recently it entered the catfish industry (Heffernan and Constance, 1991). In grain export shipping, flour milling, soybean crushing and wet corn milling, Cargill ranks among the top four (Constance and Heffernan, 1989b; Heffernan and Constance, forthcoming).

**Table 2. Names of Largest Four Firms and
Percent of Market Share they Control**

Broilers:	Largest four control 45% of production Tyson ConAgra Gold Kist Perdue Farms
Beef:	Largest four control 69% of slaughter IBP ConAgra Cargill Beef American
Beef Feedlots:	Twenty feedlots market over 50% of the fed beef Cactus Feeders ConAgra (Monfort) J.R. Simplot Company Cargill (Caprock)
Pork Slaughter:	Largest four control 45% of pork slaughter IBP ConAgra Chiquita (Morrell) Cargill
Sheep Slaughter:	Largest four control 60% of sheep slaughter ConAgra Superior Packing High Country Denver Lamb
Turkey:	Largest four control 33% of the production ConAgra Philip Morris (Louis Rich) Rocco Turkeys Carolina Turkeys
Flour Milling:	Largest four control 61% of milling ConAgra Archer Daniels Midland Cargill Grand Met
Soybean Crushing:	Largest four control 76% of the processing Archer Daniels Midland Cargill Bunge Ag Processors
Dry Corn Milling:	Largest four control 57% of the milling Bunge Illinois Cereal Mills Archer Daniels Midland ConAgra (Lincoln Grain)
Wet Corn Milling:	Largest four control 74% of the milling Archer Daniels Midland Cargill Tate and Lyle CPC

SOURCE: Concentration of Agricultural Markets - May 1991
William D. Heffernan and Douglas H. Constance

IBP has the largest beef and pork slaughter facilities. Until recently they were wholly owned by Occidental Petroleum, a petroleum - not a food firm, and apparently not interested in expanding into the food business. Armand Hammer, head of Occidental Petroleum until his death, in defending his purchase of IBP, is reported to have indicated he expected food to be in the 1990s what petroleum was in the 1970s (Hammer REF). Occidental Petroleum has recently sold 49% of IBP in a public offering and is looking for a buyer for the rest of the company (Meat Processing, 1991a).

Tyson has also began expanding into the beef and pork processing business within the past decade. Tyson's recent acquisition of Holly Farms provided it with some regional beef and pork operations (Kester, 1991). Most of its expansion, however, has been in broiler production. Tyson bought three of the top ten broiler firms in the past ten years (Heffernan, 1989).

Today there exists a perception that competition exists between different commodities like the white and red meat industries. This analysis would suggest the same firms dominate both meat industries. In fact eight or ten firms basically control the markets of the major farm commodities (see Table 2). Economists suggest that when four firms control 40% or more of any sector, a structural oligopoly exists which confers strategic power options to the firms not available in a competitive system. An example of this might be the OPEC oil cartel in the 1970s and 1980s or the U.S. car companies in the 1970s.

Not all major food corporations are as dominant in the meat processing sector as ConAgra and Cargill. An example is Philip Morris, the largest food corporation in the world (Milling and Baking News, 1990). Philip Morris has recently bought General Foods, Miller Beer, and Kraft Cheese. General Foods includes Oscar Mayer Meats, Louis Rick Turkeys, Post cereals, Gaines petfood, Jello, Log Cabin syrup, and many others. About 10 cents of every U. S. food dollar goes to Philip Morris (Columbia Daily Tribune, 1989). Philip Morris is also one of the largest tobacco firms and has businesses all over the globe (Philip Morris, 1990).

As firms bought other commodity sectors they took on a structure known as conglomerate organization. Instead of controlling all the aspects of production for one commodity which left the firm vulnerable to fluctuations in commodity prices, firms now had several commodities to rely on for profit generation. Economists refer to this as "deep pockets" or "cross subsidization". Part of this merger activity was driven by the firms' desires

to grow around the anti-trust legislation that kept them from owning all of one industry (Marion, 1986). To avoid anti-trust laws, firms invested across many commodity sectors which gave them economic advantage over firms operating in only one commodity sector. By having several pockets to draw from, firms such as ConAgra can afford to take a loss in a commodity such as catfish production for several years. Cargill can afford to enter an industry at a time when the industry is clearly loosing money. Local or regional catfish firms which produce only catfish do not have such strategic options.

In 1990 when the lower Mississippi Delta Commission convened a conference to discuss the role of agriculture in the social and economic development of the Lower Mississippi River Delta Region, the catfish industry was held up as a model. Delta Pride, the largest catfish producer and a local cooperative, was highlighted since the catfish industry is a \$332 million dollar a year business in its state of Mississippi (Joiner, 1990). Less than six months later, the workers at a Delta Pride processing plant went on strike triggering a catfish boycott in northern cities. Like workers in the processing of pork, beef and poultry, the workers were concerned with low wages, unhealthy working conditions and other problems of the work setting. Delta Pride argued it could not remain in business and pay higher wages (Southern Exposure, 1991). Losses reported in the catfish section of ConAgra's annual report for the past couple of years would support Delta's position (ConAgra, 1991). Six months later, however, Cargill bought into the industry with plans to increase catfish output, which will only keep the retail prices low (Odom, 1990). In this setting the future contribution of a catfish cooperative to rural economic development is questionable.

Experience in the poultry industry such as that of Lane Poultry, the largest broiler firm in the United States in 1980 and Holly Farms, fourth largest and one of the top firms in the country three years ago, suggest that single product firms face serious problems when competing with conglomerates (Heffernan, 1984, 1989). In 1985 Monfort of Colorado was the last large independent cattle feeder and slaughter in the U.S. When the Supreme Court of the United States allowed Cargill to buy Spencer Beef in 1986, and thereby greatly increase beef slaughter concentration, Monfort sold itself to ConAgra to protect itself from the vulnerabilities of being a single commodity firm (Constance and Heffernan, 1989a).

Integrating the Global Food System

In the past few years the growing concentration of food firms at the national level has become a global process. Firms like ConAgra and Cargill based in the U.S. and Ferruzzi of Italy and Mitsubishi of Japan are four of the leading global food firms. Other firms which are active nationally and globally are: Archer Daniels Midland, Philip Morris, Nestle of Switzerland, Unilever of the United Kingdom and Switzerland, Pillsbury (owned by Grand Metropolitan of England), Kellogg, Borden, Quaker, RJR/Nabisco, Ralston Purina (Purina Mills owned by British Petroleum), and Pet. Their control is far reaching.

The poultry sector also underscores the changing global food system (Heffernan, 1990). The development of the poultry industry in Thailand indicates how the process is evolving. In 1989 Cargill announced a joint venture with Nippon Meat Packers of Japan to develop a commercial poultry operation in Thailand. Cargill transferred the genetic stock, nutritional information, building structures and even the social/economic contract system between grower and integrating firm developed in the United States to Thailand (Feedstuffs, 1989b; Broiler Industry, 1990). One of the major differences is that peasants in Thailand are willing to work for much lower wages than are growers in the United States. Today, Thailand has rapidly increased its poultry production levels and now ranks about sixth in the world as an exporter of poultry. Most of their poultry products go to Japan, but some of it goes to other neighboring Pacific Rim countries. At the same time, the amount of United States poultry exported to Japan has declined (Constance and Heffernan, 1991a).

The Thailand example is repeated by the transnationals in other countries. Cargill Agricola has operated in Brazil since 1948 (Feedstuffs, 1989c). In 1989 Cargill started large scale intensive operations in Argentina. Cargill also has a poultry operation in England (Broiler Industry, 1989:14). ConAgra has three international poultry operations producing for local consumption (Spain, Portugal, and Puerto Rico). ConAgra Europe owns Bioter, S.A. and Saprogal, S.A. in Spain and in Portugal it has majority interest in Sopropor, S.A.R.I. (ConAgra, 1990). ConAgra also has a joint venture with the USSR to work on poultry productivity (Feedstuffs, 1990:5).

Currently, Tyson is slaughtering some of its bird in Arkansas where it extracts the breast meat for the fast food industry. The rest of the carcass is then sent to Mexico where it is deboned. The deboning part of the process is, of course, the most labor intensive. At this time, that meat cannot come back into the United

States — it stays in Mexico or more likely is exported to Pacific Rim countries (Tuten and Amy, 1989). If NAFTA (North America Free Trade Agreement) is signed, or if the U.S. position in the recent GATT (General Agreement and Trade and Tariffs) discussion is supported, this poultry meat may then move back into the United States. According to a recent article in Feedstuffs, Tyson has purchased a minority stake in Trasgo of Mexico, a leading Mexican producer, processor and marketer of pre-cooked, pre-packaged, value-added chicken and other products, for the purpose of meeting the growing demand for poultry in Mexico, as well as looking for other opportunities that may result from NAFTA. Tyson has the option to increase its investment to a majority share within the next two years (Smith, 1992). This purchase is in addition to another joint venture Tyson has to produce and process broilers in Mexico (Tuten and Amey, 1989). Tyson also owns controlling interest in Agrimont, Inc. of Canada, an integrated poultry operation with six processing plants. In addition, Tyson has operations in the United Kingdom and Japan (Broiler Industry, 1988).

Several Japanese firms such as Mitsui and Company in Malaysia, C. Itoh in Mexico, Mitsubishi and Ajinomoto in Brazil and Nippon Meat Packers are involved in the global poultry production. Much of this production in other countries is for local consumption, but some is sent back to Japan and could be shipped to other countries such as Hong Kong where poultry consumption is increasing rapidly (Constance and Heffernan, 1991a).

Although global production and processing of poultry is the best example, the changes in the global meat system are not restricted to poultry. The purchase of Elders of Australia by ConAgra has raised many questions. Elders is the dominant beef feed lot and processing operator in Australia (Meat Processing, 1991c). Indeed, Elders is the largest beef producer/processor in Australia and the largest beef and lamb exporter in the world (Elders, 1989). Unable to purchase existing facilities, Mitsubishi has begun building beef processing facilities in Australia (!!!!). Most recently, reports indicate Cargill has also begun to get involved in the Australian beef production and processing (Meat Processing, 1991b). Cargill has beef operations in Brazil, Honduras, Canada, and the U.S. (Heffernan and Constance, forthcoming). Cargill has also recently bought a beef processing plant in Mexico and shut down a beef processing plant in Missouri (Meat Processing, 1992). These are valuable examples of the globalization of the beef industry in particular and the food system in general.

Plans are also in process to globalize the pork industry. Ferruzzi and Mitsubishi are involved in a joint venture called Innovative Pork Concepts which has opened a pork processing plant called Indiana Packers located at Delphi, Indiana (Feedstuffs, 1989a). Breeding stock for Innovative Pork Concepts comes from Cotswald Pig Development Co., one of England's primary breeding companies (Marberry, 1990). Mariah Packing, Inc. located in Monmouth, Illinois was bought by Purina Mills, the largest feed producer in the U.S. Purina Mills is owned by B.P. Nutrition which is the largest livestock feed producer in Europe and is owned by British Petroleum (Smith, 1988; Ward, 1990). Five years ago, ConAgra indicated that their most profitable operations were their poultry and hog operations in Portugal (Feedstuffs, 1986). These are valuable examples of the globalization of the pork industry in particular and the food system in general.

Sometimes one has to look at transnational activities in other areas to understand their expansion in the meat sector. In 1988, Central Soya, a subsidiary of Ferruzzi, noted that they were building grain elevators in China to anchor their future poultry and hog operations (Smith, 1988). The list of joint ventures between the leading transnationals and firms in the Commonwealth of Independent States and Eastern Europe is extensive. It ranges from a Ferruzzi joint venture with a Polish cooperative to manufacture animal feed concentrate and market livestock to the Canadian subsidiary of McDonald's Corporation signing a joint venture with the City Council of Moscow (Constance and Heffernan, 1991c).

Much attention has focused in recent years on the ability of transnational firm to move capital around the world instantaneously. Little attention has focused, however on the process by which the transnational firms are able to move new technology around the world almost as rapidly. No longer does United States agriculture benefit from the technological advantage it once had. Today, private and public research results focusing on animal agriculture can be implemented by the transnationals just as rapidly in countries like Thailand, Portugal, Malaysia and Mexico as they can in this country. This is as true for the processing stage as it is for the production stage.

Today, the four major costs related to meat production in the world are labor, feed, transportation, and costs related to government regulations such as those requiring mechanisms to protect the environment. Transnational firms search the globe so they can source their products most cheaply. This has serious

consequences for those providing labor for both the production and processing of meat products in the United States. In many parts of the world, people are willing to work for \$5.00 or less per day. The United States also has some of the most stringent environmental regulations such as the requirement of firms (both production and processing) to deal with their waste products in an environmentally sound manner. As a result, the United States is often a higher cost source of meat products than other countries of the world. This statement highlights the shift in global production systems.

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One of the special dilemmas created by the global food system is that attempts to improve the working conditions and quality of life of workers in both the production and processing stages of the meat industry in the United States often means a higher cost of production. As workers unite and attempt to improve their working conditions, the labor costs to transnational firms go up. This causes the transnationals to seek other countries in the world in which to produce their product. Transnational firms owe allegiance to no country. As in the case of Thailand, there are no international regulations at this time to protect the well-being of the workers or the environment and there is no anti-trust legislation at the global level.

reg
It becomes increasingly difficult for national government to regulate the food system in their own country when the food system is of a global nature. When a firm in a country such as Korea goes to ConAgra for an order of beef, ConAgra has a greater role in determining whether that beef comes from the United States or Australia than does either the Australian or United States government. In general, the role of the transnational firm is increasing and the influence of national governments is decreasing in the food system. In today's world, a government is accused of being a protectionist if they prevent foods from coming into their country which were produced in ways not allowed within their own country. A question is to what extent can a country control the transnationals operating within its borders? It is quite clear that transnationals can get countries to compete in trying to attract transnational facilities by giving special tax benefits or overlooking environmental or health concerns in ways similar to the ways large firms get states in the United States to provide a long list of concessions to get plants to locate within their borders. In the international arena, however, there is not a higher level of government to enforce worker safety and environmental regulations if states fail to enforce such standards.

The implication of the emerging food system raises concerns for many groups and social movements. For example those interested in rural economic development realize that the meat processing facilities do not necessarily enhance the economic well-being of many rural communities where they are located. This economic consequence stems from the fact that those who own and manage the national or transnational firms do not live in the community.

Family farm and other family owned, and operated businesses, such as the local feed store and poultry markets of 50 years ago, subtract their expenses from their income, and attribute the resulting profit as return to labor, management and capital. If the family lives in the local community, it really makes little difference to which of the three factors they attribute most of the profit. That profit is available to that local family to spend in other businesses in the local community. If the second business is also locally owned and operated, such as a clothing store, the dollar value rotates one more time in the rural community. Several years ago, economists spoke of multipliers of four and five. That is, the dollar of profit earned passed through four or five hands multiplying its economic benefits to the local community before it left the community. When outside corporations enter rural areas, they consider labor as just another input to be purchased as cheaply as possible. The remaining profit is attributed to return to management and capital and is immediately moved out of the rural community. The only economic benefit to the local community is the wages the workers receive and that is purchased at the lowest price possible. In a global system, the profits obtained in a local community in the United States, may be invested anywhere in the world such as Brazil, Malaysia, or China.

Groups interested in preserving the family farm system have major reservations about this highly integrated food system in which the "independent farmer" disappears. Consumer groups raise questions about the price, quality and safety of food under the emerging system. Perhaps more importantly, they are concerned with the issue of food sustainability and security as a few transnationals gain control of the global food system and the 1800 miles food now travels in a national system multiplies to accommodate a global system.

Environmentalists are very concerned with the environmental consequences of this system. Concentration of livestock leads to manure being an environmental problem rather than a benefit as in more dispersed livestock patterns. Environmentalists are also concerned with other natural resource issues such as

soil loss, chemical use, water quality, and wildlife in the United States. Environmentalists are especially concerned about the global system because many smaller countries are in a weak position when interacting with the transnationals. Additionally, animal welfare advocates are concerned with the issue of humane treatment of confined animals.

The religious community is very concerned with issues of social justice, such as the workers' incomes in both the production and processing stages and working conditions and social well-being. Other groups, organizations and agencies such as those representing organized labor are also concerned with worker health and well-being. At the global level the issue of having producers in the "have not countries" produce food for the transnationals which then sell the products in the "have nations" is a major concern.

A century ago, farmers and their organizations represented the major social/political movement concerned with the concentration of control in certain stages of the food system. Today many social/political movements are focusing major attention on the concentration of the food system and its social, economic and environmental consequences. Increasingly these rather diverse social movements are joining in a political coalition which calls for public sector responses to what is occurring in the private sector of the food system.

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**Recent Changes in the Structure and Location
of the Meat- and Fish-Processing Industry**

by

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Show how ↑ prody + ↓ costs by companies → moves
closer to raw materials (water, animals) in case of beef +
pork and vertical integration in fish + poultry.

~~But~~ Bt/pk tend to need to recruit wks fr. outside, alleg.

blc hi turnover quickly exhausts the rural pop in locality.

But poul/fish don't, so isn't it the need to find the right
kind of wks?

Since 1945 American industry has undergone a number of structural changes. Employment in agriculture and manufacturing has shifted to services, due to the substitution of machinery for labor. Production within individual sectors of the economy is increasingly characterized by oligopoly as a result of mergers and acquisitions. Capital has been redeployed at national and regional levels by corporations as part of a continual search for cheaper production locations (Knox and Agnew 1989). While these structural changes were occurring, the U.S. economy experienced a prolonged crisis. (The period from 1972 to 1982 saw high inflation, increased energy costs, international competition, and slow economic growth. In dealing with this crisis, new relationships between capital and labor emerged, with capital recapturing the initiative over wages and regulations (Castells 1988).) These changes are exemplified by the U.S. meat- and fish-processing industries. During the 1970s and 1980s, when oligopolies were emerging in the processing of beef, pork, chicken, and among some types of fish, workers' wages declined, while productivity and work-related injuries increased. This paper examines the geographical consequences of this new relationship between capital and labor in the meat- and fish-processing industries. Prior to analyzing the geographical dimensions of this restructuring process, some of the technological innovations and corporate strategies which altered the relationship between capital and labor in these processing industries will be briefly examined.

doesn't really follow thru this relationship through

Technological Innovations

In beefpacking, the innovations associated with the founding of IBP in the early 1960s and its subsequent cost-cutting strategies are major factors behind the

industry's restructuring. IBP's first plant in Denison, Iowa revolutionized the industry. Prior to this time, cattle had been shipped by rail from producing areas to terminal locations like Chicago and St. Paul, where they were then sold and slaughtered in multistoried packinghouses. The Denison plant, by contrast, was located in the center of a large cattle-producing area. This enabled the company to purchase cattle directly from the farmer, eliminating the need for middlemen, and reducing transportation costs and the shrinkage and bruising associated with transporting animals long distances. The plant itself was a one-story structure which allowed for greater automation and the development of a disassembly line, whereby individual workers would be responsible for one task in the preparation of the carcass. This innovation reduced the need for highly skilled (and paid) butchers. Indeed, IBP's founder, A.D. Anderson, admitted that "We've tried to take the skill out of every step" of butchering (Newsweek 1985).

* | | In 1967 IBP opened a new plant in Dakota City, Nebraska to produce a new product - boxed beef. This innovation had the effect of increasing the company's market share and reducing its costs. Instead of shipping carcasses to its customers, IBP removed fat and bone at the plant and shipped vacuum-packaged portions. This reduced transportation costs and the need for butchers in the supermarket. The plant also had a large slaughtering capacity and was therefore much more economical to operate than smaller packinghouses (Miller 1986). The company's success at lowering costs led to its constructing additional large-capacity plants close to feedlots in the High Plains during the 1970s and 1980s (Broadway and Ward 1990).

IBP is also responsible for innovations in the pork industry. It entered the pork-processing business in 1982 and began applying the same cost-cutting strategies it pioneered in the beef industry. IBP either constructed large-capacity plants or acquired previously owned plants close to the principal hog-producing areas. Worker productivity was improved by increasing the chain speed. The Oscar Mayer plant in Perry, Iowa slaughtered approximately 750 hogs an hour in the early 1980s; when IBP operated this plant in 1990 the equivalent figure was 900 hogs an hour (Broadway 1992a). The company also replicated its success in boxed beef by producing vacuum-packed pork products.

Innovations in chicken processing are associated with the establishment of a vertically integrated industry (Heffernan 1984). Poultry firms like Tyson, ConAgra, and Perdue oversee all stages of operation from the hatchery through slaughter to shipping meat to grocery stores. Innovations in genetics and new poultry management techniques have halved the time required to raise broilers from 14 weeks in 1940 to 7 weeks or less (Bishop and Christensen 1989). The typical poultry producer contracts out the job of raising the birds to individuals. The producer provides the chicks and feed to the grower and then processes the fully grown bird in its own facilities. Poultry-processing plants share many similarities with beef and pork-packing facilities: plants with large slaughtering capacities are more economical than smaller ones; the disassembly line is automated; workers are required to make a single defined movement, such as a cut with a knife or scissors; line speeds run up to 90 birds a minute.

There have been fewer technical innovations in fish processing due to the difficulty of producing a standardized product and the yearly and seasonal variation in the availability of raw materials. It is uneconomical for companies to invest in large-capacity processing plants and not have them operational year-round. Fish processing is also characterized by a wide array of qualitatively and quantitatively distinct entities, from small scallop-shucking houses to tuna canneries and the freezing and breasting facilities for producing packaged-fish products (Griffith 1992). Despite these and other differences between meat and fish processing, the two industries share an obvious similarity -- the kill floor.

One of the most significant innovations in this very diverse industry in recent years has been the development of aquaculture. In aquaculture, fish are raised in an artificial environment. Catfish, trout, and baitfish are the three leading U.S. aquaculture products, by value, with catfish being the most important (Dicks and Harvey 1989). However, despite rapid growth during the 1980s, the industry still only accounted for 7 percent of all fishery products consumed in the U.S. by the end of the decade (Wineholt 1990). The industry is vertically integrated with producers controlling the cost of feed and owning the processing plants. The processing plants are organized like meat-processing facilities with a high-speed disassembly line. Workers are expected to gut fish at the rate of 33 a minute (Bates 1991).

The preceding technical innovations have all helped to increase productivity (Ahmed and Sieling 1987); however, processing workers in all four industries are subject to some of the most unsafe working conditions in American industry.

Injury and illness rates for meatpacking (beef and pork) workers have increased since the 1970s, while the rates have declined for poultry workers, and fish-processing has remained unchanged (Table 1). The most common injury among line workers is carpal tunnel syndrome, a condition in which the nerve ending passing through the wrist to the hand is pinched and compressed because of fast, repeated, forceful motions. The incidence of repeated trauma disorders (RTD) within meatpacking is not only the highest among manufacturing industries, but it has also increased from 164/10,000 full-time workers in 1979 to 479 in 1986. Indeed, the meatpacking industry was the most hazardous industry in America throughout the 1980s. Its incidence rate for injuries and illnesses is triple the rate for manufacturing as a whole (Personick and Taylor-Shirley 1989). Despite the federal government's Occupational Safety and Health Administration (OSHA) citing a number of meat- and fish-processing companies for unsafe working conditions in the late 1980s, the nature of work in the processing plants has not changed.

Corporate Reorganization

IBP's cost-cutting innovations in the beef and pork sectors resulted in the old urban-based packers attempting to lower their costs. Wilson Foods, one of the Big 4 meatpacking companies in the first half of the century, negotiated a 44 month wage freeze with the United Food and Commercial Workers (UFCW) in December 1981. Eighteen months later the company filed for bankruptcy, repudiated its union contract, and cut wages by 40 percent (Business Week 1983). In 1982, Rodeo Meats, a subsidiary of the John Morrell Company, closed a plant in Arkansas City, Kansas. Nine months later the plant reopened as Ark City Packing

Company, offering wages at \$5 an hour instead of the previous union wage of \$11 an hour (Skaggs 1986). A similar strategy was used by Greyhound Corporation, which closed its Armour packing subsidiary in 1984 and paid severance to its union workforce. The company then sold Armour to ConAgra which reopened the 17 plants and hired a nonunion workforce. The same year, Hormel cut its wages by 23 percent (Houston 1985). Despite these cost-cutting efforts, many packers were handicapped by older and inefficient plants and were forced to either close down or sell out to the new packers. By the late 1980s, restructuring resulted in the emergence of the so-called Big 3 - IBP, ConAgra, and Excel (a subsidiary of Cargill, Inc. of Minneapolis) controlling over 70 percent of the beef slaughtered in the country.

ConAgra and Excel, in contrast to IBP, have attained their dominance through acquisitions. ConAgra, for example, purchased Monfort of Colorado, Inc. and E.J. Miller in the late 1980s, while Cargill purchased Missouri Beef Packers Excel Corporation in 1978 and renamed the company Excel in 1982. The pork industry is following the same pattern as the beef industry. The Big 3 in beef are also the Big 3 in pork, although they account for only 34 percent of all hog slaughterings (Journal of Commerce 1990). Much of ConAgra and IBP's expansion has been accomplished by purchasing old unionized facilities and reopening them at lower wage levels.

The cost-cutting innovations associated with the development of a vertically integrated poultry industry have favored well-financed companies and enabled them to purchase existing companies, build new large-capacity processing plants, and

contract with more farmers to grow chickens faster and cheaper. This process has reduced the number of firms selling fryers to retailers from 286 in 1960 to 48 in 1989 (Hall 1989). Tyson Foods, Inc. has been one of the principal beneficiaries of restructuring; between 1963 and 1991 it acquired 17 other companies. In 1989 it defeated ConAgra for the right to purchase Holly Farms, the nation's leader in brand name chicken, and now outsells No. 2 ConAgra by a two-to-one margin in chicken products (Forrest 1991). ConAgra's status as the No. 2 chicken processing company has been accomplished in the last ten years. In 1982 ConAgra launched its own poultry company, Country Poultry, Inc. Two years later it purchased Country Pride, a company which specialized in value-added chicken products, like marinated chicken breasts (Ivey 1987). The result of these and other acquisitions is that the eight largest poultry companies have increased their share of broiler sales from 18 percent in 1960 to 55 percent by 1990 (Hall 1989; Barkema, Drabenstott and Welch 1991).

Mergers and acquisitions in fish processing led to the emergence of oligarchies among certain segments of the industry. ConAgra, for example, became the largest U.S. shrimp processor when it purchased Singleton Seafood and Sea Alaska Products in 1982. It is also a major competitor with General Mills and Campbell Soups in the frozen seafood market (Mirabile 1991). Three companies - Delta Pride, ConAgra, and Hormel - account for 85 percent of the catfish sold in the U.S. This oligarchic structure comes from efforts to control costs. The biggest cost for catfish farmers, once the ponds are constructed, is feed. Recognition of this fact led some producers to establish their own cooperative feed mill. Three

companies now produce over 90 percent of the catfish feed in the U.S. The producers' desire to set prices for their product also resulted in the establishment of a cooperative processing company, Delta Pride. Since its founding in 1981 this company has grown through acquisitions to account for 40 percent of the catfish sold in the U.S. (Wineholt 1990).

In conjunction with the growth of these oligarchies, workers' relative wages have either remained below national averages or deteriorated. This is most evident in meatpacking, which lost 46,000 production workers between 1960 and 1990 (Table 2). In 1960 the average hourly wage of meatpacking production employees was 15 percent higher than the overall average for manufacturing; by 1990 it was 20 percent less. In absolute terms, meatpacking hourly wages peaked in 1983 at \$8.83, and seven years later they are still below this figure (Table 7).

Wages have always been much lower in poultry processing because many of the plants are nonunionized and are located in the rural South, a low-wage region. Although poultry-processing employment has increased (Table 2), wages have remained far below the national average for manufacturing employees. In 1972 poultry production workers' hourly wages were 62 percent of the overall average for manufacturing employees. Eighteen years later the equivalent figure was 63 percent.

In fish processing, there is a wide disparity in income levels between regions, which reflects levels of unionization and the scale and type of production. Wages are generally much higher in the North than in the South. In 1990, in Massachusetts, the average annual income of fish-processing workers was over

\$28,000, while the corresponding figure for North Carolina was \$8600 (Table 4). In Mississippi, when 1,000 Delta Pride workers went on strike in 1990 to protest a 6.5 cents an hour wage increase and poor working conditions most were earning \$8100 a year (Bates 1991). In short, all four processing industries are characterized by low or declining wages (with the exception of fish processing in New England and the Pacific Northwest), hazardous working conditions, and increasing concentration of production among a few companies. The next section will examine, for each industry, the geographical consequences of these structural changes.

Where's the Beef?

In beefpacking, IBP's decision to locate its first plant close to cattle supplies dramatically altered the location of future packinghouses. Prior to the construction of IBP's Denison plant, most packinghouses were located near railroad terminals in urban areas. The savings associated with IBP's rural industrialization strategy resulted in the closure of older urban plants and the construction of new plants close to where cattle are fattened. During the 1970s and 1980s, cattle feeding has shifted westward from the Corn Belt to the High Plains (Table 5). This is attributable to the availability of large quantities of water from the Ogallala Aquifer and the subsequent adoption of center-pivot irrigation technology. This, in turn, enabled the widespread cultivation of feed grains. The availability of feed and water attracted feedlots and packinghouses. The result is that meatpacking employment has declined throughout most of the United States, with the exception of Kansas, Texas and Virginia (Figure 1). [Virginia's growth is from the expansion

usually not clear to me.

hook

of hog processing in the southeast portion of the state (Reier 1988).] The largest employment declines have occurred in the traditional Midwestern meatpacking states of Iowa, Illinois, Minnesota, Ohio, and Wisconsin.

The effects of the beefpackers' rural industrialization strategy is evident in Kansas and Nebraska (Figures 2 and 3). Since the late 1950s, Kansas has witnessed packinghouse closures in Kansas City and Wichita, while new plants opened in the southwestern portion of the state in Finney, Ford, and Seward counties. In Nebraska, plants closed in Omaha and Lincoln, while new ones have opened in rural communities like Norfolk and West Point. These small communities have attracted the packers by their close proximity to feedlots and plentiful water, since a plant utilizes between 400-650 gallons per head of cattle slaughtered and processed. Local officials have welcomed the packers by providing them with a variety of tax breaks. In the case of IBP's Finney County plant, the county commissioners provided \$3.5 million in property tax relief for ten years and helped finance the construction of the plant, with \$100 million in industrial revenue bonds. In Lexington, Nebraska, the site of IBP's newest beefpacking plant, the company has been able to use the provisions of the state's 1987 Employment and Investment Growth Act to reduce its county property tax bill. The City of Lexington removed the plant from its city's tax rolls, while local taxpayers helped pay for some of the infrastructure improvements associated with the plant's operation, such as the widening of a highway (Broadway 1992b).

The physical and financial attractions for the packers in these and other rural communities in the High Plains are readily apparent. However, because of

their size these towns do not offer a traditional attraction for a manufacturer - surplus labor. In 1979, when IBP announced plans to construct its Finney County plant, unemployment in the county was 3.3 percent or 432 persons. This small pool of surplus labor could not meet the demands of a plant that would eventually employ over 2,700 workers. A similar situation was evident in the late 1980s in Lexington. Unemployment in surrounding Dawson County averaged 4.0 percent or 366 persons in 1989; this, too, would be inadequate to meet the labor needs for a plant employing over 2,000 workers.

IBP has a publicly stated policy of recruiting workers from areas surrounding its plants. But, packinghouse work is physically demanding, dangerous and low paying, which contributes to high employee turnover. At IBP's Finney County plant, turnover among line workers averaged between 6 and 8 percent a month, nearly ten years after the plant opened (Stull and Broadway 1990). This means that over 5,000 workers come and go each year, forcing the company to recruit from outside the plant's surrounding region. In the case of the Finney County plant, recruiters travelled to Texas, Alabama, and New Mexico in search of employees. The company also attracted a Southeast Asian labor force from Wichita. Wichita, in the early 1980s, had Kansas' largest refugee population by virtue of its being the largest city in the state. The 1981-82 recession saw layoffs in the aircraft industry (the principal employer in Wichita) and plant closures in meatpacking. These factors combined to "push" migrants out of Wichita, while the opening of the Finney County plant served to "pull" them to the area (Broadway 1987). A similar recruitment strategy is evident at IBP's Dakota City plant where

signs are in English, Spanish, and Vietnamese (Figure 4). As a result of this recruitment strategy, small rural towns with packing plants in the Great Plains have been transformed by this wave of "new immigrants." In Finney County, for example, the minority population increased from 16 percent to 31 percent between 1980 and 1990; the corresponding figures for Seward County, home of a National Beef plant, were 15 and 28.5 percent respectively. The social and economic changes associated with the plants and the influx of new immigrants will be discussed in following papers.

Bringing Home the Bacon

Hog processing has not experienced the same regional shift in plant locations as beefpacking, in part, because hog farming remains concentrated in the Western Corn Belt (Table 6). The number of hogs raised and slaughtered has increased in North Carolina and Virginia (Figure 5), but the biggest increases have been in states with declines in meatpacking employment, namely, Iowa, Illinois, Nebraska, and Michigan. This paradox attests to increases in productivity. Within Iowa, which experienced the biggest increase in the number of hogs slaughtered, packing plants have closed in Des Moines, Waterloo and Sioux City while they opened in rural communities like Storm Lake (1990 pop. 8,769) and Columbus Junction (1990 pop. 1,616) (Figure 6). In 1990, IBP countered this pattern when it opened the world's largest hog processing plant in Waterloo.

The packers have generally been welcomed in rural Iowa. They provide a payroll at a time when farm income is declining and farmers are declaring bankruptcy. In Columbus Junction, the president of a local bank actively recruited

IBP to take over the old Rath plant, because in the words of his son,

When Rath closed the plant down, this town was going to die and for those of us with roots in the community we couldn't allow that to happen. We have lived here all our lives, and we want our children to have some opportunities so they don't have to move away (fieldnotes 7/12/91).

In Perry, a town of 7,000 persons situated 38 miles northwest of Des Moines, the local chamber of commerce helped recruit IBP to take over the town's vacant Oscar Mayer plant in the late 1980s. The town had lost nearly 1,000 jobs during the previous decade, with layoffs in railroad and meatpacking and a depressed farm economy. Although IBP's starting wage of \$5.70 an hour was nearly \$4 less than the Oscar Mayer starting wage, local business and community leaders generally welcomed the plant's new owners. Indeed, they note as evidence of the town's improving economic conditions the construction of a new McDonalds restaurant and Super 8 motel (fieldnotes 7/11/91).

The pork-processing industry shares the same characteristics as beefpacking. The work is physically demanding, dangerous, relatively low paying and turnover is high. This means that packers soon exhaust local surplus labor and are forced to recruit from outside the local region. This labor shortage is exacerbated by the reluctance of former union employees to work for companies like IBP. At the Oscar Mayer plant in Perry, over half the plant's former employees opted for some form of retraining rather than take a pay cut and work for IBP (Iowa Department of Labor 1991). During the summer of 1991, IBP actively recruited for its Madison,

Nebraska and Perry plants from southern California and Louisiana. Workers at its Columbus Junction plant have been recruited from the Rio Grande Valley in Texas, Michigan, and inner city Chicago (Farney 1990). Most of the workers recruited from these areas are Hispanics and African Americans. The effect of these recruiting practices upon the ethnic makeup of individual communities appears to be a function of the town's situation, housing availability, and the length of time the plant has operated. In the Columbus Junction school district which serves a large portion of Louisa County, the percentage of minority students enrolled increased from 7 percent in the year before the plant opened to 18 percent five years later. By contrast, the year before IBP opened its Perry plant, minority enrollment in the local school district was approximately 2 percent; two years later the corresponding figure was 4 percent. This small increase is attributable to a shortage of rental housing and the fact that IBP runs a daily bus service for many of its Hispanic workers from Des Moines (Broadway 1992a). The influx of newcomers is only one feature of the many social and economic changes that rural packingtowns have experienced during the 1980s; others include increased demands for health care, housing, second-hand clothing, food-pantry items, bilingual education and ESL instruction (Broadway and Stull 1991; Broadway 1992a).

Birds of a Feather

Employment in poultry processing, unlike meatpacking has increased over the past 20 years (Table 2), reflecting changes in the diet of many Americans. In 1970, per capita consumption of chicken amounted to 28 lbs. a year; by 1989 the corresponding figure had increased to 47.0 lbs. By contrast, equivalent figures for

beef declined from 80 lbs. to 65 lbs. (Bureau of the Census 1991). Most of the increase in poultry-processing employment has occurred in four Southern states, Arkansas, North Carolina, Georgia, and Alabama (Figure 7). This pattern reflects similar increases in the number of broilers raised in each state (Figure 8). Indeed, by 1987, Alabama, Arkansas, Georgia, and North Carolina contained 42 percent of all U.S. firms raising broilers (Bureau of the Census 1987).

The poultry industry's rise to prominence in the South is attributable to a number of human and physical factors. The region's mild climate provides year-round growing conditions and low energy costs for heating and cooling the houses where broilers are raised. The region also contains most of the nation's small farmers. Seventy percent of the farms in Alabama, Arkansas, Georgia, and North Carolina are less than 179 acres in size, compared with 59 percent of all U.S. farms (Table 7). The presence of so many marginal farms is considered a key factor in the success of the poultry industry (Shand 1983). Many of these farmers use family labor to raise chickens under contract to the large processing firms like Tyson and ConAgra. The processors provide farmers with baby chicks, feed, and medication. This worker is evaluated on the basis of how many birds in each flock are condemned and how much feed is used to grow each bird. The objective being to grow big birds with as little feed as possible. If the processing company finds the farmers' work unsatisfactory, additional flocks are unlikely to be provided and the farmer is left with a \$90,000 investment for a chickenhouse (Yeoman 1989).

The processing plants are located in rural areas close to where chickens are raised. In Georgia, the leading producer is Habersham County, in the northeast

corner of the state, with nearly 44 million chickens sold in 1987. The county is also the site for a poultry processing plant employing over a thousand workers (Figure 9). As Georgia's population has increased and urban areas have encroached upon traditional poultry-raising areas northeast of Atlanta, plants and poultry raising are shifting to more rural areas. During the 1980s, Hall, Forsyth, and Cherokee counties all experienced declines in the numbers of broilers sold, while the more rural counties of Habersham, Madison, and Gilmer experienced substantial increases (U.S. Bureau of the Census 1987). Large-capacity plants have also been constructed outside of the traditional broiler belt, northeast of Atlanta (Figure 9). These new plants have been constructed in diverse areas (Table 8). Some have been built in counties which have experienced minimal population growth (Marion, Evans), while others have been constructed in more urban counties with large African American populations (Bibb, Clarke), still others in rural counties with small African American populations (Habersham, Jackson).

vs. What? Rural plant locations, besides providing access to where the birds are raised, also give processors access to a relatively cheap source of labor. In Buena Vista (1990 pop. 1,472), located in Marion County, hourly wages at a chicken processing plant averaged between \$5.10 and \$5.60 in 1989, and were the highest in the surrounding region (Goldoftas 1989). The positive economic benefits of processing plants in providing a payroll and supporting local farmers is often a reason behind lax enforcement of environmental regulations. Fieldale Farms, a poultry processor in north east Georgia, for example, dumps waste from its plants directly into creeks that flow into Lake Lanier, a popular swimming resort and major source of

drinking water. The State of Georgia has cited the company for violating water-quality standards but has allowed the plants to continue operating because if the plants were closed "the community would lose jobs" (Giardina and Bates 1991).

A Fish out of Water

Employment changes in fish processing are related primarily to the availability of raw materials. From 1977 to 1987 the amount of fish and shellfish landed in New England and the Middle and South Atlantic regions declined along with employment (Figure 10 and Table 9). Employment increased in areas where the catch increased. An anomaly is the Chesapeake Bay region, where employment decline is attributable to a reduction in the oyster catch and the fact that some of the region's fish and shellfish are shipped to North Carolina for processing (Griffith 1992). Average wages in North Carolina's processing plants are the lowest in the nation, which may serve to attract firms wishing to have their materials processed at a low cost.

In Mississippi, increases in fish-processing employment are related to expansion of catfish farming in the state's Delta region. Traditionally, farmers in this region have depended upon cotton for their livelihood, but in the late 1970s declining cotton prices forced them to diversify or face bankruptcy. The poor drainage and clay soils in the eastern portion of the Delta are ideal for the construction of fish ponds. Humphreys County, 60 miles northwest of Jackson, the state capital, is the center of Mississippi's catfish farming industry; more catfish are raised in this county than anywhere else in the world.

The startup costs for a catfish farm are high. A State of Mississippi document in 1988 estimated that it would cost a farmer \$400,000 to dig eight

ponds, each covering 15 acres, fill them with water, stock them, and feed the fish for a year until harvest. The yearly return on this investment, assuming the fish survived, would be about \$120,000 (Schweid 1991).

The industry is vertically integrated with farmers owning feed mills and a processing company. Delta Pride, ConAgra, and Hormel also control feed supplies and processing plants. The processing plants are located close to where fish are processed in such small towns as Belzoni (1990 pop. 2536), Sunflower (1990 pop. 729) and Indianola (1990 pop. 11,809). Local communities have welcomed the plants. Sunflower's \$6 million facility was constructed with the assistance of a \$1.6 million Urban Development Action Grant from the federal government. In 1989 the Farmers Home Administration approved a loan guarantee of \$2 million to help finance a processing plant outside of Belzoni, home of the World Catfish Festival (Schweid 1991). Unlike meatpackers, catfish processors have not had to recruit from outside the region. Almost all workers in processing plants are black women, and many are single mothers, while plant owners and catfish farmers are predominantly white. Low wages and dangerous conditions have resulted in several plants becoming unionized. Indeed, the largest strike by black workers in Mississippi occurred among Delta Pride workers in 1990 (Bates 1991).

Conclusions and Suggestions for Further Research

Did take a pic of this! The restructuring of all four processing industries has followed a similar pattern. Worker productivity has been augmented by the development of a disassembly line and increasing line speeds. A byproduct of these innovations has been an increase in injury rates. Production costs in beef and pork processing have been lowered by shifting plant operations from urban to rural areas to be closer to

raw materials. Rural communities have provided packers with tax reductions and other financial inducements. Local business people welcome the packers since their payroll provides an additional demand for goods and services. Many small Midwestern towns with new packing plants have experienced an influx of newcomer groups due to labor shortages and the high employee turnover associated with meatpacking. In recruiting workers, the packers have focused primarily upon minority group members in areas of high unemployment, such as the Rio Grande valley and inner cities.

Controlling costs in chicken and catfish-processing has led to vertical integration, with producers controlling each step of production. However, unlike the beef and pork industries there has been little geographic mobility in the location of plants. Processing plants for both industries have remained close to their supply of raw materials in low-wage regions of the rural South. Despite low wages and hazardous working conditions in both industries there is little indirect evidence, in the form of census data, that either industry has been confronted with labor shortages or had to recruit workers from outside the region.

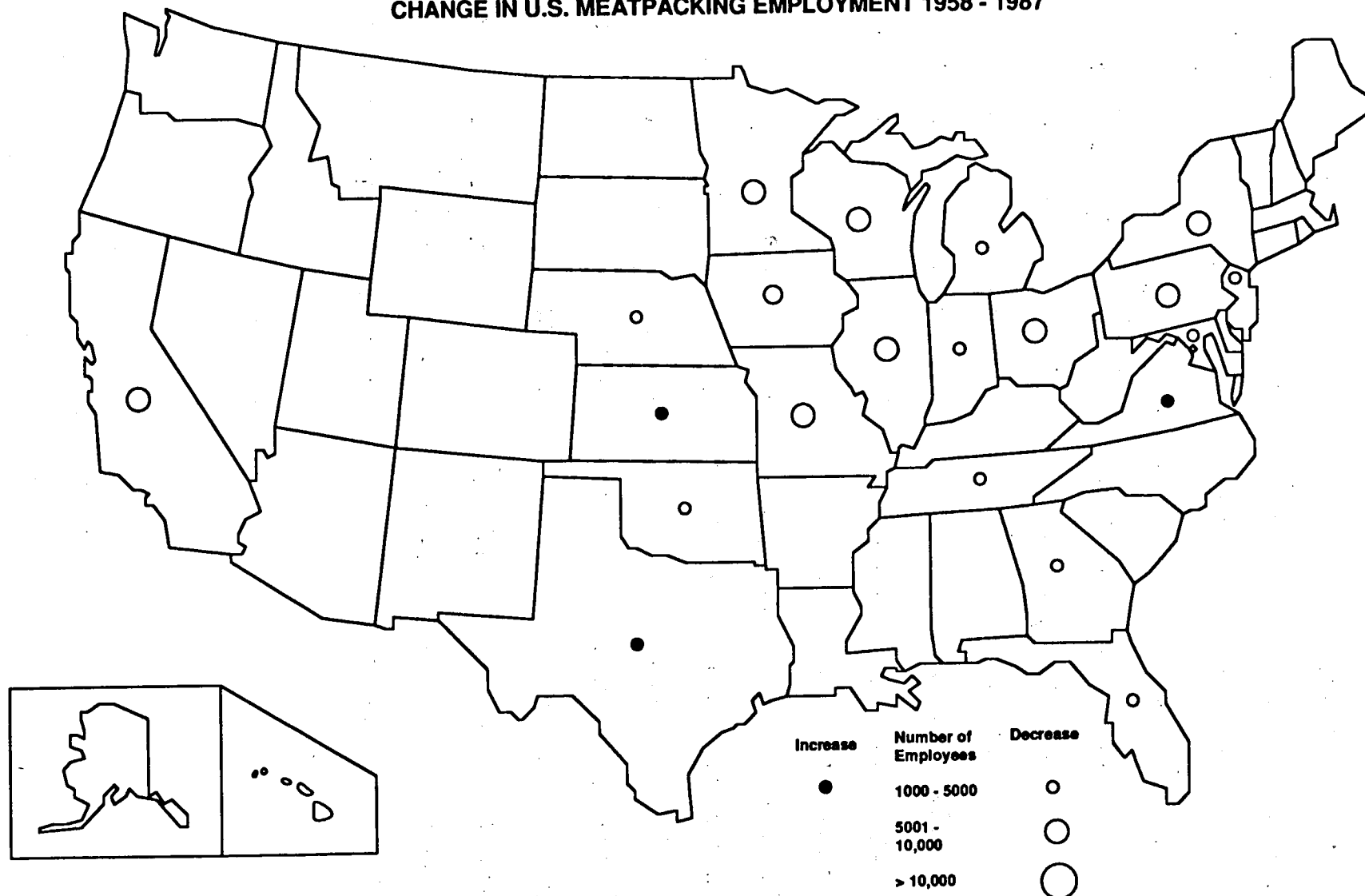
Rural industrialization is common to all four processing industries. However, the consequences of restructuring for local communities are far from clear. The precise role of the state in facilitating this transfer of capital to rural areas is similarly unknown. Future research at the state level should consider the degree to which federal and state laws pertaining to worker safety and environmental quality have been subjugated by the need to create "new jobs." The level of government subsidies to processing industries in the form of infrastructure improvements, tax breaks, worker-training programs, and other forms of financial

assistance also need to be assessed.

At the community level, research should focus on the exact costs of rural industrialization and whether these costs differ between each of the processing industries. For example, given the similarities in the nature of work among meat, chicken, and catfish processing, are all the industries subject to high levels of turnover among their line workers? and if so, what are the recruiting strategies utilized by the different processors? An insight into community problems associated with recruiting workers from outside a local region and high levels of employee turnover is provided by a case study of Garden City, Kansas (Broadway 1990; Stull and Broadway 1990, Broadway and Stull 1991). In the eight years after the world's largest beefpacking plant opened seven miles from the town, Garden City experienced significant increases in crime and school enrollment, as well as increased demand for health care, low-income housing, food banks, ESL and bilingual education. Most of these costs were borne by local taxpayers and volunteer organizations. Research should therefore identify those community strategies that have proven successful in dealing with the consequences of rural industrialization. In short, it is necessary to examine the full range of social and economic costs incurred by communities and workers as a result of meat and fish-processing companies opening plants in rural areas. Such an analysis would prove beneficial to policy makers who regard the creation of such value-added manufacturing jobs as a simple panacea to rural America's endemic problems of poverty and underemployment.

Figure 1.

