Little of the profits produced by American agriculture stays in rural America. During 1973, the farmer received less than 46 cents of every food dollar spent at the supermarket even though food prices continued to soar. Farm subsidy payments, originally designed to protect the small farmer's income, were diverted to corporate giants, large farmers, or, in some instances, royalty. Food price and farm income increases did very little for the small farmer in 1973. Thus, the number of farms continued to decline (an estimated 100,000 people left rural America). Agribusiness corporations received 71% of all profits from the U.S. food industry. Also, the country's 2,809,000 farmworkers are suffering from low wages, seasonal work, limited coverage under protective labor legislation, increased mechanization, lack of alternative job opportunities, few marketable skills, poor education, and critical health and housing needs. Such organizations as the United Farm Workers of America, Southern Mutual Help Association, National Coalition for Land Reform, National Sharecroppers Fund, and Experimental Farm and Training Center are working on these problems, showing that reform and revitalization in rural America are possible. (NQ)
The Condition of Farmworkers and Small Farmers

Report to the National Board
by James M. Pierce, Executive Director
National Sharecroppers Fund
Rural Advancement Fund

U.S. Department of Health, Education, and Welfare
National Institute of Education

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"The 100 largest of the nation's 32,000 food manufacturers make 71 percent of the profits."

- Senator James Abourezk,
New York Times, November 11, 1973

Even farm subsidy payments, designed originally to protect the income of small farmers, are diverted to corporate giants or, in some instances, royalty. The Queen of England received $68,000 for not planting cotton on her plantation in Mississippi.4 Ford Motor Company received $14,000 for not planting wheat, while Libby-McNeil garnered $19,000 for growing no cotton.5 Federal subsidy payments declined from the four billion dollars of 1972 to 2.6 billion dollars in 1973.6 Gross distortions in who received what payments continued among the 2.1 million farmers who received subsidies. Of these, 86 big growers (less than 1 percent of the total) received between $100,000 and over $1,000,000 each, while 1.2 million small farmers (approximately 60 percent of the total) received $200 or less each.7

The fantastic profits and subsidy payments served principally to consolidate the wealth of the 43 percent of the farms with sales of $10,000 or more.8 As the number of farms continued to decline in 1973, an estimated 100,000 people left rural America. The increase in food prices — up 23 percent from 1972 — and the statistical jump in farm income did very little for the small farmer in 1973.

Secretary of Agriculture Earl Butz is fond of telling the American people that we have never had it so good. Despite the fact that food prices increased 23 percent during 1973, Secretary Butz still insists that "last year we spent less than 16 percent of our take-home pay for food."9 Using statistics of the U.S. Department of Agriculture (USDA) itself, the fact is that an average urban family with two school-aged children on a modest budget — take-home pay $8,000 per year — spends 32 percent of its budget on food. A family with a take-home pay of $12,000 spends 21 percent on food. Food remains cheapest for the wealthy. For those who take home $50,000, the average food cost is 6 percent. And food remains most expensive for the poor. A survey of Dade County's (Florida) poor in 1973 revealed that families in South Miami with an income of $3,000 or less were spending up to 90 percent of their income on food.10

5. Ibid.
6. The U.S. Budget in Brief, FY 1975, p. 34
7. U.S. Department of Agriculture figures
9. ABC News Documentary, "Green Grow the Profits", December 12, 1973
The high cost of eating is due, at least in part, to a phenomenon of the past thirty years called agribusiness. Agribusiness, through vertical integration, has now reached a point where 100 corporations, out of the 32,500 firms involved in getting food from the farm to the supermarket, have monopolized the market to capture 71 percent of all of the profits from the U.S. food industry.¹¹

“At the farm level, size does not bring with it any significant cost benefits...farming has severe built-in limitations on size in terms of dis-economies of scale.”

—United Brands to the Federal Trade Commission,
New York Times, January 20, 1974

Agribusiness corporations now control 51 percent of processed vegetables, 85 percent of the citrus crop, 97 percent of broiling chickens, and 40 percent of eggs.¹²

Agribusiness means turkeys from Greyhound, chickens from Continental Grain (which made a bundle off the Russian wheat deal), hams from ITT, potatoes from Boeing Aircraft, and nuts from Getty Oil.

