



Dakota Rural Action

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Economic Impact of CAFOs

Industrial Agriculture vs. Family Farming

Studies prove that moderate-sized family farm operations are the most economically beneficial to rural communities. Communities with a strong mid-sized family farm economy had the most economic stability across all income brackets. (Labao 2000)

Family farms provide higher quality jobs, allowing workers to be more productive members of society and depend less on social welfare systems. Family farm owners are more committed to maintaining a healthy community through involvement in local government, schools, and organizations. Family farms are more likely to invest in the local economy and support other local businesses.

Industrial production methods are more often associated with absentee owners, low-paying wages, and a lack of concern for local structures. Low income levels create a dependency on social welfare systems for employee support, and are often attributed to an increase in crime. There is little community involvement from the owner/operator or employees. Absentee owners are rarely involved in local government, and their interests generally clash with those of the local residents.

Counties with a large number of industrial agriculture operations over a 10-year period had significantly lower family incomes, higher poverty rates, and higher income inequality than counties based on a family farm structure of economy.

Industrial type agricultural development is associated with a loss of middle-class incomes. These communities will quickly see the development of a strong wealthy class and marked increase in poverty, which will eventually lead to a breakdown of community social fabric. This can include a loss of local control, changes in access to local healthcare and social services, reduced quality of education, and general social unrest with higher birthrates to younger women, higher crime rates, and higher rates of domestic violence.

Property Values

Property within a three-mile radius of a CAFO experiences 6.6% loss in property valuations. Within one-tenth of a mile of a CAFO property values can drop as much as 88%. The value of homes is even more sharply affected by proximity to a CAFO. (North Central Regional Center for Rural Development (1999:46); Seipel et al. 1998)

Home values can plunge when a CAFO moves into the area. An Iowa study conducted in 1996 found that homes with a half-mile radius of a CAFO decreased in value 40%; those within a mile radius decreased 30%, and 20% for a mile-and-half radius. (Padgett and Johnson 1996)

Decreasing property and home values translates into decreasing property tax revenues to the county, stressing already tight budgets. In 2001, Clark County in Illinois announced an assessment abatement for 50 homes near a hog confinement, ranging from 30% to 10%. This illustrates that the claim that a CAFO will increase property tax revenues for the community is false.

Did you know?

*In 1950, there were 68,100 farms in SD. By 1970, the total dropped to 47,700. In 2005, SD farms only numbered 31,400.

*The average age of a SD farmer is 53.3 years old.

*The average net income of a SD farm/ranch is \$28,448.

*Agriculture is SD's top industry. It's economic impact in 2002 was \$16.8 billion.

*There were 37,659 South Dakotans employed by production ag in 2000.

Local Control

Communities with CAFO development see a marked decrease in citizen participation in local government. Government decision making becomes less democratic, and more heavily influenced by agri-business interests. (Goldschmidt 1978)

Communities struggle to balance the interests of absentee owners or industrial production methods with the interests of the local residents. Often, the perceived economic impact wins, but is rarely realized as jobs usually offer low wages, profits are not spent in the local economy, and local systems are burdened to subsidize the impacts to schools, healthcare and other services.

The conflict that arises from CAFO development can rip rural communities apart. This dissention can bring other community and economic development work to a standstill.

Social Costs

Proponents of CAFOs promise jobs, but these jobs do not sustain families or communities. One University of Missouri study estimated that a hog-confinement employee earns about \$15,000 per year (\$7.50 per hour), which is \$4,000 below the federal poverty level for a family of four. Furthermore, these jobs are often without benefits, increasing public health costs. One study found that each job at a CAFO in Oklahoma actually cost the community 50% more than the wage paid. (Anon 1999)

CAFOs increase their profits by externalizing their costs onto the taxpayers by not paying living wages or health benefits. A solid economic base cannot be built on jobs that do not pay a living wage and require that families rely on social programs just to make ends meet. CAFOs shift what should be their responsibility as employers to the taxpayers.

How can you help?

- Join Dakota Rural Action! As a member you will have the opportunity to work with other like-minded people and together we CAN make a difference.
- Get in touch with what's happening in your county – read the County Commission minutes in the newspaper, attend hearings, and visit with your Commissioners about CAFOs.
- Help spread the word to your family, friends and neighbors. The more people who understand these issues, the better our chances of making a change!

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I would like to be a member of Dakota Rural Action to have a say in the decisions affecting my future in South Dakota. Here are my membership dues of:

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_____ \$35 Household Member	Be a _____ \$500 Sustaining
_____ \$25 Individual Member	High _____ \$250 Builder
_____ \$52 Buck-A-Week	Donor _____ \$100 Steward _____ \$ Limited Income

Please make your check payable to Dakota Rural Action and include with this form to:
Dakota Rural Action, Box 549, Brookings, SD 57006 Phone 697-5204 Thank you.