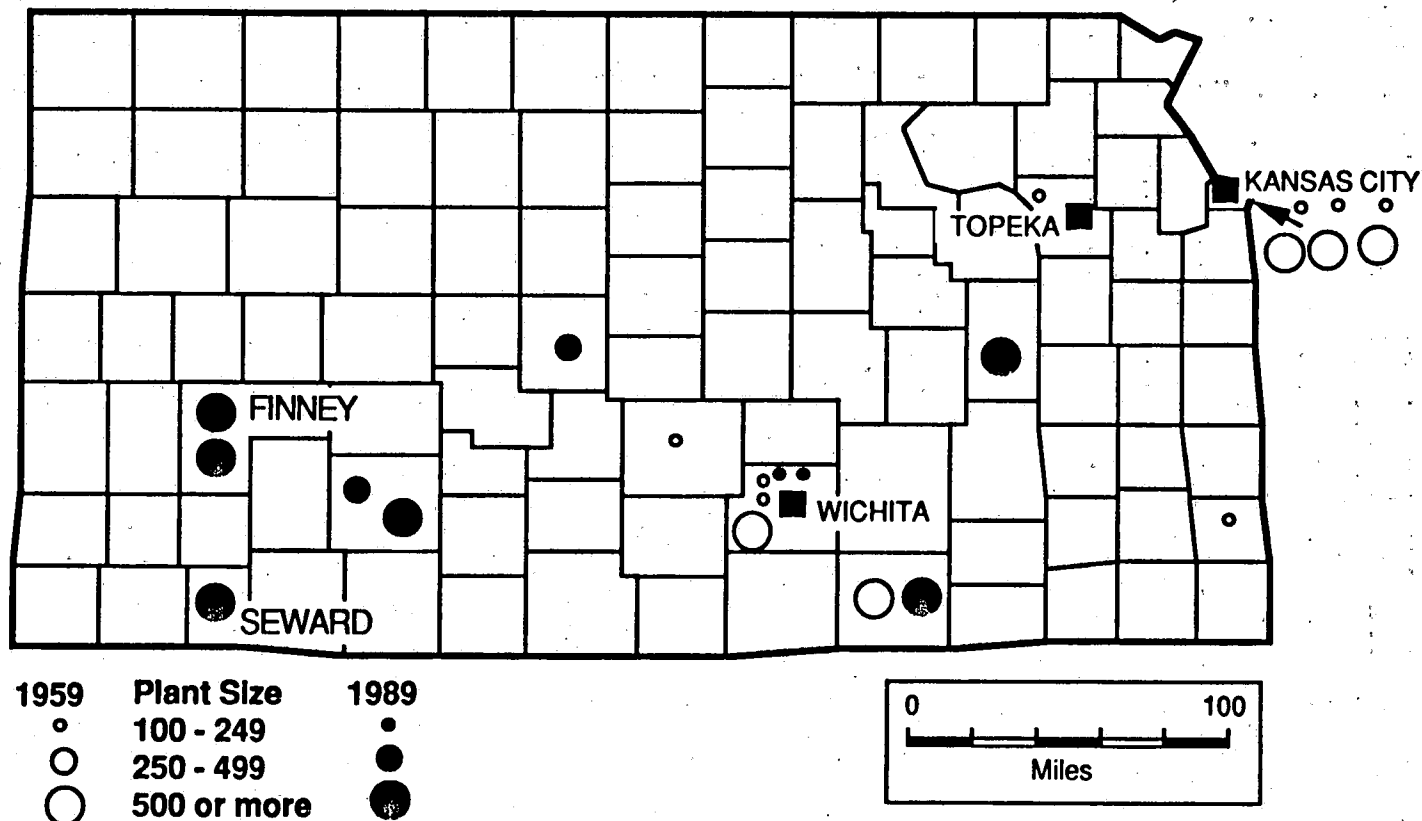
CHANGE IN U.S. MEATPACKING EMPLOYMENT 1958 - 1987



Note: Only states with increases or decreases of one thousand or more employees are included.
Source: *Census of Manufactures* 1958, 1987. U. S. Bureau of the Census, U. S. Government Printing Office, Washington, D. C.

Figure 2.

Kansas



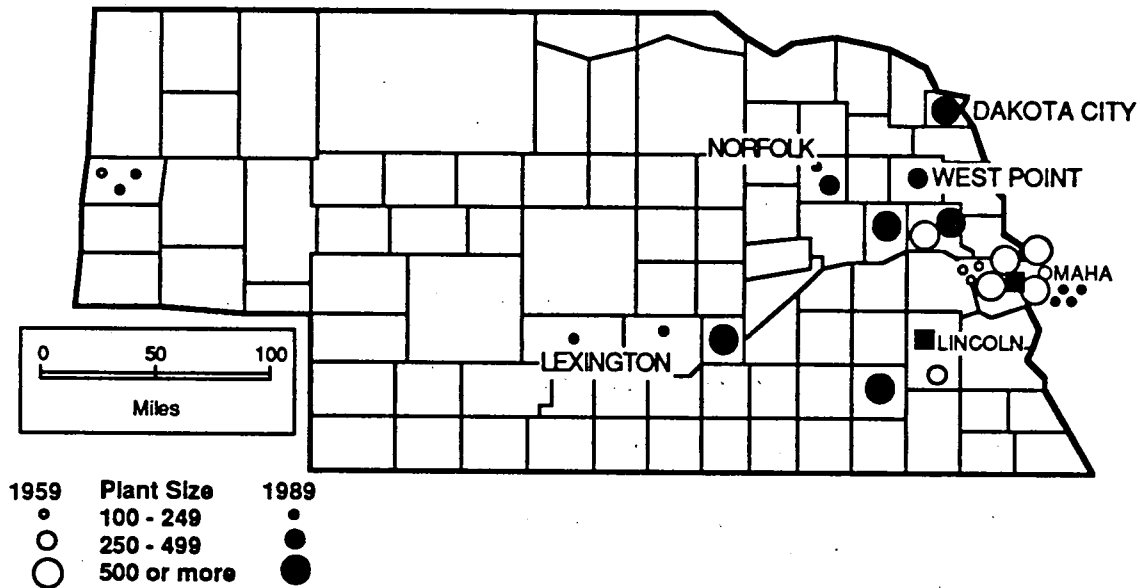
LOCATION OF KANSAS MEATPACKING PLANTS 1959 - 1989

Only plants employing more than 100 persons are included.

Source: *Kansas County Business Patterns* 1959, 1989. U. S. Bureau of the Census, U. S. Government Printing Office, Washington, D. C.

Figure 3.

Nebraska



LOCATION OF NEBRASKA MEATPACKING PLANTS 1959 - 1989

Only plants employing more than 100 persons are included.

Source: *Nebraska County Business Patterns* 1959, 1989. U. S. Bureau of the Census,
U. S. Government Printing Office, Washington, D. C.

Figure 4.

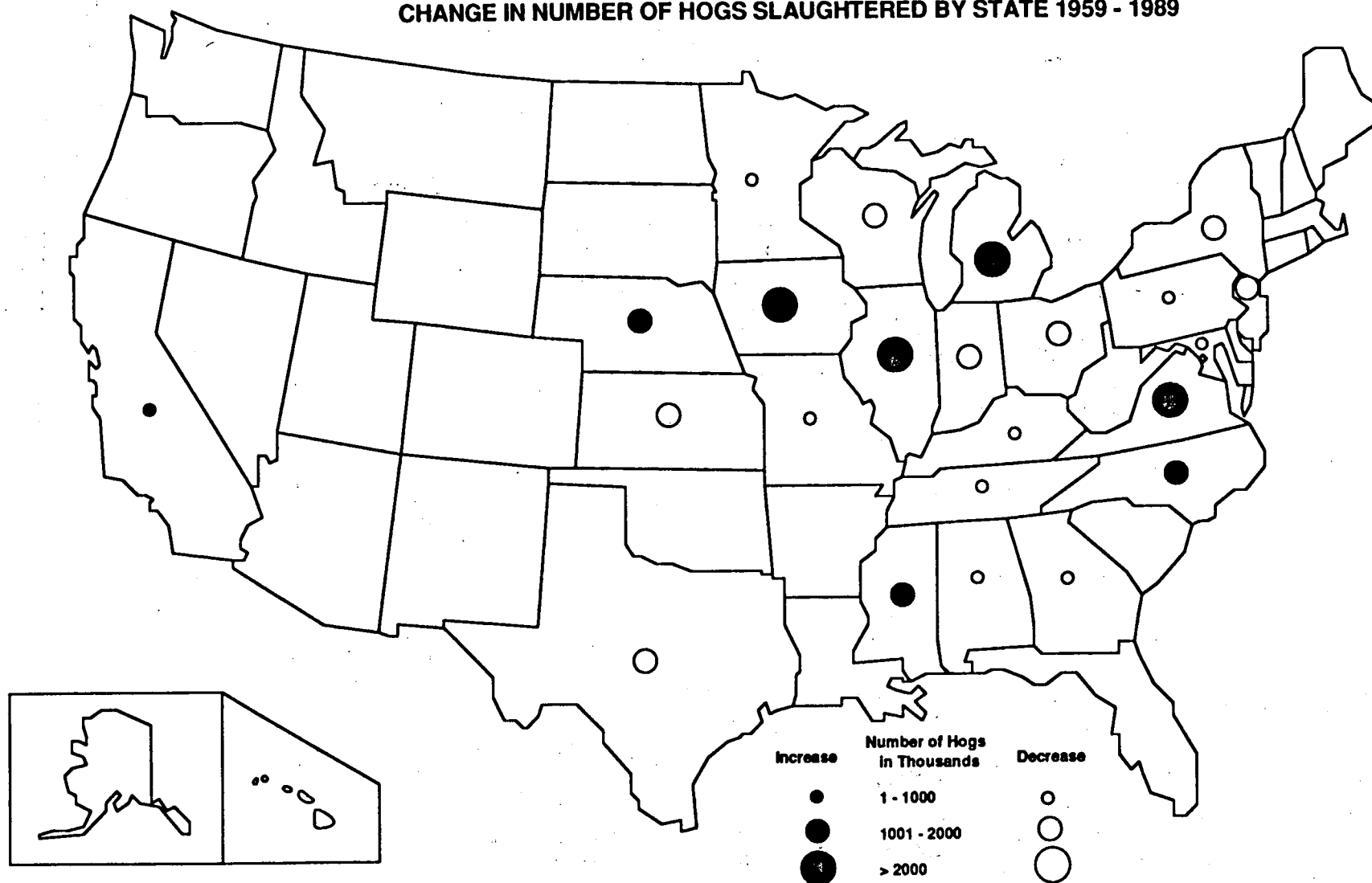
**Hide Employees Only
Beyond This Sign**

**Solamente Empleados
De Cuero Detra's
De Este Anuncio**

**Bai Dau Xe • Danh Rieng
Cho Nhan Vien Hang
Thuoc Da (Hide)**

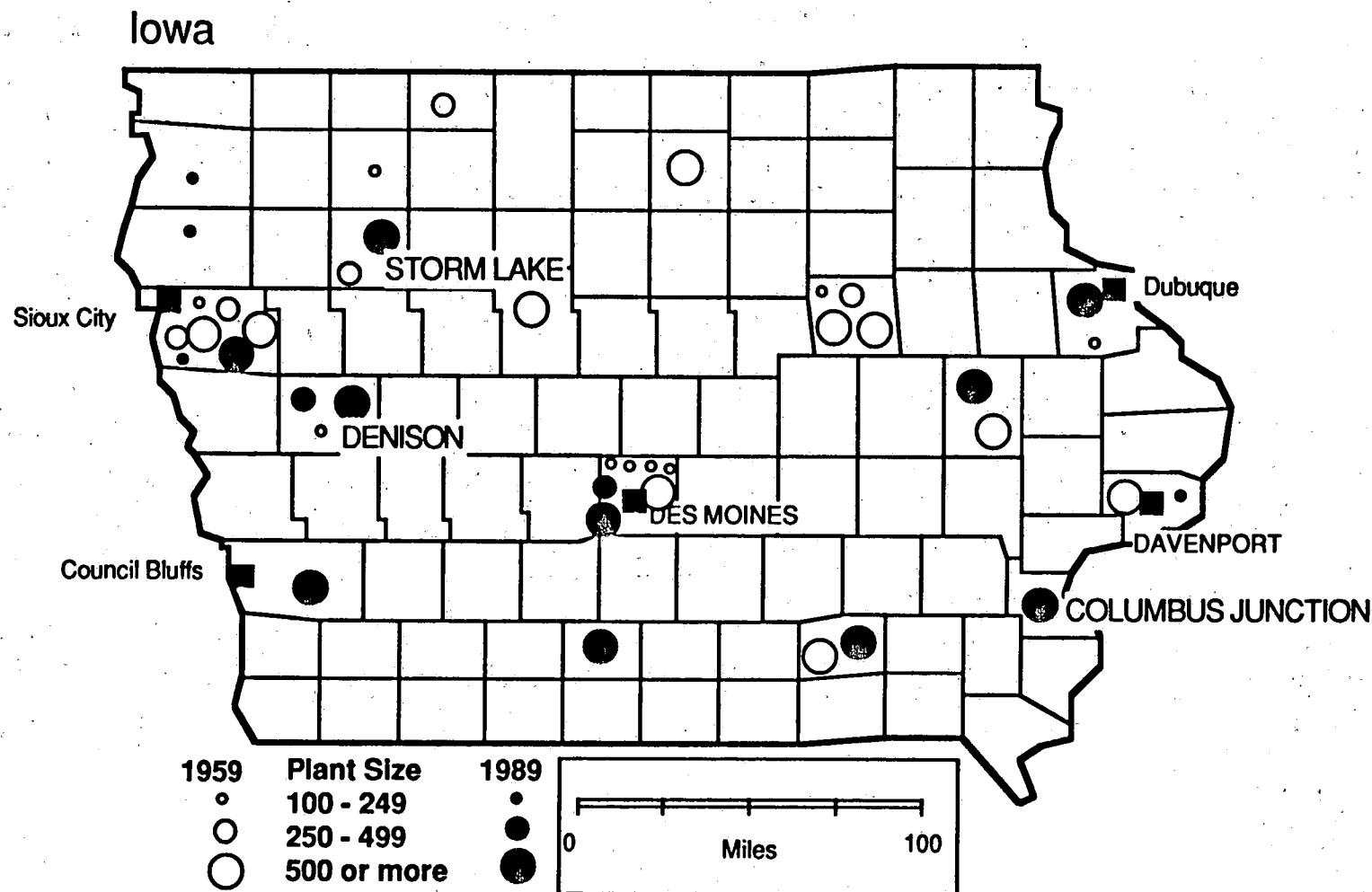
Figure 5.

CHANGE IN NUMBER OF HOGS SLAUGHTERED BY STATE 1959 - 1989



Only states slaughtering more than 1% of total U.S. hog slaughters in 1959 or 1989 are included.
Source: *Agricultural Statistics*, U. S. Department of Agriculture, U. S. Government Printing Office, Washington, D. C.

Figure 6.

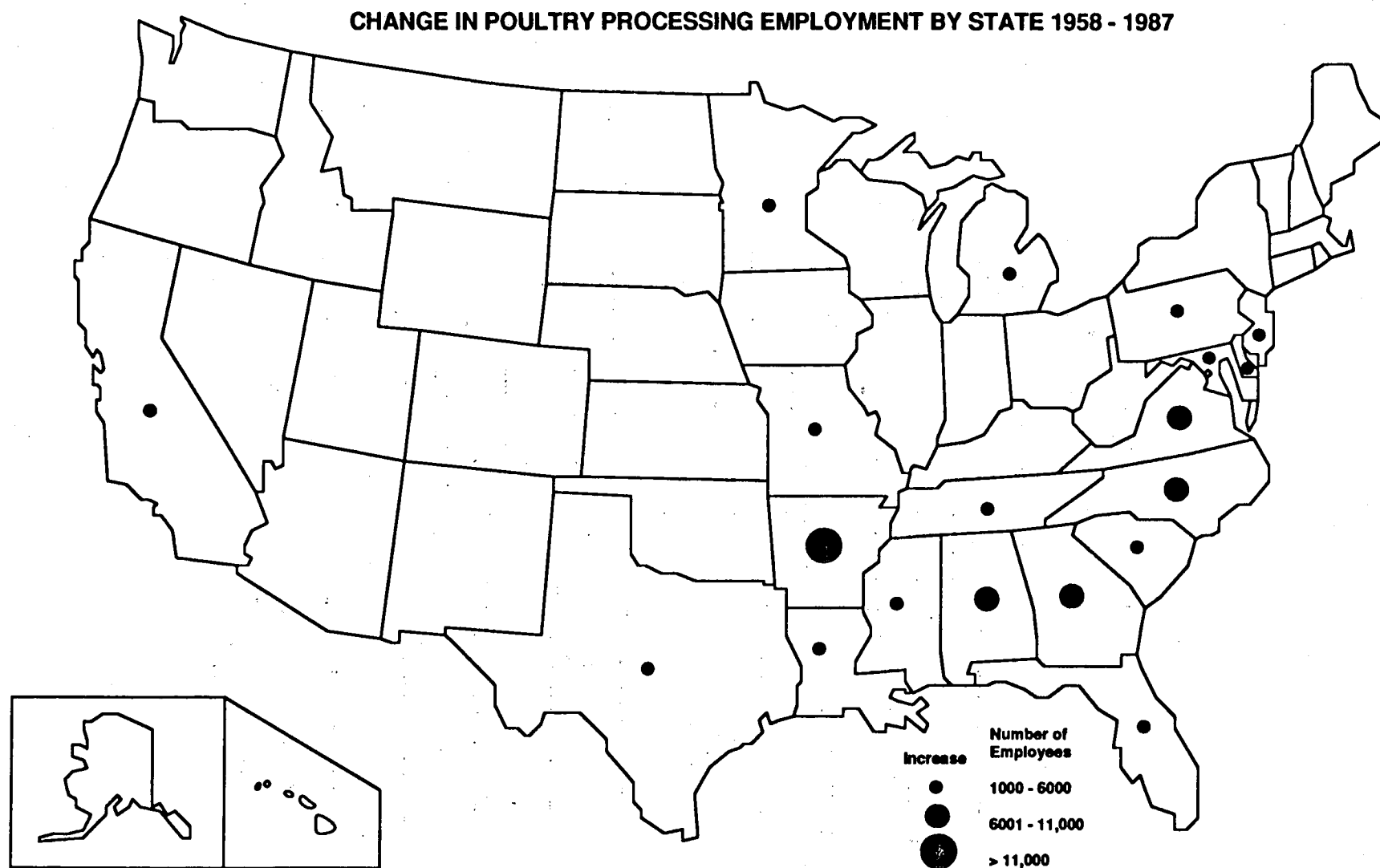


LOCATION OF IOWA MEATPACKING PLANTS 1959 - 1989

Only plants employing more than 100 persons are included.

Source: *Iowa County Business Patterns* 1959, 1989. U. S. Bureau of the Census, U. S. Government Printing Office, Washington, D. C.

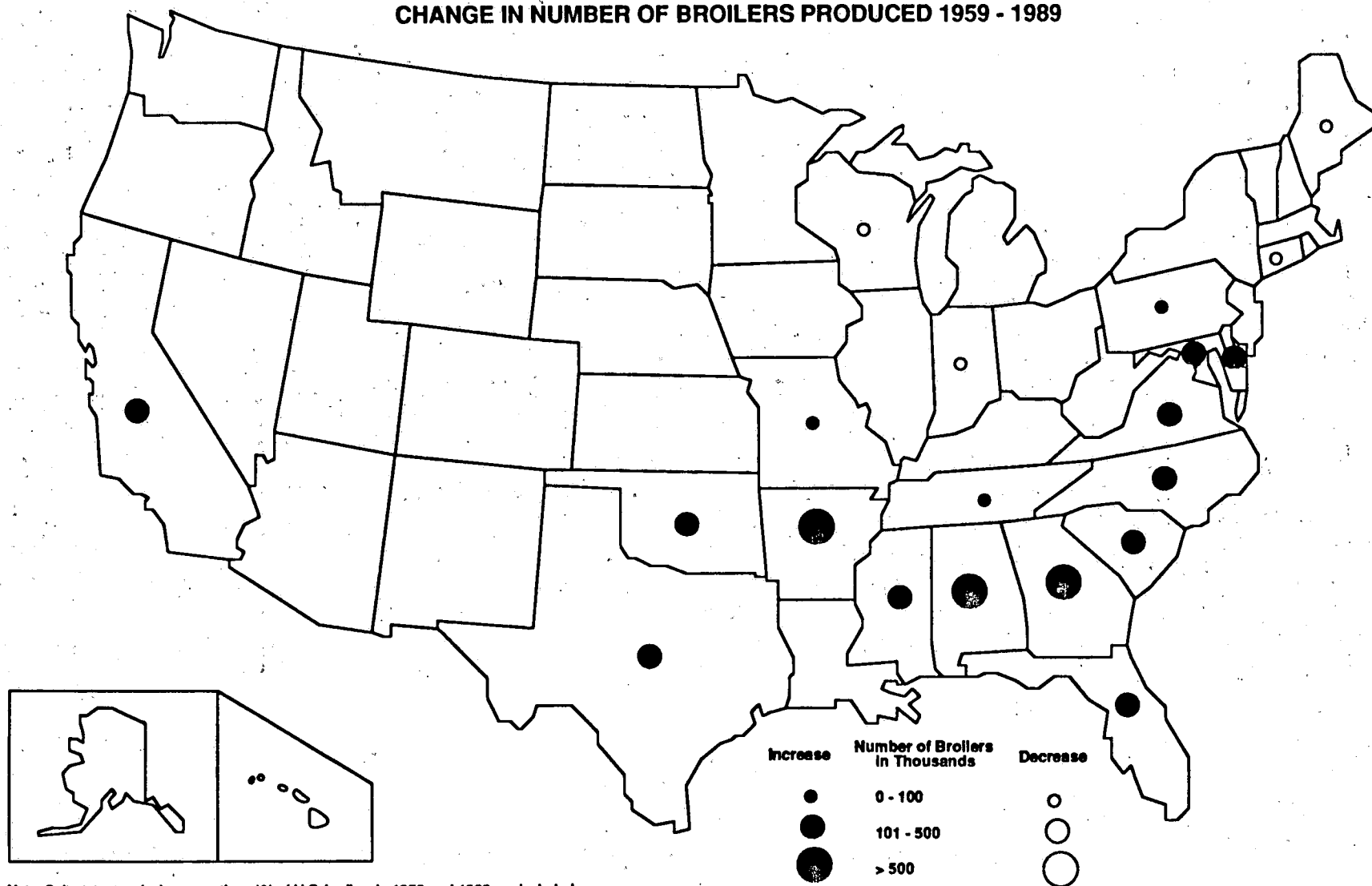
Figure 7.



Note: Only States with increases or decreases of one thousand or more employees are included.
Source: *Census of Manufactures 1958, 1987*. U.S. Bureau of the Census, U.S. Government Printing Office, Washington, D. C.

Figure 8.

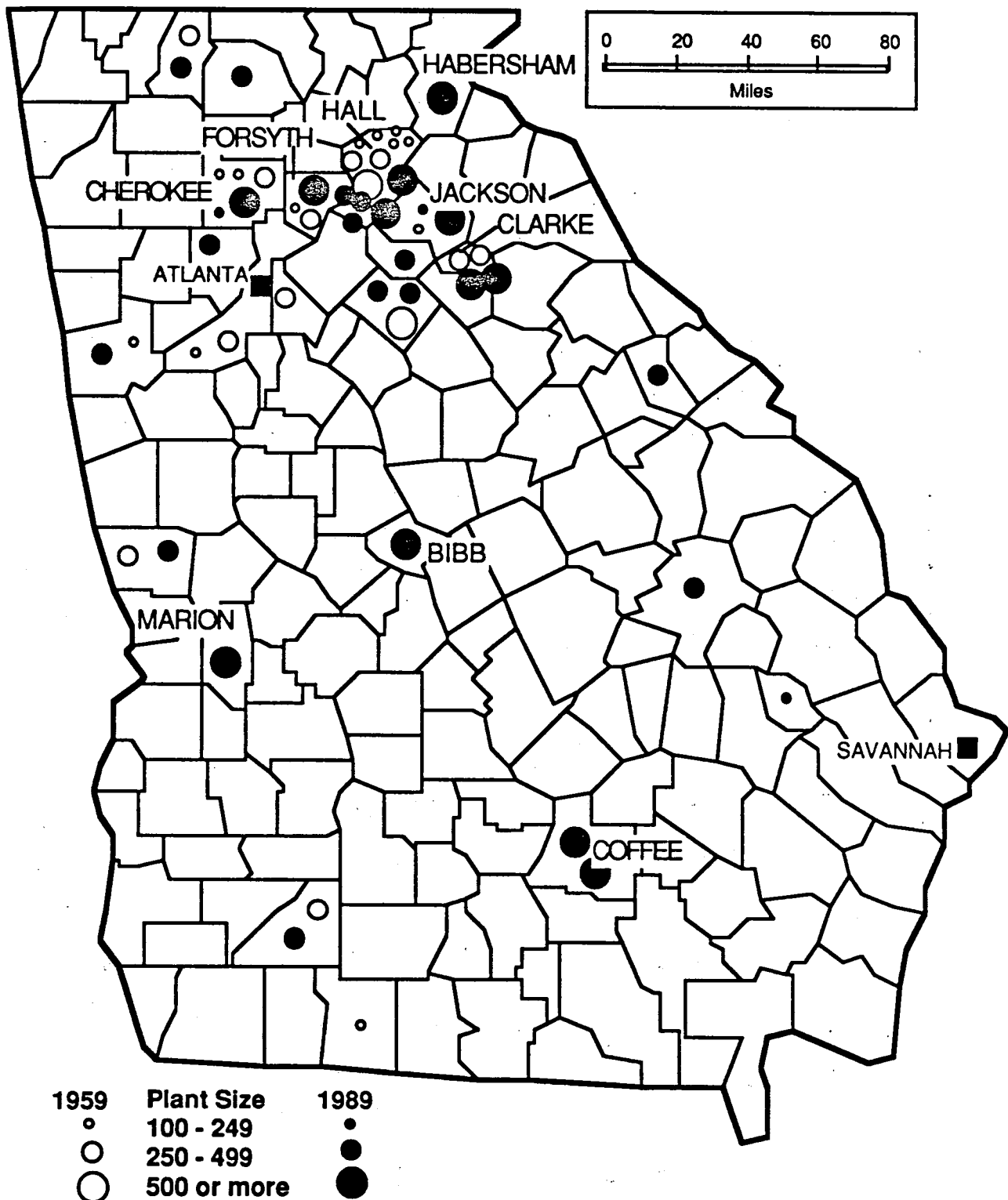
CHANGE IN NUMBER OF BROILERS PRODUCED 1959 - 1989



Note: Only states producing more than 1% of U.S. broilers in 1959 and 1989 are included.
Source: Agricultural Statistics, U.S. Department of Agriculture, U. S. Government Printing Office, Washington, D. C.

Figure 9.

Georgia

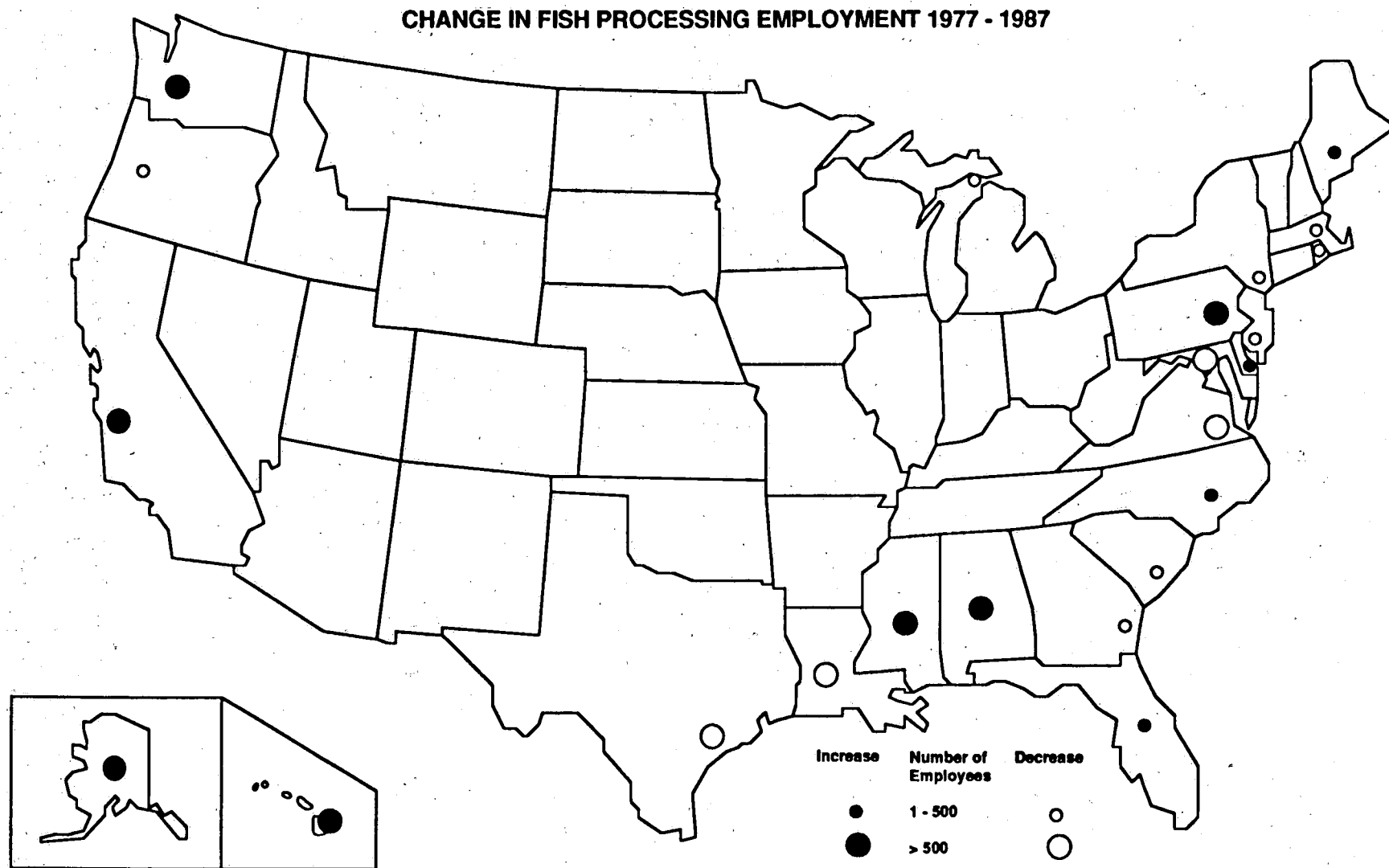


LOCATION OF GEORGIA POULTRY PROCESSING PLANTS 1959 - 1989

Only plants employing more than 100 persons are included.

Source: *Georgia County Business Patterns* 1959, 1989. U. S. Bureau of the Census, U. S. Government Printing Office, Washington, D. C.

Figure 10.



Source: U.S. Census of Manufactures 1977, 1987, U.S. Bureau of the Census, U. S. Government Printing Office, Washington, D. C.

Table 1

Occupational Injury and Illness Rates for Meat
and Fish Processing Workers 1975-1988

Rate/100 full time workers

INDUSTRY

	Meatpacking	Poultry processing	Fish processing	Manufacturing
1988	39.2	19.4	19.7	13.1
1987	38.4	19.0	18.8	11.9
1986	33.4	18.5	18.2	10.6
1985	30.4	18.3	19.2	10.4
1984	33.4	18.8	17.3	10.6
1983	31.4	18.7	17.9	10.0
1982	30.7	17.9	17.1	10.2
1981	32.8	19.3	18.6	11.5
1980	33.5	22.1	19.4	12.2
1979	36.9	23.9	22.0	13.3
1978	32.8	23.6	20.4	13.2
1977	33.6	23.6	20.7	13.1
1976	34.7	23.1	17.7	13.2
1976	31.2	22.8	18.9	13.0

Source: U.S. Department of Labor, Bureau of Labor Statistics Occupational Injuries and Illnesses in the United States by Industry (various years). U.S. Government Printing Office: Washington, D.C.

Table 2

**Meatpacking and Poultry Processing Hourly
Wage Levels, 1960-1990**

Year	Meatpacking	Poultry	Manufacturing Production Workers
1960	2.60	-	2.26
1970	3.98	2.39*	3.35
1980	8.49	4.47	7.27
1990	8.74	6.84	10.83

- * The Bureau of Labor Statistics did not begin compiling poultry processing wage levels until 1972.

Sources: U.S. Department of Labor, Bureau of Labor Statistics Employment, Hours and Earnings, United States, 1909-84 and Supplement to Employment and Earnings, U.S. Government Printing Office, Washington D.C.

Table 3

**Meatpacking and Poultry Processing Production
Workers, 1960-1990**

Year	Meatpacking	Poultry
1960	164,800	-
1970	143,700	83,500*
1980	131,300	102,500
1990	117,000	180,000

- * The Bureau of Labor Statistics did not begin compiling poultry processing employment data until 1972.

Sources: U.S. Department of Labor, Bureau of Labor Statistics Employment Hours and Earnings, United States, 1909-84 and Supplement to Employment and Earnings, U.S. Government Printing Office, Washington, D.C.

Table 4

1990 average wages of fish processing workers by state
(figures in \$)

Region/State	Weekly	Annual
<u>New England</u>		
Maine	\$266	\$13,807
Massachusetts	\$544	\$28,294
Rhode Island	\$418	\$21,759
<u>Mid Atlantic</u>		
New York	\$228	\$11,830
New Jersey	\$424	\$22,068
Pennsylvania	\$405	\$21,083
<u>South Atlantic</u>		
Florida	\$277	\$14,442
Maryland	\$276	\$14,332
North Carolina	\$166	\$ 8,630
South Carolina	\$229	\$11,893
Virginia	\$169	\$ 8,777
<u>Gulf Coast</u>		
Alabama	\$197	\$10,236
Louisiana	\$176	\$ 9,143
Mississippi	\$197	\$10,242
Texas	\$222	\$11,553
<u>Pacific</u>		
Alaska	\$401	\$20,581
California	\$265	\$13,787
Oregon	\$252	\$13,111
Washington	\$535	\$27,794

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1991 Employment and Wages, Annual Averages, 1990, U.S. Government Printing Office, Washington, D.C.

Table 5

Cattle on Feed by Region, 1960, 1990

Region	1960		1990	
	Number	% Share of U.S.	Number	% Share of U.S.
Northern Plains ¹	1,330,000	18.4	3,955,000	34.0
Southern Plains ²	308,000	4.3	2,425,000	20.9
Eastern Corn Belt ³	1,357,000	18.8	1,095,000	9.4
Western Corn Belt ⁴	2,224,000	30.1	1,370,000	11.8
Other ⁵	1,987,000	28.4	2,741,000	23.5
<hr/>				
TOTAL	7,206,000	100.0	11,626,000	100.0

Northern Plains ¹	North Dakota, South Dakota, Nebraska, Kansas.
Southern Plains ²	Oklahoma, Texas.
Eastern Corn Belt ³	Wisconsin, Illinois, Michigan, Indiana, Ohio.
Western Corn Belt ⁴	Minnesota, Iowa, Missouri.
Other ⁵	includes remainder of U.S.

Source: U.S. Department of Agriculture, Agricultural Statistics 1960, 1990. U.S. Government Printing Office, Washington, D.C.

Table 6

Hogs and Pigs: Number on Farms by Region, 1960, 1989

Region	1960		1989	
	Number	% Share of U.S.	Number	% Share of U.S.
Northern Plains ¹	5,139,000	8.8	7,650,000	14.2
Eastern Corn Belt ²	16,924,000	28.9	14,640,000	27.2
Western Corn Belt ³	20,869,000	35.7	20,650,000	38.3
Southeast ⁴	9,464,000	16.2	6,805,000	12.6
Other ⁵	6,068,000	10.4	4,197,000	7.7
TOTAL	58,464,000	100.0	53,852,000	100.0

Northern Plains ¹	North Dakota, South Dakota, Nebraska, Kansas.
Eastern Corn Belt ²	Wisconsin, Illinois, Michigan, Indiana, Ohio.
Western Corn Belt ³	Minnesota, Iowa, Missouri.
Southeast ⁴	Kentucky, Virginia, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi.
Other ⁵	includes remainder of U.S.

Table 7

1987 Farm Size: U.S. and Four Southern States¹

(Figures in %)

Farm Size	U.S.	Southern States ¹
1-9 acres	8.8	6.7
10-49 acres	19.7	26.3
50-179	30.9	37.2
180-499	22.9	19.1
500-999	9.6	6.5
1000 or more	8.1	4.2
Total	100.0	100.0
Number of Farms	2,087,759	194,396

¹ States are Arkansas, Alabama, Georgia and North Carolina.

Source: U.S. Bureau of the Census, 1987 Census of Agriculture, U.S. Government Printing Office, Washington, D.C.

Table 8

Characteristics of Counties with newly constructed poultry processing plants¹

County	Number of Plants		Population		Percent Black	
	1960	1990	1960	1990	1960	1990
Bibb	0	1	141,249	149,967	33.4	41.6
Clarke	0	2	45,363	87,594	25.4	26.2
Coffee	0	2	21,953	29,592	27.2	25.3
Evans	0	1	6,952	8,724	37.2	34.0
Forsyth	0	1	12,170	44,083	0.0	0.0
Habersham	0	1	18,116	27,621	5.0	5.6
Hall	1	2	49,739	95,248	10.8	8.6
Jackson	0	1	18,499	30,005	12.8	9.7
Marion	0	1	5,477	5,590	60.1	41.2
Walton	1	0	20,481	38,586	29.9	18.4
<hr/>						
Georgia	2	12	-	-	28.5	27.0

¹ Only plants employing more than 500 workers are included.

Sources: Bureau of the Census, Georgia County Business Patterns 1959, 1989, U.S. Government Printing Office, Washington, D.C.

Bureau of the Census, Census of Population, Georgia 1960, 1990, U.S. Government Printing Office, Washington, D.C.

Table 9

Amount of Fish and Shellfish caught by Region, 1977, 1987

(Figures in millions of lbs.)

<u>Region</u>	<u>1977</u>	<u>1987</u>
New England	581	545
Middle Atlantic	213	163
Chesapeake Bay	668	791
South Atlantic	345	235
Gulf States	1476	2501
Pacific Coast	1777	2493

Source: U.S. Bureau of the Census. Statistical Abstract of the United States 1990, 1982. U.S. Government Printing Office, Washington, D.C.

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LABOR IN THE SEAFOOD PROCESSING INDUSTRY:
An Industry Overview
and Case Study of Pamlico County, North Carolina

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March, 1992

I. INTRODUCTION: GENERAL ISSUES FACING THE INDUSTRY

The seafood industry constitutes one of the most dynamic segments of the nation's food system. In the harvesting sector, increased government intervention has created a variety of allocation systems that have cut deeply into industry structure. The processing and marketing sectors have pioneered the development of new products, expanded markets, and become increasingly involved in interregional and international trade. Retailers and restaurateurs have experienced the irony of increasing seafood demand coupled with fears about seafood's safety and pressures for a mandatory seafood inspection program (Anderson and Anderson 1991; Consumer Reports 1992).¹

These changes have caused the reorganization of crews on fishing vessels, altered the ethnic complexion of the processing sector, and created new pressures on others involved in harvesting, processing, distributing, and marketing seafood. The seafood industry is similar to other food production systems in its general approach to labor relations, yet at the same time offers some striking, telling differences. Producing a product from raw marine, lacustrine, or riverine materials² involves a series of social ties and ecological arrangements somewhat distinct from those used to produce apples, oranges, pork chops, chicken breasts, or boxed New York strips.

I.a. Relations Between Harvesting and Processing Sectors

An initial set of distinctions between seafood and most other food production systems derives from the fact that, outside of aquaculture operations, most seafood comes from the "commons," or common property resources. The commons basis of the seafood industry poses difficulties for the degree of vertical integration found in the poultry industry, the control over feeds and other features of beef and pork production, and the regional specialization and monopolization found in parts of the fruit and vegetable industries. Public ownership of the source of the seafood industry's raw material, further, makes the industry particularly susceptible to government regulation that may threaten raw material supplies. Limited entry programs, for example, may facilitate capital concentration in the harvesting sector, driving smaller vessels

either out of business or into different fisheries (Sinclair 1983; McCay, Gatewood, and Creed 1989). This affects seafood processors who have relied on these smaller vessels, especially when the larger vessels are tied to other seafood processing firms through debt relations or outright vessel ownership.³

Some seafood processors have insulated themselves from the effects of restrictions on harvesting by diversifying into new product lines and securing their seafood supplies from a wider range of sources. These two forms of branching out involve increasingly interregional and international connections. This process is facilitated by the wild, highly varied nature of most seafood processors' raw material, and the fact that fish and shellfish are hunted rather than raised, allowing a broad range of vessel types, fishing gears and styles, and social groups to engage in seafood trade. Increasing interregional and international ties are also fueled by the high perishability of seafood and its susceptibility to a wide variety of pollutants: having a number of suppliers protects seafood processors from overdependence on a source that may be suddenly cut off due to oil spills or red tide.

Expanding one's supply sources and diversifying into new product lines discourages processors from vessel ownership and harvesting. Although some of the larger firms -- those with floating factories capable of hiring crews from countries with low labor standards, roaming the high seas, and processing large amounts of seafood at sea -- may maintain and even expand their harvesting operations, smaller processing firms and some of the larger firms have found it beneficial to cut all but market ties with the harvesting sector.⁴ As in the poultry industry, severing ties between the processing and harvesting sectors encourages the development of subcontractual relations between these sectors. This redistributes risk from the processing to the harvesting sector. Private management tools such as subcontracting create attractive environments for corporate investment, which emphasizes control over risk in new business ventures (Nash 1985; Sassen-Koob 1985). Independent fishers, operating in riskier environments, then become encouraged to migrate for fish or exploit a wider variety of species, in order to stabilize income and keep their fishing capital employed for a greater portion of the

year (McCay, Gatewood, and Creed 1989).

These developments have influenced labor in both the harvesting and processing sectors. Some vessel crews, previously loaned trip expenses prior to fishing excursions under old harvesting/processing relations, find themselves unemployed as processors cut ties with the harvesting sector (Floyd 1988). Crews on remaining vessels usually undergo reorganization to accommodate new migration schedules, longer stints at sea, increased probabilities of injuries (as fishers enter less familiar environments and use less familiar gears), and the increased economic risks. In the processing sector, recent changes reflect, primarily, the development of new product lines and the increasing popularity of fish and seafood in general.

I b. Trends in seafood consumption and product development

Cooking magazines over the past fifteen years chronicle a consumer pulled and pushed in contradictory directions. Too busy to spend too much time in the kitchen, consumers are also suspicious of easy-to-prepare, prepackaged foods. Supposedly health conscious consumers have underwritten growth in sales of "junk foods" and of the standardized, fatty foods of national fast food chains. Such contradictions are embodied by McDonald's "McLean" hamburger, Kentucky Fried Chicken's "skin-free" (yet still fried) chicken, and the proliferation of diet soft drinks as accompaniments to orders of french fries and double cheeseburgers.

While consumers themselves appear confused, the direction of the food industry in general is less confusing: increasingly, all sectors of the food industry -- from direct production to retail levels -- are being driven by the trend toward value-adding through further processing and more complex packaging.⁵ A passage referring to fruit and vegetable processors is exemplary: "In the past two decades, core firms have changed their product mix by reducing their dependence on commodity-type products such as canned tomato paste and peaches, placing greater emphasis on more highly processed canned goods such as soups; sauces; preserves; and desert toppings" (Segal and Philips 1990: 23-24).

In seafood processing, value-adding through further processing and through packaging are both less well developed than in the fruit and vegetable, poultry, or meat components of the

U.S. food processing industry. Nevertheless, the industry's leading trade magazine, Seafood Business, suggests that research and development is oriented toward further processing and packaging. Some examples (from Perkins 1991: 45-54) include:

"A number of companies have reduced pack sizes to accommodate recessionary spending habits... *Ocean Gourmet*, the attractive line of vacuum -packed fillets, portions and value-added items introduced last year by the company, is also now available in bags..."

"*King & Prince's* new offerings also include dual-ovenable shrimp scampi and Fancy Butterflied Lobster Tails, one of the first value-added lobster products around. Lobster tails are split lengthwise, and then the butterflied, deveined meat is place on top of each shell. After a sprinkling of paprika, the tails are flash frozen and glazed to preserve moisture and texture..."

"*Delta Pride* is featuring a new Texas-style catfish cutlet. Catfish is cut and shaped into an exact weight-portioned cutlet to give the consistent thickness and size desired by the foodservice industry..."

In the processing sector, such developments place new demands on work organization, on task and disassembly line design, and on the labor force.⁶ The specific innovations and changes underway vary depending on which component of the processing sector is supplying which market. Work of a typological nature will help clarify this.

I. c. The Raw, the Cooked, the Breaded, and the Canned: A typology

Writing about the California fruit and vegetable processing industry, Segal and Philips (1990) differentiated between "core" and "periphery" firms. Core firms are those nationally known firms, such as Del Monte, Green Giant, and Birds Eye, that produce branded products, invest heavily in advertising, generate product loyalty, and otherwise establish the general parameters of capital accumulation for the industry as a whole. Periphery firms -- primarily growers who have banded together to challenge the monopoly of the core firms -- are "price-takers," who rely extensively on supermarket chains and the core firms for specialty, private label packing contracts as well as market products under their own labels.

While this typology may be accurate for fruit and vegetable processing, seafood processing is somewhat more complex. While the recent growth of seafood consumption has attracted firms similar to those in the "core" group described above, other factors have allowed the survival of a much broader continuum of seafood processing firms than is suggested by the core-periphery typology described above. The wide variety of fish and shellfish, seafood's high

perishability, the range of national and international sources of seafood, the lack of a federal inspections program, and the "commons" status of most fish and shellfish habitats -- all these allow small processors to take advantage of market niches and remain in business despite the capital concentration and increasing market shares of the larger firms.

The following typology builds on observations along two lines: a) the amount of control that direct producers (i.e. line workers) have over the processed product -- that is, over the marketable commodity⁷; and b) the organization of work in the space of processing (e.g. in the plant, the shucking house, on the vessel, etc.). Briefly, the typology presented represents a continuum from full control to no control over the seafood commodity and from informal, family organized work to the more formal work organized according to Taylorist principles of factory production.

Category A: Family processing. Many fishing families prepare their catch for immediate sale and consumption. Some perform processing tasks that range from sorting the catch to gutting and freezing species to deheading and deveining shrimp. Others, particularly during times that they perceive increasing control on the part of fish dealers, will sell their catch themselves, on street corners, along roadsides, or out of the backs of their trucks to retail outlets. A fisherman's wife, complaining of the control fish dealers had over fishers by virtue of debt relations, inspired the following entry in my field notes:

"They have an understanding," she said. "You don't get \$30,000 for a boat and then sell your fish another place. Even though your shrimp may be \$3.00 on the water they'll be \$1.00 when you get to the dock."

She complained of the market alot, expressing antagonism over the power of the fish dealer. She said, "The worst day for commercial fishermen was the day the fish dealers bought boats." She said he hadn't yet learned the 'lingo' of sales, or the way she was supposed to talk on the phone. During the past scallop season a big dealer in Wilmington cheated her, paying her \$3.00 per gallon over her costs for scallops while paying people in Sea Land and Davis \$7.00 to \$8.00/gallon over their costs. Once she had to go to Havelock and sell 32 gallons of scallops out of the back of her truck..." (Griffith's field notes, 6/26/85).

In these contexts, the processing tends to be either an individual or household operation, rarely involving anyone other than the fisher, his or her spouse, and perhaps their children. The space of processing is generally the household, the boathouse, or some work space attached to the household or

launching areas, and the timing of the processing is directly determined by the fishing schedule.

As such, these tend to be small scale, flexible organizations, relying on the often contestable and negotiable authority that rests on cultural traditions of age, gender, and family. Fishers have complete control over the disposition of the product, and some may be selling their catch without a license. Accumulation is directly tied to the household's labor supply, their skills and dispositions, and the household head's or heads' control over the total pool of household labor. Simply, the authority figure -- whether a wife,⁸ husband, grandparent, or whatever -- can work the household members as much or as little as is within his or her power. All value added remains in the household.

Category B: Seafood Houses. Expanding family processing is constrained, in part, by the state. In order to sell seafood products, particularly shellfish, the state must inspect and certify the cleanliness of a seafood processing facility. Federal certification, coordinated by the FDA, is necessary to obtain a certificate to ship one's product across state lines. While some fishing households have obtained such certification, an easier approach is for a number of fishing households to pool their obligation to the state by processing their catch at a state-certified "seafood house." In short, seafood houses replicate the "family processing" system on a multi-household scale. Thus, one of the impacts of state intervention in seafood processing has been the consolidation or centralization of small-scale, family processing into certified processing facilities. Most commonly, the facility houses wooden tables or booths with some apparatus to accommodate discarded parts of the fish or shellfish.

The effect of certification has been, first, to criminalize seafood processing conducted outside the umbrella of government scrutiny. Second, certified facilities provide space to families on the condition, usually, that they sell their processed product to the owner of the facility. Both developments influence the complexion of the market and the control fishing families have over the disposition of their catch. Although most fishers process their own catch, these facilities may hire a few employees to process the catch that fishers do not wish to process themselves. Use of the house implies sacrificing some control over the disposition of the catch.