Efficiency is the principal claim of agribusiness, but this “efficiency” has been achieved by decades of federal and state subsidies in irrigation, a guaranteed cheap labor system, and research and development of crops, chemicals, and machines; and it is maintained by continued subsidies. In fact, studies have shown that the most efficient farms are those worked by their owners.

To meet the needs of agribusiness, plants are genetically altered, animals penned up and chemically fattened, and land is laced with pesticides and herbicides. All this requires research and up-to-the-minute technology. The bulk of agricultural research in this country is not done by the multimillion-dollar, multinational agribusiness corporations but by the tax-supported Department of Agriculture and the land-grant college system. An estimated $600 million of tax money is spent each year for research that principally benefits the giants of American agriculture.¹³

¹¹ Food Action Campaign, Press Release, August 6, 1973
¹² ABC News Documentary, December 12, 1973
¹³ Ibid.
The U.S. taxpayer footed the bill for the development of a mechanical tomato harvester which could not harvest the tomatoes it was meant to pick. The University of California at Davis responded by genetically redesigning a tough, firmer, thick-skinned tomato capable of undergoing the bumps and pressures of mechanical harvesting. For our tax dollars we now have uniformly sized tomatoes, mechanically picked, ripened by ethylene gas, and uniformly tasteless. Researchers have now isolated 70 chemicals which flavor tomatoes in hope that the flavor can be artificially restored.

There is more. Also at the University of California at Davis, cantaloupes that now grow on vines are being genetically redesigned by agricultural engineers to grow on bushes, to make possible mechanical harvesting.

At the University of Georgia, tax money is being spent to defuzz peaches. After defuzzing, the fruit will be coated with a water-soluble wax containing fungicide to prolong its store life and prevent weight loss.

There is more than government-funded research and a quest for profits to lure conglomerates to agribusiness. Special tax laws, originally designed for farmers, are now used by corporations to spread profits and losses over several years and to obtain tax shelters. One such tax scheme is syndication, a method of investing under certain conditions which can provide a 201 percent tax write-off. For every dollar invested, two can be deducted as a tax liability.


Despite the economic power exercised by agribusiness, Secretary of Agriculture Butz is not alarmed. "Less than 10 percent of our farms are corporation farms and 9 out of 10 of them are family corporations. I think integrated production and processing, marketing is the trend of the times. I think it is good for consumers."

Secretary Butz uses a 1963 USDA study to buttress his position. This study has been challenged by Professor Richard D. Rodefeld of Michigan State University. In an analysis of all corporation tax returns filed in the State of Wisconsin, Professor Rodefeld found that USDA had missed 252 corporate farms. He also found that USDA has underestimated the total acreage owned by corporations by 37 percent, the number of acres rented by corporations by 269 percent, the number of cattle fed by 30 percent, the number of milk cows by 54 percent, the number of sows by 216 percent, and the number of acres of vegetables by 37 percent. Since precisely the same research procedures were employed...
by USDA all over the country, Rodefeld concluded that the USDA survey had dramatically underestimated the extent and impact of agribusiness in U.S. agriculture.

The Department of Agriculture has done little research on the impact of agribusiness on the family farm. Nor has it applied its research to the requirements of the nation's small farmer. Instead, in a December, 1973, publication, USDA points to the future: A turbine-powered haybaler capable of producing 15-20 pound bales at the rate of 20 tons an hour. "Bales will be encased in edible weatherproof polypropylene plastic — made and fortified with vitamins and minerals in the machine itself." 18

"We don't want to leave. We don't mind the work. We just want to be treated better."
— Huet Freeman, Louisiana sugarcane worker

There are almost as many definitions of farmworkers as there are government agencies dealing with the problems of farmworkers. Not surprisingly, then, there is an equal number of estimates of the numbers of farmworkers — ranging from two million to six million. The most reliable estimate is that provided by the Economic Research Service of the U.S. Department of Agriculture: 2,809,000 farmworkers in 1973. 19

The problems of America's farmworkers arise uniquely from the nature of their work: low wages, seasonal work, limited coverage under protective labor legislation, increased mechanization, lack of alternative job opportunities, few marketable skills, poor education, and critical health and housing needs.