Category C: Packers-Shippers. Packer-shippers are similar to packing house operations in the fruit and vegetable industry. They are brokers more than processors, simply icing down the fish that

comes in off the boats and shipping it to other locations for further processing or for sale. Some may grade the fish or shellfish, also, prior to shipment. The vast majority of North Carolina firms (>90%) dealing in fish and shellfish are packers-shippers; in Pamlico County, which processes more of the catch than most other counties, packers-shippers comprise 60% of the firms. State licensing data indicate that packing-shipping is growing in relative importance in the state's seafood industry.

Category D: Seafood Plants. Seafood plants in North Carolina perform only a few processing functions, most of which involve making marine products ready for end consumers. In contrast to the packers-shippers, who market to intermediate consumers,⁹ seafood plants generally employ between 15 and 100 or more individuals to shuck and pack oysters, behead and devein shrimp, pick and pack cooked crab meat from blue crabs, and fillet finfish. They may or may not be seasonal operations. The products that leave North Carolina go directly to retail outlets.

These plants differ from seafood houses in that, instead of multiplying the family-based processing enterprise, seafood plants employ workers for wages, usually figured as a piece as opposed to an hourly rate. Relations between workers and their employers are "conventional" employer-employee relationships, although generally much of the work force within and between plants is related. Most plants in the coastal zone, from the Delmarva Peninsula to Brownsville, Texas¹⁰, are based on this model (Paredes, Sabella, and Hepburn 1983; Thomas and Moberg 1990; Thomas and Formichella 1987). These plants are the most common variety in Pamlico County. Plants in inland regions (including the Mississippi Delta region), north of Baltimore, or along the Pacific and Pacific Northwest coasts tend to fall into one of the following, more factory like categories (Doeringer, et al. 1988).

Category E: Mariculture and Aquaculture Operations. Several species have been developed as aquacultured or maricultured seafood products in recent years (e.g. catfish, striped bass, trout, salmon, shrimp, oysters, crawfish, telapia). This is probably the fastest growing sector of the seafood industry today. Unlike seafood plants, mari/aquaculture operations have a steady supply of a product that is consistently of similar size, quality, and other features that allow the development of a streamlined disassembly process. The processing component of this sector of the seafood industry is most comparable to poultry processing, where there exists continual systemic links among developments in

feeds, the character of the product, and extent of further processing and packaging. Also similar to poultry processing is the aqua/mariculture processing labor force. Workers are predominantly Black women and other minorities, earning hourly wages instead of piece rates. Workers at one of the largest producers, *Delta Pride* of Indianola, Mississippi, are currently represented by the union that also represents poultry workers: the United Food and Commercial Workers Union (UFCW) (Straus 1991a). Union representation in the catfish business is more than coincidental: ConAgra, one of the largest poultry producers in the nation, owns *Country Skillet Catfish* in nearby Isola, Mississippi.

Category F: Further processing plants. Further processing of seafood products includes canning facilities, breaching/freezing plants, "surimi"¹¹ plants, and those plants that produce the cooked, branded, and other products (e.g. "Mrs. Paul's," "Starkist") familiar to most of the nation's supermarket shoppers. This level of production, producing sophisticated products for end consumers, is the most attractive to large corporate capital such as General Foods (which owns Red Lobster) and Oscar Meyer (which owns Kemp Seafood).¹²

I.d. Pressures on the processing industry: relocation and the use of immigrant labor

These sectors of the seafood processing industry are differentially affected by the pressures mentioned earlier. Among the most pressing problems are: 1) state intervention in the form of a mandatory seafood inspections program¹³; 2) the continuing trend toward capital concentration and competition between firms of various size and with various degrees of access to foreign and domestic capital; and 3) the continuing need for low-income, low-skilled, minority workers.

As in other low-wage industries requiring large amounts of unskilled labor, the industry has also witnessed its share of the two related processes of "capital flight" and an increasing reliance on new immigrant labor at home. On the one hand, the major tuna companies moved their canning facilities to Puerto Rico and Mexico during the 1970s.¹⁴ Table 1 shows that these operations have increased in size since 1977, as well as showing some of the other dimensions of the industry's relocation. On the other hand, the use of new immigrants is growing in the industry, as in the case of Asian refugee workers along the coast of the Gulf of Mexico or the

recent importation of Mexican workers into seafood processing plants of North Carolina, Maryland, and Virginia (Thomas and Moberg 1990; Griffith, forthcoming).

Finally, the flight of capital has contributed to the development of mariculture and aquaculture throughout the world. Overseas aqua/mariculture production and processing operations have more than kept pace with the industry's development in the United States. Even a short list of producers of cultured shrimp would include the Philippines, China, Vietnam, Thailand, Indonesia, India, Bangladesh, Burma, Australia, Ecuador, Mexico, and Columbia.¹⁵

Such developments, of course, set the standards and establish the parameters for seafood processing throughout the United States. Even in small, sparsely populated Pamlico County, North Carolina, these developments have influenced the place of processing operations in their communities.

II. PAMLICO COUNTY

II.a. General Features of geography, population, and economics.

Looking at a map of Pamlico County, an artistic child might see the profile of an alligator's head as the creature rested, on a hot summer day, with its mouth open a few inches, inviting sandpipers to pick meat from between its teeth (see Map). Bay River, flowing almost due west into the Pamlico Sound, crossing the Intracoastal Waterway, would comprise most of the alligator's mouth. Goose Creek Island, north of Bay River and Jones Bay, would form the snout, with its four north shore finger creeks of Oyster Creek, James Creek, Clark Creek and Middle Prong tracing the intricacies of its nasal passages. Beneath its puffed throat, to the south, the Neuse River flows passed the mouths of no fewer than twenty two creeks, emptying, like Bay River, into the Pamlico Sound. Early evening, almost every evening, old Black women and couples fish with bamboos poles along the banks of the river and its creeks. The Neuse is a large river, between three and five miles across from the shores of Pamlico County. It is also one of North Carolina's largest estuaries, separating Pamlico from Craven County and allowing the residents of the riverbank villages of Minnesott Beach and Oriental access to the Sound. A 20-minute ferry with a 22-car capacity links the county with the military bases and job opportunities

of Cherry Point and Havelock; the ferries leave every hour during morning and evening hours, and every two hours during the midday and late evening, from making sixteen crossings a day. The county seat of Bayboro sits on the edge of the watershed feeding Bay River, just south and west of where you would expect to find the alligator's eye; this far inland, maybe six miles from the sound, Bay River is fed by a number of creeks and smaller waterways. Along these, sheltered from hurricanes and other storms born at sea, sit some of the county's oldest crab picking and fish processing plants and a few fishing vessels.

The county's resemblance to an aquatic reptile runs deeper than mere appearances. The land itself seems indecisive about being land. Pocosin (wooded, swampy wetlands) comprises a good deal of the land area; entrepreneurs have attempted raising crawfish here. The county's population, too, has nurtured a relationship to water that, like the alligator's, is symbiotic, offering security, and amphibious. The principal characteristic giving Pamlico County its pockmarked, wrinkled, alligator skin appearance is its water: creeks, bays, rivers, and the big Pamlico Sound. Such diverse, sheltered access to the Pamlico Sound has underwritten the growth not only of the seafood processing and fishing industries, but also tourist and real estate development industries that have been among the county's fastest growing sectors in the past five to ten years.

Beyond the dependence on water and wetlands, the county has no conspicuous industrial base. Only thirteen of the county's firms bothered to list their names and addresses in the North Carolina Industrial Directory: ten are seafood processors and shippers, an eleventh depends on seafood firms to make animal feeds with crab shells and other fish parts, and the others are a grain elevator and a newspaper. Fewer than 12,000 people live in the county, and the 11,372 that do live there are concentrated along two stretches of road that resemble rural highways all across Eastern North Carolina. No town officially boasts a population of 1,000, although the central "metropolis" that runs from Alliance to Bayboro to Stonewall might contain between 10% and 12% of the population, or between 1,200 and 1,400 people. The county is thus 100% rural, and many of its folks depend on seasonal occupations that are tied to agriculture, fishing, or forestry.

Through the 1980s, while the population has remained relatively stable, the unemployment rate has fallen from 7.0% in 1980 to 5.3% in 1985 to the current 4.0%. This has caused labor supply problems for the seafood processors, some of whom, within the past two years, have turned to Mexico for their workers. In a county with fewer than 70 resident Hispanics, the Mexican workers -- most of whom are women -- seem particularly misplaced.

vs.
Broadway

Ethnically, the county is not too diverse. Whites comprise 73.5% of the population, and Blacks 25.9%, leaving only .6% of the resident population in "other" ethnic categories. Whites and Blacks tend to be segregated into different neighborhoods and communities. The small inland towns of Mesic, Maribel, and Hollyville are primarily Black settlements, while the town of Vandemere and the community of Goose Creek Island, both enjoying direct access to the sea, are primarily white. Arapahoe, Bayboro, and Oriental, the other towns of any size, include both Black and White neighborhoods.

The residential segregation of the population is both contradicted and reinforced in the seafood and fishing industries. On the one hand, Blacks and Whites work together in the processing houses; on the other, they tend to remain sexually and ethnically segmented into different components of the production process. In the wider community, of course, the chronically ambivalent ethnic relations found throughout the South are similar to those portrayed in Melissa Fay Greene's Praying for Sheetrock (1991): symbiotic yet confrontational, easygoing and courteous while suspicious and tense. In the White-owned and operated Pamlico News, much of the county's crime -- particularly its rising tide of drug abuse in the form of crack cocaine and home-grown marijuana -- is portrayed as originating with the Black community or from various "out-of-town" sources (e.g. migrant farm workers or passing motorcyclists). The Black communities have not been spared the well-known phenomena of "drive-by" shootings (e.g. Pamlico News, March 27, 1991). Neither are the county's White communities internally harmonious: a great deal of dispute derives from land use, particularly marina and other recreational boating developments that threaten commercial fishers' or local yacht club members their "traditional" access to the waterways. Within the county's ethnic relations, the county's

disputes over access to water, and the developing practice of using "foreign" workers to pick crab, the seafood processing industry occupies a central position.

II.b. Seafood processing in the county's industrial profile: history and current trends

Unlike the meat packing plant in Garden City, Kansas or the turkey processing plant outside Mt. Olive, North Carolina, seafood processing in Pamlico County is a "home-grown" enterprise. With one exception (an eel and catfish processor from the Netherlands), the county's 15 plants have no connection to corporate capital or financial backing outside that available through local institutions, social relations, or marketing ties (see Table 2). Local families own and operate the plants. The 11 plants that reported their date of establishment in the North Carolina Industrial Directory listed the following dates: 1945, 1946 (2), 1947 (2), 1948, 1956, 1967, 1969, 1975, and 1979.

This homegrown character implies that the industry has not stimulated major transformations in the county's industrial profile. Just as the industry itself has emerged from the local society, so too have the most seafood processing workers. Although this is gradually changing with the growing ^{As in the rest of} use of Mexican workers, the majority of processing workers are Black women who were born into resident Pamlico County households.

Although in its native character seafood processing departs from the paths of community involvement set by meat and poultry processing, its very distinctiveness lends significance to those features of labor and community relations that it shares with other food processing sectors.

The fact that both owners and workers have grown up in the county provides owners with cultural as well as social mechanisms of labor control, while providing workers with cultural as well as social mechanisms of resistance.

II. c. Seafood Plants

The seafood plants themselves reflect the labor-intensive nature of the work. They are usually concrete block buildings painted white, ranging in size from around 2,000 square feet to upwards of 10,000 to 20,000 square feet; they may or may not sit on the water. Those on the

water tend to be the larger plants, with elaborate docking and landing facilities, winches, pulleys, conveyor belts, forklifts, and so forth. In the crab plants, live crabs are landed at the back doors of the plants from boats or trucked in from landing centers around the Chesapeake Bay. Once inside, the crabs are steamed and cooled, then loaded into wheelbarrows and distributed with a large scoop shovel of the kind used to move sawdust. The organization of work is simple: women crab pickers/finfish filleters sit at tables, either cutting finfish or, more commonly, picking the meat out of cooked blue crabs with tools resembling a nutcracker, an oyster knife, and a pair of rubber gloves. Young men roam through the plant, renewing supplies of the unprocessed product.

Crab pickers are paid \$1.50/pound, a rate representing an increase of \$.25/pound (20%) in the past seven years; processors claim they can pick an average of 35 pounds per day and that good pickers can pick as much as 45 pound per day. The pickers themselves give lower daily figures and point out, as well, that the industry is seasonal, with limited opportunities to pick very much crab on some days during the early spring and late fall months. According to workers, between 25 to 30 pounds is average and 40 pounds a day is within the capability of a good worker. The main picking season begins in late March or April and lasts, usually, until November. Through the winter some seafood plants cut finfish, but most close.

1.5
30
45.0
day
\$ 5.62/hr

II.d. Occupational health and safety in the industry

Public health issue have entered the seafood industry from the same two directions that they have entered the whole of the food industry: a) from concerns about the safety and nutritive content of seafood; and b) from concerns about the occupational health and safety of processing workers and fishers on the job. Historically, the public's outrage over the former has been more vociferous than the public's outrage over the latter. As Anderson and Anderson note, following publication of Upton Sinclair's The Jungle, "consumers reacted with horror, not to the plight of the dismembered or deceased laborers as Sinclair intended, but with revulsion regarding the quality of the food they were eating" (1991: 156).

I noted earlier that seafood inspections constitute one of the principal issues consuming

the industry's attention today. Occupational injury and worker safety, by contrast, seem to be of little concern to those who occupy ownership or management positions. The plants themselves boast no signs saying, "X days without an accident," as is common at the gates of Eastern North Carolina manufacturing plants. Nor do plant owners and managers stress safety issues, as is common among personnel managers of poultry processing plants.

This lack of concern does not reflect the safety of the plants. Injuries common to food processing in general are also common to seafood processing: cuts, slips on wet floors, cold stress, repetitive motion disease (cumulative trauma disorders), and pulled muscles from heavy lifting all occur in seafood plants (personal communication, Richard Ambrose, North Carolina Occupational Safety and Health Administration, 3/9/92). In addition, some women acquire what is known as "crab rash" from handling crab.

Conventional injuries such as these tend to be confounded, however, by those that derive from the "presence" of the industry in its workers' lives. In small communities such as those throughout Pamlico County, the importance of seafood processing presents processors with the opportunity to engage in a variety of labor control strategies. The effectiveness of these strategies is enhanced by the industry's linkages with the local fishing community, its involvement in gender and ethnic relations, and its "home-grown" character. Sympathy for plant owners' class position and behavior can be seen in perceptions of the few community organizations oriented toward workers.

II.e. Community services and grassroots organizations

The seasonal, hazardous, and low-wage character of seafood process make its workers ideal candidates for the services ~~of the state~~ that one associates with low-income populations. Workers are provided no health insurance through the plants and so seek coverage under Medicare or the plant workman compensation programs. Workers are laid off periodically due to plant slowdowns and so seek unemployment insurance. Workers earn incomes that are below poverty standards and so seek food stamps, energy assistance, Aid to Families with Dependent Children (AFDC), and USDA-sponsored commodity giveaway programs.

The Pamlico County Department of Social Services (DSS) coordinates most of these services; the department itself is a satellite office of a larger system that includes Craven and Jones counties. The office also stands on the edge of ethnic or race relations in the county, acting as a buffer between Black and White, a position structurally similar to the county sheriff's office yet substantively quite different. In the popular view, the DSS administers services to the Black and low-income community with taxes drawn from the higher income, largely White community members who control most of the county's wealth. The DSS is viewed, at least by seafood processors, as the agency that has been undermining the reliability of the industry's workers by providing the support listed above. An interview with DSS employees in 1985 revealed clear antagonistic relations between these employees and the seafood processing plants. Today the DSS remains a focal point of dispute in the county, receiving heavy criticism.¹⁶

Must please since bars also supp. the low wage ind.

Other than the state supported community organizations, as is common among Black and Hispanic groups, a variety of churches coordinate support for those in low-income occupations and neighborhoods. Church-based forms of support, however, simply build on services provided by the state, generating or organizing community support for the elderly, for example, or for those whose roofs are in need of repair. Churches tend to deal with the consequences of poverty, like the DSS, without challenging the roots of poverty itself.

III. HOUSEHOLD COPING STRATEGIES

III.a. Networks, job access, worker resistance and labor control

In a variety of works I stress the "network" and family bases of recruitment into seafood processing, emphasizing the role of network recruiting in labor control or worker resistance. Whether or not having one's kin or friends in the plant is a source of power among workers or a source of control among employers depends on developments in the wider formal and informal economies. Expanded economic opportunities, low unemployment rates, and low levels of immigration into a region combine to benefit workers: the networks of workers in the plants may be used as tools of worker empowerment, since workers are capable, by virtue of ties of kinship and friendship, to agree to such behaviors.

And have threat of job and

With shortages of economic opportunities, rising unemployment, or high levels of immigration of low-wage workers, however, networks of workers in plants operate to the benefit of employers as tools of labor control. Simply, employers can threaten to punish all network members for the misbehavior of a single member.

Under these conditions, it becomes beneficial for workers to undertake their own expansion of their economic opportunities, especially when it is beyond their capacity to restrict immigration or reverse rising unemployment. Conventional methods of this include enrolling in training programs or emigrating into areas with robust economies. In Pamlico County, as in many rural areas that host high-turnover, seasonal, hazardous, and unpleasant industries, expanding economic opportunities also occurs by means of drawing upon both the formal and informal economies while simultaneously pooling survival skills to allow movement among different sectors of economic and social support. This includes drawing upon all the skills in the household to secure a number of jobs, as well as working in the informal sector.

III. b. The informal economy

Pamlico County's overall economy is composed of a relatively few obvious formal components compared to the economies of bustling, urban areas. Forestry, fishing, agriculture, phosphate mining, tourism and real estate, financial and insurance services, retail trades, transportation, public works and services, and seafood processing account for most of the formal economic employment. This predominantly rural, relatively undifferentiated economic base, however, conceals a far more differentiated, diffuse, and small-scale informal economy that provides incomes to what appears to be at least every one in six to ten households. I emphasize "appears to be" because it is by appearances alone that we can estimate the importance of the informal sector. Most of the goods produced, repaired, traded, or absorbed by this sector -- as part of its definition -- never enter official statistics regarding employment, income, retail sales, and so forth. Despite this, the informal sector builds on and contributes to the formal sector in important ways.

The informal sector in Pamlico County consists of services that range from unskilled (e.g.

stump removal, maid services) to skilled (e.g. engine repair, cosmetology, painting), as well as a variety of productive and extractive activities, including silk screening, crafts production, gardening, hunting, dog breeding, fishing, and even the processing of foods for street vending, a favorite throughout the Third World. The estimate of one in six to ten households derives from driving along the principal county roads and making counts based on either the litter of industry ~~of the compounds~~ one encounters or the signs telling of the services for sale. The "industrial compounds" are usually composed of two or more dwellings and a work space consisting of the scrap of the productive activity; the services usually boast little more than a sign. Without stopping and interviewing the residents, it is impossible to know what percentage are licensed or otherwise counted in the formal sector. Nevertheless, they tell of a population willing to operate small-scale economic enterprises out of their homes (a mark of informal economic activity) and of one used to drawing a multiple paths of survival.

III.c. Multiple survival strategies

In addition to engaging in informal economic activities, Pamlico County's seafood workers pool their survival strategies through what might be called "creative consumption." This takes place, primarily, in the realm of housing. As often as we find households with the cluttered work spaces telling of informal economic activities, we find home households and home "compounds" that have been constructed in light of the high costs of housing. Martha Tompkins,¹⁷ a veteran of the industry, exemplifies this:

Born in 1940, Martha has lived all her life in the predominantly Black community of Maribel, North Carolina. For 15 years, on and off, she has found work in the seafood processing plants; currently she works in a plant in Stonewall, five miles southeast of Maribel, but she has also worked in the plants in Lowland, about fifteen miles to the north. The only other work she has done is farm labor, picking vegetables for farmers around Pamlico County. She dropped out of school after the ninth grade, and went to work in the a crab plant where her mother worked. Her mother, now seventy, has retired from crab picking; she keeps house with one of Martha's daughters their 8-member household. In addition to her mother, she lives with two nieces, ages 28 and 19, two nephew, ages 30 and 9, and a daughter and son aged 28 and 24, respectively. The two nieces and the elder nephew also work in the crab factories, and her son occupies an unskilled position in a local feed company.

In addition to extended families living together, it is common to find groups of two to four dwellings on a single lot, housing an extended family. While the average number of persons

per household among Pamlico County seafood workers is only 3.1 (sd=2.073), households in the 1985-86 sample ranged from 1 person to 8 persons (Griffith, forthcoming). In the county at large, nearly one quarter of the population live alone (U.S. Department of Commerce 1991); only around 19% of the seafood processing workers, however, can afford to live by themselves. Ranging in age from 18 to 59, workers have an average of 11 years (sd=9.317) of experience in seafood processing; for fully half the population, the seafood processing job is the only job they have ever had.

With other members of their households, however, Pamlico County's seafood workers challenge the conservative, blaming-the-victim image of poverty. It is most common for at least two people in a seafood processing worker's household to be working in the formal economy, with some households having as many as five individuals working. In Beula Williams's household, for example, her crab-picking position is but one of four positions that allow the household members to engage in informal activities:

Beula Williams, age 51, lives within walking distance of a seafood processing facility that sits directly on the water. Her own house, on the same road as the processing facility, allows her and her family access to the water as well. Beula's husband works for a large mining facility in Beaufort county, although they have never hired him as a permanent employee; instead, he works on contract with them as part of a cleaning crew. He also works part time as a security guard. Beula's son, at 19, occupies what she calls a "little job" at another local crab house, helping to load trucks two nights a week. Her eldest daughter, Angie, 23 years old, works alongside Beula at the crab house. Also living with them are another daughter of 14 and a granddaughter of ten months. During the off season, Beula cleans houses for people. Her only other job has been one of planting and digging potatoes for local farmers.

Within these multiple paths of survival, clearly, the seafood plants of Pamlico and nearby counties have, historically, played an important part. The extent to which they will remain cornerstone occupations to struggling households, households whose only hope lies in pooling consumption and income-generating behaviors, is currently under negotiation, as processors, with increasing frequency, turn away from local labor and import workers from over 3,000 miles away.

FUTURE DIRECTIONS: IMMIGRANT LABOR IN SEAFOOD PROCESSING

Seafood processing shares a number of features with other sectors of food processing. Its seasonal character differentiates it from poultry processing and meat packing, yet underlies

similarities between seafood processing and other rural industries involved in food production, handling, and processing. Its seasonal character also underlies its use of H2b workers, who are imported to work on a temporary basis only. At the same time, the organization of work in the seafood plants and the dynamics of recruitment bear striking similarities to those found in poultry processing and which are becoming more common in meat packing.

IV.a. The case of Mexican H2 workers

At the heart of the new labor process of the various sectors of food processing -- the feature that seems to be uniting them into a common labor process -- is the growing reliance on new immigrant workers. This practice is not new to meat packers, as Sinclair's work makes clear, despite shifts in labor sources from Eastern Europe to Mexico, Central America, the Caribbean, and Asia. We noted earlier that neither is it new in seafood processing. In addition to the Asians refugees who recently "saved" the seafood industry in Alabama (Thomas and Moberg 1990), seafood processors have used Chinese, Samoan, Italian, and Portuguese immigrants at various times and in various places throughout the industry's history. The use of new immigrants is, however, new in Pamlico County, where importing Mexican, predominantly female workers rests upon a little known but effective visa classification known as H2-b.¹⁸

Whatever disadvantages accompany relying on a resident labor force -- a labor force with its own sources of power and its own patterns of social reproduction and transformation -- dissolve under conditions of the immigration of workers low-wage, unskilled workers into a region. This is particularly so with workers who have been imported specifically to occupy these seafood processing jobs. The use of Mexican workers has been justified on the grounds that there are insufficient workers to staff the plants from the local populations. This situation, after nearly a half a century of using local Black women, allegedly has developed from demographic and economic roots: on the one hand, they point to the aging of the labor force and the fact that younger workers won't do this work; on the other, plant output has been increasing along with increasing demand for seafood, of which crab meat is among the top ten best-sellers, creating an increase in demand for labor. It may be, however, that the local younger Black workers simply

use → employment

do not accept their subservient status as willingly as did those Black women whose working lives began prior to the "awakening" of Black pride and ethnic/class consciousness that occurred through the 1960s and finally penetrated places like Pamlico County in the 1970s.

In any case, Pamlico County processors have been using Mexican workers for only three years, yet already they have begun "inventing tradition" regarding the use of foreign labor, as well as justifying their use of foreign workers in other ways. While only one processor imported Mexicans in 1990, just a year later at least two other Pamlico County processors and a neighboring Beaufort County processor used the H2 program to import Mexicans. Other crab picking facilities in Maryland and Virginia have also begun drawing on H2 workers, along with the general increase in the use of H2 workers in North Carolina agriculture (primarily tobacco and pickling cucumbers) since the passage of the 1986 Immigration Reform and Control Act. The use of the Mexicans has not been without dispute in the community; some residents have expressed fears concerning the Mexicans' arrival in communities as small as Oriental and Arapahoe.

Importing Mexican workers involves not only certification by the local labor department, who must determine that there are no local workers willing to work, but also involves housing the migrants. In April of 1991, one of the residents of Arapahoe complained before a public meeting about a seafood processor building housing for Mexicans. The processor assured him that the 28 women and 6 men would be "escorted most of the time" (Pamlico News, April 10, pps. 1 & 17). This was simply the first in a series of public apprehension about the use of migrants, stimulating reassuring responses by processors and others that the workers posed no problem for the small communities of the county. Among the responses in local newspapers were claims that: 1) the Mexicans were not taking jobs away from local workers; 2) the Mexicans had not applied for any assistance from the DSS; 3) the Mexicans come to work and spend money in the local stores, not to make trouble; and 4) the use of migrant and, by extension, Mexican workers, actually has a long history in the county, being used by local farmers for 20 to 25 years.¹⁹

VI.b. Conclusion: Implications of the Growing Use of Mexican Labor in Food Processing

The use of new immigrant, Mexican labor in Pamlico County raises four issues which may define some of the principal dimensions of the changing labor process in food processing throughout the United States, issues that will inform the character of community action oriented toward low-wage, food processing workers:

First, linkages between food processing and agricultural labor markets (where migrants are likened to H2 workers) are likely to expand and become more complex in the future, which may lead to changes in recruitment systems, patron-client relationships, work organization, etc. in the processing plants based on models drawn from agricultural labor processes.

Second, housing is likely to become an increasingly important component of employment, even in cases where employers do not provide housing directly but influence the development, say, of trailer parks or other low-income housing alternatives (Benson 1990). Tapping into programs such as H2, further, may select for single-sex, dormitory-style housing as opposed to family housing, which may influence the structure of low-income households and neighborhoods.

Third, the use of labor intermediaries (crew leaders, labor contractors, ethnic foremen, etc.) is likely to increase with the growth of foreign-born, immigrant workers, especially those drawn from agriculture.

Finally, we can expect to see an overall "Latinization" of food processing and the neighborhoods of food processing workers. While this is an uneven process, it is clear that Latin workers are rapidly becoming the preferred labor force among food processors. As Mexican and other Latin American workers, overwhelmingly, define the character of the food processing labor force, it will be necessary to understand in more detail the cultural history of Latin America and the place of labor within those societies.

Notes

1. According to Anderson and Anderson (1991): "In the 1990 session of Congress, seven alternative seafood inspection bills were presented."
2. Although this work concerns seafood (technically, products of the sea), the consumer's tendency to lump all fish and shellfish together into a the generic cognitive category of "seafood" underlies my decision to place lake and river fish and shellfish into this category as well (Griffith and Johnson 1988).
3. For example, in the New Jersey surf clam fishery, this occurred when the National Marine Fisheries Service restricted access to two varieties of clam by issuing Individual Transferable Quotas (ITQs) to owners of fishing vessels. ITQs represent only one of a handful of management tools used to encourage rational economic behavior -- in the neoclassical sense -- in common property settings. ITQs effectively privatize the resource, allowing only those vessels with quotas into the fishery as well as limiting the amount of clams the ITQ-holder is allowed to harvest. McCay and her colleagues (1989) document two effects of the introduction of ITQs in the surf clam fishery: crew consolidation and fishery diversification. Crew consolidation involved using the same crew members on two or more vessels, which in turn resulted in: (1) reducing the number of people on the payroll; (2) making it possible to select for the more productive, more reliable, and less injury-prone workers; and (3) lowering liability insurance premiums" (McCay, et al. 1989: 315). Fishery diversification involved moving from a specialty surf clamming operation to one that engages in surf clamming (an inshore fishery) and ocean quahogging (an off-shore fishery), introducing more of the inferior quality quahogs to the processing sector. Moreover, McCay and her colleagues found that response to the ITQ system varied based on vessel size and vessel ownership: processor-owned vessels were able to diversify more successfully than independently-owned vessels, which made it easier for them to keep crews employed for longer periods as well as less prone to consolidate crews. Although McCay and her colleagues mentioned this only indirectly, both of these effects would make processor-owned vessels more competitive in terms of recruiting highly skilled captains and crew and keeping processing plant workers employed through the year. Again, capital concentration in the processing sector may occur as the more vertically integrated firms are able to keep labor and capital more productively employed. This is balanced, however, by other pressures to cut ties between harvesting and processing sectors.
4. Writing about the tuna industry, Floyd states: "...the U.S. [tuna] processing sector reacted quickly to increasing competition in the international tuna industry. Their first action was to begin severing their relationship with the U.S. purse seine fleet in the early 1980s. This allowed processors to take advantage of the oversupply situation on the world market and import frozen tuna at lower prices than those available from U.S. fishermen" (1988: 220).
5. The complexity of packaging extends to the restaurant sector, where packing includes the service, the restaurant's "ambiance," the garnishes on the plate, and so forth. Nevertheless, the restaurant sector is the segment of food retailing most resistant to the ways in which further processing contributes to the standardization of foodways; ironically, value-adding in this sector sometimes means attempting to reconstitute a food to its previous, seemingly more natural, less processed condition.
6. An example of the relation between product development and plant conditions comes from the poultry processing industry: whereas producing whole birds requires individuals standing between four and five feet apart on the disassembly line, producing boned breasts requires a labor force whose workers stand shoulder to shoulder.
7. Focussing on the worker's control over the product that is destined for market -- that is,

control over the commodity, or the product's exchange value -- lies at the heart of Classical Marxist notions of alienation, of the appropriation of surplus value, and of exploitation. That this dimension of seafood processing varies to the extent described in the typology erects barriers against the joint processes of class formation and capital concentration that occur in the industry, making these processes particularly uneven and far from unidirectional, though still important. This unevenness, moreover, further justifies drawing upon comparative work among other direct producers, particularly peasants, and the ways in which direct producers' controls over the products of their own labors and investments (of capital, space, and time) affects their social relations and their perceptions of capitalist hegemony...

8. Although the act of fishing itself is predominantly a male enterprise, the processing and marketing of a fisherman's own catch draws heavily on the labor and expertise of fishing wives. In eastern North Carolina, this occurs to such an extent that women have assumed the principal managerial positions, exercising considerable authority over and making production decisions for their fishing husbands, in a number of the seafood houses.

Indeed, many seafood houses that act primarily as central certified locations for families to process their catch are managed by women, even though their licenses may be in their husband's name. Usually, these are fishers' wives, who process their husbands' catches alongside the others yet also attend to the paperwork of licensing, taxes, sales, etc. As processing leaves the realm of the multi-household, however, as the structure includes more strict employee-employer relations, it comes more within the domain of men.

9. The practice of performing minimal "dressing" functions on fish and then shipping them to fish markets, supermarkets, and restaurants for further processing is similar to the old system of meat and poultry processing, where butchers cut-up large cuts of beef and pork, sometimes made sausages and other cooked products, as well as received and processed whole birds. I would predict that the industry will follow the lead symbolized by boxed beef, canned cooked ham, and the further processing poultry plant, with larger firms and buying fish and shellfish wholesale and producing products more useful to end consumers. As this occurs, smaller firms will either convert their operations to packing-shipping (as appears to be occurring in N.C.), be forced out of business, or will exploit small market niches in the same way some specialty plants have emerged on the margins of beef and pork processing (e.g. producers of pickled pigs' feet).

10. This includes the states of Maryland, Delaware, and Virginia (all of which rely heavily on the Chesapeake Bay), the Carolinas, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas.

11. Surimi is a fish paste invented in Japan centuries ago. It is composed, primarily, of northern whitefish (usually Pollock), which is filleted, scaled, minced, washed, squeezed, and combined with starches and sweeteners to make imitation seafood products. In the U.S., most commonly, it is formed to the shape of Alaskan King crab claws and legs, flavored with crab flavorings, and dyed red to resemble crab. Supermarkets sell it as these crab "Sea Legs," most commonly, but surimi based products include artificial shrimp, lobster, scallops, sausages, and other products that combine the fish paste with real fish and shellfish.

12. As evidence of corporate interest in these types of plants, a personnel manager of a plant in Le Mars, Iowa told me that their plant, which produced a variety of fish and meat products (including breaded fish fillets), had been the target of a takeover attempt by Tyson, the poultry industry leader.

13. On March 3, 1992, an organization of restaurant chefs marched on Washington to demand a mandatory seafood inspection program, stating that it was impossible for them to determine whether or not fish had been polluted by chemicals. Failure to create such a program, they say, will threaten their businesses. This incident is simply the latest in a series of demands for a

seafood inspection program.

14. Puerto Rico, while not offering the same labor savings as Mexico, nevertheless provides seafood processors with tax breaks through section 936 of the Internal Revenue Service Code, as well as assures the big tuna companies an adequate, docile labor force through continued threats that they will move to the Dominican Republic in the event of worker unrest.

15. In many overseas locations mariculture constitutes a growth industry following modernization models pioneered by agricultural producers during the 1960s and 1970s. During the 1980s, for example, Ecuador's shrimp growers have "built 100,000 hectares of ponds and harvests have increased from only 5 metric tons in 1979 to over 70,000 tons in 1990" (Straus 1991b: 64). In many locations, the impacts of mari/aquaculture development have paralleled those of the modernization of agriculture to an almost perverse degree: loss of fishing access points to peasant fishers, the joint transformation and destruction of estuaries, the conversion of communities into labor forces for the industry, shrinking subsistence base, inflation, etc.

16. Nearly every issue of the county's main newspaper runs editorials or articles critical of the DSS, usually citing the agency's "fiscal irresponsibility" and pointing fingers at specific employees. Interviews with DSS personnel indicated that relations between DSS employees and seafood processing plant owners were hostile to the point of becoming personal -- as opposed to merely ideological or political -- conflicts.

17. As usual, this and all other case names are pseudonyms. The cases, however, describe real individuals (i.e., they are not "composites").

18. The use of the H2 class of visa has been controversial ever since the end of the Bracero guestworker program in the mid-1960s. Briefly, the H2 visa is a "nonimmigrant" class of visa, allowing its holder severely restricted access to the U.S. labor market: workers are certified to work for a single employer, and they cannot move on to other employers without either a legal struggle or their current employer's permission. The program has been likened to indentured servitude on a number of occasions and has been the target of litigation on the behalf of workers on and off over the past thirty years. Recently, the American Civil Liberties Union, in conjunction with legal aid offices in North Carolina, Maryland, and Virginia, filed suit against seafood processors who use H2b workers, charging that workers lived in servitude, were overcharged for housing, and -- due to piece rates -- were underpaid for the actual hours worked.

19. In this last case, the association between "migrant" and "Mexican" is implied throughout the article, without explicitly stating that the use of Mexican migrants is in fact quite recent, dating back to the early 1980s; prior to that most of the migrant farm workers in Eastern North Carolina were Black.

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Table 1. Changing Locations of Production: Seafood Processing in 1977 and 1989

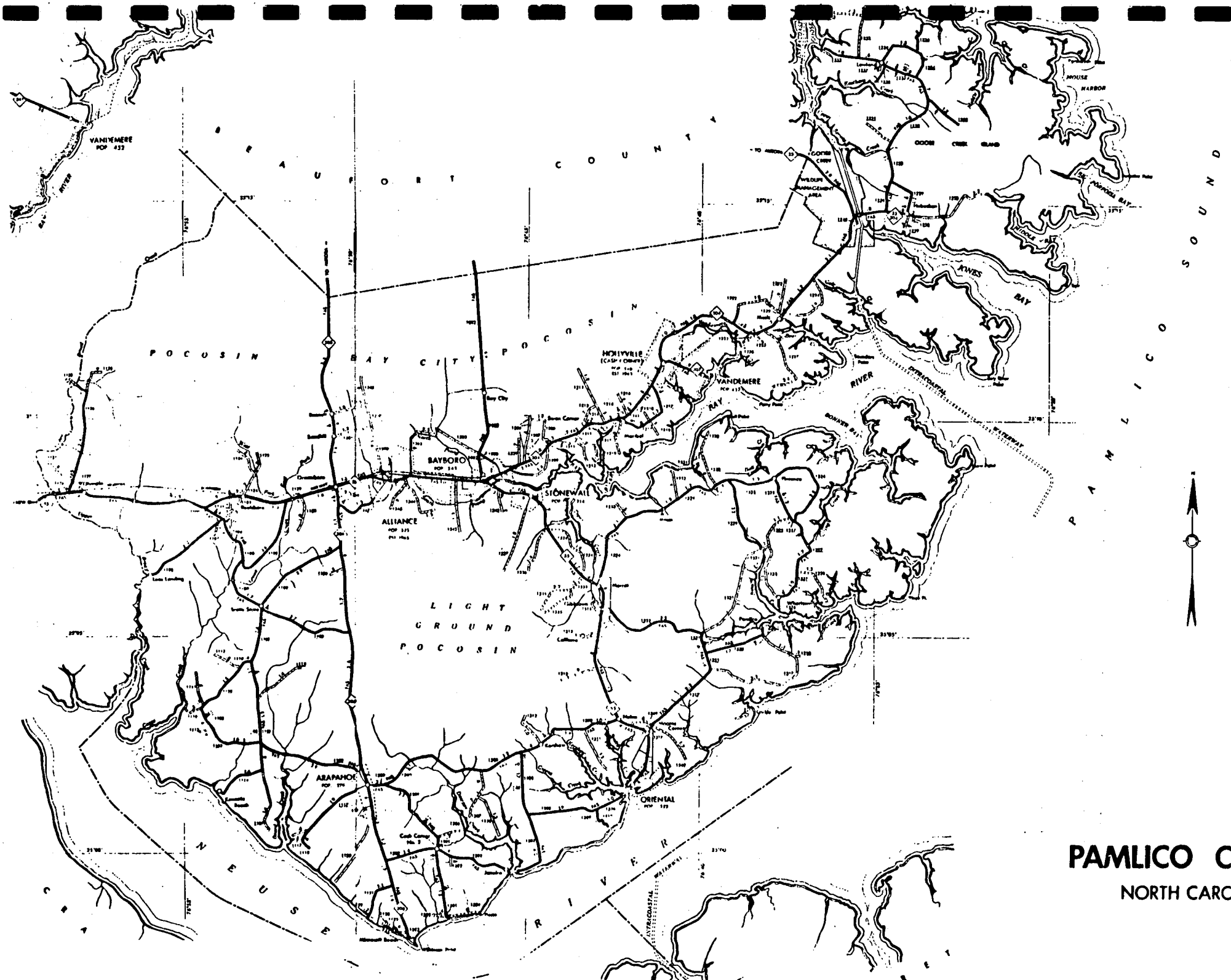
Region Year	Number of Plants		Employment	Workers/	
		Seasonal	Year-Round	Total	Plant
<u>Northeast</u>					
1977	246	9942	7903	17845	72.5
1989	252	6364	6182	12546	49.8
<u>Mid-Atlantic*</u>					
1977	317	12514	9659	19473	61.4
1989	191	7887	7472	15359	80.4
<u>South Atlantic</u>					
1977	146	5510	4266	9776	66.9
1989	167	4955	4746	9701	58.1
<u>Gulf States</u>					
1977	388	15481	11146	26627	68.6
1989	490	13549	12647	26196	53.5
<u>Pacific (including Alaska)</u>					
1977	432	28939	19612	48551	112.4
1989	556	20525	16337	36862	66.3
<u>Inland States</u>					
1977	107	2300	1965	4265	39.8
1989	39	547	540	1087	27.9
<u>American Samoa, Guam, Puerto Rico, and other U.S.</u>					
1977	24	8539	7346	15885	661.9
1989	23	12016	12013	24029	1044.7
<u>TOTAL</u>					
1977	1660	83225	61897	145122	87.4
1989	1718	65843	59937	125780	73.2

* - includes North Carolina

Table 2. North Carolina Seafood Processing Plants, 1984 and 1991*

County (1991 Plant Total)						
	Crab	Shrimp	Oysters	Scallops	Finfish	Total**
Beaufort (11)						
1984	8	0	0	0	3	11
1991	9	0	0	0	2	11
Brunswick (13)						
1984	1	3	7	0	4	15
1991	2	3	6	0	2	13
Carteret (9)						
1984	5	6	2	10	8	31
1991	4	0	2	7	2	15
Dare*** (7)						
1991	0	3	1	4	5	13
Hyde (8)						
1984	3	0	4	0	0	7
1991	5	0	3	1	0	9
Pamlico (15)						
1984	11	1	5	4	9	30
1991	12	0	1	5	9	27
Pasquotank (2)						
1984	1	0	0	0	1	2
1991	1	0	0	0	2	3
TOTAL						
1984	29	10	18	14	25	96
1991	33	6	13	17	22	91

Notes: * - includes only counties with more than 3 processing facilities; many counties have "pack and ship" facilities only. ** - double counting of plants occurs in the totals, since some plants process more than one species; however, the total number of plants, exclusive of duplication, for 1991, is presented in the parentheses following the county name. *** - 1984 data for Dare County unavailable.



PAMLICO COUNTY
NORTH CAROLINA

Lao Porkpackers in Storm Lake, Iowa:
Implications for Education and Health Provision

Background Paper for the Conference:

"New Factory Workers in Old Farming Communities:
Costs and Consequences of Relocating Meat Industries"

April 12-14, 1992

by

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IBP MOVES INTO IOWA PORK PRODUCTION

Although beef production has moved to the south and west (Broadway 1990), Iowa remains the center of hog production. Twenty-two million head were marketed in Iowa in 1990, more than twice the 8.9 million head marketed in Illinois--the second highest producer. There are some 35,000 hog farms in Iowa which are capable of raising 14.6 million hogs. A total of 166,000 jobs are directly related to the production of red meat, accounting for 11.4 percent of the state's private workforce (Des Moines Register 1991).

While IBP and other "new breed" packers have led the relocation of beef production south and west, the concentration of hog production in Iowa has kept IBP pork production in this traditional area. Five of IBP's six porkpacking plants are in Iowa, with the sixth located in nearby Madison, Nebraska. All six IBP plants are located within a 100 mile radius of the center of the world's most prolific hog production area. The Storm Lake plant is significant because it represents IBP's initial incursion into porkpacking. Its impact in terms of the displacement of old, high wage union jobs and the recruitment of immigrant workers has contributed significantly to the poverty of the local community and stress on community services.

BACKGROUND TO STORM LAKE, IOWA

Storm Lake is located in northwestern Iowa, approximately 70 miles northeast of Sioux City (Figure 1). It was incorporated in 1873 and became the county seat of Buena Vista County in 1878 (Figure 2).

The surrounding rich agricultural land and lake are the area's primary resources. Although the lake provides many recreational opportunities, emphasis has been placed on development of agricultural resources, and Storm Lake has become an important center for adding value to agricultural products, particularly pork and poultry. Corn and soybeans are the principal crops.

Storm Lake's population fell by 0.51 percent from 8,814 in 1980 to 8,769 in 1990. The current population of Buena Vista County is 19,458, representing a decrease of 3.9 percent from 1980. According to the 1990 census, Asians (mostly Laotians) constitute 3.5 percent (n=304) of the Storm Lake population, Hispanics 1.1 percent and African-Americans 0.4 percent. However, these counts are low. In April 1991, an Iowa Bureau of Refugee Services survey found 149 Southeast Asian families (504 individuals) living in Storm Lake. Of these families, 125 household heads were employed at IBP.

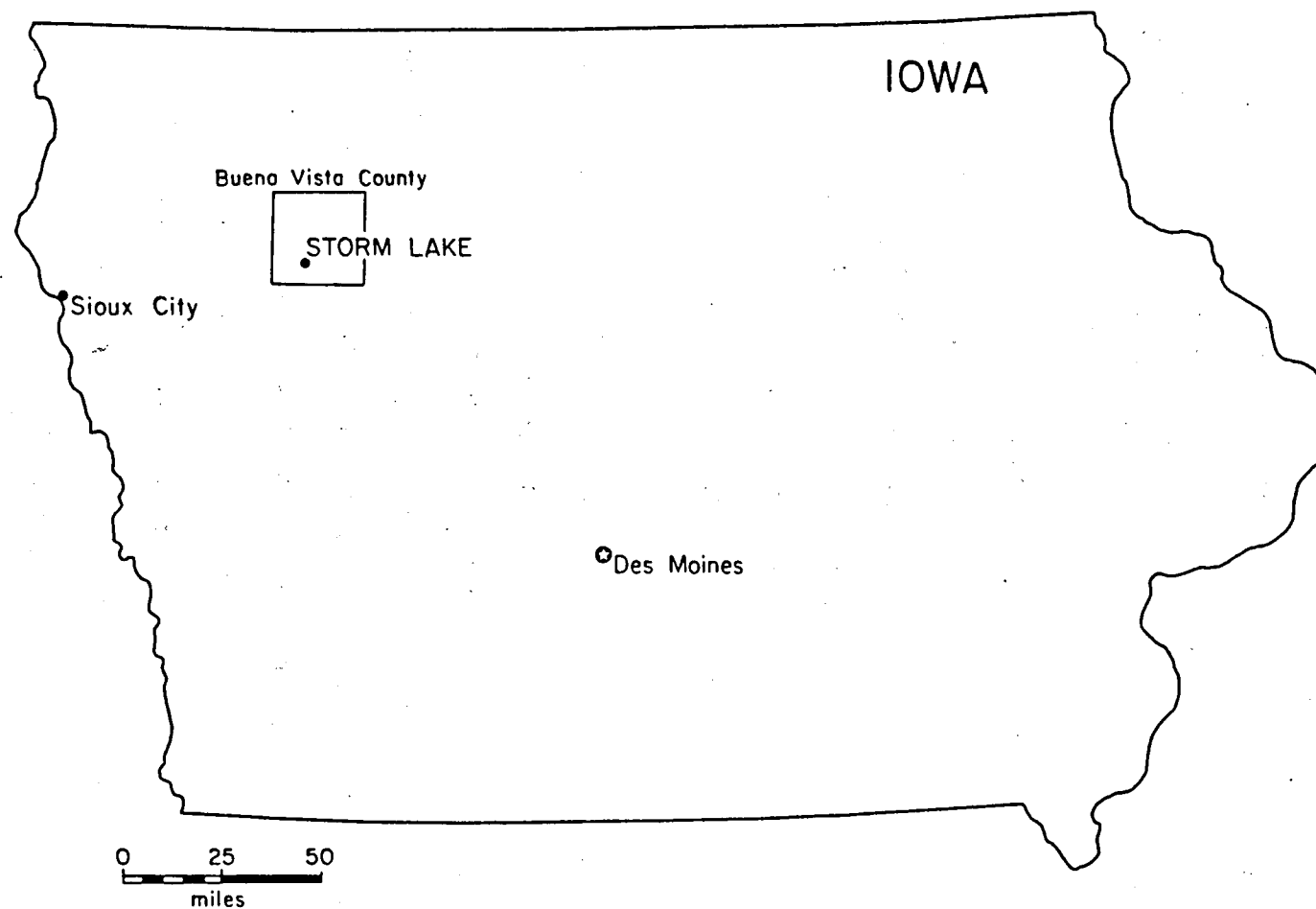


Figure 1: Location of Storm Lake, Iowa

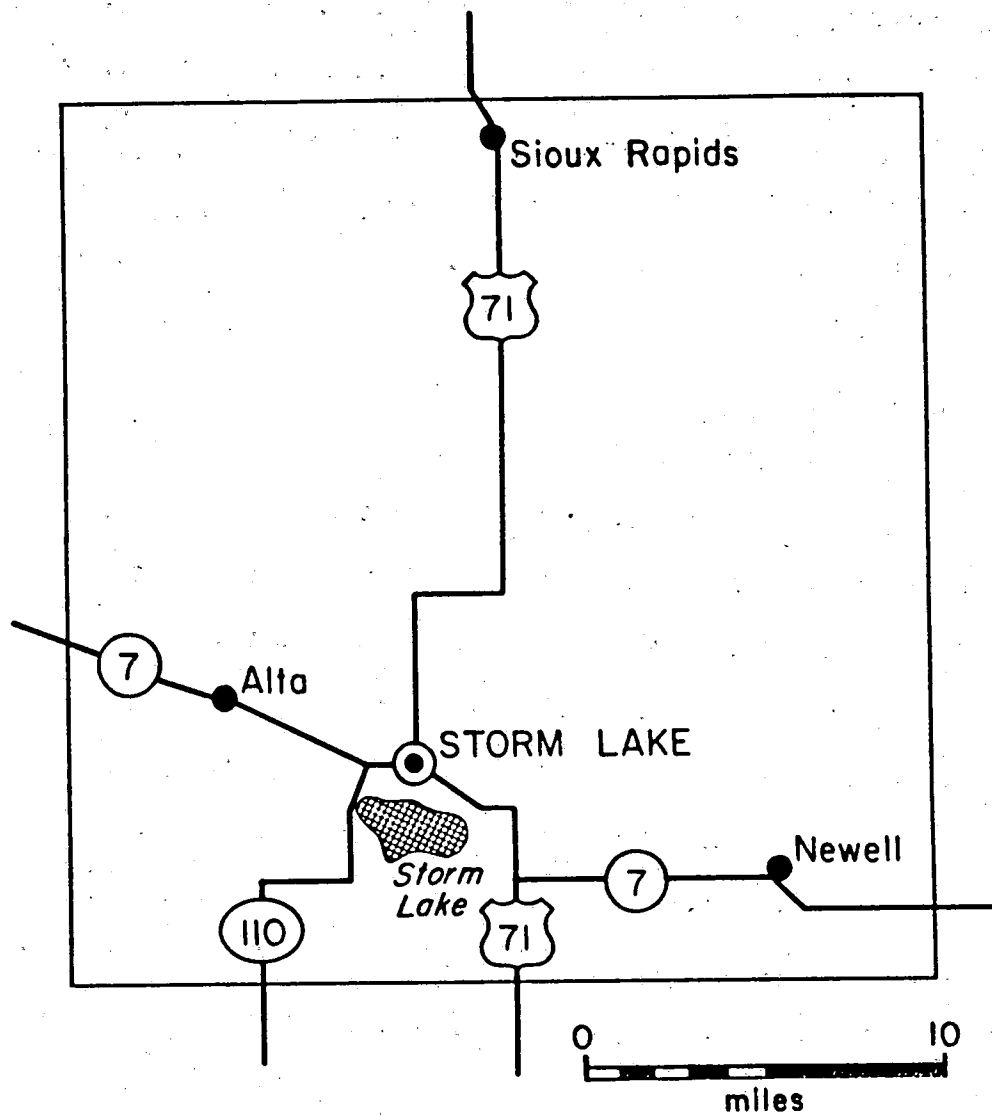


Figure 2: Buena Vista County, Iowa

While Storm Lake has experienced a recent influx of Lao meatpackers, the community has previous experience with Southeast Asian refugees. It was a designated "cluster community" for the settlement of Tai Dam refugees from the Laos-Vietnamese border from 1975 to 1979. However, this initial settlement was limited and many of these families have since left Storm Lake.

THE STORM LAKE ECONOMY

The Storm Lake economy relies heavily on food processing-- 72 percent of the community's jobs are in this industry. This illustrates the community's overwhelming dependence on adding value to local agricultural products and its vulnerability to major economic shifts (Pilkington and Padavich 1989). The major food processing employers are an IBP porkpacking plant (1,200 employees) and Bil-Mar Turkeys (500 employees).

The Storm Lake IBP plant began operations in September 1982. The former Hygrade Pork plant in Storm Lake shut down in October 1981 and was purchased by IBP the following April for only \$2.5 million.

In May 1983, IBP announced a \$10 million expansion of the Storm Lake facility. A second shift was added by early 1984, doubling the plant's workforce. With this investment and earlier refurbishment of the Hygrade plant, IBP has now spent more than \$20 million on the facility. By 1989, hog slaughter and processing capacity rose to 13,400 thousand head per day or more than 3.35 million head per year (IBP 1990).

CLOSURE OF THE HYGRADE PORK PLANT

The closing of the Hygrade operation and eventual take over by IBP is indicative of the displacement of old, unionized packers with the new breed of low-wage packers. The Hygrade Corporation negotiated with the United Food and Commercial Workers (UFCW) Local 191 hoping for a \$3.00/per hour pay cut but the local refused. The corporation gave UFCW six months notice of a planned shut down of the Storm lake facility in February 1981 but agreed the following August to operate the plant two more months to attempt negotiation of a new contract. A new agreement was not reached and the plant shut down on Friday, October 23rd (Des Moines Register 1981).

Hygrade's closing was one of several meat plant closings in Iowa during the later half of the 1970s and early 1980s. The Iowa beef industry was particularly hard hit between 1975 and 1979, when a net total of eight plants shut down with a net loss of 2,250 to 2,450 jobs (Lauria and Fisher 1983:41). Several pork plants closed as well. Five large pork operations shut down between 1981 and 1982 and two other plants ceased hog slaughter operations, eliminating about 3,300 jobs. However, the eventual reopening of three plants (including the Storm Lake IBP plant) recovered some of these positions resulting in a net loss of 2,300 to 2,600 jobs due to plant closures. At least 1,500 other porkpacking jobs were lost in cutbacks in other pork facilities. In all, 4,500 to 5,500 jobs in pork were lost between 1975 and 1982 (Lauria and Fisher 1983:41,48).

IMPACT OF HYGRADE PORK CLOSURE

The effects of the Hygrade shutdown and the eventual purchase of the facility by IBP have had a profound impact on the Storm Lake community. The closing of the Hygrade plant meant the loss of some 500 relatively high-wage unionized jobs. In 1981, the average hourly wage of meatpackers nationally was \$8.60 (Lauria and Fisher 1983:54). The average hourly wage of Hygrade workers in Storm Lake was about \$9.50 (Grey:Fieldnotes 1992). However, additional weekly income as high as \$200 was available through production incentives. Adding his hourly wage of nearly \$11 per hour and incentive pay, one former Hygrade worker estimated that his earnings during the final year at Hygrade reached \$45,000! —

This same Hygrade worker also noted the different wages paid to IBP employees. He pointed out that his weekly incentive pay at Hygrade was often higher than the current weekly earnings of an IBP worker. Indeed, the starting hourly wage of IBP workers is \$6.50. The highest available wage for line workers is \$8.30/per hour, 30 cents lower the previous national average. One Lao woman showed me her pay stubs for two weeks in November and December of 1991. Her hourly pay was \$7.55. One week, she worked only 27 hours and earned take home pay of only \$146.06, well below the \$200 of incentive pay alone available to Hygrade workers. In another week, she worked a full 40 hours and eight additional

hours were listed for holiday pay. Her gross pay was \$362.90; her net pay was only \$257.64.

When asked to contrast IBP workers and themselves, former Hygrade workers noted the high rate of turnover among the current--primarily Anglo--workers. Former Hygrade employees who work in a gas station near the IBP plant noted that IBP workers do not always live in Buena Vista County, as they did, and they come from all over the country. They stated that there was no turnover to speak of at the Hygrade plant, and it was difficult to get jobs in the plant because they rarely became available. They described the situation as a "big family."

The lower wages and mobility contrast sharply with how these former workers described themselves: local "family men" who owned homes, raised families, and supported local businesses. While new Anglo workers were noted for high turnover and arriving from areas outside of Storm Lake, new minority--particular Asian--workers were noted for often living with more than one family in a dwelling, and not supporting the community financially. (Nor can they, given lower earnings, but this connection was not directly drawn.) They admitted they are "resentful" of the changes (Grey:Fieldnotes 1992).

IMPACT OF IBP ON THE COMMUNITY: IN-MIGRATION OF LABOR

The recruitment of labor from outside traditional meatpacking communities has been well documented, as well as the impact on local communities (Stull, et al 1990; Broadway and Stull 1991). The ethnic backgrounds of workers at the Storm Lake IBP plant are listed in Table 1. Although the majority are Anglo, many have been recruited from outside Buena Vista County and Iowa. In addition, approximately one-third of the plant's workforce are immigrant minorities, many of whom were recruited from out of state.

TABLE 1: Workforce Ethnicity of Storm Lake IBP Plant
(N=1,200)

Ethnic Group	Approximate Number of Employees	Percent
Southeast Asian (Laotian and Tai Dam)	300	25
Mexican	80	6.7
Mexican Mennonites (German Speaking)	20	1.7
Anglo	800	66.6
TOTAL	<u>1,200</u>	<u>100.0</u>

(Source: Interview with IBP Personnel Director)

Recruitment strategies employed by IBP vary with the ethnicity and location of potential workers. One of the IBP personnel directors who dealt with Southeast Asians stated that he has personally visited Tennessee and California to recruit

Laotian workers. In California, he met with leaders of the Laotian community. He confirmed that a mobile recruiting team has also been used to enlist Anglo workers from Missouri, Wisconsin and Minnesota. This team, however, has travelled only on a seasonal basis as demand for workers dictates.

Informal information networks--"friends"--are important as well and these networks explain a great deal of Laotian migration to Storm Lake. Many Lao living in Storm Lake have moved there in a process of secondary migration which has become common among Southeast Asian Refugees in the United States (Mortland and Ledgerwood 1987). A 1991 survey of Southeast Asians in Storm Lake by the Iowa Bureau of Refugee Services found that 47 of 149 households had arrived from twelve different states: Louisiana, Texas, California, Utah, Tennessee, Oklahoma, Idaho, Illinois, Minnesota, North Dakota, Ohio and Missouri. Four families arrived from Washington, D.C. In addition, several families migrated to Storm Lake from towns in Iowa. All Lao families I interviewed noted that they could not find work without English skills in their previous communities and the availability of jobs at IBP led them to Storm Lake.

don't say much really

Movement to Storm Lake is representative of strategies employed by refugees to confront the many challenges of life in a new country, particularly as their refugee government benefits expire. Leaving the site of initial placement and resettling in Storm Lake has helped these refugees gain long-term management of

their basic material and cultural/emotional necessities that could not be achieved in their former communities.

From the refugee's perspective, secondary migration is motivated not only by material needs, but by cultural factors as well. As identified by Mortland and Ledgerwood (1987), these three factors are kinship, patron/client relationships, and mobility as a historical and cultural condition. While kinship is important in terms of understanding the flexible nature of familial patterns which facilitate movement to live with "relatives," the more important factor in the Storm Lake seems to be the role of patron/client relations. These patron/client relations are indicative of the "nonmarket labor processes" described by Griffith (1987).

To satisfy long-term material needs, most Lao in Storm Lake have sought employment at IBP. However, their sources for initial information about these jobs, and the eventual adjustment to Storm Lake, often represent variations of patron/client relations. Contrary to predominate American expectations which emphasize independence for individuals and families, Southeast Asians seek to gain greater interdependence among fellow countrymen in order to access needed resources. "When a refugee is making the decision to secondarily migrate he is attempting to plug into one of these networks of interdependence, into a system that he recognizes and knows he can rely on" (Mortland and Ledgerwood 1987:313). Ironically, while attempts to seek interdependence among Lao in Storm Lake help them survive, it

interdependence

does not completely relieve them from the poverty associated with low pay and inadequate health insurance provided by IBP.

Personal contacts are essential to survive and necessary information and assistance can often only be obtained through entering networks of patron/client relations. For example, while information about work at the Storm Lake IBP facility has been transmitted by IBP itself--sometimes through contact with refugee "leaders" in other states--more often this information is spread through personal contact with Lao already living in Storm Lake.

These suppliers of job information gain the loyalty of new employees and become patrons not only because of their appreciation for help finding a job, but for their assistance in such essential matters as finding housing.

This informal network for information and resettlement is encouraged by IBP to work more effectively with two strategies. The first involves monetary awards for workers to refer new employees. For every new employee that works for 90 days, the worker who recommends them receives \$150. Incentives for new workers to come to Storm Lake are employed as well. One-hundred dollar loans are available to new employees, as well initial motel expenses. IBP is no longer paying for bus tickets or for mileage on personal cars, as it had previously.

The second IBP strategy which encourages informal mechanisms for recruitment involves the employment of a Southeast Asian Personnel Director, a Lao man who speaks English fluently and has become an American citizen. Not only has he been instrumental in

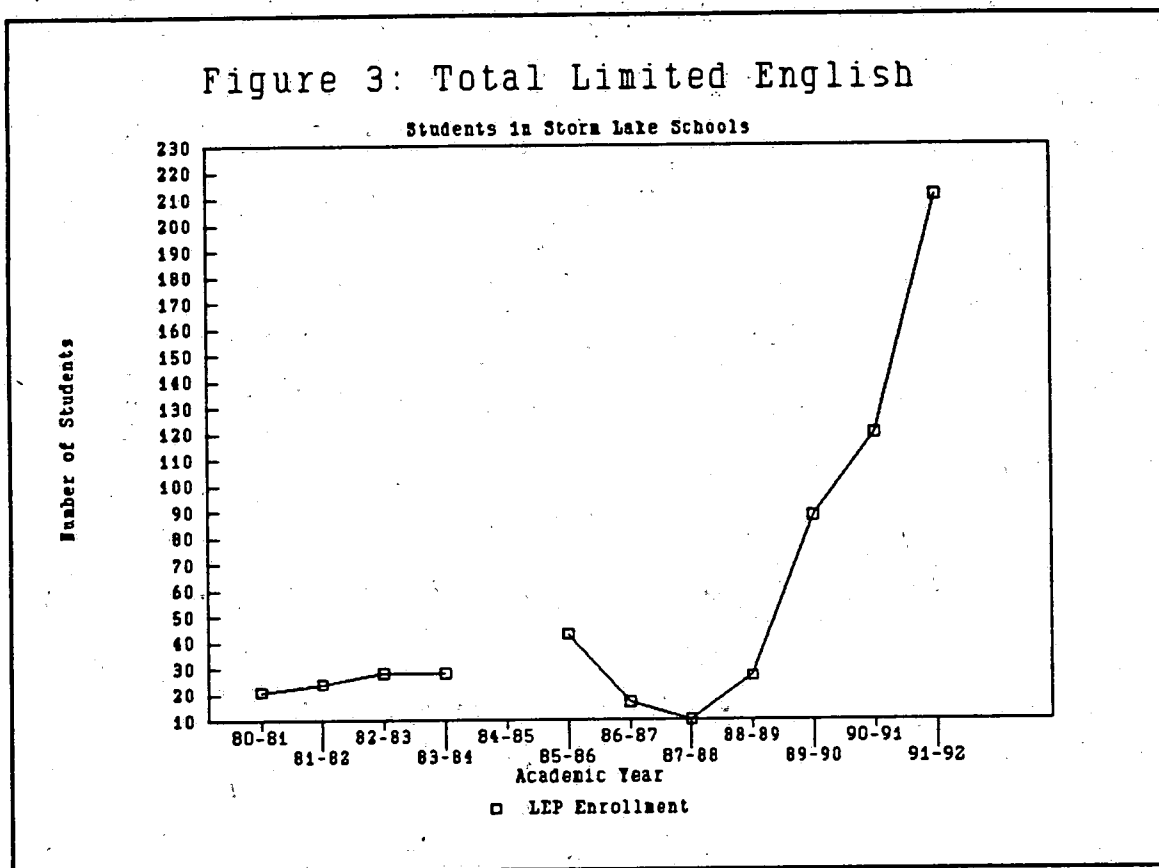
recruitment efforts, but IBP encourages him to assist the Lao community and Storm Lake health sector by providing translation (often on an emergency basis). This employee becomes essential to the adjustment and maintenance of the Lao community. As long as the community has its essential needs met vis a vis the formal service sector with this IBP employee, he becomes a patron himself. Lao employees who don't speak English well become his de facto clientele.

Interestingly, all Laotians interviewed stated that they intend to stay in Storm Lake as long as jobs are available at IBP. This point has been supported with a review of school transfer records. Since 1987, only twelve Southeast Asian families with school age children have requested transfer of records to another district.

IMPACT ON STORM LAKE SCHOOLS

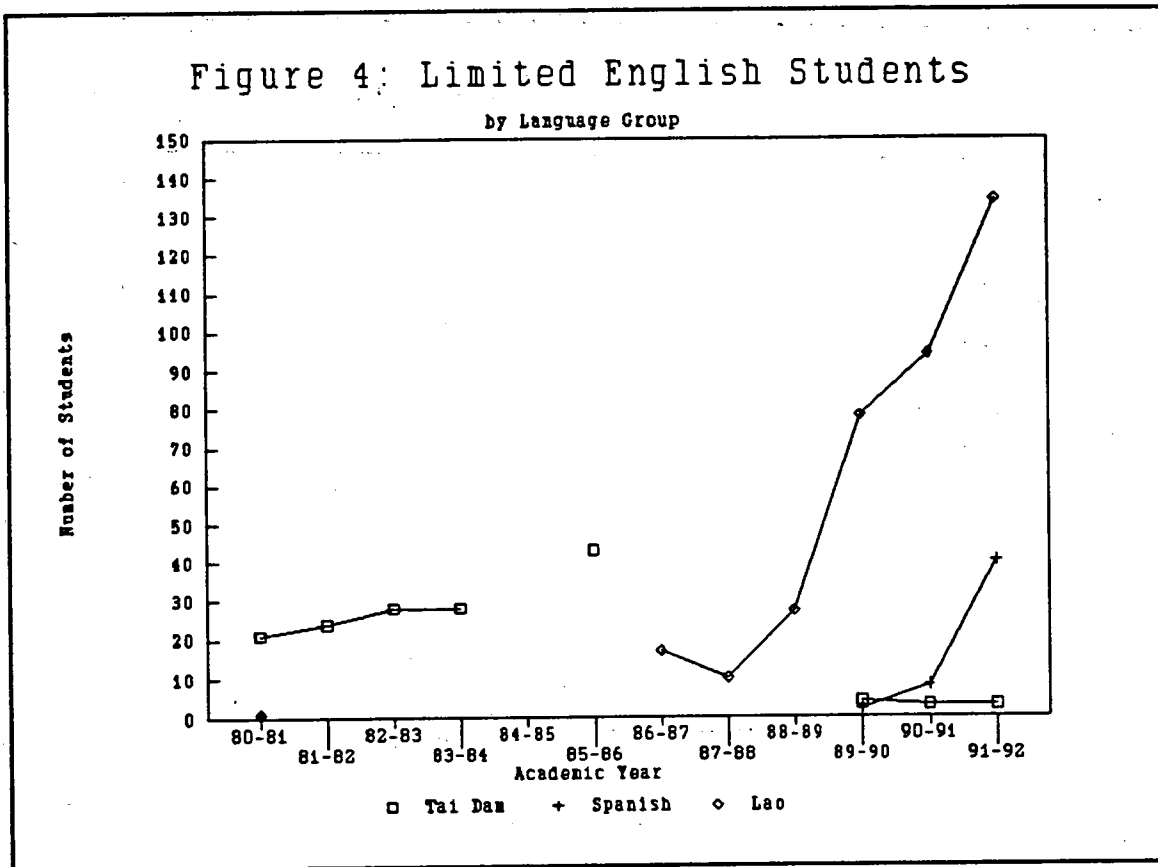
Enrollments of limited English proficient (LEP) immigrant and refugee students have risen sharply since the 1987-88 school year (Figure 3). The recent surge in LEP enrollments consists primarily of Lao and Spanish speaking students. The growth in these particular populations--as well as the decline of Tai Dam enrollments--is illustrated in Figure 4. The total number of LEP students reported to the Iowa Department of Education has risen dramatically as a result, with 211 reported for the 1991-92 school year. Increasing enrollments of LEP students have forced the school district to expand its English as a Second Language

Figure 3: Total Limited English



(ESL) program. Two full-time and two half-time instructors have been hired, as well as four aides. Currently, the district receives \$175 thousand in federal funds to operate the ESL program. However, an increasing proportion of this funding will become the responsibility of the district.

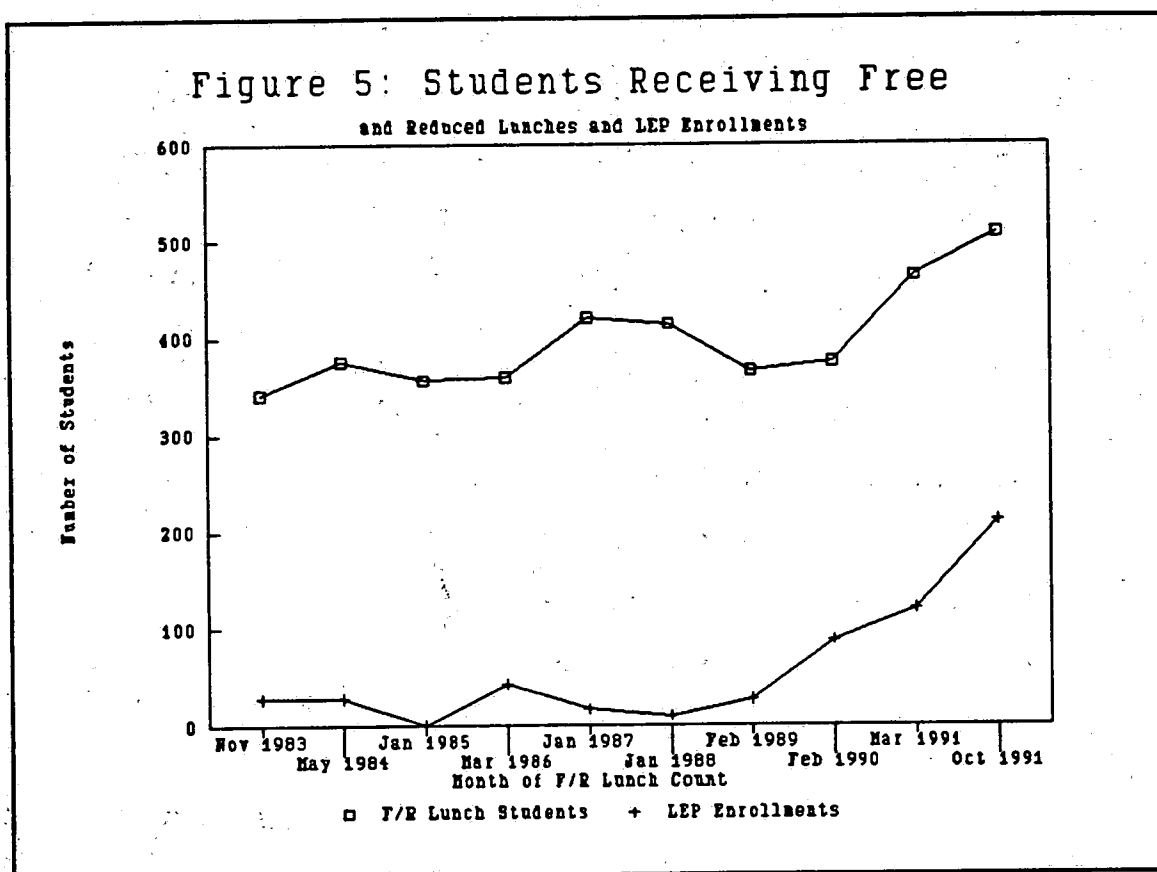
While enrollment trends indicate growing numbers of immigrant students, Storm Lake schools have also experienced growth in the number of students who receive free or reduced-price lunches, an indicator that many new students are from low-income families (Figure 5).



In 1985, 26 percent of all students (357) received free or reduced lunches. By October 1991, the number had grown to 30.83 percent (508) of all students.

Strict confidentiality guidelines prohibit examination of records to determine whether individual LEP students receive free or reduced price lunches. But there does seem to be a statistical relationship between the numbers of students with these characteristics. Figure 5 also illustrates the total number of LEP students over the last 9 academic years. Between November of 1983 and February of 1989 the relationship seems detached, but from February 1990 on, the rise in students receiving lunches is accompanied by a rise in the number of LEP students.

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ACCESS TO AND USE OF HEALTH SERVICES

In addition to private care, two public health services utilized by Laotians have been identified: Buena Vista County Hospital and Buena Vista County Public Health Department. Their services are being underutilized by Laotians, yet ^{and?} both are ill ^{blat?} prepared to serve them. According to one Lao leader, ~~they~~ arrive with little or no understanding of community health services and how to access them. Provision of health care in their homeland relies more on interpersonal contact than formal, bureaucratic organizations.

From the perspective of the county health department, ~~they~~ require a full-time, paid translator to facilitate education, group organization, home visits and encourage participation in health department services. Other barriers to provision of better health education or critical health issues have been identified as follows:

1. A lack of an identifiable Laotian community which could facilitate group preventive education. Group education would be preferable to and cheaper than home visits.
2. A lack of pre-natal care and education.
3. A lack of safety education.
4. The need for more nutritional education.
5. Cancer prevention.

Many of these concerns were echoed by the administrator of Buena Vista County Hospital. He also noted that Lao patients often have diseases that are unfamiliar to the hospital's physicians. For example, he noted one patient who had three parasites previously never seen in the community.

As a county hospital, the facility may not turn patients away. Yet, the administrator noted that the hospital's indigent care expenses have not significantly grown in recent years. Unfortunately, the hospital has not kept statistics concerning the ethnic or language background of its patients. A compilation of such data would require examination of all previous treatment records.

The hospital does employ two maternal case managers who seek contacts with the Lao community. However, their efforts have met

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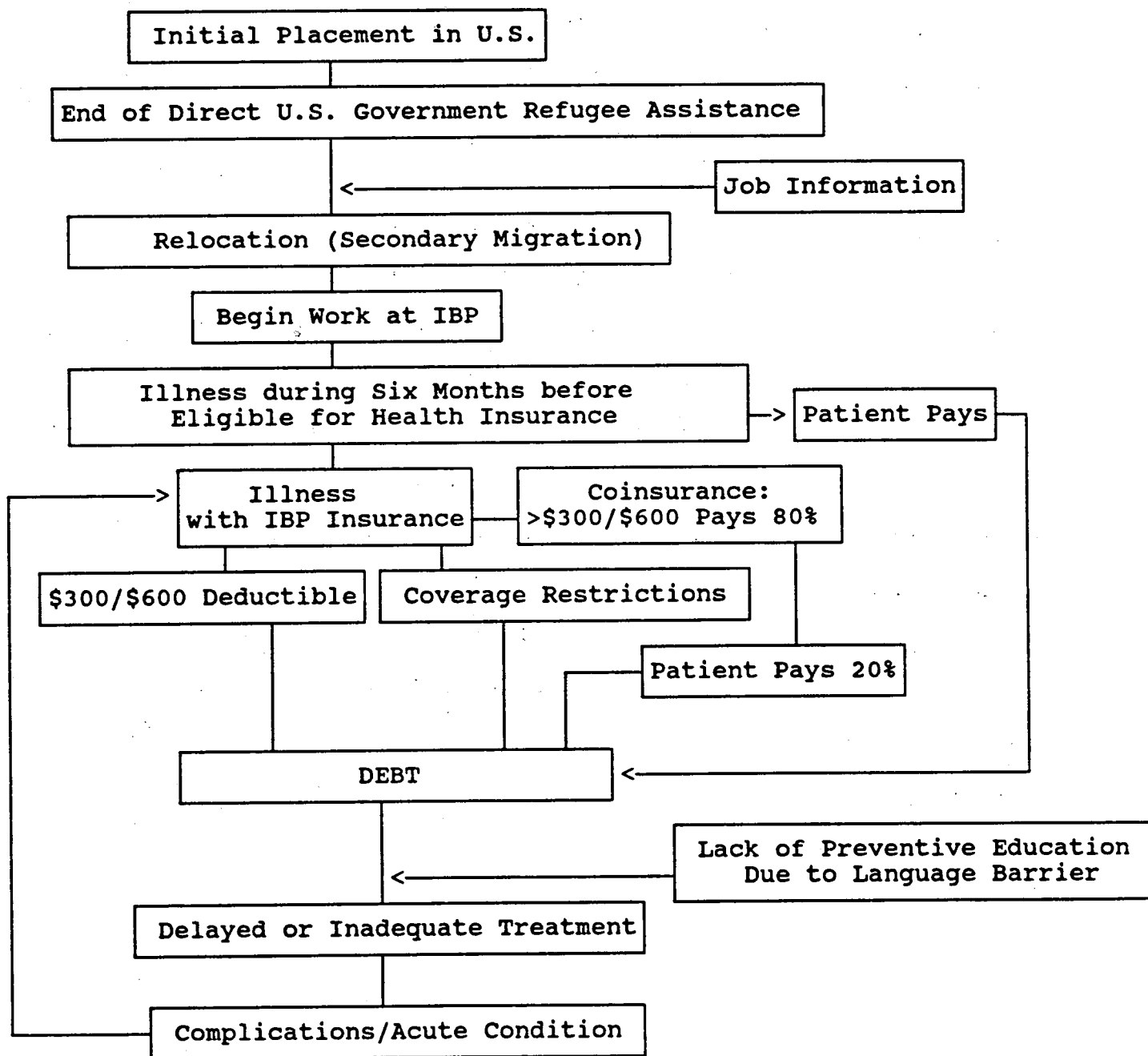
with minimal success. Three-hundred and ten babies were delivered at Buena Vista County Hospital in 1991, of which 22 were to Laotian mothers. Only two of these women, however, received childbirth instruction and/or prenatal care.

COPING STRATEGIES AND THE CYCLE OF HEALTH RELATED POVERTY

Ironically, attempts to both prevent and treat health-related problems on the part of Lao porkpackers contribute to an increase in their level of poverty. This cycle of poverty is illustrated in Figure 6.

After refugees are no longer eligible for direct government assistance they must find other ways to support themselves. Because most lack adequate English skills to work in the majority of occupations, they are forced to seek work where English proficiency is not required. Job information--transmitted through informal networks--will prompt families (and individuals) to migrate from the site of their original placement to the site of their new jobs. In the example of Storm Lake, they begin work at IBP.

FIGURE 6: Cycle of Health Related Poverty
among Lao Porkpackers



Workers are not eligible for health insurance benefits, however, during the first six months employment. During that time, the worker is responsible for all medical expenses--unless injured on the job. These expenses contribute to their net debt.

Once workers have secured health insurance from IBP, the \$300 individual/\$600 family deductible and coverage restrictions further contribute to the worker's debt incurred as a result of seeking medical treatment. The insurance plan will cover 80 percent of most expenses incurred after the \$300/\$600 deductible has been satisfied. However, the uncovered 20 percent of catastrophic expenses--which the workers probably can't afford--will ultimately contribute to their debt as well.

Increasing debt burdens lead to inadequate treatment--which people may avoid due to the expense--and/or delayed treatment which may exacerbate existing conditions. Inadequate treatment and/or delayed treatment can both contribute to an illness that is uncovered or only partially covered by insurance. In either case, they will ultimately add to the worker's debt.

The debt-incurred pressures to not seek or delay treatment are also compounded by a lack of available preventive health education due to language barriers. Preventable problems that are not treated or receive delayed treatment also contribute to eventual illness that will require attention, further contributing to the worker's debt load.

One Lao women who recently gave birth provided an example of this cycle. She was given six weeks of unpaid maternity leave from IBP but because she had worked at IBP for more than six months, she was eligible for IBP insurance to cover the birth (which cost \$1,400). However, she was still responsible for paying 20 percent (\$280) of this bill after the initial deductible of \$300 was satisfied. However, several other medical bills were incurred before she was eligible for insurance coverage, including basic care for her two other children and her own prenatal doctor visits. During the seven months she had lived in Storm Lake, she estimated that she has had to pay \$2,000 for medical bills!

PRELIMINARY PROPOSAL FOR BREAKING THE CYCLE OF HEALTH RELATED POVERTY

Several factors must be addressed in order to break the cycle of health related poverty among Storm Lake's Lao population. At base, an effective health delivery system will require the establishment of linkages between the relatively informal sociocultural network of the Lao and the formal network of the health system. (The connection between them now is rather sporadic and dependent largely upon two individuals--the IBP Southeast Asian Personnel Director and a Tai Dam man who has lived in the community for several years and speaks Lao.) The linkage between these networks will require several components:

Why choose this focus - do we know that pov is "health related"? What ab "wage" related? or a break for a new focus.

1. Cultural differences are secondary to language differences between the Lao and the Anglo-dominated health community. This was emphasized by all parties concerned, including many Lao interviewees. In order to provide effective preventive education and primary care, the central role of language must first be divorced from that of cultural perspectives on health. A full-time translator must be hired and trained to assist in a) delivery of verbal preventive health care education to accommodate illiterate Lao workers; b) facilitate home visits for prenatal and post-partum care; and c) provide translation for doctors visits and emergencies at Buena Vista County Hospital.

Once the issue of communication has been resolved, closer scrutiny to different cultural perspectives can be given. Despite reports of occasionally "unusual" and "interesting" health practices among the Lao, health workers have all noted the flexibility and adaptability of the Lao community. They, at least, seem confident that cultural barriers will not present major problems.

2. Health workers complain of the lack of a readily identifiable Lao community which frustrates their efforts to provide health related education. Lao community members who can provide translation are given the role of "leader" by default. But they may not be leaders as defined by the Lao themselves. Also, as all parties pointed out, there is no central point for the Lao community to gather. The only two common points of congregation are IBP and a Tai Dam-owned food store. There is no Mutual Assistance Association (MAA) or Lao "cultural center." The provision of such a central meeting place--set aside for the Lao specifically--will greatly enhance the efforts of health service workers to provide preventive education in group settings.

3. Lao families have a lack of familiarity with western health care systems. They will need to be informed of how the system works and how they can take advantage of its services.

4. There has been a (understandable) lack of coordination among the various health services in the county in terms of addressing the needs of the Lao community. Although the different roles of these providers in servicing the Anglo community may be clear, confusion about the Lao community has led to a lack of role definition in terms of how to address their unique needs. These roles must be clarified.

5. Preventive health information must be provided verbally. Numerous health publications have been translated into Lao and these are readily available. But they will not reach Lao who are illiterate in their first language--and many of the recent arrivals are.

6. Finally, IBP must take a more active role in providing referrals and health education. IBP does allow ESL classes at the plant and health information could be delivered there as well. However, IBP must not be seriously considered as an alternative to an autonomous Lao cultural center.

Also, the insurance deductible must be lowered in order to encourage more active participation in primary care.

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**Poultry and Industrialization in the Rural South: The Case
of Gainesville, Georgia**

**Preliminary Draft of Paper for A National Conference on New Factory
Workers in Old Farming Communities: Costs and Consequences of
Relocating Meat Industries**

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Introduction

This paper is a preliminary examination of the impact on North Georgia resulting from rural industrialization as manifested by the introduction of poultry processing into Gainesville, Georgia, the seat of Hall County. Since 1985 immigrants have been recruited to work in poultry de-assembly plants in and around Gainesville, Georgia. The majority of the immigrants to the poultry plants are Hispanics; a smaller number are Vietnamese. Below we look at how the regional economy has been affected by the growth of the poultry industry in North Georgia, and the new demands on the regional delivery of health and other public services. Specifically we look at the impact of these plants on availability and distribution of services in the North Georgia area, and at the responses by the community to the new rural industrialization.

Poultry in Georgia

As noted in the organizing paper for this conference the poultry is a growing industry with an annual net income of over 13 billion dollars. One out of every sixteen new industrial jobs in the United States is directly linked to the poultry industry. The growth of the poultry industry reflects two trends. One is the shift in U.S. consumer's

diet from red meat to poultry. In the U.S. poultry accounted for forty percent of all meat and poultry consumption in 1991 as compared to twenty six percent in 1981. There has also been an increase in the export of poultry to world markets, although recent exports have fallen due to the economic crises of the former Soviet Union. Georgia is one of the largest producers of poultry in the United States with cash receipts from the production of poultry and eggs at over 1.3 billion dollars.

Although the poultry industry has been established in Georgia since the second world war it has grown dramatically since the 1970s when ownership shifted from local to international firms. The growth in poultry was spurred by three factors. The first was the national trend to reduced red meat consumption, the second the phasing out of the textile industry in Georgia providing cheap local labor in the early phases of the industry, and third the recent influx of an immigrant labor force at the time when local labor sources are becoming harder to secure (Saindon 1991).

The meat industry has a whole has relied on a segmented labor market , women, mainly rural, but both black and white, those who have few alternatives. In the last ten years the poultry industry, plagued by high turnover among the the traditional labor force (estimated as high as 300). In Hall county alone the growth of Hispanics, mainly Central

Americans, has been dramatic. In 1980 the census listed 500 Hispanics, as compared to 4000 form 1990. Although the figures are undoubtedly undercounted the growth rate of 800% reflects the changes occurring in this predominantly rural community. This new immigrant population places tremendous burdens on the delivery of services in the predominantly rural, Hall County. In the following pages we discuss how the recruitment of immigrant labor to a small rural area has affected the regional economy and the burdens it has placed in the rural delivery of health, educational, and judicial services.

Gainesville - Poultry Capital of the World

Gainesville, Georgia is really several cities. One, a lake side retreat for Atlanta's middle class. Located within an hour's commute of Atlanta, Lake Lanier is surrounded by first and second homes owned by Atlantans who either live there and commute the 45 miles to their jobs in the City or fill the roads on Friday afternoon and Sunday evening as they visit their weekend homes or lake boats. It is this population what is primarily responsible for making Hall County one of the hand full of rural counties in the United States with over 1 billion dollars in annual private income.

The second Gainesville is an industrial center for poultry and poultry related plants, textiles, farm implements and the related service industries associated with industrial activity and the recently arrived workers and their families drawn to this region of increasing rural industrialization.

These two new populations are uneasily integrated onto a third older population of poor whites from the Appalachians who came to work in the manufacturing center of Gainesville in the 1950s. With the replacement of the textile mills with poultry plants many of these people now find themselves out of work. The level of white poverty is indicated by the fact that 72% of the food stamp recipients in Hall County are white. The comparable state figure is 29%. The black population in the area is historically small and its percentage is decreasing.

Population

Gainesville is the county seat of Hall County which has just over ninety five thousand (95,248) residents. The city has just over eighteen thousand (17,875) people with an additional thirty three thousand (33,283) in its suburban areas. The area has historically been white, with the black population significantly lower than the state's average. In 1990 the Black population was 8% compared to the state's rate of 27%. Over the past decade Gainesville and Hall county have experienced a growth rate significantly higher than

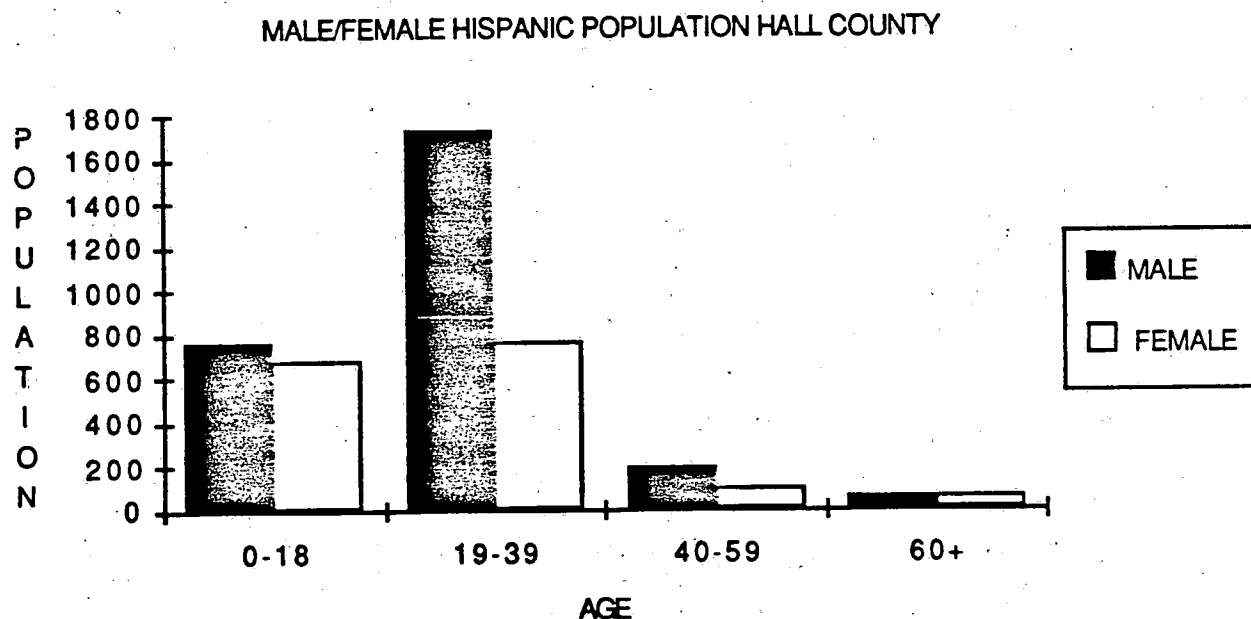
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Georgia as a whole. The overall increase in population in the area around Gainesville was 27% as compared to a figure of 19% for the state of Georgia. Much of the population growth in the area has resulted from the expansion of two main arteries, linking Atlanta with North Georgia making it easier for residents to commute to work in Atlanta or own second homes in "The Mountains" as Atlantans put it. The Mountains area has also become a retirement home for many with the over 60 population increasing from 13% of the population in 1970 to 16 in 1980.

Since the 1970s immigrants have been coming to the Gainesville area to work in the poultry plants but the most dramatic growth has been ~~in the~~ since 1985. In 1980 the U.S. Census counted 550 Hispanics whereas the most recent census figures are just under 4000. Other estimates of the number of Hispanics are as high as 15,000. Hispanics are the largest immigrant group to work in the poultry plants, but Vietnamese have worked at the plants also. There is a small community of Vietnamese in Gainesville, and others who work at the poultry plants in Gainesville and commute home on weekends to their families in Atlanta.

The age structure of the Hispanic and Asian populations differ from that of Georgia as a whole reflecting the immigrant male work force. Trough age 18 there are only slightly more males than females. In the age categories of

19 through 39 years, however there are more than double that of the female population. For the age categories of 40 - 59 the distribution is double the number of females. At age 60 the population figures drop and the sex ratio evens out. Although the number of Asians reported in the 1990 census is much lower, a similar age sex ration holds from ages 20 to 34 years, where there are double the number of males to female.



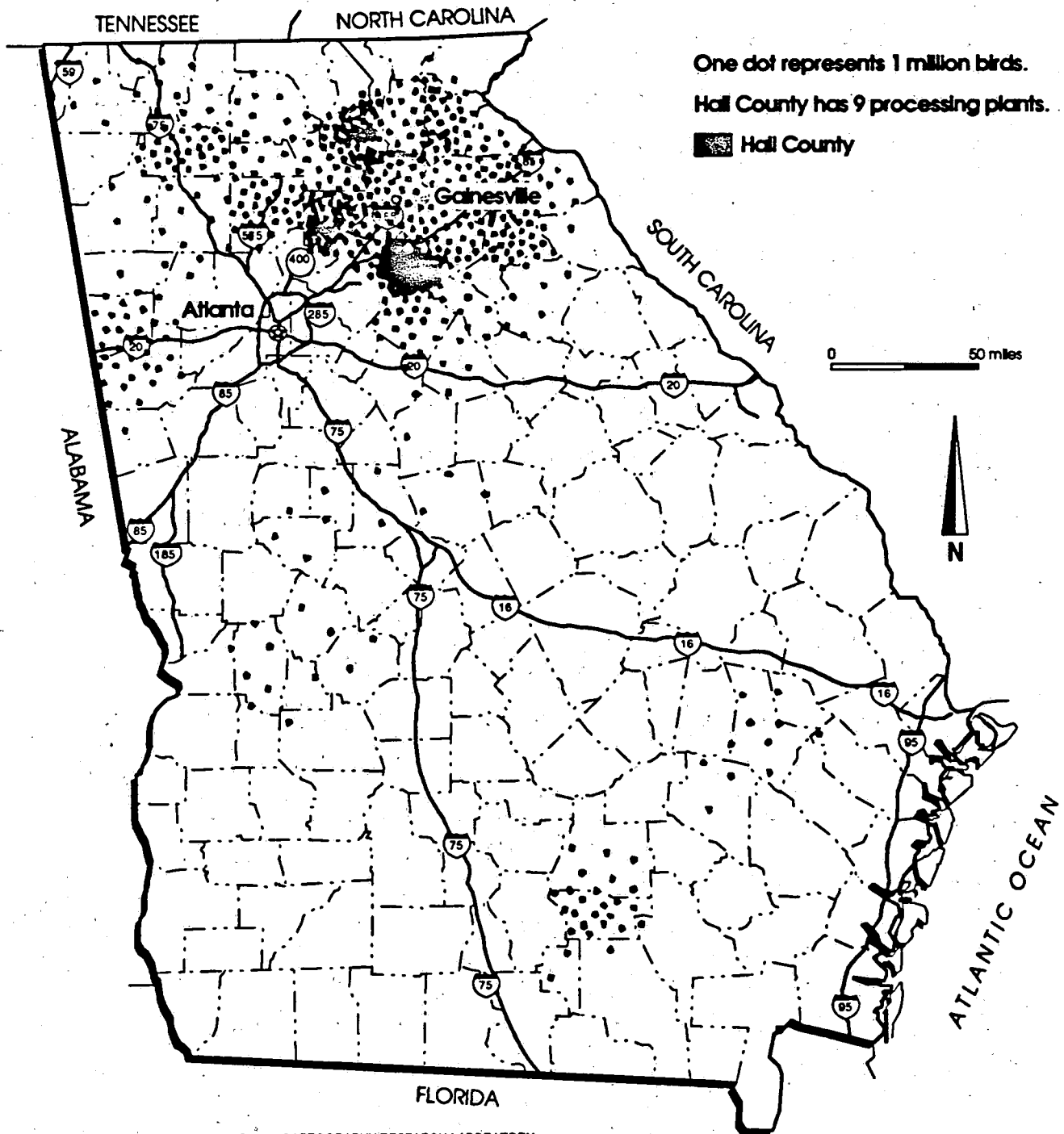
The relatively large number of males in the 19-39 year age bracket may account for the relatively high incidences of weekend violence reported by police, social service agencies and individuals. It also impacts the needs of the emergency medical delivery system and the courts who must deal with

violent personal crimes related to drinking and driving on weekends.

The Regional Economy

Gainesville Georgia lies at the base of the Appalachian foothills in northern Georgia. As is true of the southern piedmont in general it was not an area of large scale plantations. Instead it became a center for the textile industry, attracting mainly white Appalachians to work in the mills. The city was also the site of medicinal springs which attracted tourists as did its proximity to the north Georgia mountains. (The textile industry has greatly shrunk in importance in the last twenty years Gainesville replaced by the growth of poultry industry.) In the counties surrounding Hall, textile is still an important industry. There are 47 poultry plants listed in the Georgia Manufacturing Directory 1990-1991 (Georgia Department of Industry, 1991) nine are Hall County and another five in surrounding counties (Map 1). There are a total of 7,625 workers in the poultry industry in Hall and surrounding counties.

Map 1



The Poultry Industry in Hall County

Specific needs related to poultry processing resulted in the corporate decisions to locate in the Hall County. The include 1) speed of access to live birds reducing transportation related losses, 2) transportation networks that can quickly transport the packaged birds to national and international markets, and 3) an available labor supply willing to accept the low wage scales and difficult conditions of the poultry industry. The three conditions are met in rural Hall County, which is surrounded by land too hilly to farm but well suited to the production of live birds. See Map 1 for juxtaposition of broiler farms and production facilities. The second condition is also met in Gainesville with the Gainesville airport within a mile of several of the poultry plants. Routes 365 and 400 can move packaged birds to the Atlanta airport within an hour. The third factor, proximity to a low wage labor market is met in Hall County due to a poor Appalachian population that has settled there; more recently Hispanics and Vietnamese have been recruited to the poultry industry, through labor contractors, and network recruiting. This pattern of rural low wage development, variously referred to as a segmented labor market, or segmented economies, has been discussed generally by Lyson and Cobb, for the southeast, and by Broadway for the meat industry, and Griffeth for poultry. Piore; and Portes and Bach, discuss the influx of Hispanic immigrants in the segmented labor market. The importance of

rural areas in a segmented economy has been discussed by Broadway, Stull, and Saindon.

Generally, having a large low technically skilled work force, with a large number who do not speak or write the language, places greater than normal demands, on the regional economy, particularly in the form of health, and educational services. Additionally, pressures have been felt by the police force and the courts who do not have enough translators to handle their cases.

Impact of Poultry on Political Economy of Region

Health

The poultry industry impacts health at both the regional and individual levels. Plants dump waste products into local sues systems straining their ability to provide adequate treatment before effluents are returned to local streams and rivers. In addition they are primary uses of fresh water in their processing system adding an addition burden to a fresh water supply that is already so overtaxed that Metropolitan Atlanta must often ration water during the months of July and August.