The typical farmworker:

- Is a male head of a family, 23 years of age;
- Is poorly educated, with about 8.5 years of schooling;
- Is involved in nonmigratory farmwork;
- Works an average of 88 days at $13.20 per day for an annual wage of $1,160;
- Works an average of 39 days doing nonfarm labor for an additional $698.

Fewer than one-fourth of the farmworkers were employed full time and these farmworkers earned an average of $4,358. 20 Considering the average size of the

18. The Farm Index, USDA, December, 1973, p. 15
20. The Farm Index, May, 1973, p. 15
farmworker's family, the farmworker's income is far below the poverty line.

These poverty wages are paid by an industry which is the nation's third most hazardous and the nation's largest employer, hiring one out of every seven Americans.21

The poverty of farmworkers goes beyond substandard wages to include the worst housing in the country, which they share with other rural residents. Rural America has only one-third of the nation's population, but nearly 60 percent of the nation's substandard housing.22 The Housing Assistance Council, a nonprofit organization dealing with low-income housing problems, has documented the extent of the rural housing crisis:

- Rural areas have two-thirds of the American homes that lack plumbing;
- In rural areas one home in five is substandard;
- 90 percent of all farmworkers' homes lack a sink;
- 95 percent of all farmworkers' homes lack a flush toilet;
- The average migrant home consists of two rooms for an average family of 6.4 people;
- More than half of the rural housing units in the South are valued at less than $5,000;
- Nearly two-thirds of all black-occupied rural housing is substandard; and
- In rural Appalachia nearly one out of four families lives in substandard housing.23

Since the 1930's, much social legislation has been enacted to enhance the life of American workers, but farmworkers have been systematically excluded from most of these legislated benefits:

- Federal Unemployment Tax Act: Farmworkers excluded in all states except Hawaii.
- Workmen's Compensation Laws: Twenty-nine states exclude farmworkers.
- Farm Labor Standards Act: Establishes a minimum wage for farmworkers at $1.30 per hour;* excludes farmworkers from overtime provisions; covers only an estimated 35 percent of the farmworker population.
- Child Labor Laws: Eighteen states specifically exclude farmworkers from restrictions on child labor.24

In addition to these specific legislative exclusions, farmworkers have for all practical purposes been administratively excluded from food stamp programs and public assistance programs.

*Early in 1974 the President signed a minimum wage bill he vetoed in 1973. It will increase farmworker wages to $2.30 an hour by 1978.
"...they're better off sleeping in cars or in open fields."

—F. Eugene Tubbs, Florida legislator

Approximately one-sixth of the people in rural counties suffer debilitating health conditions. This is particularly true of farmworkers; and the physical limitations on their activities further add to the economic problems of workers whose income stops when they are unable to work. Funds provided under the Migrant Health Act, which attempts to provide health services to farmworkers, reach only 3 percent of the nation's farmworkers.

According to the U.S. Public Health Service, the average migrant lives only to age 49, while the average American lives to be 72 years old. A Washington state report shows that the average Mexican-American migrant in the state dies by age 38. The infant and maternity mortality rates for migrants are 125 percent higher than for average Americans.

Some 800 to 1,000 field workers are killed and 80,000 to 90,000 are injured by pesticides annually, according to the Food and Drug Administration. Ironically the ban on DDT may make the pesticide health problem even worse. Farmers who once relied on DDT are now turning to organophosphates, especially methyl parathion, one of the deadliest poisons known. Just one drop on the skin can cause convulsions and death.

An estimated 184,000 migratory farmworkers were employed in U.S. agriculture in 1973. Migrant workers share the disadvantages of other farmworkers—they suffer low wages, poor housing, poor health, and are by and large ignored by legislation. The chief distinguishing characteristic of migrants obviously is that they travel from their home county to work in areas beyond daily commuting distance. Major streams of migratory farmworkers flow northward from Texas, Florida, and California. Too often these hardworking people leave the northern states at the end of the harvest in as shameful a state of poverty as when they arrived.