In addition poultry work is dangerous to the individual with accidents and injuries common in the industry. The

specific degree of risk depends on the type of plant. Modern poultry plants are mechanized factories exposing workers to hazards from machinery, hot water and other industrial hazards. Specific health conditions associated with the poultry industry include repeated cumulative trauma injuries, including carpal tunnel syndrome, increased incidence of arthritis and bursitis; eye irritations from splashed water during the de-gutting operation; skin irritations.

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The industry has been having difficulty finding insurers because of their high rates of accidents, injuries, and other health risks associated with poultry processing. Blue Cross-Blue Shield dropped one plant in Georgia (Saindon 1991) leading to a lower levels of coverage for workers and their families. This reduced level of insurance, plus the increased number of families who are eligible for indigent medical care puts additional pressures on the county health providers, and on the households themselves.

An example of the overload on the Gainesville health care system is the fact that nearly 30% of the patients served by the Emergency Room of the regional hospital, Northeast Georgia Medical Center, are Hispanics needing primary care. Although there are two other hospitals in the area, these are private and serve middle and upper class households as well as those few industrial workers who have insurance.

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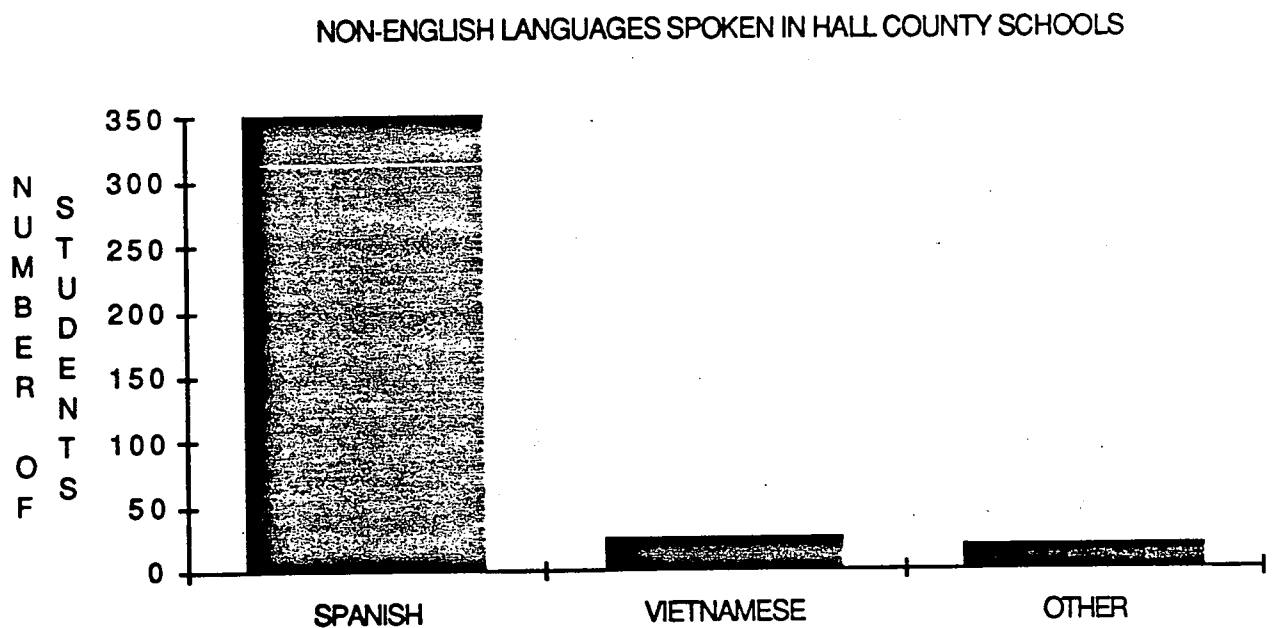
The Hall County health department reports a doubling of its Hispanic case load between FY 1989 (6%) and FY 1990 (13%). In the first six months of FY 1991 they had seen over 2,500 Hispanics. A large number of these individuals are women seeking prenatal care. Unfortunately due to language and cultural barriers most of these women do not seek prenatal care until their 20th week of gestation. A large number of these individuals do not speak English adequately to understand prenatal counseling. One result of this problem is a low birth weight (LBW) for Hispanics of 87.7 per 1,000 live births compared to 68.0 for the total population and 62.0 for Hispanics in Georgia in general.

To combat this situation the Gainesville public hospital is proposing to fund a community health center in the Hispanic region of the city. A major factor in this program is providing trained translators for patients and professionals. During the interim period outreach programs are attempting to find individuals who can translate for health care and other professionals providing services for this community.

Education

The addition of this new population adds stress to the rural schools of the city of Gainesville and Hall County (there is a separate city and county school system in Hall

County). There are 821 limited English proficient students identified in the Gainesville and Hall county school districts, but those numbers are thought to be much too low. Most of the immigrants come to Gainesville speaking little or no English. Currently over 10% of the students enroled in Gainesville schools are Hispanics. This figure is double the number from just two years earlier.



Often these students and their families come from rural areas with low literacy rates in their own language. In addition since many don't see these jobs as permanent do not enroll their children in schools. The migrant education program utilizes federal funding to provide programs for eligible children, but often poultry workers do not qualify

as migrants. Our research should give us a better handle on the number of immigrant children, the number needing services, and the needs of the school districts in meeting the needs of the immigrant's children.

Courts and legal services

The influx of Hispanic and Vietnamese populations have impacted the legal system predominantly in the area of communication and education. There aren't sufficient translation services for the Hispanics and Vietnamese and translators have been difficult to find. Hall County officials have served subpoenas on the Georgia's Refugee Health translators in Atlanta, and transported them to Hall County to translate for the Vietnamese offenders in the courts. The police department has sent 22 of its 75 officers to take Spanish classes, and an Hispanic has been recently hired to serve as a translator for the police and in the courts.

An informal study done by the Hall county sheriffs office showed that less than 6% of the county's criminal activity touched the Hispanic community. The majority of the problems that did arise were due to lack of knowledge of the laws; driving without a licences and lacking insurance. Other problems reported are related to the predominance of young males in this population which have led to charges of DUI and public drunkenness.

Responses

Public response

While community service agencies have tried to deal with the influx of low skilled migrant labor into North Georgia in general and Gainesville in particular the response to their presence in the community has varied by sector.

There are three Spanish newspapers published in Gainesville. Gainesville Hispanics participate in basketball leagues which meet at Gainesville college on Saturdays. It is reported that on Saturdays there are 25,000 Hispanics in Gainesville, many from the surrounding areas who come to play basketball and shop in the Hispanic markets around town.

On the other side the Klu Klux Klan has been active in Gainesville, and cross burnings have been aimed at Hispanics in the area.

Research Questions Affecting National Policy

The following summarizes what we know and what we still need to know concerning immigration, health, immigration, and rural industrialization as manifested by the poultry industry in North Georgia.

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Immigration

We know that migrants come to the poultry industry through network recruitment and possible through contractors. We also know that in some cases the poultry industry has sponsored refugee workers expecting them to repay the costs of that sponsorship. What we don't know is how much of the recruitment to the poultry industry is through these informal networks and much by other means. We also don't know the history of the migrants. Do they come directly from their home country, or have they worked in agricultural areas? Do all migrant males come alone initially? If migrants travel here without their families do they expect their families to rejoin them? Or do migrants males see their stay here as temporary and plan to return home within a short period of time? Once we know the history of the migrant to the poultry industry we will be in a better position to formulate suggestions to immigration policies.

Health

We know that poultry workers as well as meat production workers in general are subject to a multitude of injuries characteristic of the industry. We do not know to what extent they are receiving medical treatment. We also do not know the health and medical problems of their families. They, as do many working poor, fall in the cracks of the medical distribution system as it exists in the U.S. today.

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They are not adequately covered in the workplace but are making too much to be covered by indigent medical services. We need to know more about the utilization practices of the immigrants in the poultry industry. This information should provide important policy guidelines for the development of national health policies.

Specific health related questions that need to be addressed include:

1. Who are the health insurers for the poultry processors in Gainesville, Ga.
 - A. How inclusive is their policy?
What are the deductibles?
Does the insurance include family coverage?
Duration of employment before coverage is effective
 - B. What kinds of accidents occur in the industry?
How are workers protected from these accidents
Are workers covered for accidents on the job?
Do they access this coverage?
 - C. What other illness are associated with employment in the poultry industry? What medical services are utilized by poultry workers and their families.
2. How does the immigrant labor force affect the delivery of health services in Gainesville and Hall County?

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- A. What are the additional services required by this new labor force?
- B. Are the present health delivery systems able to supply these services?
- C. Are the health needs of immigrant workers and their families met by the current health providers?
- D. Are their specific services required of the new labor force?
- E. How does the largely male work force influence the rate of AIDS, and other sexually transmitted diseases?

Education

We know that both the poultry workers themselves and their children are straining both the K-12 , and adult educational delivery services. Second language training has been made available, but not everyone utilizes these services. Additionally some formerly agricultural workers are eligible for the services of the migrant education program, but not all poultry workers are because poultry is not considered a temporarily or seasonal industry. We don't know to what extent the poultry workers access the available educational programs. We also don't know if there are differences in utilization of educational services by shift. We don't know the other factors that might affect the utilization of educational delivery. Also we don't know if

low wage employment is a deterrent to high school graduation or technical training. Data collected about educational histories will allow us to make specific recommendations for the development of educational policy.

Specific questions related to education that need to be addressed include:

1. Are the poultry worker's families currently enrolled in educational services available to them a) are they enrolled in schools 2) are they accessing English language instruction 3) are then enrolled in the migrant education program if eligible
2. What services are needed but not available to them?
3. What are the extra expenses to the school systems in providing services to immigrant poultry worker's families?
4. Are their ethnic tensions displayed in the classrooms and how are these problems addressed?

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Industrialization

The industrialization of rural communities by the poultry industry is putting stresses on the local delivery of services, it is also creating pockets of poverty in our rural areas. Some of the specific policies of the poultry industry, mainly its horizontal wage structures, create no-win situations for long term work. Is there a national

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industrialization policy that can offer a viable economic *What!* for low skill industries. Some policy implications can be applied to the local level, vertical job ladders based on skill and education, educational programs and incentives within the plant or community. But to offer economic justice to the arriving migrants while keeping one of its most competitive industries alive is a question that must be discussed and implemented at the national level. We hope that this proposal for the study of poultry in Gainesville, Georgia will provide basic data needed in the formulation of that policy.

Make the case why it's true. ST-SK Capitalism

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Dances with Cows:
Beefpacking's Impact on
Garden City, Kansas and Lexington, Nebraska

by

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NEW FACTORY WORKERS IN OLD FARMING COMMUNITIES:
Costs and Consequences of Relocating Meat Industries

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Wye Conference Center, Queenstown, MD

THE HIGH PLAINS--WHERE CATTLE STILL IS KING

If you want to start a fight just about anywhere from Amarillo, Texas to Aberdeen, South Dakota, from the Sand Hills of Nebraska to the Flint Hills of Kansas, just mention those crazy folks from New Jersey and their silly notion of a buffalo commons. This is cattle country, now more than ever. In 1989, four Plains states--Nebraska, Texas, Kansas, and Colorado--marketed over 70 percent of the 23 million fat cattle in the 13 cattle-feeding states (Krause 1991:iii). And Kansas, Nebraska, and Texas rank 1,2,and 3 in beef slaughter as well.

In Nebraska, beef production and processing represent more than 22 percent of the gross state product, and beefpacking accounts for one-half the state's manufacturing jobs (Ackerman 1991a). Since 1985 Kansas has been first in beef slaughter. Its six major beef plants have a combined daily slaughter capacity of 24,100 head--almost one-fifth of the national output. Five of the six plants are located in three communities in southwest Kansas--beefpacking's "golden triangle." They have a combined daily slaughter capacity of 20,300 head, or 84 percent of the state's output (Dhuyvetter and Laudert 1991:8).

Over the past two decades, beefpacking has increasingly concentrated in the central High Plains, in a belt from the Texas panhandle north to central Nebraska. The reasons are simple--plenty of fat cattle, water, and cheap feed grain; good weather for raising cattle; and no labor unions to speak of (Webb 1986). Cattle no longer come to the packers; the packers have come to the cattle--largely to minimize transportation costs and damage.

In December 1980, IBP, Inc. (formerly Iowa Beef Processors, Inc.) opened the world's largest beefpacking plant 10 miles west of Garden City, Kansas. In 1983 another plant, now owned by Monfort (a subsidiary of ConAgra Red Meats), reopened on the town's eastern edge. Today these facilities combine to employ approximately 4,000 workers who slaughter and process up to 8,400 head of cattle per day, six days a week. Fueled by the expanding beefpacking industry, Garden City grew by one-third, or 6,000 people, including approximately 2,000 Southeast Asian refugees and an equal number of Latinos, to become a modern-day boomtown.

On November 8, 1990, IBP began slaughtering cattle in Lexington, Nebraska, in the first new beef plant to be built in the United States since the Finney County, Kansas facility opened a decade earlier. IBP currently employs 2,030 workers to slaughter and process up to 4,000 head of cattle a day.

Garden City emerged from the 1980s as the "trophy buckle on the beef belt." Lexington is looking to outshine it in the 1990s. They offer a "natural experiment"--a chance for controlled comparison of two packinghouse towns at very different phases of rural industrialization--Garden City a decade after industry expansion; Lexington before and during plant construction and start.

METHODOLOGY

From the summer of 1987 until February 1990 five anthropologists and a geographer investigated relations between Anglos, Hispanics, and Southeast Asians in Garden City as part of

the Ford Foundation's Changing Relations Project. We produced a holistic community study, focusing on work (especially meatpacking), schools, neighborhoods, and community structure. Although emphasizing participant observation, we conducted 260 formal interviews and collected an array of documents and numerical data. [See Stull et al. 1990; Stull 1990; Stull and Broadway 1990; Broadway and Stull 1991; Stull, Broadway, and Erickson 1992.]

Late in 1988, IBP announced it would open a beef plant in Lexington, Nebraska. Lexington established a Community Impact Study Team (CIST), which visited packing towns and sponsored public forums. A CIST representative visited us in Garden City in January 1989; team and community members spoke in Lexington that April. We followed up with a brief report on changes Lexington might expect; provided materials from our Garden City research; and fostered interchanges between public agencies and nongovernmental organizations (NGOs) in both communities.

In the summer of 1990, Michael Broadway, Lourdes Gouveia, and Donald Stull began collecting baseline socioeconomic and demographic data in Lexington and conducting interviews. We arranged for ongoing collection of data from the school district, Nebraska Department of Social Services, Lexington Housing Authority, Nebraska Job Services, City of Lexington, and the police and sheriff's departments. Since then we have monitored developments in the community and conducted intermittent fieldwork. We have developed a protocol for in-depth interviews

with beefpacking line workers and their families and pretested it among new-immigrant Latinos. This summer, Gouveia and a bilingual doctoral student will administer the protocol and gather social and demographic data.

GARDEN CITY AND LEXINGTON

Since the 1960s (Finney County, Kansas) and (Dawson County, Nebraska) ^{Where - all to Lex + GC?} ^{Sam?} have become major producers of irrigated feed grains. This, in turn, has fueled the expansion of the livestock sector to make both the top cattle-feeding counties in their respective states. Both counties fatten about 450,000 head of cattle a year; however, production patterns differ. Large commercial feedyards predominate in Finney County, where average capacity is 13,000 head and some yards can hold 100,000 head (Laudert n.d.). Conversely, small farmer-feeders are the norm in Dawson County, where capacity of the largest feedlot is about 20,000 head (Gouveia interview 8/9/91). Nebraska's more restrictive anti-corporate farming law certainly accounts for some of the difference (Dawson County Herald 1991). However, since IBP announced it would open a beef plant in Lexington, several local feedlots have expanded and new commercial ones are opening--the biggest is expected to feed about 30,000 head (Ackerman 1991a).

Lexington is 220 miles west of Omaha and 320 miles east of Denver. Originally a stop on the Oregon Trail, today it straddles another major east-west transportation artery--Interstate 80. Garden City is 215 miles west of Wichita and 309 southeast of Denver. Interstate 70 bisects Kansas some 85 miles

north of Garden City, leaving it much more isolated than Lexington. [See Figure 1.]

With an official population of 24,097 in 1990, Garden City is the largest community in western Kansas. It holds three-fourths of the county's population (33,070), and no town of any size is closer than 24 miles. A decade of rapid growth has made it the primary trade and service center for the surrounding region, eclipsing its chief rivals for the capital of beefpacking's golden triangle--Dodge City and Liberal.

Lexington, on the other hand, is but one in a string of small to mid-size settlements along the Platte River. At 6601, it is about twice as big as Dawson County's two other primary communities (Cozad--3,823; Gothenburg--3,232), but it holds only one-third of the county's population. Unlike Finney County, Dawson County was hit hard by the farm crisis of the 1980s--its population fell some 11 percent during the preceding decade, due largely to the closing of Lexington's Sperry-New Holland combine plant in 1986.

Not only do they differ significantly in size and settlement patterns, but Garden City and Lexington have very different demographic profiles. Nine months before IBP opened its Finney County plant, the 1980 Census enumerated 18,256 people in Garden City--82 percent were white. The largest minority was Hispanic (16 percent), who first came in the early 1900s to work in the sugar beet fields and on the railroad (Oppenheimer 1985). One percent was African American, and .5 percent each was Asian and

American Indian.

Two beef plants and a decade later, Garden City had been transformed into a multicultural city, with the addition of Vietnamese and Laotian refugees, Mexican and Central American migrants. Not only was Garden City the state's fastest growing community in the 1980s, increasing by 33 percent, but it has become among its most ethnically diverse: 31 percent minority--25 percent Hispanic--according to the 1990 Census. School records reveal a higher and probably more accurate percentage of minorities--37 percent at the close of the 1990-91 school year; 7 percent were enrolled in bilingual and ESL programs (Broadway and Stull 1991:6).

The 1990 Census, taken eight months before IBP opened on the site of the old Sperry-New Holland plant, counted 6,601 people in Lexington, making it one-third the size of Garden City at the same point in its history (Loughry 1991a). Like Garden City, Mexicans settled in the Platte River Valley in the 1920s, finding work harvesting sugar beets and potatoes and on the Union Pacific. But unlike Garden City, they were few and remained largely "invisible" to Anglos. The 1990 Census reported 4.9 percent of Lexington's population as Hispanic; 7.3 percent were classified as minority.

At first, IBP projected its Lexington work force would be between 1,300 and 1,700. [In February 1992 the count was 2,030, and job applicants averaged 100 per week (Clipper-Herald 1992b)].
Company spokesmen openly admitted that many would be Latino, but

they also hoped to attract locals, especially "farm wives," with higher wages and the first on-site daycare in the industry.

Observers and townspeople were concerned that Lexington's small size and ethnic homogeneity might create difficulties in accommodating the expected influx of minorities and new immigrants.

SOCIAL AND ECONOMIC CHANGES IN GARDEN CITY, 1980-1990

Building on the new jobs in beefpacking, Garden City and Finney County have sustained a prolonged period of apparent economic growth. Employment rose by 55 percent (4,200 jobs) from 1980 to 1988, and the gain in local payroll has been credited for much of the growth in the service and retail trades--fast-food franchises grew from 31 to 48, creating 250 new jobs (38 percent increase); four new motels have opened (9 total).

But most of the new jobs--in beefpacking and out--pay low wages. The starting hourly wage for production workers at IBP is now \$6.60, at Monfort \$6.00. Gross annual income for IBP line workers ranges from about \$15,500 to \$22,000, depending on job grade and length of employment. Hours worked--and income--vary seasonally and even weekly depending on price and supply of fat cattle, consumer demand, and profit margins. Monfort closed its plants in Garden City and Dumas, Texas for a week in mid-February and cut back hours at its other plants; IBP ran on reduced hours much of the winter (Painter 1992).

Most new jobs outside packinghouses are in the service sector and characterized by even lower pay and part-time

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employment. Many holding such jobs must rely on social service agencies for supplemental food, medical care, and other basic needs. The cumulative effect of this boom in low-wage jobs shows in per-capita income: in 1980 Finney County's was 94 percent of the state average; by 1988 it had dropped to 91.5 percent, more than \$1,300 below the state average and \$2,111 below the national average (Broadway and Stull 1991:4).

Garden City's rapid growth created immediate demand for housing. While new construction has helped, most line workers live initially, at least, in mobile home parks on the outskirts of town. One-tenth of Garden City's population reside in one trailer park alone, built specifically--and reluctantly--to house IBP's expanding work force.

Not surprisingly, school enrollment soared. From 1980 to 1990, it jumped from 4,535 to 6,600, an increase of 45 percent! Garden City voters responded by approving bond issues to build three new elementary schools and expand existing facilities. Minority enrollments roughly doubled, while bilingual and ESL programs greatly expanded. Recruitment of minority and bilingual teachers remains a serious problem, however.

In 1990, Garden City's school district had the highest dropout rate in Kansas, turnover of almost one-third each year, and chronic absenteeism. Of 9th graders in 1986, 36 percent dropped out by the time their class graduated four years later. Underlying causes are complex, but poverty is clearly a factor--36 percent of the district's students qualify for the federal

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lunch program. It is not surprising then that many students must work--two-thirds of those in high school do--one-third for more than 35 hours a week. Officially none of the packers hire anyone under 18, but underage workers have been reported, and for a time, Monfort even advertised for workers in the high school newspaper. Of course many students are over 18, and some work B-shift (4:00-midnight). The role of the packers in school dropout and absenteeism clearly needs further study.

Various social disorders rose dramatically in the 1980s. Both violent and property crime climbed throughout the decade in Finney County, while falling in the state. The incidence of child abuse more than tripled to exceed the state average by 50 percent.

Increased demands on service providers offer another, and more telling, barometer of the declining fortunes of newcomers and oldtimers alike. Emmaus House opened in Garden City in 1979 amid a wave of newcomers drawn by the construction of IBP and a new coal-fired power plant. Started by church volunteers, the house provides temporary shelter and hot meals for indigent transients and newcomers seeking work, food boxes and commodities for the community's poor. In 1988, it sheltered 625 people, served a total of 69,000 meals, and gave out 3,614 holiday food boxes--a level of service two-and-a-half times greater than six years earlier (Broadway and Stull 1991:8).

The costs of a decade of economic expansion are also paid in declining levels of worker health and a growing crisis in access

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to care for everyone. Meatpacking is America's most dangerous industry, as recent tragedies and record OSHA fines have reminded us. One out of three meat-processing workers suffers injury each year; cumulative trauma disorder (CTD) makes up a quarter of these injuries. Attention focuses on injuries and unsafe practices on the floor; we don't hear much about packers' health insurance policies. If they can afford the premiums, and many

Who? cannot, coverage is minimal. It does not even begin for line workers at IBP's Finney County plant for six months. Even then, the individual deductible is \$300 and a second family member must incur an additional \$300 in covered expenses before the family deductible is satisfied; preexisting conditions, including pregnancy, are not covered; and if the carrier is not notified of pregnancy six months prior to the due date, benefits are reduced by \$500. Virtually everyone gets docked.

Line workers face occupational hazards and, along with their families, limited access to care. They are not alone. In Finney County, the ratio of physicians to population has fallen sharply. In 1987, it combined the second highest birth rate in the state with the poorest prenatal care. Since then, three of seven physicians who formerly delivered babies have stopped.

Regardless of ability to pay, access to health care is increasingly remote in Garden City.

SOCIAL AND ECONOMIC CHANGES IN LEXINGTON, 1990-1992

Lexington has now weathered IBP's construction and start up - some say predictions of "doom and gloom" were unwarranted and

smooth sailing lies ahead, others see storm clouds on the horizon. It is too early to tell. Still, changes between 1988, when the new plant was announced, and the end of 1991, a little more than a year after it opened, suggest certain trends.

Recent unemployment in Dawson County has fluctuated widely from month to month--from 2.3 percent in December 1990, for example, to 7.2 percent in May 1991. In January 1992 it was above the rest of the state (4.3 percent v. 3.5 percent) but still low by national standards (Nebraska Department of Labor 1992). Some businesses--banks, feedlots, food stores--are doing well, and several have expanded. Storefronts downtown are all occupied, and new businesses have opened near the interstate.

But as in Garden City, most new businesses are in the service sector, where wages are low and employment generally part-time. Typical is Amigos, a franchise restaurant, that advertises pay "up to \$5 per hour" plus benefits. The nature of the businesses which have recently opened in Lexington--fast-food franchises, liquor stores, a convenience store and service station, a pawn shop, a shoe repair store, a warehouse discount store (Loughry 1992c)--suggest a working population earning lower-than-average wages: wages considerably below those paid by Sperry-New Holland a decade earlier. As one prominent citizen put it, New Holland paid "higher wages than what normal people were making in this area at the time.... People went to stores and bought refrigerators and stoves and everything else on that credit...and that money would always be there to pay off their

debts" (Gouveia interview 5/7/91). Today, much of the capital generated by new business leaves Lexington, and many workers can afford little beyond basic necessities. And many necessities, such as household items and clothing, are regularly obtained through another booming business--local charities.

According to the Department of Labor and the Nebraska Power District (NPPD), about 40 percent of Dawson County workers are employed in the retail and service sector; their average annual wages range from \$5,000 to \$15,000. Approximately 77 percent of the job openings in 1990 paid under \$6.00 an hour. NPPD data suggest relatively high underemployment, particularly among white women, who also make up a significant proportion of the unemployed.

Furthermore, several long-time manufacturers have recently laid off workers, relocated, or closed. Cornland Beef Industries, a 30-year-old beef-slaughter facility which employed 180, closed in June (Clipper-Herald 1991; Ackerman 1991c). Even after extensive renovation in 1989, Cornland was unable to withstand upward pressures on wages and cattle prices accompanying IBP's move to Lexington.

IBP sure hasn't helped the situation with them coming in killing 4,000 a day....I'd say the impact of IBP has been negative...they need so darn many cattle they go out and gather them and they set the price (Gouveia interview with Cornland plant manager 5/9/91).

In spite of, more likely because of, the relatively high starting wages at the Lexington plant (\$7.15 to start and a \$.30 raise after 30 days), many are ineligible for state aid but often

cannot afford basic needs. As Amy Richardson, administrator of the Lexington office of the Nebraska Department of Social Services, recently said:

We've gone from seeing people at poverty level as a result of joblessness to seeing more people who really are the working poor. These are people who are working and do not meet the poverty-level guidelines, but who are having a lot of difficulty making ends meet because of low wages or large families (Clipper-Herald 1992a).

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For Mid-Nebraska Community Services (MNCS), a state-sponsored agency, 1991 saw huge increases in demand for social services: referrals through their homeless program rose by 1000 percent and food pantry allocations were up 405 percent. Of the 27 counties MNCS serves, Dawson County had the highest increase--88 percent (Clipper-Herald 1992a). Haven House, founded in early 1991 to serve newcomers, provided 4,714 bed-nights and served 24,381 meals--approximately 80 percent of guests were unaccompanied males (Haven House 1992).

Crime, too, is on the rise. Monthly police bookings increased 63 percent between October 1988 and October 1991. Domestic violence and property crimes account for the largest increases (Loughry 1991c). Whether from an influx of young, single males--the group with the highest crime rate--as Broadway (1990) suggests for Garden City, or from locals using newcomers to mask their own increased illegal activity--as law enforcement officials believe--awaits detailed study. Still crime is quite low by national standards.

or using them to generate it.

Increases in school enrollments, at first modest, are now accelerating--as is student turnover. Enrollments in the

look at Conviction Records?

Lexington schools rose from 1670 in 1988 to 1920 in early 1992, an increase of 15 percent (250 students). Voters approved a bond issue in 1990 to renovate and expand two elementary schools, but overcrowding remains a problem: elementary schools are presently at 88 percent capacity, the junior high at 98 percent, and the high school is at 101 percent capacity (Loughry 1992b). Student turnover in the fall of 1991 was 7.75 percent, and new students make up 19 percent of total enrollment--they come from 20 states and 5 countries (Loughry 1992a). And the new students are more ethnically diverse--17 percent of the student body now belong to an ethnic minority, up from 3.5 percent not long ago (Loughry 1992d).

The Garden City schools would love such problems, and most agree that Lexington's transitional period has been "smooth." Preparation is part of the answer, but so is controlled flow of newcomers. Many were initially unable to settle in Lexington because of an acute housing shortage. In January 1990, citizens blocked the sale of city-owned land to a developer who planned to build a 40-unit apartment complex not far from the plant. By the summer of 1990, lack of housing forced IBP to buy a small motel to house construction workers. An 85-unit trailer court, built by out-of-town speculators who naively expected newcomers to move trailers into town, sat empty. An Arizona speculator teamed with a local farmer on a plan for a 240-unit "rental community" (rehabed trailer park) in a bean field adjacent to the plant. Their request for rezoning included an impassioned warning by an

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IBP unit manager of "tent cities" if Lexington did not provide adequate housing. Like other plans for new housing, it did not materialize.

But by 1991, housing construction was booming and the shortage was gradually easing--268 rental units became available last year (Clipper-Herald 1991). The mobile home park is now full of rented units provided by a private contractor in cooperation with IBP, and other mobile home parks have expanded. Other construction is under way. The community is taking a prudent approach to new housing, emphasizing slow growth, rehab of existing rental units, and scattered-site development (Loughry 1991b:). As more housing becomes available, fewer workers will be forced to commute, and Lexington's growth will accelerate.

Quality?
Price

Reasons for this "smooth" transition can also be found in worker turnover. Normally high during start-up, turnover has been reported to be a "modest" 10 percent a month in Processing and only 5 percent in Hides and Slaughter (Steve Schmidt, IBP personnel director, personal communication, 1/10/91). IBP claims to have made this facility a safer, more pleasant place to work by making major improvements in plant and line organization, lighting, and ergonomic design of the workstation.

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THE IMPACT OF BEEFPACKING ON WORKERS: THE NEW FACES OF THE WORKING POOR

IBP is not required to release information on its work force, and it chooses not to do so (Tom Doering, Nebraska Department of Economic Development, personal communication,

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2/21/92). Conversations with management, workers, and community members indicate that in the summer of 1989, when the plant was under construction, IBP employed about 70 Latinos, or 10 percent of its workers. Today, we believe over half of IBP's 2,000 workers are Latinos, service providers and IBP workers tell us the figure is closer to 75 percent. And we think women make up about one-third of the work force. Native Americans, African Americans, and Southeast Asians--highly visible in other beef plants--are few in Lexington. However, some Laotians are moving to Lexington, evidently from Garden City.

The stereotypic meatpacking worker is a young, single male. But increasingly the work is done by married couples with dependents and single mothers. Packers admit targeting women in recruitment--they are seen as less mobile and more docile than their male counterparts. Company officials initially projected 60 percent of their Processing workers (the majority of hourly employees) to be women, many single mothers. IBP also hoped that on-site day care--a first for the industry--might help lower turnover. But the day-care center has not been fully utilized, largely because workers cannot afford the fee IBP deducts from their wages (\$9/day for the first child, \$8 for the second...).

IBP takes a "Field of Dreams" approach to labor recruitment--"build it and they will come" (the company did, after all, start in Iowa). Company officials say they want to fill labor needs locally, but given plant size and the magnitude of turnover, everyone knows better. Word of mouth, enhanced by "bounties"

offered to current employees for each new hire recruited, combine with print and electronic advertisement in packing towns and pockets of high unemployment, to bring in a steady flow of applicants. Recruiters take to the road as needed, and if labor supply is down they may offer to cover some initial expenses against wages. Many workers arrive in town broke, and even if they receive advances, the first few months are tough--both physically and financially. It appears that initial impoverishment is especially pronounced among the Latinos, most of whom come originally from agricultural regions in Mexico, often moving from other jobs and locales in the United States. All workers interviewed cite either no work or poor wages and working conditions as reasons for picking up and moving to Lexington. Some have worked in other packing plants before.

In fact, pilot interviews point to a circuit regularly traveled by Latino meatpacking workers, who regularly share information about wages and working conditions. For example, three Mexican men said they left Monfort-Grand Island for the new plant in Lexington because workers with more seniority are given preferential treatment. ^{of MGI} "They (Monfort) pay less, work you harder, and treat the newer worker with more disdain...(the older workers) have their houses, their insurance, and the person that enters new is treated somewhat bad." At IBP "you can start working right away"--they believed they could move quickly into better-paying, higher-level jobs (Gouveia 4/9/91).

But many of these same workers also tell of their

frustration as they realize that wages and seasonally fluctuating work hours are insufficient to meet inflated housing, food, and medical costs typical of packing towns. The county assessor estimates that real estate prices have risen 20-30 percent since IBP came (Gouveia interview 3/20/92), forcing some to move into poorly insulated and run-down trailers, to share living quarters with many others, and to postpone sending for their families: "We pay too much here...and we don't even have beds to sleep on"; I wouldn't bring my wife, they don't pay enough...If I bring my wife, I can't live with a bunch of people" (Gouveia interview 4/9/91).

Men whose household members are able to work seem more likely to bring their families with them and be more optimistic about sticking it out for a year or two. But, as several women told us, Lexington does not offer the number of service-sector jobs in domestic work, hotels, and laundry service available elsewhere. Hence, depending on documented status of its members, access to child care, types of work available, and size, Latino households in Lexington adopt survival strategies similar to those found among other Latino immigrant populations. For example, young (often underage) male relatives come from other locales to help with additional paychecks when wives must stay home; young females or grandmothers take care of children when the wife can work outside the home. A single paycheck is insufficient for such families to survive, and they must participate in the labor force at much higher rates than Anglo

workers to escape poverty. Generally, native workers have access to alternative survival strategies, especially in small communities, including opportunities for alternative employment, access to well-established family and community support systems, and higher utilization rates of social services.

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Uncertain legal status combined with low skill levels, and language barriers force newcomer Latinos to accept employment often spurned by locals. Managers, workers, and service providers say that most documented Latino workers in Lexington are new immigrants legalized under the Immigration Reform and Control Act of 1986 (IRCA), primarily through its so-called "agricultural amnesty" proviso. Most speak little or no English. Although far fewer, the number of Salvadoreans arriving in town has visibly increased. When documented, they fall under the Temporary Protective Status (TPS) granted by INS until June 1992. Many Mexicans and Central Americans are undocumented or have false papers.

By adding new and more complicated steps to the legalization process, and restricting access to cash assistance for five years, IRCA inadvertently adds to the new immigrant's economic and social insecurity. Salvadoreans face even more uncertainty, as many risk deportation once TPS expires. Most vulnerable of all are undocumented workers who, because of IRCA's employers' sanctions, may be driven further underground and into even more dangerous and poorly paid jobs.

CONCLUSION: WHAT WE KNOW AND WHAT WE DON'T

What can Garden City and Lexington tell us of the overall impact of beefpacking on the social and economic welfare of those who work in this industry and communities that host its plants? Beefpacking creates jobs--lots of them. Not just on the plant floors, but in industries such as cattle feeding and trucking, and in the expansion of services that always come with population growth. Economic development--the jobs, the retail business, and the tax revenue it brings--is good, necessary in fact, if rural communities on the High Plains--or anywhere in America for that matter--are to survive and prosper. We don't dispute that. But our research suggests that certain kinds of development--and certain industries--create not only new jobs, but greater levels

of poverty. They attract the working poor--increasingly immigrants, native minorities, and women--with jobs requiring no previous training. Dangerous jobs that pay poorly. If that was all, then we might argue we were witnessing nothing more than a redistribution of poverty from one locale to another. And we are. But today's beefpackers, even less than their predecessors, fail to offer most of their workers a viable way out of poverty.

Wages are said to be relatively high, but they soon peak and are not indexed to standard-of-living increases or seniority.

Internal labor markets (like those the Mexican workers from Monfort complained about) are almost completely eroded, and worker turnover remains high. Lack of English skills effectively blocks many immigrant workers from supervisory jobs for which

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Anglos and, especially, bilinguals are preferred. Beefpacking jobs are too dangerous and too harsh to offer a real alternative to those rural residents who adopted multiple-job occupational strategies following the farm crisis. The new packers' oligopolistic dominance reduces competition, which eventually deflates cattle prices without comparable price reductions for the consumer. Small feeders and packers disappear, and their workers join the ranks of the unemployed.

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The packers' impact on workers and communities stems largely from high injury rates and turnover ^{what ab low wages?} and their increasing tendency to replace even native minorities with new-immigrant workers. They provide a pronounced example of strategies of industrial restructuring that have been increasing since the 1970s.

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"Fordism" has become a handy term for the economic model that dominated the U.S. economy between World War II and the early 1970s. It refers to the tight linkages between mass production and mass consumption as the engine of economic growth (Kenney et al. 1989). In today's "post-Fordist" era, mass production is no longer expected to be linked to mass consumption within the domestic sphere. Upward mobility and purchasing power of local workers and communities, states, and even whole nations are largely irrelevant when large corporations have the capacity to scout the globe for the most lucrative--if less massive--markets. And hiring vulnerable work forces who are in no position to demand better wages have become an important part of restructuring in an era of heightened international competition.

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Employment of recent, often undocumented, immigrants is not unique to packers, one need only look to assembly and service-sector industries in the new "global cities," such as New York, Los Angeles, and Tokyo. Neither is heightened demand for economic concessions from financially strapped states and municipalities in the form of tax abatements, rezoning, and infrastructural development. But most research so far has concentrated on urban industrial settings and, more recently, on border areas. Researchers have focused on traditional manufacturing industries, such as automobile and electronic assembly. The study of food processing, especially meat, poultry, and fish processing, can expand our understanding of the consequences of new models of development. But most importantly it can direct our attention to largely neglected rural areas and the growing numbers and changing faces of the rural poor.

"You dance with the one that brung ya'." Garden City and Lexington are communities whose heavy dependence on the cattle industry is now being shaped to fit a new industrial world increasingly defined by the packers. They've been out on the dance floor with producers and feeders for a long time, but now the packers are calling the tune. The costs of this economic dance are becoming clearer in Garden City and Lexington--in overcrowding and increased turnover in the schools, greater demands on social service agencies and NGOs, rising crime, and declining access to health care in the face of increased demands on already underserved care systems. It only remains for

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communities to determine how much they want to pay the piper.

Workers, too, must pay to dance, but they have little to say in how much. What we, as researchers, don't yet know, and cannot without extensive study, is exactly how high the price for workers. At this point, we can only speculate on actual rates of turnover and who is at greatest risk for termination. We have learned much about work on the kill floor and processing line, about chain speed's role in injury and turnover. But we don't know enough about how many workers are female, minority, new immigrant; about how many are underage or undocumented. Where do workers come from and where do they go when they leave? Is there a circuit beefpacking workers regularly travel? A "telegraph" that they and/or management use to pass along information and recruit? How dependent are they on auxiliary sources of financial support? How similar is what we see to what is going on with pork, poultry, fish, and other food processing workers and their host communities? Only long-term, systematic, and coordinated research will definitively answer these and other questions.

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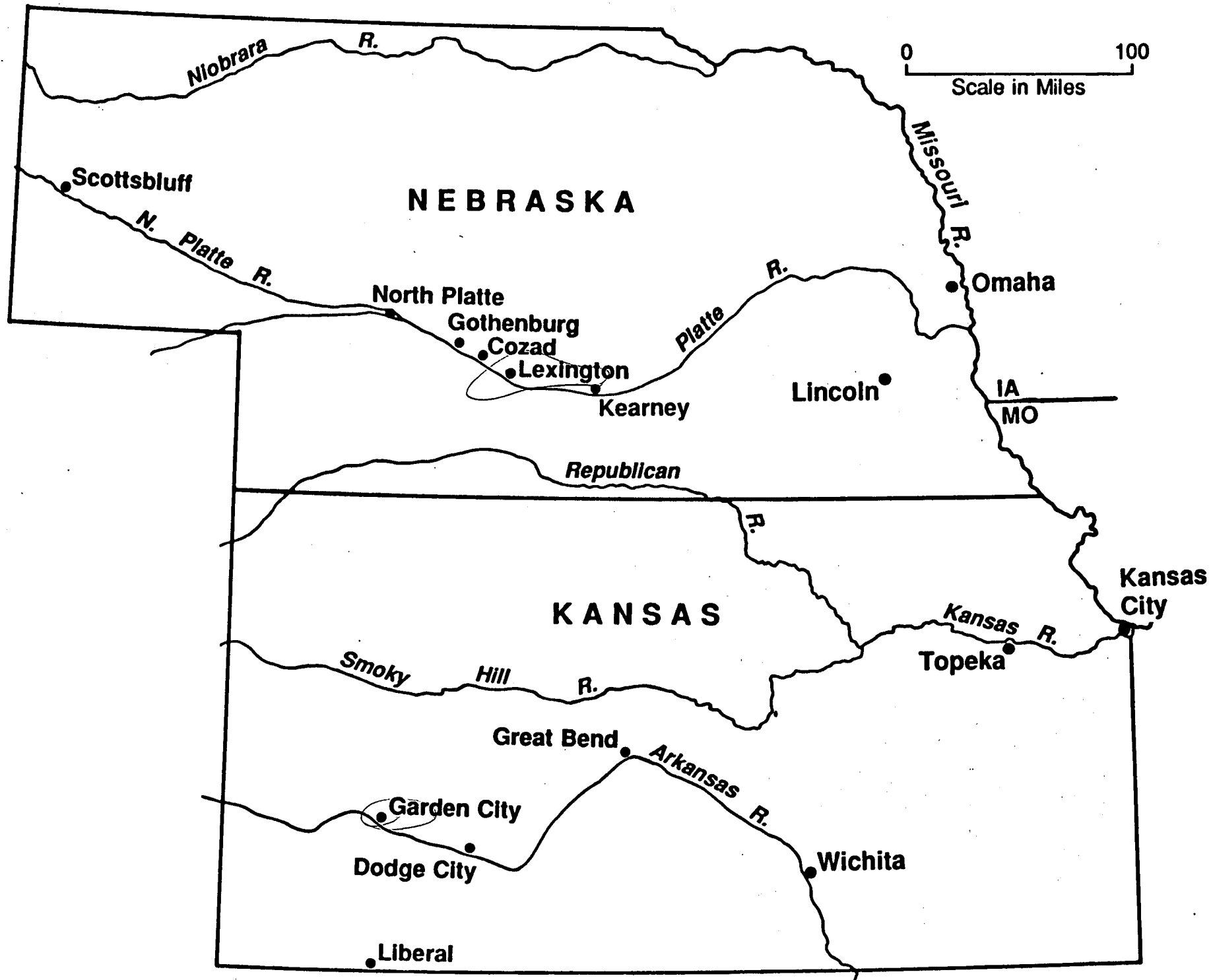
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Memo on
U.S. Immigration Policy
and the Food Processing Industries

by
David Griffith

prepared for

A National Conference on
NEW FACTORY WORKERS IN OLD FARMING COMMUNITIES:
Costs and Consequences of Relocating Meat Industries

April 12-14, 1992
Wye Conference Center
Queenstown, MD

U.S. Immigration Policy and the Food Processing Industries

David Griffith

Two recent pieces of legislation have reshaped U.S. immigration policy, representing the first two parts of what will be a three-part approach to immigration reform. First, the 1986 Immigration Reform and Control Act (IRCA) addressed the problem of illegal or undocumented immigration. Specifically, it was designed to "reclaim" the nation's borders and reduce the "shadow population" of illegal aliens. This was to be accomplished by legalizing illegal aliens who satisfied specific criteria, by fining employers for knowingly hiring undocumented immigrants, and by increasing border patrol activity.

The 1990 Immigration Act and the anticipated third piece of legislation are less defensive in character. Instead, they are designed to establish limits on the number of permanent (1990 Act) and temporary (anticipated third Act) immigrants that are admitted into the United States annually.

Historically, family reunification has occupied the heart of the nation's immigration policy. While family reunification remains central, recent immigration reforms represent a move toward making immigration policy more in concert with the needs of the nation's labor market. Labor market issues often assume a central place in immigration policy debates, sometimes serving as a "proxy" for issues such as ethnicity, language, and the education and skill levels of immigrants.

It is light of continued emphasis on family reunification, combined with increased attention to labor market needs, that we should consider the relationship between immigration policy and labor supplies to food processing. Any increase in the alignment between immigration and labor market issues opens a door for low-wage industries to build complex, immigration-based labor processes. That is, such industries may take advantage of immigration policy in the same way they have taken advantage of the Targeted Job Tax Credit, the Job Training Partnership Act, and Enterprise Zones.

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To date, IRCA has affected low-wage, low-skill industries in unanticipated ways. Some food processing plants were able to help workers legalize under the pre-1982 provisions, hoping to generate loyalty among the newly legalized workers; in other cases, however, newly legalized food processing workers used their new rights to strengthen unions and bargain for higher wages. Many workers legalized under the Special Agricultural Worker (SAW) provisions have found jobs in food processing, although it is not yet clear whether such occupational movement is temporary or permanent. Some workers remain tied to the agricultural labor market, using food processing jobs as ways of filling in gaps between harvests or other tasks in agriculture. Increased cyclical migration among the newly legalized, reinforcing the very *institution* of migration, has benefited food processors through the continual replenishment of a high turnover work force. Also of benefit to food processors have been the continued influxes of refugees and undocumented workers; many of the latter hope to qualify for the "next" round of legalizations, should such legalizations come, since previous legalizations were based on proven residence in the United States.

The 1990 Act contains little that would directly benefit food processing or other low-wage labor markets in terms of new immigrant labor supplies. The Act establishes a hard cap or limit of 714,000 immigrants allowed into the U.S. per year, from 1992 to 1994, 65% of whom will receive visas as family members of current citizens. Another 140,000 (20%) of the visas issued would be employment based. Over two-thirds of these visas would be issued to highly skilled individuals such as scientists or executives of multinational corporations. While 40,000 of these visas would be issued to people who might take jobs in low-skill, low-wage labor markets, 40% of these have been earmarked for Irish immigrants, who have not yet demonstrated any propensity to work in food processing.

More important than the visa figures, however, are two features that suggest some flexibility in actual immigration policy. First, the Act does not include ^{political} refugees, many of whom seek work in low-wage industries. Second, the Act includes provisions for monitoring the labor market by a special Commission and existing agencies. It allows, for example, the U.S.

Department of Labor to identify up to 10 specific "shortage" or "surplus" occupations that may need (or be denied) immigrants. Under special provisions, if faced with declining labor supplies and increasing labor demand, food processors may be able to tap into foreign labor markets for workers and continue along the paths of new immigrant labor recruitment established in the 1980s. The next Immigration Act, paying special attention to the relationship between labor market and temporary immigration, may also benefit processors with the establishment of immigration programs that allow workers into the U.S. to work in specific industries. This is similar to today's H2 program and the Replenishment Agricultural Worker (RAW) program; the former was expanded, and the latter created, under IRCA. These developments imply increased political sympathy for employment-based immigration programs that, like the H2 program, resembled indentured servitude.

In any case, the overall trajectory of immigration reform may allow food processors to capitalize on their current system of network recruitment. Focussing on hiring through kinship networks would allow processors to link, in their hiring practices, the two principal components of immigration policy: family reunification and labor market needs.

Acknowledgement: This short piece owes much to a paper entitled, "Contending Approaches to Reforming the U.S. Legal Immigration System," by Demetrios Papademetriou, along with papers published by the International Labor Affairs Bureau of the U.S. Department of Labor.

**Health-Care Implications of
Relocated Meat-Processing Industries:
The Nebraska Case**

**by
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University of Nebraska at Omaha
and
Keith Mueller, Director
Center for Rural Health Research**

Health Care Implications of Relocated Meat-Processing Industries: The Nebraska Case

By Jerome A. Deichert, University of Nebraska at Omaha and
Keith Mueller, Director, Center for Rural Health Research

Abstract

The Nebraska Center for Rural Health Research (the Center) is studying the effects that sudden economic growth, resulting from new employment in meat packing plants, has on health care delivery. This article describes the economic and demographic changes, and presents some indications of the impact on health care delivery in two communities.

In small communities, changes in the composition of the population can have a significant impact on the demand for social services, including health care delivery. Data in this article show increased enrollments in Aid to Dependent Children, Supplemental Security Income, Food Stamps, and Medicaid programs. Data also show increases in hospital discharges and new deliveries.

The data presented here demonstrate the need for *health impact statements to be included in plans for economic development*. Further, local communities should consider the *costs to the health care and the social service delivery systems, and ultimately the taxpayers in the community* associated with particular types of new employment.

Patterns in Rural Employment

This article reports the data collected to accomplish the first of four steps for this research project. The remaining phases of our research design are described at the end of this article. This project is a study of the impact of meat packing industry growth in the rural counties of Dawson and Madison in Nebraska. In Madison County the growth occurred during the late 1980s, while in Dawson County a meat packing plant opened in 1990.

Nebraska's pattern of rural economic development reflects national trends in rural development. Most rural manufacturing industries are "resource-based," such as food processing (Bloomquist, 1989). Bloomquist adds that manufacturing growth in rural areas has been concentrated in low-skill, low-wage jobs. Furthermore, most of the new jobs have been "operator" jobs rather than managerial and professional positions (McGranahan, 1989). Much of the growth in rural counties has been in industries that moved from urban to rural locations, where they could recruit low-cost labor (Kale and Lonsdale, 1979).

Workers in the type of manufacturing found in rural areas are vulnerable to the effects of business cycles, foreign competition, and technological change (McGranahan, 1989). For rural industry, those effects are accentuated by the nature of isolation from other activities. Economic decline affecting one employer or sector is not offset by growth or stability elsewhere because small communities lack a diverse economic base. Since rural communities are not centers with diverse economic activities, they also are not likely to have a labor pool ready to staff new industries. As a result, new workers must be attracted to the area.

The Nebraska Rural Health Research Center is supported by the U.S. Office of Rural Health Policy,
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In a review of the meat packing industry in Kansas, Stull and Broadway (1990) found that during the past 30 years it evolved from an urban to a rural industry. They concluded that "the driving force behind this transformation has been the emergence of three new meatpacking companies, IBP, Excel, and ConAgra" (p.10). *These new packers have located large-capacity plants in rural areas close to feedlots in right-to-work states.* Stull and Broadway add that *labor costs have been reduced by avoiding union contracts and locating in rural areas where land, labor, and general living costs are cheaper.*

Trends of Meat Packing Plants: Employment Up, Payroll Down

The meat packing industry has concentrated its production in fewer, larger plants. Whereas the trend for all other Nebraska manufacturing plants during the 1980s was to reduce size or remain the same, meat packing plants grew from an average of 184 employees per plant in 1980 to 243 in 1989 (table 1). During those years the payroll per employee declined from \$19,168 to \$18,033, in sharp contrast to payroll for manufacturing in general and for all industries.

During the 1980s, meat packing plants were either created or expanded in several Nebraska rural communities. By 1989 most of Nebraska's meat packing plants were located in rural counties (see table 2). All but one of the eight plants with more than 250 employees were located in six rural counties: Colfax, Cuming, Dodge, Hall, Madison, and Saline. IBP's plant in Lexington (Dawson County) is expected to employ 1,200 workers. In Madison (Madison County), the work force has steadily expanded since the IBP plant opened in 1987. *Increased employment in Nebraska's meat packing plants is expected to continue as an average of 110 new jobs per location is planned for most of the state's packing plants.*

This analysis will focus on Madison County. Demographic and economic changes during the 1980s in this county will be contrasted with experiences of all rural counties and metropolitan counties.

A second county, Dawson, is included in the analysis for two reasons. First, the most recent expansion of the meat packing industry occurred there with the opening of an IBP plant in 1990. By initiating analysis of demographic and economic change in Dawson County, we can determine if the prior experiences of Madison County will be repeated. Second, Dawson County lost a large

Table 1. Employees, Payroll, and Establishments by Industry in Nebraska, 1980 and 1989

	1980	1989
All industries:		
Establishments	37,727	43,302
Employees	492,010	564,125
Payroll per employee	12,107	17,136
Employees per establishment	13	13
Manufacturing:		
Establishments	1,761	1,827
Employees	100,836	97,730
Payroll per employee	15,337	22,479
Employees per establishment	57	53
Meat packing plants:		
Establishments	54	46
Employees	9,914	11,170
Payroll per employee	19,168	18,033
Employees per establishment	184	243

Note: Employment excludes government employees, railroad employees, and self-employed persons.

Source: U.S. Bureau of the Census, County Patterns, 1980 and 1989: Nebraska.

Table 2. Nebraska Establishments by Employment Size, 1989

	Total Number of Establishments	Number of Establishments by Employment Size Class	
		Less Than 250	250 or More
State Total:			
Total	43,302	43,070	232
Manufacturing	1,827	1,737	90
Meat packing plants	46	38	8
Nonmetropolitan:			
Total	23,322	23,251	71
Manufacturing	948	899	49
Meat packing plants	33	26	7
Metropolitan:			
Total	19,980	19,819	161
Manufacturing	879	838	41
Meat packing plants	13	12	1

Note: Employment excludes government employees, railroad employees, and self-employed persons.

Source: U.S. Bureau of the Census, County Business Patterns, 1989: Nebraska.

manufacturing employer in the mid-1980s. By using 1990 Census data, which was collected prior to opening the IBP plant, we will examine the consequences of losing a large employer in a small rural community.

Table 3 shows changes in employment for both counties between 1980 and 1989. The meat packing industry is included in the "Food & kindred product" classification, which grew most dramatically in Madison County and declined in Dawson County. Manufacturing employment was stable in Madison County, making the meat packing industry a major employer of new employees. Prior to IBP opening a new plant, Dawson County was experiencing significant declines in all forms of employment, in part as a consequence of losing a major manufacturing employer.

Between 1980 and 1990, total nonmetro population in Nebraska declined 5.7 percent, but Madison County was among only five rural counties which added population (4.1 percent). As reflected in figure 1 and table 4, the populations of the counties studied are distributed differently than the general rural pattern. Madison County includes higher percentages of persons under age 45. In contrast to declines in other rural counties, the 5 to 17-year-old population in Madison County grew significantly. These data reflect the activities of employers recruiting persons from outside the community to work in the plants, as well as retaining some of its young adults who may otherwise have left the area.

The recruiting efforts also help explain the dramatic increases in minority populations in Madison County, as much as seven-fold for some groups (see tables 5 and 6). Typically, rural Nebraska counties contain a very low percent of minority persons (3.6 percent in 1990), and the percent has changed only modestly since 1980. In Madison County, however, the past 10 years has been a time of rapid growth in certain minorities (Black, Asian, Other, and Hispanic). As a result, Madison County has increased from well below the rural average to approximately the rural average.

Another important change is reflected in the increased percentage of households headed by women. Madison County exceeded the rural county average in 1990 and saw increases in this population that exceeded the statewide, urban, and rural rates during the 1980s.

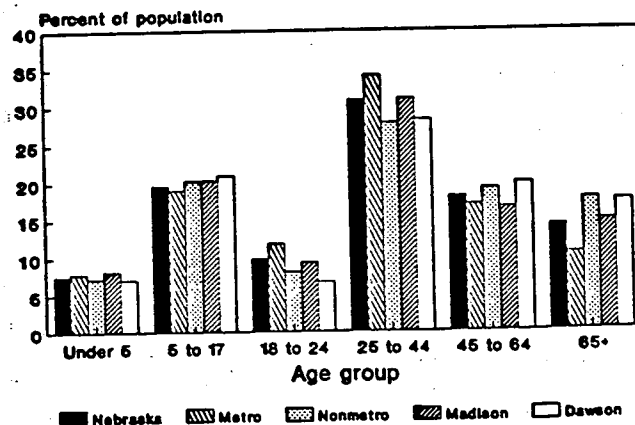
Table 3. Employment for Madison, and Dawson Counties, 1980 and 1989

County and Industry	Number of Employees	
	1980	1989
Madison County:		
All industries	13,107	14,556
Manufacturing	4,045	4,018
Food & kindred products	859	1,956
Dawson County:		
All industries	6,565	5,467
Manufacturing	2,778	1,522
Food & kindred products	520	369

Note: Employment excludes government employees, railroad employees, and self-employed persons.

Source: U.S. Bureau of the Census, County Business Patterns, 1980 and 1990: Nebraska.

**Figure 1
Population by Age, 1990**



New Employees Increase Needs For Social and Health Care Services

Economic growth has occurred in Madison County, as indicated by the number of jobs detailed in table 3 and by a decline in the unemployment rates. However, during the same decade per capita income growth did not keep pace with growth in the state or in other rural counties (see table 7). The difference is due to earnings for each of several types of employment, as presented in table 1. Statewide, the payroll per employee has declined in meat packing plants, in contrast with an increase for all types of employment. As new economic activity, meat packing employ-

Table 4. Population Change 1980-90

Area	Total Population	Percentage Change						
		Total Population	Under 5	5 to 17	18 to 24	25 to 44	45 to 64	65 +
Nebraska	1,578,385	0.5	-2.7	-4.6	-15.1	17.7	-3.0	8.5
Metro counties	766,017	8.2	9.8	-2.1	-17.2	26.5	6.4	17.9
Nonmetro counties	812,368	-5.7	-12.9	-6.7	-12.0	8.9	-9.7	3.8
Madison County	32,655	4.1	1.3	11.2	-34.8	28.6	-5.1	5.2
Dawson County	19,940	-10.6	-28.8	-12.1	-43.6	-3.5	-7.6	11.0

Source: U.S. Bureau of the Census, 1990 Census of Population and Housing, Summary Tape File 1A.

Table 5. Population by Race and Hispanic Origin, 1990, and by Minority Status, 1980 and 1990

	1990 Population					Hispanic (any race)	Percent 1980	Minority 1990
	White	Black	American Indian, Eskimo, and Aleut	Asian and Pacific Islander	Other Race			
Nebraska	1,480,558	57,404	12,410	12,422	15,591	36,969	6.0	7.5
Metro counties	687,697	55,697	4,428	9,815	8,380	19,809	10.0	11.6
Nonmetro counties	792,861	1,707	7,982	2,607	7,211	17,160	2.7	3.6
Madison County	31,734	238	238	99	346	569	1.4	3.5
Dawson County	19,529	15	65	41	290	663	3.3	3.9

Note: Persons of Hispanic Origin may be of any race. Minority consists of nonwhites and white Hispanics.

Source: U.S. Bureau of the Census, 1990 Census of Population and Housing, Summary Tape File 1A.

Table 6. Population by Race and Hispanic Origin by Change 1980-90

	Percentage Change 1980-90							Minority
	Total Population	White	Black	American Indian, Eskimo, and Aleut	Asian and Pacific Islander	Other Race	Hispanic (any race)	
Nebraska	0.5	-0.7	18.6	35.0	77.4	4.9	31.9	25.2
Metro counties	8.2	6.7	18.0	31.4	89.4	5.4	41.8	25.3
Nonmetro counties	-5.7	-6.3	45.9	37.1	43.2	4.4	22.1	25.0
Madison County	4.1	2.2	720.7	33.0	30.3	476.7	269.5	152.5
Dawson County	-10.6	-10.8	7.1	85.7	-24.1	-6.8	12.9	6.4

Note: Persons of Hispanic Origin may be of any race.

Source: U.S. Bureau of the Census, 1990 Census of Population and Housing, Summary Tape File 1A.

ment is an improvement for those previously unemployed; but since some new workers move in from outside the rural community, the growth in average annual earnings in the community may actually be depressed by the new plant.

Meat packing jobs are attractive to previously unemployed or underemployed persons, but those persons may not retain their jobs. Turnover in this industry is high; Stull and Broadway reported annual turnover rates approaching 100 percent in the Southwest Kansas plants. New employees may quit their meat packing jobs without having other alternatives (as stated earlier, this is a function of the size and lack of economic diversity of the community). These persons, as residents of the county, often become recipients of public program benefits. Tables 7 and 8 demonstrate the effects of this where income maintenance (Aid to Dependent Children, Supplemental Security Income, and food stamps) has increased dramatically in the 1980s.

Table 9 looks at one indicator of stress on the health care sector: the change in Medicaid enrollment. Between 1985 and 1990, we can see that the number of ADC children grew 119.3 percent in Madison County and the number of ADC adults grew 42.5 percent. Both rates are higher than the state and the rural county totals. Between 1989 and 1990 the increase in the number of children exceeded the rural average by a substantial margin, and the rate for adults was slightly less than the rural average.

Two indicators are used to demonstrate the effects of economic and demographic change on the health care delivery system: Medicaid enrollment and hospital utilization. The data in table 9 show the increases in Medicaid enrollment in Madison and Dawson counties between 1985

Table 7. Economic Profile, Percentage Change 1980-89

	Total Personal Income	Per Capita Transfer Payments*	Per Capita Income Maintenance Payments†	Per Capita Unemployment Insurance Payments	Per Capita Personal Income	Wage and Salary Earnings Per Job
	- percent -			— percent —		
Nebraska	73.2	85.2	57.9	-32.5	69.3	46.6
Metro counties	79.9	76.4	38.0	-44.5	65.5	47.0
Nonmetro counties	66.7	93.4	82.2	-16.8	71.7	41.6
Madison County	73.6	93.7	108.5	-15.5	67.8	39.6
Dawson County	55.0	109.5	81.5	-22.9	69.6	24.7

* Transfer payments are payments to persons, generally by the government, and include retirement and disability insurance benefit payments (primarily Social Security), medical payments, income maintenance payments, unemployment compensation, and other payments.

† Income maintenance payments include supplemental security income, aid to families with dependent children, and food stamps.

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, 1991.

Table 8. Economic Profile, 1989

	Total, Personal Income, 1989 (millions)	Per Capita Transfer Payments*	Per Capita Income Maintenance Payments†	Per Capita Unemployment Insurance Payments	Per Capita Personal Income	Wage and Salary Earnings Per Job
Nebraska	\$25,271.7	\$2,224	\$113	\$23	\$15,697	\$17,787
Metro counties	12,938.8	2,120	125	24	16,754	19,674
Nonmetro counties	12,332.9	2,320	102	22	14,722	15,050
Madison County	471.5	2,146	94	28	14,492	15,982
Dawson County	299.7	2,252	105	23	14,689	14,342

* Transfer payments are payments to persons, generally by the government, and include retirement and disability insurance benefit payments (primarily Social Security), medical payments, income maintenance payments, unemployment compensation, and other payments.

† Income maintenance payments include supplemental security income, aid to families with dependent children, and food stamps.

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System, 1991.

and 1990. The number of children eligible because they qualified for Aid to Dependent Children (ADC) grew 119.3 percent in Madison County. This category excludes children eligible under special provisions applying to children not in families receiving public assistance. Therefore, we can conclude that families are becoming eligible for Medicaid. Adults utilizing Medicaid because of ADC eligibility grew 42.5 percent in Madison County between 1985 and 1990. Both rates exceed the state average and the average for all rural counties. In contrast, the Dawson increase in ADC children was less than the rural average, but the adult increase exceeded even that of Madison County. The Dawson county data reflect in large part an economic slump following a plant closing.

Increased enrollment in the Medicaid program presents two problems to health care providers. First, it is an approximate indicator of increased demand for services. Persons changing status from uninsured to Medicaid may need immediate care for illnesses previously untreated. This would be the case for new residents to the community attracted by the meat packing plant and for those no longer working who have waited to become Medicaid eligible. The second problem is that Medicaid payments to providers are less than charges and in some cases less than costs. Treating Medicaid clients presents an economic burden to providers.

The second indicator of change in health care utilization reported here is hospital utilization. Data are taken from statistical reports filed with the Nebraska Department of Health.

Table 9. Changes in Medicaid Recipients by Basis of Eligibility, 1985-90 and 1989-90

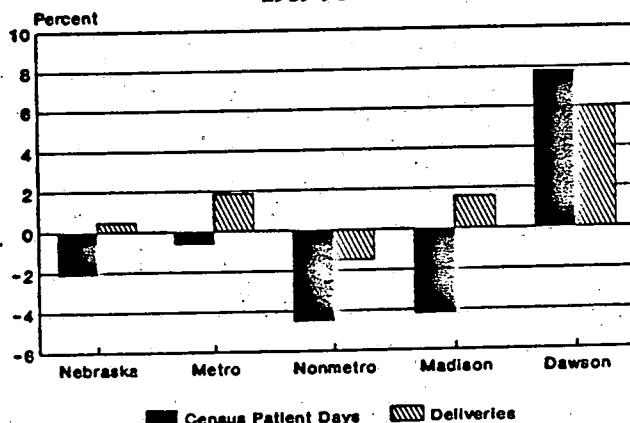
	1985-90		1989-90	
	ADC children	ADC adults	ADC children	ADC adults
- Percent -				
Nebraska*	74.7	28.2	9.1	4.9
Metro	55.6	20.3	7.6	4.4
Nonmetro	101.9	38.7	10.8	5.6
Madison	119.3	42.5	16.0	4.8
Dawson	92.5	45.1	8.8	-0.5

*Sum of counties.

Source: Nebraska Department of Social Services.

The data are presented in table 10. The decline in total inpatient days for the hospitals in Madison County is less than that experienced by the sum of all rural hospitals. This occurred despite there being three hospitals in the county and two in the same community. The census decline in Dawson County was even slower than that of Madison County. *The most dramatic change in Dawson County occurred between 1989 and 1990, when the early effects of the new industry were felt. In that one year patient days increased 7.8 percent, compared to declines in the state and in all rural counties.*

Figure 2
Changes in Health Services Utilization, 1989-90



Source: Nebraska Department of Social Services

Table 10. Changes in Health Services Utilization, 1985-90 and 1989-90

	1985-90		1989-90	
	Census patient days	Deliveries	Census patient days	Deliveries
- Percent -				
Nebraska	-22.6	-5.2	-2.1	0.5
Metro	-16.2	4.3	-0.6	1.9
Nonmetro	-31.6	-16.1	-4.5	-1.5
Madison	-27.7	5.5	-4.2	1.6
Dawson	-18.2	-11.4	7.8	6.0

Note: Veteran's administrative, psychiatric hospitals, regional centers, and hospitals with incomplete information have been excluded from these figures.

Source: Nebraska Department of Health, Hospital Statistical Reports, 1985, 1989, 1990.

The number of deliveries in the counties studied demonstrate the effects of a younger population associated with the new industry. In Madison County, the number of deliveries increased 5.5 percent between 1985 and 1990 compared to a decline for all rural counties. The 5-year decline in Dawson County was lower than the decline for all counties. Once again, the Dawson County trend is influenced by the activity in the final year of the period. Deliveries increased 6.0 percent between 1989 and 1990 in that county, compared to a decline of 1.5 percent for all rural counties.

Preparing for New Demands In Rural Communities

The effects of expanding meat packing employment in rural communities are not limited to immediate changes in demands for services. The high turnover in employment in that industry suggests that demands will increase over time as more wage earners lose full time employment. Families remaining in the communities after the job loss are likely to become eligible for public programs.

Occupational injuries associated with the industry also will increase as plants become fully operational. This is the nation's most hazardous industry with a reported injury rate of 35.1 cases per 100 workers in 1989 (U.S. Bureau of Labor Statistics, 1991). In sum, a growing proportion of the residents of counties with meat packing plants may need health care services but may not have the ability to pay for them.

The data from Dawson County provide evidence of the need to recruit new employment into rural communities that have lost their major employer. Madison County did so, and the data presented in this report demonstrate the impacts of a single, new, large employer in that county. New jobs are created, representing improvements in the incomes of individuals and an increase in economic activity for the community.

The economic expansion, while a welcome trend in any community, is accompanied by new pressures on the health care delivery system. Due to the nature of employment in this particular industry, new workers are attracted to small rural communities. These communities then take on some of the character of large urban centers, not the stereotypical rural havens for homogeneous white populations. Minority populations increase dramatically, as do the number of female-headed households. According to a Norfolk (Madison County) teacher, "Norfolk is in culture shock. We've never had minorities around here before." (Flanery and Bush, 1992.)

Demands for health care services have increased in Madison and Dawson Counties since the plants opened. This is, in part, the result of increased population, but it also reflects the specific nature of the new occupations. They provide low incomes to unskilled laborers, who without those jobs are eligible for public programs. They also are hazardous jobs, which may lead to increased demand for inpatient hospital care.

Four-Step Research Plan Will Continue

We are making available information from the first step of our study so that rural communities may be aware now of how they need to consider health care needs as they prepare for economic development. The remaining steps in the research plan follow below.

Step 2: Compare health services utilization before and after a meat packing plant adds employees and families to the community, using interrupted time series analysis to detect the effects relating to hospital census, deliveries, and Medicaid enrollment.

Collect data regarding source of payment for health services, use of social services, and insurance coverage of the families with employees in the meat packing plants.

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Step 3: Interview providers and social service agency personnel to observe special needs of new residents, such as initial ability to pay and cultural or ethnic differences that affect health care. Many new residents are minorities migrating to previously homogeneous rural communities.

Collect data from state records in the Medicaid program and hospital surveys.

Gather firsthand experiences of health care providers and social service workers.

Step 4: Analyze all data and report research findings, using both quantitative and qualitative techniques. Descriptive statistics will detail demographic changes and changes in the economic base of communities. Those data are reported in this article.

Use time series analysis to test the null hypothesis that meat packing plant expansion has had no discernible effect on health services utilization in the community.

Use qualitative techniques to analyze data collected through surveys and personal interviews.

Summary

The data presented in this article demonstrate the potential impact of an influx of new employees in a particular industry, meat packing. We illustrate the demands on health services that accompany economic growth in this industry and discuss other implications for health services delivery in rural communities.

This report, based on early data collection, provides evidence of impacts of economic growth on health care delivery in small rural communities. Policy makers should take heed and consider plans for delivering and financing health care when encouraging economic growth in such communities.

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**Rural Meatpacking Communities:
Problems, Priorities, and Proposals for Action**

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Rural Meatpacking Communities: Problems, Priorities & Proposals for Actions

by Bob Hall, March 1992
Institute for Southern Studies, Durham, N.C.

FACTS OF LIFE

In early 1991, Georgina Ramirez left Mexico and came to coastal North Carolina to work in a crabhouse under the federal H-2B program. She was promised \$1.30 per pound of meat picked, but after her first 60-hour week, she received only \$30. Her boss, who took her papers so she couldn't leave the barracks above the crabhouse, had deducted the cost of food, rent, toilet paper, three knives, and a pair of gloves from her paycheck.

The H-2B program allows people to enter the U.S. temporarily to work for a specific employer. "These workers are at the total mercy of their employers," says Pam DiStefano, an attorney with Farm Workers Legal Services of North Carolina. "The H-2B program enables seafood owners to displace local workers with people from Mexico who are desperate for any kind of work. It is a prescription for abuse."

When Ramirez's boss, Carl Doerter, applied for H-2B certification, the Employment Security Commission office in Hyde County sent a letter verifying that there was "very little in the way of labor for industry needs." In fact, the unemployment rate in Hyde County is 13.5 percent. "It's not a matter of a labor shortage," points out Dr. David Cecelski, a researcher familiar with the crab industry. "It's a desire for a workforce that can be controlled. The local black crab pickers have too much leverage, too much freedom from the point of view of some employers."

"One week we worked from 3:30 a.m. until 6 p.m., four days in a row," recalls Ramirez. "We told Carl we were tired. We couldn't keep working these

hours. He said from then on we'd stop between 2:30 and 3:30." But soon after that he fired Ramirez and Brenda Cota for protesting the long hours and low pay. The two are now suing Doerter with the help of legal services attorneys.

"I am afraid of him," Ramirez says. "My mother told me he might hire someone to hurt me. Brenda tells me to forget about it, but I cannot."

Doerter is also being sued in Maryland by the American Civil Liberties Union for recruiting women to work in that state's crabhouses. The suit, filed in July 1991, charges that workers were subjected to "sub-minimum wages, substandard living conditions, racial discrimination and were held in virtual involuntary servitude."

* * * * *

Two sociologists sought funding from a state-sponsored agency to survey poultry farmers about their views on the contract system. Under the contracts, companies provide the birds, feed and medicine to growers who furnish the chicken house, water, electricity, and labor necessary to bring the birds to market weight. While farmers typically go in debt for 15 to 20 years to finance a chicken house, the contracts may last only 7 weeks; they can be terminated after each flock of birds is picked up by the integrator. Some contracts are renewed for years, without interruption. But other farmers complain of being pressured to accept diseased birds, buy new equipment, or settle for lower payments just to keep their contracts. Does the contract system provide stability and shield farmers from market risks? Or does it make farmers "serfs on their own land," as one grower claims?

The two sociologists — one from Duke University, one from N.C. State University — got approval for their project from the staff of the state-funded agency, which is charged with enhancing rural economic development. But when the project was reviewed by the agency's advisory board, representatives from the N.C. Department of Agriculture and the poultry science department at N.C.

State University objected. They thought the project should only proceed if it received the blessing of the poultry integrators; when it didn't, they led the charge that killed it.

An economist at a poultry science school from another state explains, "Our research depends on gaining access to data and people that the industry controls. We can't afford to alienate the integrators in our state."

* * * * *

John Wright (not his real name) grows chickens for Tyson Foods in east Texas. He is one of a several hundred growers who has secretly organized a national association of poultry growers. Tobacco growers, cotton farmers, ranchers, grain farmers — they all ^{have} their groups, but Wright's is the first national organization for this commodity. They incorporated as a cooperative under Arkansas law in March 1992.

About the time of the incorporation, a Tyson field representative came to Wright's farm with a sheaf of papers from company headquarters. They declared, "The drive to organize poultry growers is being funded and led by a network of shady characters and organizations who have a much broader agenda than simply helping growers." The cover letter went on to accuse the ringleaders of "encouraging people to stop eating chicken . . . trying to unionize poultry workers, advancing civil rights, animal rights, and . . . they really don't care about the growers." One page incorrectly described several key groups in detail as being "socialist" or "quasi-union" or "animal rights."

* * * * *

Mary Robinson, who lives in Leland, Mississippi, remembers her first day of work on the kill line at Delta Pride, the world's largest processor of farm-raised catfish. "I was shocked," she says. "I was scared of those big old live catfish. It was a stinking scent there, made my stomach sick. Eventually I just

got used to it."

After a few years of cutting and gutting catfish for Delta Pride, Robinson's hand began going numb. In early 1991, her doctor cut open her wrist to release the pressure on the median nerve, but the surgery didn't work. Two months later, her supervisor fired her. "It makes me mad," she says. "I did all that work, ripping, ripping, ripping those big fishes with those dull knives from eight in the morning until nine at night. And now I be hurt the rest of my life -- the rest of my life. Ain't nobody else going to want to hire me, with the condition my arm's in. That's a fact."

Rose Ross, another victim of carpal tunnel syndrome, says "Delta Pride is just like in slavery time. Somebody always standing over you, telling you what to do. To them, we're just here today and gone tomorrow. What do they care? If you get hurt, that's just one more black nigger gone and another one coming to get crippled."

* * * * *

Perdue Farms, like Delta Pride, has been fined for exposing workers to conditions that cause repetitive motion injuries (RMI) and for deliberately under-reporting those injuries on its logs. Both fines came about because of pressure on government inspectors to investigate the plants. In most cases, unions have initiated the complaints that triggered OSHA fines of meatpacking plants. The government rarely acts on its own.

Following the fire in Hamlet, North Carolina that killed 25 people, the Associated Press determined that the majority of North Carolina poultry plants had never been inspected in OSHA's 20-year history — even though the state Commissioner of Labor had classified poultry as a "high-hazard industry." North Carolina only has a third of safety and health inspectors required by federal OSHA; an employer can expect an inspection once every 75 years. Serious fines average \$350 per incident, and the Governor's Safety & Health Review Board

reduces or dismisses about half of those appealed.

When Perdue appealed its citation to the Review Board, N.C. OSHA immediately dropped the demand that the company slow its production lines. "We can't demonstrate what speed will reduce the RMI incidence," said Dr. James Oppold, then state OSHA director. "It would also be unfair to make Perdue slow its production when the rest of the industry doesn't change. The best we can do is insist on a medical monitoring program."

"You gave away the only thing we wanted," countered Chavuletta Jones, a Perdue worker. A year after Perdue installed its medical monitoring program, workers still don't see much improvement. The firm Perdue hired, Health & Hygiene, was founded by Dr. Harold Imbus, the retired medical director of Burlington Industries. Imbus vigorously fought stricter federal cotton duct limits for his textile mills, and for several years he refused to tell workers that breathing tests showed they were suffering from brown lung symptoms.

BLANKET OF FEAR

These stories are given not to make the discussion about meatpacking communities overly emotional. They are presented as the "facts" that ordinary people -- even academics -- can encounter every day. They describe what happens in communities where an imbalance of power allows food processors to dominate decision-making, define the limits of acceptable behavior, circumscribe the options people face.

Fear is a hard reality to quantify, but it is the driving force behind the choices people make in this industry. The fear of losing a job causes people to censor themselves -- they generally don't complain about safety violations (even if they knew where to report them), they may not seek medical help, they may not even vote or show an interest in community affairs for fear of being viewed as a "troublemaker." They desperately want that paycheck from the local

slaughterhouse; it offers more than what they'd get elsewhere in the county, and now they have a car or mobile home to pay-off. They can't afford to complain.

There are many exceptional people who do take risks -- but a great many, like those whose stories are told above, get rejected by the powers-that-be. If they received support from the larger community, and if others learned that such support was available, change in the industry might become a reality. Hope would work against rejection, support would counter isolation, achievement and positive feedback would neutralize fear.

FACTS OF LIFE, II

Most of my research has been in the South's poultry industry -- over 85 percent of the whole industry, up from 67 percent in 1950. Let me offer a few more facts about this industry -- mostly hard numbers that confirm the facts presented above as the daily reality for processing workers.

**** Injury rate.** Poultry workers suffer from skin diseases, repetitive trauma disorders (carpal tunnel syndrome, tendonitis, white finger, etc.), ammonia exposure, infections from toxins, chronic stress, and back problems. The annual industry illness/injury rate is 21 incidents per 100 full-time workers, more than twice the average for all manufacturers.

**** Misreporting Sickness.** That rate is based on reported cases; but OSHA has repeatedly cited poultry firms for willfully undercounting injuries. In 1989, Frank Perdue told the WASHINGTON POST that the rate of cumulative trauma disorders in his plants was under one percent. But doctors from the National Institute for Occupational Safety & Health (NIOSH) found the rate was 18 percent in the two plants where they conducted exams.

**** Medical Attention.** The NIOSH doctors also learned that nearly 1 in 4 (23 percent) workers with neck, arm, wrist, or hand problems in the two Perdue

plants said their supervisor or foreman "did not let them leave [the line] to see the plant nurse." An internal Perdue memo says it's normal for "about 60 percent of the work force to visit the nurse every morning for Advils, Vitamin B-6 treatment, and hand wraps."

**** Turnover.** According to the Department of Labor, poultry workers are five times more likely to quit their jobs than other manufacturing workers. The NIOSH study of Perdue learned that its annual turnover rate was 50 percent in one plant, 70 percent in the other.

**** Management Focus.** Poultry's chief executives mostly come from an agricultural background, from managing commodities not people. Some have hired anti-union law firms and management consultants, but their labor-management relations are generally primitive. Their investment in workers is short-term. By contrast, the Poultry Science Association says private industry and government agencies spend \$50-\$100 million each year on poultry science, aimed at reducing "chicken stress" while speeding up the bird's life cycle and feed-to-meat conversion ratio. Less than one tenth of that amount is spent on reducing "worker stress" through the science of ergonomics -- adjusting job design to minimize the stress of repeated, forceful motions made by poultry workers.

**** Farm Income.** A 1984 study by N.C. State University found that farmers earned only \$1,409 per chicken house per year, before taxes. In 1989, the figure has grown to about \$2,000. For a grower tending three houses, that translates to an average wage of \$2.88 per hour.

**** Profits.** Between 1984 and 1990, processors earned an average of \$1 billion in annual profits. Forbes estimates Frank Perdue's worth at \$350 million, and puts Don and Barbara Tyson's at \$600 million. The industry has cycles of overproduction and profit declines, but concentration of ownership and consumer demand are decreasing the dips. In 1960, the top 20 firms produced

47 percent of industry output; in 1990, the top 4 (Tyson, ConAgra, Gold Kist, Perdue) produced 41 percent.

** Wages. Poultry processing workers' wages are the lowest tracked by the Department of Labor in the food manufacturing industry. In 1987, they averaged \$6.11 per hour, compared with \$8.94 for all food manufacturing workers and \$9.91 for production workers in all manufacturing.

** Job Discrimination. Nearly half of all employees (production and nonproduction) in poultry processing are women. By contrast only 18 percent in the meatpacking industry are women. Meat packers made an average of \$8.58 per hour in 1987 — 40 percent more than poultry workers. The "high hazard" jobs in poultry are disproportionately held by people of color, mostly black women and Latino men.

** Productivity. Poultry workers are among the most productive workers in the U.S. Between 1960 and 1987 their productivity, measured in pounds of poultry output per hour, increased 176 percent. Poultry productivity has increased 50 percent faster than productivity in all U.S. manufacturing plants. Line speeds have roughly doubled from the mid-1970s to 91 birds per minute on the eviscerating line. The typical worker performs one discrete motion over and over, from 10,000 to 30,000 times a day.

PRIORITIES & PERSPECTIVES

It is imperative to recognize that these facts lie at the heart of the "labor problem" meat processors complain about. The "shortage of labor" comes about because of specific conditions and decisions made in an industry. From an employer's point of view, addressing the labor problem means finding new workers, or changing the workforce, to meet production demands. That's also the perspective taken by many academic researchers: who performs best under the conditions industry offers? From a worker's point of view, addressing the labor

problem means changing the job so workers don't find it so intolerable. The question becomes: what working conditions best attract and sustain a productive workforce, as well as serve the community's larger economic and social interests?

One approach assumes the industry's survival is paramount; the other assumes the worker's welfare is the central measure of success or failure. I can't think of a better way to illustrate the dichotomy in priorities shaping the debate over the future of meat processing operations in rural communities. For one side, "competitive pressure" is a sufficient basis to displace whole populations who become the subject of welfare studies and a marginalized subeconomy. For the other side, there is no useful reason to encourage a plant to locate in the community unless it offers longterm benefits to the valuable resources already there -- namely the local people and environment.

The poultry industry's disregard for the environment and consumer health has been the subject of numerous articles, including major exposes in the ATLANTA CONSTITUTION-JOURNAL. Recent media attention has focused on Governor Bill Clinton's reluctance to regulate the poultry industry in Arkansas, the nation's leading broiler producer, and the campaign contributions from Tyson and other industry leaders. Instead of acknowledging its weaknesses, the industry issues denials, minimizes problems, and attacks those who force increased public scrutiny of its practices.

This hostility to public accountability coincides with the industry's fear of its farmers or workers organizing, and poisons the prospect of a meaningful partnership between the various interests in a community with a large poultry facility. I can suggest policy reforms, but they won't get the proper attention and follow-through until the workers, farmers, and community leaders are more organized to protect their longterm interests. On the positive side, this

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industry is not poor and enjoys a bright future -- if it doesn't ignore the public. There is severe competition to meet the escalating consumer demand, but also huge profits that can afford to accommodate a more reasonable approach to human relations.

PROPOSALS

Here are few proposals for action, mostly related to poultry but they can be applied to other areas of meatpacking as well.

Equity for Farmers

1. Establish state oversight of the contracts between processors and farmers to ensure their uniformity and fair standards. Set fair standards for contracts so processors cannot arbitrarily change their terms after farmers invest huge sums in chicken and turkey houses based on industry promises. Expand the federal Packers and Stockyards Act to include full protection of poultry growers.

2. Put working farmers on industry and government advisory and policy-making bodies that establish or monitor standards for poultry science, poultry raising, and other aspects of the business that affect growers.

3. Channel existing federal and state rural economic development funds -- and devote new monies -- to provide low-cost credit, research, and technical support for growing and processing of healthful, free-range chickens under management control of independent farmers. *Why?*

4. Stop the spread of the monopoly control of vertically integrated feed suppliers/commodity buyers/processors who lock out competitors and turn farmers into "serfs on their own land." Use tax, anti-trust, and supply-side quotas to diversify ownership and control of commodities.

Worker Health & Safety

1. Slow down the line speed of the processing plants until a thorough

analysis reveals the impact of current faster speeds on cumulative trauma disorders for workers and increased product contamination for consumers. Redesign tools to make them do the job rather than the workers' forceful motion. Increase the number of breaks, and rotate workers to jobs that require less stress on their bodies.

2. Establish Occupational Safety and Health Administration (OSHA) standards for cumulative trauma disorders and enforce the existing "general duty clause" which requires employers to provide safe workplaces. Enact tougher penalties on violations; mandate more frequent, thorough and unannounced inspections; allow worker representatives to go on site inspections and help identify problem areas; and require complete reporting of injuries and illnesses.

3. Enact state laws that allow employees applying for worker's compensation to choose their own physicians. Determine disability settlements based on the income-capacity workers actually lose from their injuries/illnesses. Apply reasonable standards of proof in compensation cases involving cumulative trauma.

4. Require processors to establish health and safety committees that give workers a say in workplace safety issues. Encourage workers to organize themselves to bargain collectively for fair work rules, a grievance and seniority system, an end to harassment, and adequate pay.

5. Provide whistleblower protection to workers and inspectors for "committing the truth" of reporting violations of USDA or OSHA standards, incidents of gross negligence, and practices that threaten the worker's or consumer's health.

Community Initiatives

1. Organize "Workplace Safety Patrols" that present themselves to plant managers on an unannounced basis and requests a tour of the complete facility.

The patrol might be composed of a minister, public housing leader, retired police officer, disabled worker, teacher, and newspaper editor. The fact that the plant refuses a "community inspection" should be publicized; positive achievements by companies should also be well publicized.

2. Churches could adopt a workplace or become engaged in an ongoing program that provide a service to workers — sponsoring healthcare screening clinics, offering a home for a monthly legal clinic on worker's rights, organizing transportation, developing a housing program, etc. A sample proposal for church-based screening clinics is described later in this paper. In many rural areas, churches are at the hub of community leadership, cultural activities, and survival strategies.

3. Monitor county economic development initiatives (sponsored by Chamber of Commerce, local government, or state agencies), attend all meetings where industrial revenue bonds and the other subsidies are handed out, and develop new criteria for such subsidies. The criteria should promote longterm investment in the community and its people. Developing those criteria -- a checklist for positive economic development — should be a major objective for concerned community groups; the list would include impact on the environment, local businesses, area wage-and-benefits levels, affirmative action, workplace health, taxes and public infrastructure.

4. Promote indigenous economic efforts, including informal activities such as gardening, crafts, bartering, and fishing. Microenterprise development, peer group lending and accountability practices, resource networking, and pooling of small business services all could be encouraged.

5. Sponsor educational forums and cross-cultural events that enable the larger community to understand what life in the meatpacking industry is like. Increasingly, that also means understanding what life for an immigrant is like.

Programs that bridge racial and cultural barriers should be encouraged — gospel sings, soccer games, community picnics, festivals honoring a Latin American country, etc.

Industry Philosophy

1. Invest in the people who produce the product, not just in the product itself. This begins by treating people with respect and dignity. It includes training, fostering upward mobility, maintaining a complete medical program, and disciplining line supervisors who violate company policy. The pay-off includes lower turnover, improved morale, better production, and savings on health costs (although most companies push the health costs onto society by forcing workers to quit and seek Medicaid or Social Security disability).

PROPOSALS FOR ACTION

To this audience, I offer two detailed proposals that come out of the work of the Institute for Southern Studies. The first is a draft research proposal that is part of a larger discussion now underway with a consortium of community leaders, academics, and worker advocates in the Mississippi Delta catfish region. I emphasize that it is just a piece of a larger puzzle, but you may find it useful in your work.

The second proposal describes a community health initiative sponsored by the Institute and the Episcopal Diocese of N.C. for a poultry county in central North Carolina. This project has begun, and has hit many of the obstacles that one might expect with a new effort in a conservative semi-rural area. Other proposals could be fashioned that target housing, for example, which is a major problem in meatpacking community, especially those with immigrant populations. Whatever the goal, the work will be slow.

A R E S E A R C H P R O P O S A L -- D R A F T
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CATFISH & RURAL ECONOMIC DEVELOPMENT IN THE MISSISSIPPI DELTA

This proposal describes a two-year research project to analyze the impact of the rapidly developing catfish industry on the economy and quality of life of the Mississippi Delta.

1. Background

a. Poverty in Delta; by traditional measures, it's one of most entrenched regions of concentrated poor people, weak infrastructure and scarce resources for economic development. Farm economy also took nose dive, with row crop receipts in Mississippi dropping from \$737 million in 1979 to \$181 million in 1983.

b. Catfish proposed and championed as solution to region's poverty. Supported by agricultural extension agents, lending agencies, local and state government, land-grant universities, business community, landed gentry.

c. Basic numbers reveal dramatic impact of catfish industry in the space of a dozen years; it now generates \$2 billion in sales from about 400 million pounds of farm-raised catfish, up from virtually zero in 1965. In Mississippi, about 400 farmers control the business (only two are black); they get \$360 million in farm receipts from 95,000 acres of ponds; their cooperatives and the private firms employ 6,000 processing workers (about 90 percent are black women).

d. But anecdotal evidence suggests the industry has not provided an engine of even development: workers in the processing plants complain of harassment and "plantation-style" management; they have mounted intense efforts to win union representations, including a three-month strike against the largest processor, Delta Pride; medical personnel report a rapid rise in incidents of repetitive trauma disorders and other workplace injuries; while overall county income levels are rising, a large proportion of black households continue to subsist below the poverty level.

e. Local and state policymakers continue to favor the development of the industry with loan guarantees, infrastructure support (roads, sewer hook-ups, etc.), and tax breaks. A public debate over the benefits and costs of supporting this particular approach to economic development has barely begun. With a dozen years of experience, clearly the time has come to evaluate the effectiveness of the catfish industry as an engine of economic development in the Mississippi Delta.

2. Project Goal

To move the public debate forward, and provide policymakers (as well as grassroots community leaders) with the hard data they need to evaluate the

impact of economic development policies, the Institute for Southern Studies is proposing to undertake a careful analysis of the industry's daily impact on the lives of people in the Mississippi Delta.

Up to this point, that debate has not been well informed with good data. While considerable research has been done in publicly funded universities to support and refine catfish farming techniques, very little research has focused on the processing side of the industry. Similarly, while the catfish themselves are carefully monitored for disease and their response to different feed formulae, the workers in the processing plants are largely ignored by researchers. In short, the true community impact of this economic development strategy has not been well documented.

3. The Project: Methods & Research Goals

a. Chief Components. The Institute is proposing a multi-faceted investigation of how the catfish industry, government policy, and economic development strategies have interacted in the Mississippi Delta over the past two decades. The project will take two years and its major components include:

1. A literature search, including using computerized reference sources and databases, other library materials, bulletins and special reports by land-grant colleges and nonprofit agencies, Freedom of Information Act retrivals from a variety of state and federal agencies, trade journals and government publications.

2. On-site research in courtrooms, company offices, government agencies, health care and social service facilities, community organizations, legal service branches, union research offices, and other depositories of records, data, and narrative reports.

3. Analysis of available data to assess the changes of socio-economic conditions in the counties with significant catfish operations compared to counties that began the 1970s with similar demographics but did not become "catfish counties."

4. A survey instrument to use with community leaders, public officials, workers, farmers, company officials, and service providers. The survey would focus on perceptions of the strengths and weaknesses of the catfish industry's historic development and its ongoing contribution to the total community. A focus-group approach can also be used to stimulate discussion of resources the community has that could support alternative styles of economic development.

5. A seminar in the project's second year that pulls together about 20 leading researchers, policymakers, economic development practitioners, community leaders, and catfish industry representatives to review the Institute's research and discuss other analytical material generated about the efficacy of the strategies promoting development of the catfish industry.

b. Focus of Study. To provide a statistical profile of the effectiveness of catfish as an engine of economic development, we will compare data from counties where the industry has been a key force for more than a decade with other counties in the Delta and the state as a whole. In other cases, we will

concentrate on the targeted "catfish counties" to examine impact on community leadership, race relations, worker health, housing conditions, and other factors. The topics that the project will explore in detail include:

1. Profile of catfish industry's history and current dimensions; revenues, profits, workforce, number of farms (income, acreage, hired hands, etc.), counties of concentration, sales trends and future prospects, extent of vertical integration, number of firms, type of ownership, factions within the industry over management style or community relations, political involvement, linkage to longstanding community leader or community institutions.
2. Profile of the demographics of catfish workforce and its change over time; use of immigrant labor and strategies for recruiting workers; job segregation and job opportunities; wage levels; turnover rate; how the benefits package for catfish workers compares to other industries; information on shopfloor conditions, treatment of workers, labor-management relations, training opportunities, etc.
3. Government policies that promote development of the catfish industry. What criteria are used for loan guarantees, what are the mechanisms and track record of holding recipients accountable to these guidelines; what is the scale of tax breaks, how does this compare with other economic sectors, and how is the lost income made up; what channels are there to enhance broad community participation in economic development policy at the county, city and state level.
4. Medical profile of the people affected by catfish; workplace injury and illness rates; worker compensation claims, pattern of contesting claims, benefits paid, and fate of those who file claims; relative rate of social security disability; medical insurance claims; use of "company doctors" and access to quality medical care; extent of leadership on workplace and community health issues by local medical professionals; use of mental health and related services; infant mortality, care of children, and family health programs in catfish counties; changes in health statistics and access to medical care in last 20 years in catfish and non-catfish counties.
5. Impact of catfish industry's arrival on other social service and educational indicators; rates for drop-outs and high school graduation; AFDC, welfare, medicaid; influx of immigrant or migrant populations; change in housing conditions; development of cultural programs; quality of life indicators; has the community increasingly come together across race and class lines or is their friction, split societies, separate and unequal; role of religious institutions in tackling economic development, race relations, and health issues.
6. Other economic measures; impact on growth of small businesses, spin-offs from local purchasing; opportunities for subcontracting or entry into farming, processing or marketing side of catfish business; integration of farm and factory economies; availability of financial resources; changes in tax base and public financing structures; diversification of county's or region's economic base; what's the scope of ripple effect from catfish, who participates and benefits from spin-off businesses.
7. Role of political leadership in promoting responsible economic development; sensitivity to racial justice issues; breaking up of "good ole

boy" network in distributing appointments, jobs, services, and government contracts; changes in voter registration and voter turnout in "catfish counties" compared to other counties; race and sex profile of elected officials; how has catfish economy affected the informal community leadership, its independence, innovation and integration into formal politics, for both the black and white communities.

8. Measure the "radius of impact" of the catfish industry, since each industrial facility (and each development decision) draws people in from several counties; what is location of each type of operation in the integrated industry — from feed mills and farms to processing plants and sales offices; how far do people travel to work in these facilities, and what governmental agencies have jurisdictions over their fate.

9. Record of government regulation of catfish industry; citations by OSHA, USDA, state and local health inspectors, environmental agencies, and others; EEOC complaints and follow-up; unemployment claims contested; relations between industry and public officials; who sets the agenda, the standards of fair practices.

10. Interaction of catfish industry and its advocates with other economic development projects and strategies; is there competition for scarce resources, limited entrepreneurial leadership, bias toward certain strategies because of race or other factors, innovative projects that perish because of insufficient backing. What are alternative strategies of industrial development or economic policies that offer other models of rural development plausible for the target counties? What are untapped community resources and leadership that are overlooked or shortchanged by current direction of economic development?

c. Outputs. In addition to a publication containing the proceedings of the seminar, the project will produce a major report on its findings and smaller papers on various features of the project's "work in progress." Selections will be published in the Institute's quarterly journal, SOUTHERN EXPOSURE, and in other journals; additional reports will be designed for particular audiences, such as a media briefing report, background paper and checklist of policy options for county commissioners and local officials, and an overview on community impact for community leaders.

In general, the project reports will be disseminated to other researchers, media representatives, key policymakers, community leaders, economic development practitioners, and wider audiences through the networks represented on the advisory council of the Institute project.

Through the combination of the advisory council made of Delta citizens, the active participation of community-based organizations like the Rural Organizing & Cultural Center (ROCC), and the involvement of scholars from Memphis State and Jackson State universities, the project can ensure that its research translates into community action and stimulates a wider debate on rural economic development strategies in the Mississippi Delta.

A COMMUNITY ACTION PROPOSAL

HEALING HANDS

The Institute for Southern Studies seeks XXX from the XXX Foundation in support of the second year of a multi-year program to address a critical health problem in North Carolina — the growing incidence of cumulative trauma disorders (CTD) affecting the hands and wrists of the men and women, mostly rural minorities, who work in the state's poultry industry. The disease is receiving increasing attention, offering an unique opportunity for the Healing Hands Project to (1) focus on a specific and widespread health care need, (2) empower disadvantaged Hispanic and African American workers to gain greater control over their destiny, and (3) develop a network of local churches, community agencies, and health care professional committed to providing long-term assistance for victims of CTD.

THE NEED

North Carolina's largest agribusiness is no longer tobacco, and its fastest growing industry is not textiles or furniture. In two dozen counties, from the coastal plain to the Appalachian foothills, poultry is now king. The business of hatching, raising, killing, gutting, and packaging chickens and turkeys now occupies more than 5,000 contract farmers and 25,000 workers.

Most of the 20-odd processing plants are located in rural areas. They attract an under-educated workforce with payscales of \$5.30 to \$6.30 per hour, better than service jobs and often the best paying industrial job in the community. In the eastern chicken and turkey counties, over 80 percent of the jobs are held by black women. In the central region (Chatham-Moore-Lee counties), which is the focus of this Project, Latino men and black women hold the vast majority of jobs.

On processing lines moving at up to 91 birds a minute, these workers cut open the birds, pull out the entrails, trim off tumors and diseased parts, harvest the gizzards and hearts, rip out the lungs, then rinse and rehang the carcasses for the cut up, deboning, and packaging lines.

"There are no easy jobs in poultry plants," says Dr. Barbara Goldofas, a Harvard University economist. "The turnover rate is five times higher than the norm for industrial jobs." Most distressing is the toll taken on workers' hands, wrists, and arms from repeating the same few motions over and over, 30 to 70 times a minute, up to 30,000 times on a single shift.

Tendons swell, pinching nerves and eventually the tingling or temporary loss of sensation leads to a permanent weakening of the hand and arm. A surgical opening of the wrist's carpal tunnel may relieve the pressure on the median nerve traveling from the shoulder to the fingers, but such a procedure rarely gives the patient full use of his or her hand.

Carpal tunnel syndrome is the most crippling of a family of diseases known

collectively as repetitive motion illnesses or cumulative trauma disorders (CTD). They include tendonitis, tendosynovitis, and "white finger." And they are on the rise not only in the poultry industry, but on assembly lines and among machines operators everywhere.

Nationally, the incidence of CTD more than tripled between 1983 and 1987, while the total number of occupational illness and injuries climbed slightly more than 70 percent. In North Carolina, government figures for 1987 show that one third of all occupational injuries consisted of CTD, up from only eight percent in 1982.

Unfortunately, the worker's compensation system provides only minimal aid to CTD victims, largely because its fixed schedule of payments underestimates the true disability of low-skilled workers who lose the use of their hands for productive labor. While it is important for workers to learn about the benefits available through the compensation system -- and most do not even know the system exists! -- it is also important to recognize that the disease could be prevented in the first place by early treatment and changes in the production process.

In the past two years, state and federal Occupational Safety and Health agencies have fined several poultry companies for hazardous line speeds and job requirements that produce CTD. Some fines have reached \$1 million, and all of them cite the companies for underreporting incidences of CTD among their employees. Instead of recognizing this health threat and working vigorously to alleviate its causes, industry leaders continue to minimize its significance.

In North Carolina, Perdue Farms was fined in October 1989 for underreporting and causing CTD in two of its plants. After first fighting the citation, the company has agreed to a four-year settlement plant -- but it still contends that less than one percent of its employees suffer from the symptoms of CTD. However physical exams by a medical team from the National Institute for Occupational Safety and Health (NIOSH) found that 18% of the workers on the eviscerating, cut-up, and deboning lines had serious CTD problems.

THE PROGRAM

While government regulators and companies continue to argue about the extent of the problem, people are suffering now. Therefore, the Institute for Southern Studies and Episcopal Diocese of North Carolina designed a multi-year program to alleviate the pain, provide resources to the afflicted, and create the basis for public understanding that will lead to healthier conditions in the poultry industry.

After an extensive search, the a Taskforce appointed by the Episcopal Bishop and advised by the Institute hired two Project co-directors and began operations in January 1991. The Project's Helping Hands Center opened in March in Siler City, the center of the mid-state poultry region, with four plants within 25 miles and several more within 50 miles.

The central elements of the program are:

- o **Community Health Clinics.** The Project's core activity involves sponsoring health clinics with medical professionals and state-of-art equipment that reach

workers who otherwise are unaware of, or unable to obtain, adequate medical attention. At the first clinic, held at a church in April, 14 workers were invited to be screened by a team of volunteer doctors. This "invitation only" approach allowed the Project to work out the bugs in the logistics of holding a clinic before attracting more workers, more public scrutiny, and possible opposition from area poultry employers. Nine of the 14 workers had CTD problems and are now being followed up with medical and worker compensation assistance.

Two more clinics are scheduled for the fall/winter and several more are planned for 1992. They will be held in churches, community centers, and other "user friendly" facilities throughout the region. In general, the clinics will be held on Saturdays, following a public education and outreach campaign.

At the clinics, volunteers and Project staff interview the patients using a written instrument to record work and medical history, vital statistics, and other information important to the Project's legal advisors. At the first "trial-run" clinic patients also received background materials on CTD and occupational illnesses; in addition, a skit was performed that dramatized the nature of repetitive work, steps toward relief, and the worker's compensation system.

Staff continue to follow the progress of each clinic patient whose diagnosis indicates need for professional care. Clinic patients also are plugged into the peer-group meetings now underway.

o Identification and Education of Health Professionals. While most health professionals are generally familiar with CTD, few are able to diagnose its symptoms correctly, determine its root cause, and prescribe an effective remedy. Many doctors recommend surgery too early, lack information about less severe treatment, fail to associate the disease with the patient's work environment, or inadequately monitor the patient's remedial program.

These problems are compounded by the fact that few doctors, rehabilitation therapists, and other health professionals serve the rural areas where most poultry workers live. Given the lack of local alternatives, each professional becomes a major player in tackling CTD, for better or worse.

To address these problems, the Project will (1) seek to identify a larger pool of knowledgeable health professionals who can serve poultry workers, and (2) hold training and peer-group seminars so medical personnel can learn better diagnosis and treatment programs. In the second year, an advisory panel of health professionals will be formalized to oversee and assist these activities. Parallel work is also underway to identify and train lawyers who can represent injured worker in worker's compensation, disability, discrimination, and other cases. Already, Project staff helped coordinate a statewide briefing of Legal Service attorneys on repetitive trauma disorders, and on numerous cases have provided key advice — ranging from working conditions in the poultry industry to the best approaches for working with Hispanic clients — to area lawyers.

In preparation for the first clinic, Project staff contacted over 20 health professionals and identified 12 who were willing to participate, depending on scheduling. The staff have also begun pulling together a group of bilingual occupational health students from the nearby School of Public Health at the University of North Carolina. In addition, the Project is working with county public health personnel and an area community health clinic to get them to

participate in future clinics and perhaps eventually adopt some of its functions within their on-going programs. This is very sensitive work since the extent of disease is not something the "Town Fathers" want publicized or highlighted in publicly supported programs. All this work will continue into the second year.

o Counseling and Peer-Group Sessions. One of the most important functions of this Project is to help victims of workplace illnesses recognize that they are not alone, that their situation is not unique or their "fault," and that they can do something constructive about their health problem and resulting economic distress. Due to a combination of factors -- poor education, racism, language barriers, inadequate support systems, rural isolation, and economic paternalism -- poultry workers often lack the self-esteem to pursue solutions that are personal as well as collective.

Project staff and consultants have begun to address these problems through an intensive one-on-one and group counseling program. Committees of men and women now exist in all four plants in the immediate area, and they meet at least once every two weeks. Through these committees, workers learn to evaluate their options, take initiative, and receive positive feedback for activities giving them greater control of their lives. In group sessions, they share their experiences, small and large triumphs, frustrations, and need for peer support.

Among the problems identified and addressed through these committee in the first year were speed-ups on the line, lose of bonus pay, and the routine firing of pregnant women at one of the plants. The committees also identify workers with health injuries for referral to the Project's team of legal and medical experts. Through the committees, workers evaluate what strategies to take, ranging from filing a EEOC discrimination case to initiating a slowdown at work, and how to build broader support among other workers for needed reforms.

This type of intense meeting will continue into the second year. It gives people specific problem-solving skills, practical lessons about making job-related and medical care decisions, personal feedback for building self-esteem, and leadership development skills so they can become advocates and allies of others in similar positions to their own.

o Auxiliary Services. In addition to the medical and counseling programs, the Project intends to offer a variety of referral and educational opportunities. These auxiliary services logically follow the Project's commitment to addressing health conditions among workers. For example, stimulating interest among Project clients in literacy training, and ensuring that such programs reach them, is crucial to building their self-reliance and empowerment, as well as reversing the cycle of dependency and ignorance that entraps many rural poultry workers.

In the first year, Project staff have channeled workers into English-as-Second-Language (ESL) programs at area community colleges, and begun discussions with Literacy South about using the Helping Hands Center for its program. To address the severe daycare crisis for low-income women, the Project has initiated a pilot home-centered daycare training program. It has recruited a UNC Public Health School intern to work with a state-certified clearinghouse that trains women to use their homes for daycare centers, bringing in important income and providing a much needed service to other women (often single parents) working in poultry plants.

In addition, the Project is negotiating with the Legal Services Corporation to

use the Helping Hands Center as an supplementary in-take center, staffed by a Legal Services attorney on a fixed schedule, at least one day a week. No such in-take center now exists within 30 miles of Siler City. Providing the full range of Legal Services programs will help the Center become better known in the community, while allowing it to refer many problems to that agency so it can focus on health screening, worker comp counseling, and other programs Legal Services can not provide.

It is important to note that one of the Project co-directors (Brenda Harris) has worked for years in the area Community Action Program, so she is familiar with referring people to the Social Security Administration, job rehabilitation programs, training offered by area community colleges and others, the Employment Security Commission, and other relevant private and public community agencies. The Project is developing a database of these programs and their effectiveness, as well as of private attorneys, other professionals and community resources helpful to the Project's clients.

o **Emergency Loan Fund.** Financial resources for the working poor are especially scarce in rural areas. The lack of available aid keeps many workers on jobs that cause them great pain; they have bills to pay every week, and can't afford to stop long enough to find another job. For many workers, the fear of job loss even means they won't complain of their health conditions to their supervisors.

As a consequence, these workers may stay on the job until their health problems become so aggravated that they physically can't continue. This situation is particularly damaging for people suffering the early stages of CID. If they stop work to change jobs, or at least get a rest period, their health problems may be corrected relatively easily. If not, nerve and tendon damage will continue until permanent disability results. Often a small cushion of money would give them the courage to report their problem, seek treatment, and/or seek another job.

Disabled workers who need to see a private physician of their choice, who are undergoing job retraining, or who are awaiting worker's compensation settlements also need temporary financial support, especially until their disability or worker's compensation payments begin.

To provide modest financial support for such individuals, the Project is setting up a revolving loan fund designated for people at risk who are involved in one or another of its programs. The fund will not be advertised since it could be overwhelmed with applicants and quickly exhausted; instead, the Project staff inform selected individuals of its availability, repayment terms, eligibility requirements, and the interviewing process necessary for selection.

o **Educational Materials and Community Education.** Each of the program areas described above requires a variety of educational materials designed for workers, health professionals, or other constituencies. These range from fact sheets on CID to guides for filing a workers' compensation claim to technical packets on medical symptoms and intervention strategies for CID. The Project has already generated a variety of these materials, and has reprinted or redesigned publications from other organizations for its use.

A broader community education program is also conceived as central to the long-term resolution of health problems in the poultry industry. Project staff will work with selected media to alert the public about health conditions, and will help clients communicate their stories and recommended solutions to public

officials and concerned citizens. In the past year, Project staff have spoken before several area churches, civil rights organizations, and professional associations. It anticipates continuing to seek out a variety of opportunities to address religious, consumer, and community organizations, business groups, poultry management personnel, policy makers, professional associations, and civic clubs.

Finally, the Project will assist lawmakers and advocacy organizations seeking specific policy reforms, such as increasing the worker's comp payment schedule for CTD disabilities and obtaining a federal standard for repetitive motion tasks in the workplace similar to those that exist for levels of cotton dust, benzene or noise. It is the Project's belief that solutions can be found to decrease the incidence of CTD, while maintaining the productivity and profitability of the poultry industry in North Carolina. In the meantime, the Project will work to alleviate the pain and distress of those who suffer from this terrible disorder.

THREE-YEAR PHASING

With the \$150,000 in core support from the Jessie Ball duPont Fund over three years, the Project can undertake longer range planning and pace its work for achieving greater impact and success. The Project is designed with build-up, expansion, and decentralization stages. The first goal has been achieved: hiring an excellent staff committed to implementing the Project over three years.

Much of the first year has been consumed with creating the educational materials and lining up the support infrastructure of medical and legal professionals, community advocates, counselors, and peer group leaders needed to implement the first round of health clinics. This had involved a great deal of one-on-one personal contact by the Project staff and consultants. In addition, the Project has made great progress in creating a Community Board of Directors to guide its operations and recruit talented people from the targeted region.

Developing and improving the effectiveness of the health screening clinics and the peer support groups will occupy much of the second year; these are the basic vehicles for identifying injured workers, channeling them into a empowering process, and building their self esteem, problem-solving skills, and leadership capacity. Project staff will also be evaluating the effectiveness of various agencies and programs people are referred to, such as a particular literacy project at a community college or a rehabilitation specialist.

By the third year, the routines for the functioning of the clinics and support groups should be well established. A support network of medical and legal professionals should also be in place, and, with the help of the Community Board of Directors, the Project should have an expanding number of supporters among policy makers and civic leaders. More attention will go toward public education of the larger community and building consensus among professionals, policy makers and community leaders for reforms in workplace job design and in the worker compensation system.

During the second and third years, additional clinic sponsors will be recruited, including both financial sources of support and agencies that adopt the clinics as part of their on-going mission. With the help of working taskforces, Project staff will identify key churches from all denominations that can participate in

a network of activity centers which rely less and less on the Project's centralized staff. Ultimately, a single person (with appropriate support staff) based at one of these, or at a different, agency should be able to provide the coordination and technical back-up required to keep the clinics, support groups, and public education efforts functioning smoothly.

PROJECT ADMINISTRATION AND EVALUATION

The Rev. Jim Lewis, director of Christian Social Ministries of the Episcopal Diocese of North Carolina, currently chairs the Project's Community Board of Directors. Currently, the Institute for Southern Studies is the fiscal sponsor of the Project, pays its bilingual staff, and monitors its finances. During the spring of the Project's first year, a team consisting of the Rev. Jim Lewis, Bob Hall of the Institute, and Betty Bailey (former Brown Lung organizer and now director of RAFI-USA in nearby Pittsboro) met almost weekly with the Project staff to get the program off the ground, plan the initial clinic, and expand the original Episcopal Taskforce monitoring the Project into a Community Board of Directors.

The Community Board and its committees now regularly evaluate the progress of the Project and its staff. Data will be collected on the number of individuals involved in each aspect of the Project, including the number identified with CTD as well as those receiving counseling, compensation, job retraining, and/or medical referrals. The Project will also be evaluated on its effectiveness in promoting public understanding of these health issues, its ability to involve a broad range of professionals and others in achieving meaningful remedies and policy reforms, and its success in engaging local churches and other agencies in a long-term health service and advocacy program.

**Poultry and Industrialization in the Rural South: The Case
of Gainesville, Georgia**

**Preliminary Draft of Paper for A National Conference on New Factory
Workers in Old Farming Communities: Costs and Consequences of
Relocating Meat Industries**

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Introduction

The poultry industry is rapidly growing and quickly changing. Its growth reflects changes in the marketplace. For one thing, Americans are eating less red meat. In the decade from 1981 to 1991, poultry grew from 26% to 40% of the U.S. consumption of all meat products. Additionally, production of conveniently packaged, or value added, poultry products have been successful with consumers. The export market is also growing - the volume of chicken exports may more than double by the year 2000. Industry growth has been accompanied by reorganization: integration; consolidation; product shifts from dressed birds to value added products; and a change in the labor force from marginalized local workers to immigrant workers.

This tremendous growth has been expensive in very human terms. Line automation and speed have increased dramatically, sometimes resulting in casualties to workers -- some of the most flagrant incidents of industrial violations have caught the attention of the national press. But other changes, less dramatic but more pervasive, are also occurring in formerly rural communities eager to attract industries. It is the purpose of our paper to examine the role of the poultry industry in this new rural industrialization. We look at the impact of the poultry industry on the regional delivery of health, education, and other public services. We suggest that what we learn from the proposed study of the poultry industry in Gainesville, Georgia will aid in the formulation of local, state, and national policy questions about health, education, immigration, and industrialization.

Poultry in Georgia

As noted in the organization paper for this conference, the poultry industry is rapidly growing, with an annual net income of over \$13 billion. Another measure of its importance in the manufacturing sector is that one of every sixteen new industrial

jobs is linked to the poultry industry - at the expense of the beef and pork industries, we might add.

Georgia is one of the largest producers in the United States, being second to Arkansas in broiler production, and second to California in egg production. According to the Georgia Agricultural Statistics Service, the "total value of poultry and eggs produced in Georgia amounted to \$1.49 billion" in 1990, - approximately 10% of national production (Georgia Agricultural Statistics Service 1991). Further, the Georgia Tech Research Institute estimates the total direct impact of the entire industry, statewide, at \$3.398 billion. Their analysis' "expanded input" adds another \$5.747 billion. All told, then, the Georgia poultry industry adds over \$9 billion, including \$170 million in state and local taxes, to Georgia's economy. According to the Georgia Poultry Federation, it is the "largest and fastest-growing segment of Georgia's agriculture and agribusiness." and approximately 100,000 jobs in the state, or one in for every 30 Georgians, are poultry-related, including feed mills, processing plants, trucking firms and others (Georgia Trend 1992). In fifty of Georgia's 159 counties, poultry farm income is greater than the combined income of all crops and livestock and in 81 counties poultry brings in at least 1 million in farm income.

In Georgia, the industry has undergone reorganization to keep its competitive edge. Four areas of organization concern us here: consolidation, vertical integration, product shifts, and the utilization of low-priced labor.

By consolidation we mean the decrease in the number of firms, and the corresponding growth in market share by the remaining firms. Nationally there were about 250 poultry firms operating in 1977; currently, there are between 35 and 40. There are 9 firms in north Georgia. Of these, 4 national corporations - Marjac, Conagra, Fieldale and Wayne Poultry - employ the majority of the workers. One corporation, Fieldale, accounts for about half of all poultry employment in north Georgia.

Gainesville's poultry industry has led in the vertical integration of the industry. Jesse Jewell was instrumental in

this process by introducing many aspects of the assembly line and raising chickens through contract, thereby giving them control over supply. Not only has the vertical integration of the industry given the major players control over the supply of chickens but adds to their economic clout and control within the regional economy.

The shift to value added products has contributed to much of the profit in the industry. These factors have been discussed at length in the organizing papers for this conference particularly those by Heffernan and Constance, and Broadway.

It is the fourth strategy, demand for low priced labor, that leads to our focus on Gainesville, Georgia. Poultry plants in Georgia have historically located in rural areas, drawing on local workers, both black and white, for inexpensive labor. Gainesville is handily perched at the southern tip of Appalachia, a source of poor white workers. Some black workers have also moved here from the so-called "black belt" counties not far away. However, these workers exhibit heavy absentee rates and high turnover, spurring poultry processors to actively recruit a new labor force - immigrants, mostly Hispanic, who are willing to work for poultry plant wages.

As discussed in the organizing papers for this conference, the meat industry as a whole has relied on a segmented labor market to supply cheap labor. This pattern of rural low wage development has been discussed generally by Lyson and Cobb, for the southeast, and by Broadway for the meat industry, and Griffeth for poultry. Piore; and Portes and Bach discuss the influx of Hispanic immigrants in the segmented labor market. The importance of rural areas in a segmented economy has been discussed by Broadway, Stull, and Saindon.

In 1980, the U.S. census listed 500 Hispanics in Hall County, where Gainesville is situated. The current figure is 4000. Although these figures are undoubtedly undercounted this 800% increase illustrates the sweeping changes occurring in what has traditionally been a rural community. The new immigrant population places tremendous burdens on the delivery of services

in Hall County. In the following pages we discuss how the recruitment of immigrant labor has affected the regional economy particularly on the rural deliver of health, educational, and judicial services.

Gainesville - Poultry Capital of the World

Gainesville, Georgia is really several cities. One is the lakeside retreat for Atlanta's middle class. Located within an hour's commute of Atlanta, Lake Lanier is surrounded by first and second homes owned by Atlantans who either live there and commute the 45 miles to their jobs in the city or fill the roads on Friday afternoon and Sunday evening as they visit their weekend homes or lake-docked boats. This population is primarily responsible for Hall County's status as one of a handful of rural counties in the United States with over \$1 billion in annual private income. The second Gainesville is an industrial center for poultry and poultry related plants, textiles, farm implements and the related service industries associated with industrial activity. It is also the city of newly arriving immigrants coming to work in the poultry processing plants.

These two new populations are uneasily integrated into a third, older population of poor whites from the Appalachians who came to work in textile mills here in the 1950s. As the textile mills have closed, many of these people have become unemployed. 72% of the food stamp recipients in Hall County are white. The comparable state figure is 29%. The black population in the area is historically small and its percentage is decreasing.

Population

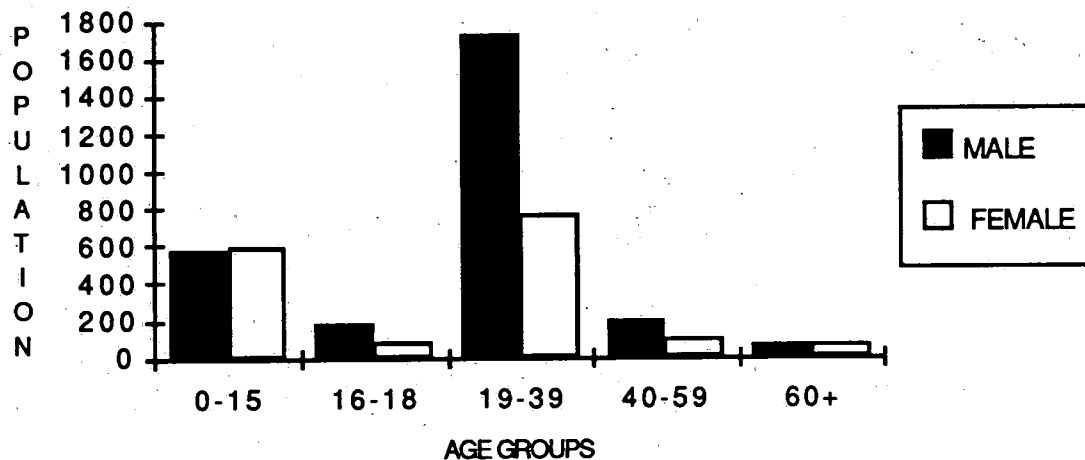
Gainesville is the county seat of Hall County which has just over ninety five thousand (95,248) residents. The city has just under eighteen thousand (17,875) people with an additional thirty three thousand (33,283) in its suburban areas. The area has historically been white, with the black population significantly

lower than the state's average. In 1990, the black population was 8% compared to the state's rate of 27%. Over the past decade Gainesville and Hall county have experienced a growth rate significantly higher than Georgia as a whole. The overall increase in population in the area around Gainesville was 27% compared to a figure of 19% for the state of Georgia. Much of the population growth in the area has resulted from the expansion of two major highways linking Atlanta with North Georgia. It is now easier for residents to commute to work in Atlanta or own second homes in "The Mountains" as Atlantans put it. North Georgia also attracts retired people, and the over-60 population increased by 3% from 1970-1980.

Since the 1970's, immigrants have been coming to the Gainesville area to work in the poultry plants, but the most dramatic growth has occurred since 1985. Although U.S. Census data shows approximately 4000 Hispanics in the area, other estimates range as high as 15,000. Some Vietnamese refugees also work at the plants. There is a small Vietnamese community in Gainesville, and others, residents of Atlanta, who work at the poultry plants during the week, commuting home on weekends.

The age structure of the Hispanic and Asian populations differ from that of Georgia as a whole reflecting the immigrant male work force. Through age 15 there are slightly more females than males. In the age categories of 16 through 39 years, however, males outnumber females more than two-to-one. In the age categories of 40 - 59 the male distribution is double the number of females. At age 60 the population figures drop and the sex ratio evens out. Although the number of Asians reported in the 1990 census is much lower, a similar age sex ratio holds from ages 20 to 34 years, where there are double the number of males as females.

MALE/FEMALE HISPANIC POPULATION IN HALL COUNTY, GEORGIA

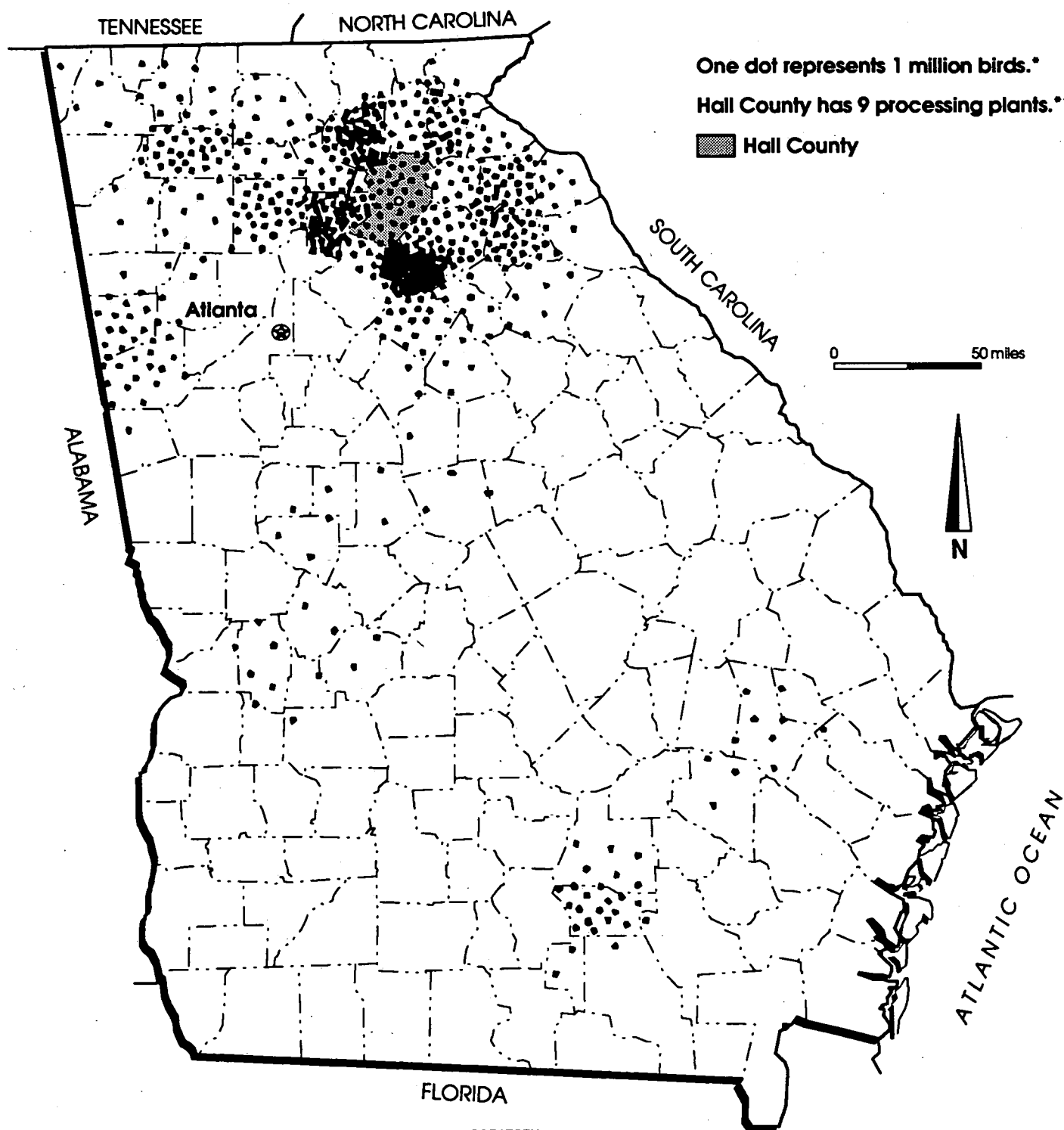


The Regional Economy

Gainesville, Georgia lies at the base of the Appalachian foothills in northern Georgia. As is true of the southern piedmont in general it was not an area of large scale plantations. Instead it became a center for the textile industry, attracting mainly white Appalachians to work in the mills. The city was also the site of medicinal springs which attracted tourists as did its proximity to the north Georgia mountains. The textile industry has greatly shrunk in importance in the last twenty years, although in the surrounding counties textile is still an important industry.

There are 47 poultry plants listed in the Georgia Manufacturing Directory 1990-1991 (Georgia Department of Industry, 1991). Nine are Hall County and another five are in surrounding counties (Map 1). In Hall County, the number of workers employed in poultry processing or poultry equipment plants was 3,383, compared to a total industrial employment of 11,560. or 29%. Another 3,700 workers are employed in Tyson poultry (700) in adjoining Forsyth and Fieldale Farms (3000) in adjoining Habersham County.

Map 1



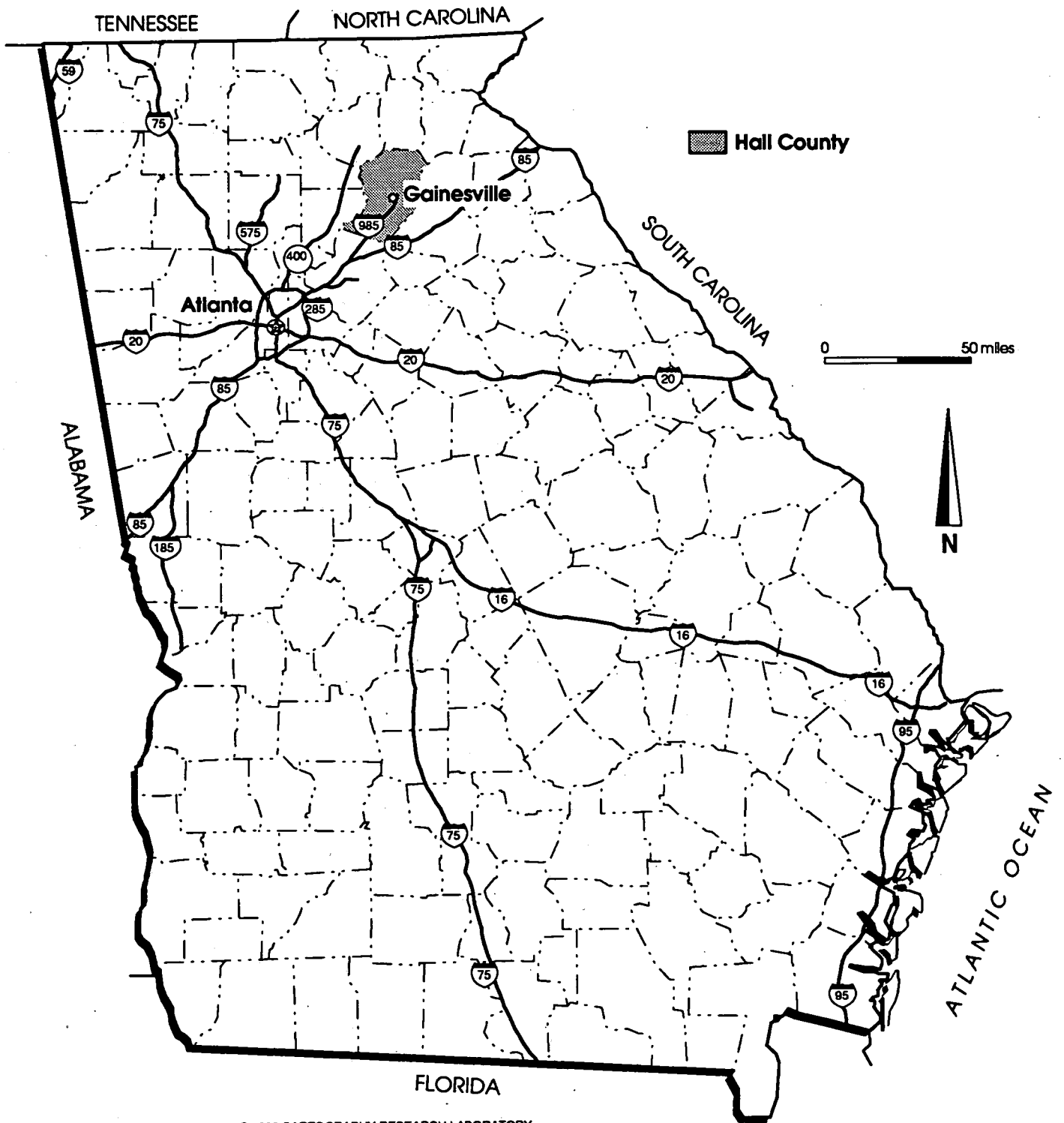
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DEPARTMENT OF GEOGRAPHY
GEORGIA STATE UNIVERSITY

* 1983 DATA, THE ATLAS OF GEORGIA
** 1990 DATA, GEORGIA MANUFACTURING DIRECTORY

The Poultry Industry in Hall County

As Broadway discusses in one of the papers in this conference, poultry plants select locations near farms that supply live birds. These farms work under contract with the major poultry processors. Traveling from northeast (Oglethorpe, Elbert, Madison counties), to north Georgia (Jackson, Hall, Hart, Franklin counties) you can tell when you move from the cachement area of one firm to another. Goldkist, Seaboard signs give way in mid-Jackson county to the prevailing Fieldale signs displayed in front of the thousands of small north Georgia chicken farms. Hall County is ideally located in land that has always been marginal to farming, but well suited to produce broilers. Hall County is not only well situated to supplying farms, but is also convenient to transportation facilities. Several major highways speed refrigerated trucks to Atlanta and other sections of the Southeast. The Gainesville Airport located allows high speed air transportation (See Map 2).

Map 2



Impact of Poultry on Political Economy of Region

Health

The poultry industry impacts health at both the regional and individual levels. Plants dump waste products into local wastewater systems, straining their ability to provide adequate treatment before effluents are returned to local streams and rivers. In addition they are primary users of water in their processing system increasing the burden on a fresh water supply that is already so overtaxed that Metropolitan Atlanta must often ration water during the months of July and August.

Poultry work is dangerous and injuries are common. The specific degree of risk depends on the type of plant. Modern plants are mechanized factories exposing workers to risk from machinery, hot water and other industrial hazards. Specific health conditions include repeated cumulative trauma injuries, including carpal tunnel syndrome, increased incidence of arthritis and bursitis; eye irritations from splashed water during the de-gutting operation and skin irritations. Saindon interviewed rural Black poultry workers in northeast Georgia in 1989 and 1990. She found women in their fifties and sixties who were crippled from carpal tunnel syndrome, disk injuries, and arthritis and bursitis. This quote from her field notes illustrates how debilitating the production process can be.

In November of 1989 Ann Adams (not her real name) was 62 and home on disability. She was in obvious pain the day interviewed with two hot water bottles under her back. She talked about working at the poultry plant.

"I pulled craw - cut neck, cut liver, cut gizzards, opened chickens. Pulling craw is straining. To pull craw you need a sharp knife. You cut the neck and pull bone. You have to get every third chicken, just as fast as you could reach. Sometimes I missed it. We had to get 45 sometimes up to 60 a minute. When I complained

they wrapped it and put Ben Gay on it. They gave me no-name pills. It was hurting, but I had to work. Sometimes they'd let you go to the nurse. She wrapped it and sent me back to pulling craw (Saindon, 1989, field notes, p. 49).

Ann got up slowly and went into the bathroom and brought out a grocery bag and emptied the contents on the rug in front of me. What I saw was alarming, dozens upon dozens of empty medicine bottles, which she had used in a futile attempt to control the pain that would not go away. Darvon derivatives, muscle relaxers. Nothing worked. Now all she could do was stay home. It took her all day just to do simple household chores. Fortunately Ann has a network of kin and neighbors who care for her. The poultry firm that employed her for 23 years does nothing. She is in litigation to try to recover pension benefits from a previous owner of the company as the present company has no pension benefits, but so far she has been unsuccessful. Ann was not the only poultry worker interviewed who had been disabled by the injury but she was among the first Saindon interviewed, and her condition was terribly moving. Saindon later interviewed other women similarly disabled, with similar prospects, unable to do even a day of household labor without unbearable pain.

Because of the high rates of accidents, injuries, and other health risks associated with poultry processing, the industry has been having difficulty finding insurers Blue Cross-Blue Shield dropped one plant in Georgia (Saindon 1991) leading to lower levels of coverage for workers and their families. This reduced level of insurance, plus the increased number of families who are eligible for indigent medical care puts additional pressures on the county health providers, and on the households themselves.

An example of the overload on the Gainesville health care system is the fact that nearly 30% of the patients served by the Emergency Room of the regional hospital, Northeast Georgia Medical Center, are Hispanics needing primary care. Although there are two other hospitals in the area, these are private and serve middle and upper class households as well as those few industrial workers who have insurance.

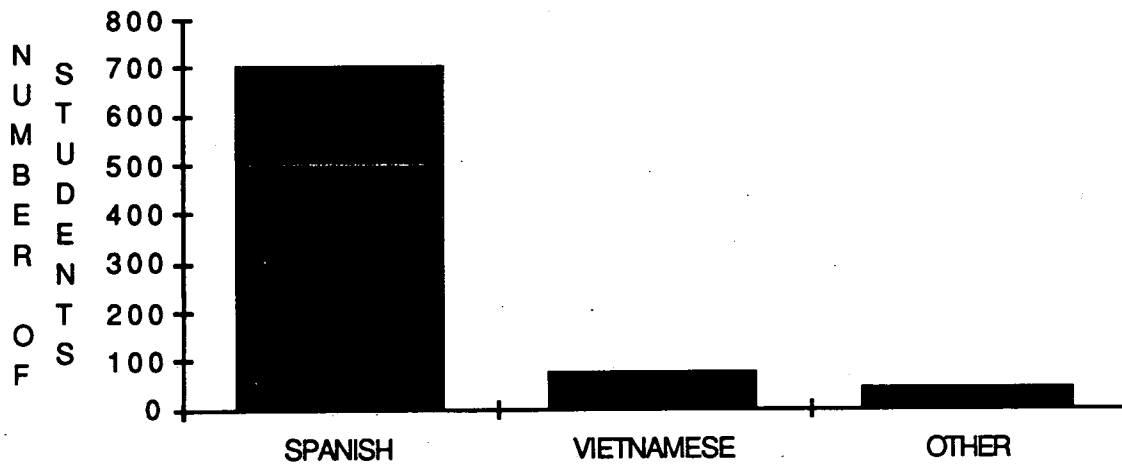
The Hall County health department reports a doubling of its Hispanic case load between FY 1989 (6%) and FY 1990 (13%). In the first six months of FY 1991 over 2,500 Hispanic patients were treated. A large number of these individuals are women seeking prenatal care. Due to language and cultural barriers most of these women do not seek prenatal care until their 20th week of gestation. Many do not speak English well enough to understand prenatal counseling. One result is a low birth weight (LBW) for Hispanics of 87.7 per 1,000 live births compared to 68.0 for the total population and 62.0 for Hispanics in Georgia in general.

To better serve the health needs of the Hispanic community the Gainesville public hospital is proposing to fund a community health center in the Hispanic region of the city. A major factor in this program is the provision of trained translators for patients and professionals. During the interim period outreach programs are attempting to find individuals who can translate for health care and other professionals providing services for this community.

Education

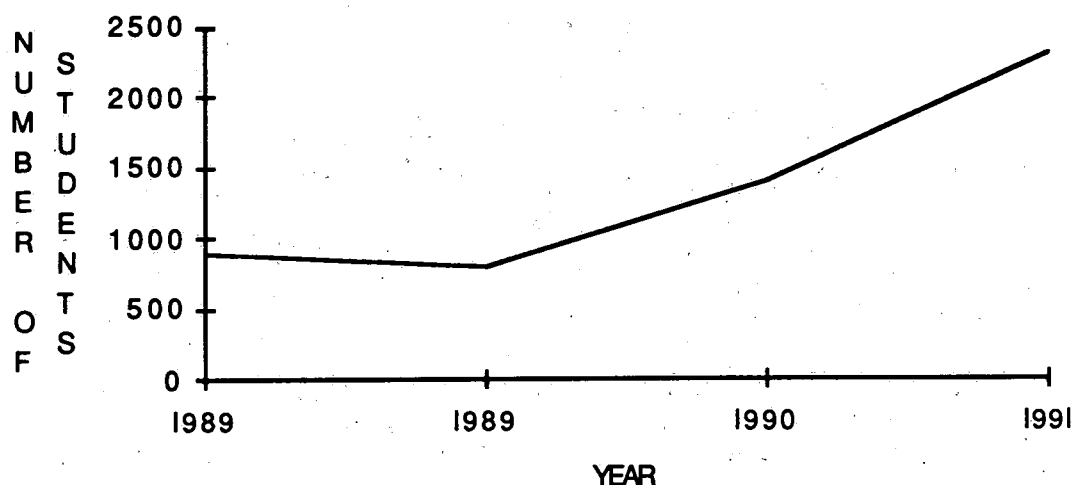
This new population adds stress to the schools of Gainesville and rural Hall County. Eight hundred and twenty-one limited English proficient students have been identified in the Gainesville and Hall County school districts, but those numbers are probably much too low. Currently, over 10% of the students enrolled in Gainesville schools are Hispanic. This figure is double the number from just two years earlier.

NON-ENGLISH LANGUAGES SPOKEN IN HALL COUNTY SCHOOLS



As shown below, the number of students served by the Piedmont Migration Education Agency (whose coverage includes the entire Piedmont and Mountain regions of North Georgia) has risen dramatically over the past three years. This figure does not include many of the children of poultry workers who are not considered migrant workers and therefore are not eligible for the services. Often these children and their families come from rural areas with low literacy rates in their own language. Since many of the parents do not see these jobs as permanent they do not enroll their children in schools.

ENROLLMENT IN MIGRANT EDUCATION



The migrant education program utilizes federal funding to provide programs for eligible children, but often poultry workers do not qualify as migrants. Our research will provide improved data on the number of immigrant children, their need levels and the needs of the school districts in which they are enrolled.

Courts and legal services

The influx of Hispanic and Vietnamese populations has impacted the legal system, predominantly in the areas of communication and education. There aren't sufficient translation services translators have been difficult to find. Hall County officials have had to serve summonses and subpoenas on state Refugee Health translators in Atlanta, and then transported them to Hall County to translate for the Vietnamese offenders in the courts. The police department has sent 22 of its 75 officers to take Spanish classes, and an Hispanic has been recently hired to serve as a translator for the police and in the courts.

An informal study done by the Hall County Sheriff's Office showed that less than 6% of the county's criminal activity touched the Hispanic community. The majority of the problems that did arise were due to lack of knowledge of the laws: driving without a

licences and lack of liability insurance. Other problems reported are related to the predominance of young males in this population, leading to charges of Driving Under the Influence of Alcohol (DUI) and public drunkenness.

Responses

Public response

While community service agencies have tried to deal with the influx of low skilled migrant labor into North Georgia, community response has been mixed. Some churches and civic groups support outreach programs through Catholic Social Services and other groups. However, the Ku Klux Klan has also been active, and cross burnings aimed at Hispanics have been reported.

Research Questions Affecting National Policy

The following summarizes what we know and what we still need to know concerning immigration, health, education, and rural industrialization as represented by the poultry industry in North Georgia.

Immigration

We know that migrants come to the poultry industry through network recruitment and possibly through contractors. We also know that in some cases the poultry industry has sponsored refugee workers expecting them to repay the costs of that sponsorship. What we don't know is how much of the recruitment to the poultry industry is through these informal networks and how much by other means. We also don't know the history of the migrants. Do they come directly from their home country, or have they worked in agricultural areas? Do all migrant males come alone initially? If migrants travel here without their families do they expect their families to join them? Or do migrants males see their stay here as

temporary and plan to return home within a given period of time? Once we know the history of the migrant to the poultry industry we will be in a better position to formulate suggestions to immigration policies.

Health

We know that poultry workers, as well as meat production workers, are subject to a multitude of injuries characteristic of the industry. We do not know to what extent they are receiving medical treatment. We also do not know the health and medical problems of their families or the decision making process for seeking or not seeking help. They, like many working poor, fall in the cracks of the medical service delivery system as it exists in the U.S. today. They are not adequately covered in the workplace but are making too much to be covered by indigent medical services. We need to know more about the utilization practices of the immigrants in the poultry industry. This information should provide important policy guidelines for the development of national health policies.

Specific health related questions that need to be addressed include:

1. Who are the health insurers for the poultry processors in Gainesville, Ga.
 - A. How inclusive is their policy?
 - What are the deductibles?
 - Does the insurance include family coverage?
 - Duration of employment before coverage is effective
 - B. What kinds of accidents occur in the industry?
 - How are workers protected from these accidents
 - Are workers covered for accidents on the job?
 - Do they access this coverage?

C. What other illness are associated with employment in the poultry industry? What medical services are utilized by poultry workers and their families.

2. How does the immigrant labor force affect the delivery of health services in Gainesville and Hall County?

- A. What additional services are required?
- B. Are the present health delivery systems able to supply these services?
- C. Are the health needs of immigrant workers and their families met by the current health providers?
- D. Are their specific services required by the new labor force?
- E. How does the largely male work force influence the rate of AIDS, and other sexually transmitted diseases?

Education

We know that both the poultry workers themselves and their children are straining both the K-12 and adult educational delivery services. Second language training has been made available, but not everyone utilizes it. Additionally, some former agricultural workers are eligible for the services of the migrant education program, but not all poultry workers are because poultry is not considered a temporary or seasonal industry. We don't know to what extent the poultry workers access the available educational programs. We also don't know if there are differences in utilization of educational services by shift. We don't know the other factors that might affect the utilization of educational delivery. Also we don't know if low wage employment is a

deterrent to high school graduation or technical training. Data collected about educational histories will allow us to make specific recommendations for the development of educational policy.

Specific questions related to education that need to be addressed include:

1. Are poultry workers' families currently enrolled in educational services available to them: a) public schools b) English language instruction c) migrant education program, if eligible
2. What services are needed but not available?
3. What extra expenses are school systems incurring in meeting the needs of these households?
4. Are ethnic tensions displayed in the classrooms and how are they addressed?

Industrialization

The industrialization of rural communities by the poultry industry strains local service providers. We already know some of the implications of this industry's policies. From Saindon's study in northeast Georgia we know that the horizontal wage structure, for example, draws in young workers and tosses them out quickly if can't adapt to plant conditions or debilitates them before they can retire. We know that application procedures that do not require reading abilities also lowers the general educational level of the area, as high school students see their peers leave school to work at above minimum wage levels. We don't know how the new immigrant labor force will respond to the processing industry. And we don't know what the real costs are to the community. What is the cost of the additional human service providers, and what is the long term effect of maintaining a large

working poor labor force in rural communities? Does the poultry industry, in fact, exacerbate poverty in rural areas? Is there a national industrialization policy that can offer a viable economy for low skill industries? We hope that this proposal for the study of poultry in Gainesville, Georgia will provide basic data needed in the formulation of those policies.

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MEAT PROCESSING AND THE TRANSFORMATION OF RURAL AMERICA:

The Emergence of a New Underclass?

by

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Donald D. Stull

Lourdes Gouveia

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CREATING A DISPOSABLE LABOR FORCE

A new world economic order is emerging under the combined impact of movement toward political democracy, enlarged trade areas, and a global market place. Neither its final form nor its consequences are yet clear. The outcome of controversies over the European Economic Community (EEC) and NAFTA (North American Free Trade Agreement), and attempts to link the countries of the Pacific Rim, will determine participation at the international level. But significance for capital, management, labor, and consumers remains unclear.

For the United States, the conventional wisdom holds that corporate investment and plant locations will "move south" to positions on both sides of the Mexican border. At the same time, laborers, together with their families and cultures, will "move north" to supplement or replace the industrial labor force. Douglas Massey, in Return to Aztlan, proposes that Mexico may become a primary source of blue-collar and manual workers in the US. Source communities to the south may bear the physical costs associated with reproducing workers while providing destinations for their periodic return and eventual retirement.

During their working years in the US, these employees would have the status of sojourners--impermanent transients or "guest workers" whose affiliation with employers and resident communities would be intermittent. Neither industry nor host communities would be required to take responsibility. From management's point of view, they could be a "disposable labor force."

This narrative concerns a major American industry--meat processing--whose present survival strategy includes all of the above. Cut-throat competition among beef, pork, and poultry producers has driven all but a handful of industrial giants (IBP, ConAgra, Tyson, and Cargill) from the scene. Their survival strategies involve relocating to rural sites (near sources of animals, feed, and related inputs) and constructing new plants in which new technology has permitted deskilling of the labor force.

Recruitment of the least educated at the lowest wages has become an essential component of the new system. Plant operations can accommodate high turnover and may even be designed to encourage it. Since permanence is not required, neither promotion nor salary increments are likely. With increasing frequency, the labor pool for this employment consists of newly arrived immigrants from Hispanic, Asian, or Caribbean origins, disadvantaged in both collective bargaining and upward mobility. They frequently replace senior membership of old-line industrial unions whose contracts are regularly broken as part of the reorganization process.

Although they are ill-suited for absorption into rural towns of the Midwest and Southeast, populated by descendants of "old Americans," these are the factory sites to which they are drawn. Frequent injury and stress-related disorders often terminate employment after a few months. If they remain in the community, they often become a burden on health and social services ill-prepared to serve them. The result may be the creation of a new rural underclass.

The argument to follow focuses on issues pertaining to the immigrant portion of the new labor force employed in meat industries. It presents three perspectives on the problem: 1) the reconstruction of the beef, pork, chicken, and fish industries; 2) consequences for a single target community: Lexington, Nebraska, site of a beef-processing plant which opened in 1990; and 3) the tangled thicket of often contradictory development concepts and policy issues through which a typical state government, Nebraska, seeks to cope with evolving complexities.¹

BREAKING THE FACTORY-COMMUNITY LINK: THE HORMEL CASE

In late 1985 and early 1986, in response to continuing labor unrest and a drawn-out strike by Chapter P-9 of the United Food and Commercial Workers, Hormel Meat's personnel department expanded its recruiting efforts from southern Minnesota into the small rural communities of northern Iowa. Across the state line, personnel managers hoped to find young men and women, unemployed or

dispossessed by the farm crisis, eager to work for wages recently reduced from over fifteen to under nine dollars an hour. Equally important, they hoped to find workers unsympathetic with the collective bargaining position of Hormel's unionized workers. In and around Austin, too many knew of the temporary wage concessions to which workers had agreed, years before, willingly submitting to an austerity program to help finance the modernization of the plant. Austin had been a meatpacking town for decades. The Hormel family, company executives, supervisors, line and clerical workers earned annual salaries within a few thousand dollars of one another. Their children played together, learned together, celebrated rites of passage together. George Hormel and his family lived in Austin, participated in community events alongside the women and men who bloodied butchers' aprons in his plant. Hormel's union-negotiated wages and incentive programs allowed line workers and bosses alike to live in Austin's middle class neighborhoods.

But the community spirit of Hormel ended in the 1970s. Before the strike, a wave of restructuring in meatpacking caused both labor and management to reevaluate their competitive position. Together they decided to modernize the plant. As a joint labor-management decision, plant modernization was not something engineered in business schools or land-grant colleges, but a collective realization that meatpacking was undergoing its most profound changes since the 1930s. As such, Austin residents were well aware of the sacrifices workers had made and the loyalty they had shown in support of plant modernization. Later, community members were equally aware of management's betrayal of this loyalty and sacrifice when they refused to honor the earlier terms of modernization, precipitating the strike.

Management's decision to recruit scabs from Iowa represented much more than a simple search for more pliant, desperate workers. In many ways, the Hormel strike signalled a new era of labor and community relations in meatpacking and food processing. Today, food-processing workers can no longer hope to earn

incomes that once elevated them to solid middle-class status. No longer can communities expect food-processing personnel departments to meet their labor needs with workers native to the community.

Whether plants relocate in new parts of the country or old plants seek workers from beyond the region or even outside the nation's boundaries, today's food-processing plants rarely assume a benign position in relation to a host community's demographic profile, housing stock, infrastructure, water and air supplies, water-treatment facilities, or health. The extent to which meat, poultry, fish, and other food-processing industries are changing rural communities is evident in even a brief consideration of these industries over the past two decades.

CONSOLIDATING CHANGE ACROSS THE INDUSTRY

Less than 3 percent of Americans still work directly in agriculture, yet economic-development strategies in many rural areas now hinge on adding value to raw agricultural materials by attracting food-processing plants. The U.S. Department of Agriculture predicts that meat, poultry, and fish processing will play crucial roles in the economies of many rural communities in the coming years. Over the last three decades, a handful of huge corporations, such as Cargill, ConAgra, and IBP, have emerged to dominate these industries through restructuring, rural industrialization, capital concentration, and vertical integration. Such conglomerates are difficult to regulate, direct, or influence, especially where they represent the major source of employment. At the same time, smaller, specialty food-processing companies now occupy niches in the U.S. food system, offering alternatives to vertical integration while conforming to broader industry customs and practices in their efforts to remain competitive. This is particularly so in seafood processing, with its small fish-filleting and oyster-shucking houses. Many specialty operations have emerged to cater to the tastes of specific groups of consumers, such as Southeast Asians or those concerned about pharmaceutical-enhanced feeds for cattle, poultry, and hogs.

Others complement the larger, vertically integrated firms. While smaller meat-, poultry-, and fish-processing operations may command a small share of the market, they remain important symbolically. As in agriculture, where family farms act as a symbolic veil in front of corporate farms, corporate entities in food processing can hide behind smaller firms in legal and political disputes over antitrust laws, inspection systems, international trade, occupational health and safety, and environmental regulations.

Public-interest groups concerned with the environment, health, and food safety can influence these industries and help shape corporate policy. We have witnessed, for example, no fewer than 13 bills introduced in recent sessions of Congress demanding a standardized system for inspecting seafood. Host communities, which appear relatively powerless against corporate giants, may be able to influence industry practices to their benefit, especially during early stages of development. Industry and community integration may also be achieved through regional-development plans.

LOCATING LOWER-COST LABOR SOURCES

Whether large or small, food-processing firms are as dependent today on a ready supply of labor as they were when Upton Sinclair portrayed Jurgis wrestling sides of beef in turn-of-the-century Chicago. In spite of increased automation, meat, poultry, and fish processing remain labor intensive. Emerging from a history of textbook labor militancy, there is a certain irony that today's food-processing industries have constructed their labor relations on the backs of disadvantaged minorities, new immigrants, refugees, and women. For example, 1 in 16 new industrial jobs in this country is as a line worker in a poultry plant--almost 50 percent of American's 150,000 poultry workers are women, the majority African American. Yet recently poultry processing plants have encouraged the expansion of Mexicans, Haitians, and Central Americans in their labor forces. The composition of the labor force varies across industries and regions--native African-American women in catfish processing, newcomer Latinos and Southeast

Asians in meatpacking, while Latino immigrants appear to be replacing African-American women in some poultry plants in the Southeast. These employment patterns reflect targeted recruitment as well as recent changes in immigration laws and in their enforcement. The confluence of public and corporate policies determine the composition and stability of the labor force, which influence the cultural, ethnic, and linguistic makeup of host communities. Labor-force stability, although affected by government policies such as the 1990 Immigration Act², is largely dictated by corporate strategies.

In their constant need for unskilled and semiskilled labor, they have broken unions, initiated internal and international labor migrations, taken advantage of ethnic, gender, regional, and legal-status differences among workers, and revitalized methods of labor mobilization and labor control resembling peonage and servitude. Communities as distant as Garden City, Kansas and Oriental, North Carolina have been influenced by new immigrations, at times rekindling racist and nativist reactions among long-time residents. Unfortunately, meatpacking and other food-processing jobs are low paying and dangerous. Along with new jobs and rapid growth, rural communities that host such plants can expect school overcrowding, homelessness and housing shortages, elevated rates of unemployment, crime, and social disorders. And the many Latin, Asian, and Caribbean laborers upon whom these industries increasingly depend pose linguistic and cultural challenges for schools, law enforcement officials, and the agencies that attempt to serve their needs. This involves hidden costs to the taxpayers. Food-processing plants' reliance on government agencies and organizations to meet a portion of their workers' needs constitutes a burden on the public sector, an informal kind of subsidy.

Because most meat-processing plants depend on workers who receive low wages and few benefits while enduring job instability and health and safety risks, communities actively recruiting such plants trade away unemployment for the highest rate of industrial injury in the nation. In 1988, the probability for

injury among meatpacking workers was 0.39, compared to 0.13 for manufacturing workers overall. In 1989, the North Carolina Department of Labor uncovered an unprecedented rate of repetitive motion disease in two major poultry plants. A recent fire in a poultry plant in Hamlet, North Carolina claimed 25 lives, resulted in criminal conviction of a company executive, and led federal investigators to consider replacing the state Occupational Health and Safety Administration with personnel from the U.S. Department of Labor. At a time when people throughout the U.S. agonize over rising costs of health care and insurance, the injury rates in meat, poultry, and seafood processing lead to significant and rapid decline in availability and quality of health care for everyone in the host communities. Alarming rates of industrial accidents and cumulative trauma disorder are a visible price of such industrialization.

Processing-line speeds are a primary cause of worker turnover, which in many plants approaches 100 percent per year. Line speed also contributes to high injury rates among meatpacking workers. But corporate strategies concerning employee retention or replacement remain unclear. Whether employers emphasize retention or replacement has much to do with whether their employees become permanent residents of the host community or merely sojourners. This in turn affects the commitment of newcomers to the community and the degree to which established residents seek to meet their needs and incorporate them into the life of the community. Since communities are directly affected by corporate practices in recruitment, retention, and replacement, they have much at stake in influencing outcomes.

High rates of acute injuries and endemic cumulative trauma disorders impose upon line workers a cycle of injury, therapy, and rehabilitation, introducing cyclical periods of employment and unemployment. This, in turn, places greater demands on already over-burdened community resources and services. Problems of health care and service delivery are exacerbated when service providers and their clients must bridge linguistic and cultural differences.

Hidden health costs also saddle these communities. The low wage food-processing industries offer workers rarely constitutes a "living wage." The income needs for labor-force reproduction are roughly in line with federally established poverty levels. Gross annual incomes from meatpacking jobs usually come within a few thousand dollars, above or below, these levels, while income in poultry processing is even less. Seasonal slow downs in demand, occasional plant closings, and occupational injury rates reduce the extent to which full employment is possible. Income in fish processing, often a seasonal enterprise, sometimes comes to half the established poverty levels.

ADVERSE CONSEQUENCES FOR COMMUNITIES AND WORKERS

Without alternative survival mechanisms, food processing workers are faced with the prospect of surviving alone, without hope for family formation, or engaging in various practices that allow continued participation in the labor force. Sometimes this stimulates entrepreneurial behaviors, leading members of workers' families to develop small businesses to make ends meet. In many cases, these businesses thrive on the very ethnic enclaves that plants have constructed through recruitment practices, responding to special consumer demands for spices, home remedies, clothing, linguistic services, culture brokers, revolving credit, and folk methods of physical therapy and psychological counselling borrowed from natal communities.

Other ways of making ends meet are less heartening. Drug dealing and prostitution attract and haunt those living at the margins of existence. People from foreign cultural and language backgrounds make easy prey for con artists drawn from among those with even slightly superior linguistic and cultural skills. Living in poorly secured housing, the working poor become particularly vulnerable to the lure of burglary and petty theft, at the same time becoming crime's victims.

The working poor also deal with low wages and high rates of occupational injury

through migration. At the local level, low wage workers may "migrate" among several food processing plants in an area or between food processing jobs and informal economic activities. Migration also occurs at regional and international levels, however, especially among workers from Mexico or from backgrounds in agricultural labor. Recent work on the agricultural labor force has documented a typical movement of farm workers between agricultural harvest work, fruit and vegetable packing, and meat and poultry processing.

Yet a far more politically significant way migrant workers deal with poverty and occupational injury is by returning to their sending regions periodically, becoming cyclical migrants, moving between their low-wage jobs and regions with lower costs of living. The political significance of this practice derives from the fact that, among Latino workers, cyclical migration generally involves crossing an international boundary and stimulates a variety of problems and opportunities. The most commonly noted effects of cyclical international labor migration involve the reproductive costs of labor: sending countries like Mexico bear the costs of raising workers and providing some training for entry into the labor force, yet the receiving, usually richer, countries reap the benefits of their labor and their tax revenues. While the sending regions receive migrants' remittances, as well as earnings from returning migrants, these earnings tend to be channeled into the reproductive costs of labor or into "cosmetic" development. The conspicuous consumption that cyclical migrants, returning home, tend to display encourages more emigration and from poorer regions.

Migrants' conspicuous consumption at home contrasts sharply with their consumption patterns while in the United States working in low-wage jobs. More common than migration or crime or entrepreneurial behavior, the working poor survive by lowering consumption thresholds. Typically, the working poor submit to overcrowded, deteriorating housing. They trim food budgets and adopt lower standards for mental and physical health, putting up with sickness and putting off medical attention. Health resources in these rural communities, which have

deteriorated for decades, strain to breaking points under the pressures of populations debilitated by such practices. Rural communities that host food-processing facilities are frequently marginal. They have often suffered from decades of environmental deterioration--physically, economically, demographically, socially. Processing plants, while promising economic development, bring their own set of environmental costs. Unlike the Hormel family earlier this century, today's company managers remain largely absentee, answering to stockholders instead of community members. Located far from the plants it is convenient to avoid responsibility for deteriorating conditions and withdraw from significant involvement in community affairs.

FIXING RESPONSIBILITY--FINDING SOLUTIONS

The problems appear intractable. Yet in whose interest is the maintenance of such problems? In whose interest is change? Local governments seek to attract and accommodate new industry, yet at what cost and at whose expense? Often their problems multiply because they lack employment alternatives for injured or laid-off workers or those who have accompanied them to the community. Should ethnic minority workers, deeply impoverished, bearing a substantial burden of illness and social-service needs, have to adapt and adjust by recourse to kin, intercommunity networks, and income supplementation in the informal economy? Are employers entirely to blame for the community's problems? In the grip of a national recession and faced with ever-changing consumer demands for food, should we be surprised that they have resorted to outsourcing of cheap docile labor, reduced hours, sporadic layoffs, and relocation of production facilities overseas?

Yet these communities are far from powerless in dealing with major food processors; indeed, industries locate in particular communities because of their special resources, such as water and livestock. These resources allow communities to bargain on favorable terms with potential employers--they need not "give away the store" to attract new industries. And research can be an

important resource for community leaders as they formulate policies and bargain with industry executives. Regional planning and development strategies offer broader perspectives within which such negotiations may occur.

Government agencies divide responsibility for aspects of the problem. Acronyms for official functionaries permeate plant, neighborhood, community: OSHA, INS, DOL, USDA, FDA, HHS, HCFA. These and countless others--public and private; local, state, and federal--are continuously involved. There are also more subtle impacts on local governments, such as increases in policing immigrant neighborhoods due to native xenophobia, pressures to tighten or relax housing codes, and problems arising from general cultural misunderstanding. Yet no single department or office combines the missions required to simultaneously address the policy issues emerging for the interplay of industries, communities, and workers. Industry survival, maintenance of communities, health care and income support for workers and their families require the development of policy agendas and action programs.

BEEFPACKING IN LEXINGTON, NEBRASKA

Lexington, Nebraska is 220 miles west of Omaha and 320 miles east of Denver. Lexington and surrounding Dawson County were hit hard by the farm crisis of the 1980s--population fell some 11 percent during the decade, due largely to the closing of a Sperry-New Holland combine factory in 1986 and the loss of 900 jobs.

Nebraska lies in the very heart of cattle country. Beef production and processing represent more than 22 percent of the gross state product, and beefpacking accounts for one-half the state's manufacturing jobs. On November 8, 1990, IBP began slaughtering cattle in Lexington, at the first new beef plant to be built in the United States in a decade. The plant currently employs over 2,000 workers to slaughter and process up to 4,000 head of cattle a day.

The 1990 Census, taken eight months before IBP opened on the site of the old

Sperry-New Holland plant, counted 6,601 people in Lexington: 4.9 percent identified themselves as Hispanic; 7.3 percent were classified as minority. At first, IBP projected its Lexington work force would be between 1,300 and 1,700, but by February 1992 the count was 2,030, and job applicants averaged 100 per week. Company spokesmen openly admitted that many would be Latino, but they also hoped to attract locals, especially "farm wives," with higher wages and the first on-site day care in the industry. Many worried that Lexington's small size and ethnic homogeneity might create difficulties in accommodating the expected influx of minorities and new immigrants.

Social and Economic Changes in Lexington, 1988-1992

Lexington has experienced many changes since 1988, when the new plant was announced, and the end of 1992, some two years after the plant first opened. Recent unemployment in Dawson County has fluctuated widely from month to month--from 2.3 percent in December 1990, for example, to 7.2 percent in May 1991--but it remains low by national standards. These fluctuations reflect both the rate of turnover at IBP and, perhaps more importantly, the ebb and flow of a new migration stream of unemployed workers attracted by the possibilities of work at IBP, but whose numbers are often at odds with local demand.

Some businesses--banks, feedlots, food stores--are prospering and several have expanded. Storefronts downtown are all occupied, and new businesses have opened near the interstate. But most new businesses are in the service sector, where wages are low and jobs generally part-time. The businesses which have recently opened in Lexington--fast-food franchises, liquor stores, a convenience store and service station, a pawn shop, a shoe-repair store, a warehouse discount store--offer wages considerably below those paid by Sperry-New Holland a decade earlier. Today, much of the capital generated by new business leaves Lexington, and many workers can afford little beyond basic necessities. Often necessities, such as household items and clothing, are obtained through local charities.

About 40 percent of Dawson County workers are employed in the retail and service sector; 77 percent of the job openings in 1990 paid under \$6.00 an hour. Underemployment is high, particularly among white women, who also make up a significant proportion of the unemployed.

Signs of an informal economy and incipient ethnic enclaves similar to those discussed above are beginning to appear. Small-time entrepreneurs from the same ethnic group are starting to bring workers to Lexington and preform services for a fee. A bar, a couple of restaurants, and a few ethnic shops have opened, employing co-ethnic friends and relatives. Many Mexican and other new immigrant women have become the preferred choice for child care given the higher fees charged by formal child-care providers.

Several long-time manufacturers have recently laid off workers, relocated, or closed. Cornland Beef Industries, a 30-year-old beef-slaughter facility which employed 180, closed in June 1991, unable to withstand upward pressures on wages and cattle prices accompanying IBP's move to Lexington.

In spite of the relatively high starting wages at the Lexington plant (\$7.15 to start and a \$.30 raise after 30 days), many hourly workers are ineligible for state aid but often cannot afford basic needs. For Mid-Nebraska Community Services (MNCS), a state-sponsored agency, 1991 saw huge increases in demand for social services: referrals through their homeless program rose by 1000 percent and food-pantry allocations were up 405 percent. Of the 27 counties MNCS serves, Dawson County had the highest increase--88 percent. Haven House, a shelter founded in early 1991 to serve newcomers, provided 4,714 bed-nights and served 24,381 meals--approximately 80 percent of guests were unaccompanied males, most seeking work at IBP.

Crime, too, is on the rise. In 1991 Lexington had a crime rate of 90.8 per 1,000 population, the highest in Nebraska, and almost twice the state average of 43.7

per 1,000. Whether from an influx of young, single males--the group with the highest crime rate--or from locals using newcomers to mask their own increased illegal activity, awaits detailed study. Still crime remains low by national standards.

Increases in school enrollments are accelerating, as is student turnover. Enrollments rose from 1670 in 1988 to 2,068 in September 1992, an increase of 24 percent (398 students). Voters approved a bond issue in 1990 to renovate and expand two elementary schools, but overcrowding remains a problem. Student turnover in fall 1991 was 7.75 percent, and new students made up 19 percent of total enrollment--they came from 20 states and 5 countries. And the new students are more ethnically diverse--17 percent of the student body now belong to an ethnic minority, up from 3.5 percent not long ago.

In spite of such rapid changes, most Lexingtonians agree that this transitional period has been "smooth." Preparation is part of the answer, but so is controlled flow of newcomers. Many were initially unable to settle in Lexington because of an acute housing shortage. But by 1991, housing construction was booming and the shortage was gradually easing--268 rental units became available that year. A new 85-unit mobile home park is now full of rented units provided by a private contractor in cooperation with IBP, and established mobile home parks have expanded. Other construction is under way. The community is taking a prudent approach to new housing, emphasizing slow growth, rehabilitation of existing rental units, and scattered-site development. As more housing becomes available, fewer workers will be forced to commute, and Lexington's growth should accelerate.

Reasons for this "smooth" transition can also be found in worker turnover. Normally high during start-up, plant officials report turnover to be a "modest" 10 percent a month in Processing and only 5 percent in Hides and Slaughter. IBP claims to have made this facility a safer, more pleasant place to work by making

major improvements in plant and line organization, lighting, and ergonomic design of the workstation.

Beefpacking's Impact on Workers: The New Faces of the Working Poor

IBP is not required to release information on its work force, and it chooses not to do so, but it appears that more than half of IBP's 2,000 workers are Latinos, mostly Mexicans, but including Guatemalans, Salvadorans, and other Central Americans. Women make up about one-third of the work force. African Americans and Southeast Asians--highly visible in other packing plants--are few in Lexington, although Laotians and Vietnamese are moving to Lexington, some from Garden City, Kansas, another beefpacking town four hours to the south.

The stereotypic meatpacking worker is a young, single male. But increasingly married couples with dependents and single mothers do the work. Packers admit targeting women for recruitment--they are seen as less mobile and more docile than their male counterparts. IBP has hopes that on-site day care--a first for the industry--might help lower turnover. But the day-care center has not been fully utilized, largely because workers cannot afford the fee (\$9/day for the first child, \$8 for the second...).

Company officials say they want to hire locally, but given plant size and the magnitude of turnover, the local supply of workers is soon exceeded. Word of mouth, enhanced by "bounties" offered to current employees for each new hire recruited, combine with advertisement in packing towns and pockets of high unemployment, to bring in a steady flow of applicants. Recruiters take to the road as needed, and if labor supply is down they may offer to cover some initial expenses against wages. Many workers arrive in town broke, and even if they receive advances, the first few months are tough--both physically and financially.

Frustration among hourly workers is high as they come to realize that wages and

seasonally fluctuating work hours are insufficient to meet inflated housing, food, and medical costs typical of packing towns. Line workers, especially new immigrants, often live in poorly insulated and run-down trailers, share living quarters with many others, and postpone sending for their families. Men whose household members are able to work are more likely to bring their families with them and remain on the job longer. But service-sector jobs, especially for those with limited English-language skills, are scarce. Documentation status, access to child care, types of work available, and household size, all influence adaptive strategies for new immigrant workers. Generally, native workers have access to alternative survival strategies, including opportunities for alternative employment, access to well-established family and community support systems, and higher utilization rates of social services.

Uncertain legal status combined with low skill levels and language barriers force newcomer Latinos and Southeast Asians to accept employment often spurned by locals. Managers, workers, and service providers say that most documented Latino workers in Lexington are new immigrants legalized under the Immigration Reform and Control Act of 1986 (IRCA), primarily through its so-called "agricultural amnesty" proviso. Most speak little or no English. Many are undocumented or have false papers.

Meatpacking creates jobs. Not just on the plant floors, but in related industries such as feed-grain production, cattle feeding, and trucking, and in the expansion of services that always come with population growth. Economic development--the jobs, the retail business, and the tax revenue it brings--is necessary if rural communities are to survive and prosper. But what is happening in Lexington, Nebraska, and in other meat-processing communities from the Great Plains through the Midwest to the Southeast suggests that certain kinds of development--and certain industries--create not only new jobs, but greater levels of poverty. They attract the working poor--increasingly immigrants, native minorities, and women--with jobs requiring no previous training. Dangerous jobs

with pay scales that appear at first glance to be relatively high, but which soon peak and are not indexed to standard-of-living increases or seniority. Such jobs are too dangerous and too harsh to offer stable employment options for all but the few who ascend to supervisory and managerial positions. The packers' impact on workers and communities stems largely from high injury rates and turnover and their increasing tendency to replace even native minorities with new-immigrant workers. They provide a pronounced example of strategies of industrial restructuring that have been increasing since the 1970s.

THE BATTLE IN THE STATE POLICY ARENA

Both IBP employees and the community of Lexington are caught up in a larger disagreement at the state level over the choice of an appropriate economic policy for the Midwestern region of which they are part. Most basic, perhaps is the discussion over whether the region can and should be developed. The "Buffalo Commons" argument, advanced in 1987 by Rutgers University's Frank Popper, is based on the recognition that the region's population has declined by 50 percent since 1930, triggered by the disappearance of family farms. He advocates that investment seek higher returns elsewhere while the fragile environment revives as grassland.

On the other hand, Philip Burgess of the Denver-based Center for the New West, in a 1992 study, predicts a dramatic new growth spurt for the Plains based on a rejuvenated service economy which will supplement surviving agricultural industries. Burgess finds evidence of innovative entrepreneurship and technology generating employment and income in the same 150 counties that Popper writes off as beyond redemption. He notes with encouragement that per capita income throughout the region is still 91 percent of the US average. Most of Nebraska's bankers, economists, politicians, and planners assume that Burgess is right and Popper is wrong. But this conclusion opens the door to a more sharply contested dispute over the appropriate development strategy to be employed.

The conventional regional planning wisdom based on location economics urges the establishment of "growth poles" as catalysts for economic expansion. The key component of a growth pole is an industry which utilizes local raw materials and a community with supporting infrastructure. In theory, placement of the industry generates "backward linkages" to the surrounding region and "forward linkages" to markets. The industry creates a payroll, consumes agricultural output from regional producers, and generates demand for supporting suppliers, and technical, financial, and professional services.

In Nebraska and surrounding states, the search for growth-pole industries has triggered bidding wars in the effort to capture corporate investors such as IBP. The bait takes the form of incentive packages which always include tax abatement and may also offer exemptions from, or mitigation of, a wide range of regulations. The state of Nebraska pays out \$250 million in investment tax credits and local tax abatement to the meat industry. As of 1992, it has yet to collect the first dollar in revenue from giants such as IBP, whose corporate headquarters are located within the state.

The mechanism for implementing this policy in Nebraska was created in 1987 when the state legislature enacted the Employment Investment and Growth Act. Under this legislation it is possible for a company that creates a minimum number of jobs to pay little or no state taxes for up to 15 years. Counties may also provide exemptions from property taxes. Passage of the act was instrumental in persuading ConAgra to keep its headquarters in Omaha and IBP to select Lexington as its plant site.

The local community assumes it will benefit from a growing payroll and improved purchasing power. However, the case of Lexington demonstrates that the economic expansion may not be sufficient to support new-worker households at the living standards of older residents. The unexpected result is a net gain in poverty and expanded demands for understaffed and underfinanced health and social services.

Less visible costs are reflected in the need for new education programs and expanded police protection.

Because of the incentives provided, there is no expansion in the tax base to meet these needs. Sites chosen as plant locations have been required to float substantial bond issues to provide for new school expenses. Lexington incurred over \$8 million in infrastructure costs in connection with the new IBP plant (two-thirds for water and power development) and \$6 million is represented by new bonded indebtedness.

Growing awareness of these outcomes has led to rethinking the consequences of growth-pole development. When Nebraska recently lost a bidding war with South Carolina for a new BMW automobile plant, there were mixed sentiments. Some feel that communities chosen by IBP and BMW may serve as export platforms rather than growth poles, and costs will rapidly (and perhaps permanently) outweigh benefits.

A new development strategy with substantial implications for Lexington is taking hold in Lincoln, the capital, and spreading westward across Nebraska. It is based on the premise that late-20th century rural developments in transportation, communications, and distributed technology, such as computer-based information networks, have closed the gap between "urban" and "rural" without the need for an intervening mechanism such as a growth-pole industry to catalyze modernization.

The new emphasis falls upon people and places rather than industries. The new theory builds from the bottom up with investments in human capital (health and education), technical and financial assistance to small business, rather than from the top down with capture of a key industry. A partnership is sought between private foundations, volunteer agencies (both civic and church supported), and units of state and local government.

The human-capital model incorporates realistic assumptions regarding the footloose nature of industries such as meatpacking and their lack of "groundedness" within and commitment to the communities in which they are situated. Investment in clusters of small businesses rather than single giant plants provides for diversification and a mix of skills and consumer goods. Affordable primary health care is a major concern. Upgrading competitiveness of the community and its workers also insures against cyclical demand for a single product like beef, and the unpredictable layoffs which result from oversupply.

The instruments to promote alternative development, featuring investment in people and places, can directly benefit both Lexington and its factory workers. Immigrant family members may find supplementary jobs to raise household income. Profits from small business may be reinvested in the community to provide multiplier effects which were sought but seldom obtained from large plant operation.

The mechanism promoting bottom up development is more diffuse and less focused than the Nebraska Employment and Investment Growth Act. The instruments were provided initially by decisions in Washington to decentralize agencies aimed at stimulating local rural economic development and expansion of human services. They are exemplified by the Presidential Rural Development Initiative of January 1990, authorizing and supporting the creation of state rural-development councils.

In Nebraska, the Rural Development Commission (NRDC), established in January 1991, exemplifies the hopes and the limitations for this approach to solving problems of rural industrialization. The NRDC is a component of the national network aimed at coordinating federal and state resources in planning, administration, management, finance, and service delivery implicated in rural development.

In 1992, NRDC has undertaken initiatives in rural networking, community-based health care, leadership development, small-business enterprise assistance, and assessment of rural transportation needs. At base, these operations (1) integrate and focus activities of research and service units of state government, and (2) negotiate "redirection" of budget items in support to these units to prioritize needs identified by NRDC.

An example may be taken from the health agenda. In November 1991, NRDC linked four components of the state health department and the University of Nebraska to secure a \$250,000 federal grant. The grant is being used to initiate four rural Nebraska community health-care projects aimed at replacing hospital-clinic dependence with health-maintenance programs emphasizing prevention. The 1992 grant was instrumental in redirecting \$500,000 from the current state health department budget to extend and expand the program.

The NRDC has used similar tactics in other areas to leverage its initial state appropriation of \$190,000 to \$700,000 in combined annual resources. As part of its strategy for the future, NRDC hopes to track the experiences of Lexington and other communities which host rural industrial enterprises. If costs to communities appear to overshadow benefits, a new policy agenda may be proposed.

The long-term status of immigrant households being recruited by these industries is of particular interest to NRDC. If worker households are retained within the community, then a long-term investment in health care, literacy, and skills training may be needed. If worker households consist of short-term sojourners, soon to be replaced by others, a different pattern of social problems comes into focus and a program modeled on those designed for migratory farm workers may be more appropriate.

The choice between subsidizing industries to serve as growth poles or investment in people and places to strengthen communities is unresolved for the state of

Nebraska and for the Midwest. At the moment, the forces representing each position within the state are quite unequal. The estimated cost of the Employment and Investment Growth Act to Nebraska in industrial subsidies over a 10-year period is between \$700 million and \$1 billion. Despite its skill at leveraging and redirecting state and federal resources, the NRDC will be working with only a fraction of that amount.

Does rural industrial development inevitably require the creation of a rural underclass represented by a disposable labor force of impermanent immigrants? Will the future of IBP in Lexington confirm that its employment practices promote either retention or replacement of workers? Can the state of Nebraska mitigate the search for relocating industries with other incentives aimed at buffering their impact on host communities? How will the implementation of NAFTA influence the outcomes for industries, communities, and workers? The answers to these questions, all of which should be available before the year 2000, will play a significant role in determining who gains and who loses from the emerging new world economic order.

Notes

1. This essay is based on presentation and discussion at a conference hosted by the Institute for Public Policy and Business Research of the University of Kansas. Entitled "New Factory Workers in Old Farming Communities: Costs and Consequences of Relocating Meat Industries," conference participants met in Queenstown, Maryland, April 12-14, 1992. Funding was provided by the Rural Poverty and Resources Program of the Ford Foundation. Conference organizers worked closely with the Aspen Institute's Rural Economic Policy Program to conceive and plan the program. Co-sponsors were the Department of Sociology and Anthropology, University of Nebraska-Omaha; the Department of Anthropology, University of Colorado-Boulder; and the Department of Geography, State University of New York-Geneseo.

The current state of meat, poultry, and fish processing, their reliance on workers of diverse ethnic and cultural backgrounds, and their impact on local communities and regional economies are poorly understood. The conference focused on these issues in two regions: the Midwest, home to beef and pork packing, and the Southeast, the major center for both poultry and fish processing.

Twenty-three professionals were assembled to: 1) assess what is known about how the meat-, poultry-, and fish-processing industries, their workers, and communities which host them both, are transforming rural America; and 2) analyze policy requirements and implementation strategies which may enhance the industrial welfare of rural communities and workers without threatening industrial survival. Participants represented a wide range of disciplines--anthropology, community and regional planning, economics, geography, health sciences, journalism, policy studies, social welfare, and sociology--and they spoke from differing regional and professional vantage points--research, state and local government, service delivery, the industries, foundations and agencies. Discussion underscored the need to assess the current status of knowledge about these industries, their workers and host communities, as a prelude to future research, public policy formulation, and community action.

2. The 1990 Immigration Act establishes new limits on the numbers and creates new categories of immigrants to the United States. It limits immigrants to 714,000 per annum. While most visas will be allocated according to the family preference system established in the 1986 law, 20 percent of the new visas will be assigned according to the new employment-based categories: priority workers and professionals with advanced degrees. None of these categories offer direct benefits for food processing; however, family reunification may supply this industry with relatives of persons in the amnesty program, many of whom work in food processing. Additionally, the law cannot cap the number of refugees admitted to the US, who have also been a traditional source of labor in food processing. It also introduced an opening for critical changes by allowing the Department of Labor to identify "shortage" or "surplus" occupations that may need immigrants.

A National Conference on
NEW FACTORY WORKERS IN OLD FARMING COMMUNITIES:
Costs and Consequences of Relocating Meat Industries

April 12-14, 1992

Wye Conference Center
Queenstown, Maryland

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Profiles of Conference Participants

William Bean has been active in rural poverty issues, development, and community organizing for many years. In 1977, he founded the New Hampshire Peoples Alliance, a coalition of rural community-based organizations with over 3,000 members, which has made significant accomplishments in rural housing and community development. He served on the National Low Income Housing Council Executive Committee from 1979 to 1981 and conducted a national mobile-home displacement research and policy-development project from 1983 to 1985. Since founding the Columbia Basin Institute in 1987, Mr. Bean has directed research, organizational development, and electoral educational services in support of Hispanic voter registration, housing, and community development projects in Washington and Oregon. The institute has provided technical services in organizational and strategic development to several environmental organizations specializing in water quality and rural land use.

Steve Bjerklie is editor of *Meat&Poultry* magazine, the business journal of the meat and poultry industry in North America. He has written extensively on virtually every issue facing the business, and his hard-hitting editorials are widely quoted in debates ranging from animal welfare to inspection reform to labor management. Bjerklie has interviewed nearly every important leader in the meat and poultry industry in an effort to provide for the readers of *Meat&Poultry* the true pulse of the industry he covers. His interview of IBP chairman Robert Peterson, published in 1990, has been widely cited in the consumer and general business press, and was honored for its excellence by the Western Publishers Association. Under Bjerklie's leadership, *Meat&Poultry* has been honored with more than a dozen awards for magazine and editorial excellence from a variety of organizations, including the American Business Press, the Western Publishers Association, and the American Meat Institute.

For the past seven years **Michael Broadway** has studied rural industrialization, particularly the impact of the meatpacking industry on small towns in the Midwest. He is assistant professor of geography at the State University of New York at Geneseo and served as a co-principal investigator of the Ford Foundation's Changing Relations Project in Garden City, Kansas. His findings from Garden City have been published in *The Journal of Cultural Geography*, *Geography*, and *Urban Anthropology*, and with Donald Stull, he has written two articles in the *Kansas Business Review* and a chapter in a forthcoming book from the University of Chicago Press. His examina-

tion of the impact of Nebraska's Employment and Investment Growth Act was recently published in *Great Plains Research*. He is presently investigating community changes in three Midwestern communities where pork processing plants have reopened using nonunionized labor.

Jerome A. Deichert is senior research associate for the Center for Public Affairs Research at the University of Nebraska-Omaha, a position he has held since 1987. Previously he was research associate at the Bureau of Business Research at the University of Nebraska-Lincoln. His primary research activities focus on economic and demographic analyses of the state of Nebraska. He is a project director with the Nebraska Center for Rural Health Research, focusing on the relationship between economic development and health care. He is also a co-investigator for projects examining "Access to Medical Care Among the Indigent in Nebraska." In addition, Mr. Deichert is a member of the Nebraska Economic Forecasting Advisory Board and manager of the Nebraska State Data Center, which provides access to information from the U.S. Census Bureau. He has published numerous articles analyzing trends for the state and has become an expert on small-area data for Nebraska.

L.C. Dorsey is executive director of the Delta Health Center in Mound Bayou, Mississippi. She holds a doctorate in social work from Howard University and a certificate in health policy and management from Johns Hopkins University. Dr. Dorsey is the co-chair of the National Commission on Crime and Justice, as well as a consultant to the AIDS Prevention Grant for Minority Women and the Community Health Program for Jackson State University. She has over 50 publications on social welfare issues in newspapers, journals, and magazines. Dr. Dorsey also edits two monthly newsletters, *Mississippi Council on Human Relations Reporter* and *Not In Our Names*, and a syndicated column, *If Bars Could Talk*.

Cornelia Butler Flora is professor and head of the Department of Sociology at Virginia Polytechnic and State University. Previously she was a distinguished professor of sociology at Kansas State University. With her husband, Jan Flora, she has worked for the Ford Foundation as program advisor for Agriculture and Rural Development for Latin America. She has published widely on rural development in the United States and in developing countries, including a recent book on *Rural Policy for the 1990s*. This year, *Rural Communities: Legacy and Change* will be published as part of a made-for-television

course on rural communities that includes 13 hours of video production. Her concern for rural development has focused on agriculture, but includes emphasis on the social issues surrounding sustainability, production, and community. In this work, she has been involved with gender analysis for development planning and implementation.

Lourdes Gouveia is assistant professor of sociology at the University of Nebraska-Omaha. For the past two-and-a-half years she has researched the socioeconomic forces and consequences associated with the utilization of Latino workers by IBP, Inc. in Lexington, Nebraska. Her interests are the political economy of development (with emphasis on Latin America), the sociology of food and agriculture, and U.S. latino/a issues. She is currently co-editing a volume on the globalization of food and agriculture, which contains a chapter on her research in Nebraska.

Mark A. Grey is assistant professor of anthropology at the University of Northern Iowa. He was a co-principal investigator of the Ford Foundation's Garden City Changing Relations Project, where his research focused on interethnic relations in the community's high school. This research has been published in *Urban Anthropology*, *The Journal of Educational Issues of Language Minority Students*, and in a forthcoming article in *Sociology of Sport*. His research interests include education, ethnic relations, and migration. He is presently conducting research on health-related issues among Laotian refugees in Storm Lake, Iowa.

David Griffith holds a joint appointment with the Institute for Coastal and Marine Resources and the Department of Sociology and Anthropology at East Carolina University. His research interests lie in low-income populations, labor migration, minorities, and the roles ethnicity, kinship, and gender play in labor control and worker resistance. In recent years he has studied food-production processes, including poultry and seafood processing, meatpacking, and agribusiness. He has published on migration, women, labor, minorities, and the expansion of capitalism among peasants and other rural populations in *American Ethnologist*, *International Migration Review*, and *The Stanford Journal of International Law*. A book about low-wage labor in the seafood- and poultry-processing industries, entitled *Jones's Minimal: Low-Wage Labor in the United States*, is forthcoming from the State University of New York Press later in 1992.

Robert A. Hackenberg is professor of anthropology and faculty research associate, Institute of Behavioral Science,

University of Colorado-Boulder, and faculty research associate in the Native American Mental Health Research Center, University of Colorado Health Sciences Center, Denver. He presently directs two experimental community-service programs aimed at breaking links between poor health, unemployment, and poverty among the Tohono O'odham Nation, a tribe of 17,000 Native Americans located along the U.S.-Mexican border in Arizona. His previous work in development anthropology includes direction of USAID, World Bank, and IDRC projects in the Philippines and Panama. Projects with a rural focus have included management-labor relations and community impact of the banana-export industry, small-scale enterprise development and rural-employment generation, and agroindustrial processing in rural communities (animal feeds, shrimp aquaculture, fruit production and processing, apiculture, and coffee milling). He is past chair of the National Institutes of Health Study Section on Social Science and Population Research and member of the National Research Council Assembly of Behavioral and Social Sciences.

As research director of the Institute for Southern Studies, **Bob Hall**, has conducted a variety of environmental and occupational-health studies over the past 20 years. He joined the institute in 1970, after receiving an M.A. from Columbia University. Mr. Hall is founding editor of the institute's quarterly journal, *Southern Exposure*, which has won many awards and earned a national reputation for its investigative coverage of social concerns and its sensitivity to grassroots movements. The journal's series on the poultry industry's impact on workers, farmers, and consumers won the 1990 National Magazine Award for public-interest reporting. In addition to co-authoring the poultry series, his work has appeared in publications ranging from *The New York Times* and *Columbia Journalism Review*, to the *St. Petersburg Times* and *The Nation*. Among the books Mr. Hall has conspired to produce are *Environmental Politics: Lessons from the Grassroots*; *Working Lives*, a labor history of the South; and the 1991-1992 *Green Index*, which analyzes environmental conditions and policies in all 50 states. Hall and the institute have also been deeply involved in a number of community-based projects that address rural workplace conditions, including the Brown Lung Association from the mid-1970s and the Healing Hands Project for poultry workers in central North Carolina.

William D. Heffernan is professor and chair of the Department of Rural Sociology at the University of Missouri-Columbia. He earned his Ph.D. from the University of Wisconsin and has focused his long-term research interests on the social causes and consequences of changes in agriculture. His many papers, articles, and

book chapters focus on the changing nature of agriculture and the food system, and associated human costs. Dr. Heffernan has served on numerous national tasks forces and committees, including the National Academy of Science Committee on Alternative Agriculture. In 1986 he was selected to be the first recipient of the Rural Sociological Society's Award for Excellence in Extension and Public Service. In 1987-88 he served as president of the Rural Sociological Society. Bill and his wife Judy were given the 1987 Lee and Mae Ball Award for Outstanding Christian Social Witness by the Methodist Federation for Social Action. That same year, they were named Man and Woman of the Year in Missouri agriculture by *Missouri Ruralist* magazine. Bill and Judy were the 1991 recipients of the Victor I. Howery Memorial Award by the National Association for Rural Mental Health for their efforts in furthering rural mental health.

Amy Kays is a research associate with the Aspen Institute, working on a study of competitiveness issues for rural-prevalent manufacturing industries. She holds a professional masters degree in community and regional planning from the University of Texas-Austin. Ms. Kays has worked on several rural-development research projects, including a study of high-technology industries and services-industry development in rural areas. She recently completed an evaluation of workforce education and training requirements for employees in selected industries in the Austin, Texas area. She is currently involved in an examination of the food-processing industry (and particularly its rural-branch plant facilities) to determine how increasing global integration of supply and demand may affect current and future competitiveness.

As senior staff associate at the National Rural Health Association, located in Kansas City, Missouri, Gary Kukulka provides support services to the Policy and Program Unit of the National Rural Health Association. His duties include assisting in the development of grants and proposals, representing the NRHA in various formats, and making presentations at local, state and national meetings. A major role at the association is serving as the Community-Oriented Primary Care (COPC) National Rural Demonstration Project Director. Before joining the National Rural Health Association, Dr. Kukulka worked as a health education/evaluation specialist in the Department of Community Health and Health Education at Oakwood Hospital.

Donald W. Macke is director of the Nebraska Rural Development Commission, a citizens-advocacy body created by Governor Ben Nelson to mobilize resources in support of rural development. The commission is chaired by Lieutenant Governor Maxine Moul. Don is a native of

rural western Nebraska and a professional economist. He has extensive public-policy experience, having served as staff in the Nebraska Legislature and as a private economic consultant. Before joining the newly formed commission in January 1991, Don's consulting experience resulted in projects in 27 states and the U.S. Territory of the Virgin Islands.

As program associate for the Aspen Institute's Rural Economic Policy Program (REPP), Julie Marx works in the areas of rural poverty and clean water. She has responsibility for the day-to-day oversight and administration of the Rural Telecommunications Initiative. Ms. Marx has spent the last several years working on issues of U.S. poverty, including research and program development at the Joyce Foundation in Chicago and the Kettering Foundation in Dayton, Ohio. Her interest in poverty issues developed from her tenure as a "crew supervisor" for 15 young adults in New York's urban service corps. She also assisted the political education director at the New York State office of the International Ladies' Garment Workers Union. Ms. Marx holds an M.A. in public policy studies from the University of Chicago.

Arthur D. Murphy is director of the Center for Applied Research in Anthropology at Georgia State University. His doctorate in anthropology is from Temple University. He has carried out research on ethnicity and minorities in the United States and Mexico and consulted on community development projects in these countries as well as in Panama. Dr. Murphy has taught anthropology at the graduate and undergraduate levels in both public and private institutions of higher education and has extensive experience presenting anthropological material to nonacademic audiences through public speaking and writing for newspapers and other publications.

Bill Podraza is city manager of Lexington, Nebraska. He has not, however, been a city manager for all his professional career. Bill holds a doctorate from the University of Wyoming and spent 18 years as an educator, counselor, coach, and psychologist. He has worked at all levels of education from pre-school through graduate school. For the past 13 years, he has been involved in public administration. His professional experiences have included working with IBP, of Dakota City, Nebraska, as they chose Lexington as the site for a new beef plant. Dr. Podraza was very much involved from early negotiations to the actual construction and implementation phases of the industry.

Laura Kriegstrom Poracsky has worked at the Institute for Public Policy and Business Research since 1976 as graphic designer and cartographer. She received her BFA

in graphic design in 1979. In addition to designing and overseeing production of the institute's publications and printed materials, she does computer graphics and slide photography for the staff's presentations. Since 1989 she has been the co-editor and designer of the institute's quarterly journal, *Kansas Business Review*, and conference coordinator for the institute. Ms. Poracsky has produced maps and graphics for over 15 books published by the University of Chicago Press, Houghton-Mifflin, and University of North Carolina Press, among others.

Jacqueline J. Saindon is associate director of the Multicultural Population and Resource Project of Georgia State University. She holds a doctorate in adult education from the University of Georgia and an M.A. in anthropology from Hunter College, CUNY. She has taught anthropology at the undergraduate level and is experienced in both quantitative and ethnographic data collection. Dr. Saindon has completed an ethnographic study of poultry workers in Northeast Georgia, with funding from the Ford Foundation.

Priscilla Salant directs the Research Capacity Initiative (RCI), a project of the Aspen Institute's Rural Economic Policy Program and the Ford Foundation. RCI is a pilot project designed to strengthen the research skills of rural-development practitioners and to facilitate their work with experienced researchers. Prior to working with the Aspen Institute, Ms. Salant was a research economist for the U.S. Department of Agriculture (USDA). Based first in Washington, DC and later in Mississippi and Wisconsin, she co-directed two major farm-household surveys for the USDA and also conducted numerous feasibility studies for rural cooperatives. More recently, as a visiting fellow at the Arkleton Trust in Scotland, she participated in a five-year study of structural change in European agriculture. She is currently serving as a consultant to the Rural Indicators Project of the Organization for Economic Development and Cooperation. Ms. Salant holds an M.A. in agricultural economics from the University of Arizona. She is currently an associate in research in the Department of Agricultural Economics, Washington State University. She is the author of *A Community Researcher's Guide to Rural Data* and is writing a new book, *Conducting Surveys: A Guide for Community Researchers*.

Since 1989, **William Schmitz** has been assistant director of the Food Processing, Packing and Manufacturing Division of the United Food and Commercial Workers International Union (UFCW) in Washington, DC. He was a

production worker at IBP's Dakota City, Nebraska plant from 1966 to 1978. From 1978 to 1989, he served as chief executive officer for UFCW Local No. 222 in Sioux City, Iowa.

Penney Schwab is executive director of United Methodist Western Kansas Mexican-American Ministries, which operates six care centers in Southwest Kansas, providing medical, spiritual, social, and educational services to people of all races, colors, and faiths. She holds a B.S. in business from Friends University and has completed the certificate program in nonprofit management from the school of business, Wichita State University. Ms. Schwab is a certified lay speaker for the United Methodist Church and vice president of the Kansas Association for the Medically Underserved. She has written one book, numerous articles, and recently co-authored "Abundant Technology, Limited Access: Health Care for All in the Land of Plenty." Ms. Schwab is a native Oklahoman and a member of the Choctaw Nation.

From 1987 to 1990, **Donald D. Stull** led a team of six social scientists from four universities in a study of ethnic relations in Garden City, Kansas as part of a national project funded by the Ford Foundation. Many of their findings appeared in a special issue of *Urban Anthropology*, entitled "When the Packers Came to Town" (Vol. 19, No. 4, 1990). In 1990, Stull began research on rural industrialization and rapid growth in Lexington, Nebraska. Don is presently professor of anthropology and research fellow in the Institute for Public Policy and Business Research of the University of Kansas.

Jeff Thompson is a research associate with the Appalachian Regional Commission working on a study of competitiveness issues for Appalachia-prevalent manufacturing industries. He holds a professional masters degree in community and regional planning from the University of Texas-Austin. Mr. Thompson recently completed a re-evaluation of rural banking services in the current environment of federal industry deregulation. His other recent experience includes a collaborative effort to examine selected Texas service sectors in light of the pending North American Free Trade Agreement (NAFTA). Mr. Thompson's current research responsibilities at the Appalachian Regional Commission include examining how increasing global economic integration may affect Appalachia-prevalent industries such as auto parts, wood products, apparel, textiles, and food processing.