Last spring virtually every level of government, from local and state health departments to U.S. Congressional committees, became involved in a survey of farmworker
conditions in Florida. This flurry of concern came in the wake of a typhoid outbreak in which 92 persons were stricken in the Homestead Housing Authority's South Dade Labor Camp, a federally financed facility considered one of the finest in the country.

Three years before the typhoid outbreak, Dr. Raymond M. Wheeler of Charlotte, North Carolina, stated in testimony before the Senate Subcommittee on Migratory Labor: “In Dade County we looked at quarters operated by the Homestead Housing Authority with public funds...there was not one gesture toward providing either comfort or basic human needs — no source of water, no toilet, no refrigeration, no heat...” 31 F. Eugene Tubbs, a physician and a Republican state legislator, who headed the Florida legislative health subcommittee's investigation into the typhoid outbreak, reported: “From what I saw, they're better off sleeping in cars or in open fields.” 32

Many of Florida's migrants may face just that possibility in 1974. As a result of an aggressive Florida state government crackdown on the filthiest of the migrant camps, the Division of Health has licensed only 88 camps with a capacity to house 24,201 people. In 1972 there were 270 licensed camps with a housing capacity of 37,972.33 Conditions in some of these camps led to the typhoid outbreaks; they were characterized by a farmworker spokesman as “similar to human stockyards.”

Housing is by no means the only inequity visited upon Florida's migrants. Working conditions in the fields remain primitive. A state senate committee killed a bill to require adequate toilet facilities in the field which few growers provide voluntarily. Seasonal farmworkers are recruited by crew leaders who contract with farmers to supply so many “head” of pickers. Workers are often cheated and physically abused by crew leaders. Of the estimated 2,000 crew chiefs operating in Florida, fewer than 600 have complied with the state's compulsory licensing statute.34 Two crew leaders were arrested in Florida last year on slavery charges, but these charges were later dismissed by a federal court.35

The educational attainment of migrant children is far below that of nonmigrant children. Despite federally funded migrant education projects, there are built-in constraints to educating children who switch schools as often as migrant children.

Agribusiness and grower response to the problems of migrant workers is more mechanization. This year, the Florida Citrus Commission will invest $310,000 to pay growers a 20 percent per box incentive for the fruit they harvest mechanically.36

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32. Miami Herald, November 26, 1973
33. Ibid.
34. Ibid.
35. Miami Herald, November 22, 1973
36. Miami Herald, November 26, 1973
Meanwhile, neither the state nor the federal government has proposed anything quite so radical to improve the plight of human harvesters. Indicative of the inaction is the response of the Florida legislature following the typhoid outbreak and the arrests of the crew leaders on slavery charges: not a single corrective piece of legislation has been passed. The bills developed by Representative Tubbs' subcommittee never reached the floor of the legislature.\(^{37}\)

The miserable conditions of Florida's farmworkers are due in part to lack of organization, for only the Coca Cola-owned orange groves (Minute Maid) have recognized unionization of their workers and improved conditions, following nationwide publicity which could have meant severe economic losses. In California, in the five years following the first grape boycott, wages and fringe benefits nearly doubled and important gains in field conditions were won by the United Farm Workers. The national organizing drive has slowed as the union now faces serious problems, in part "growing pains". The union is attempting to substitute a union hiring hall for the traditional oppressive contractor system and to introduce the seniority system, while at the same time facing a competitive organizing drive by the International Brotherhood of Teamsters which some growers favor. The UFW has the strong support of President Meany and the AFL-CIO but it faces a crucial struggle in the grape vineyards and lettuce fields in the coming year.

"...there is no discernible federal strategy on farmworkers."

-U.S. Department of Labor Task Force Report

In 1972 a report by the General Accounting Office on farmworker programs operated by the Departments of Labor, Agriculture, and Health, Education, and Welfare and the Office of Economic Opportunity declared that these federal programs had little appreciable effect on the lives of millions of farmworkers.\(^{38}\) Last September yet another report, this one issued by the Department of Labor, leveled even more fundamental criticism. The document, Report of the Farmworkers Task Force, was prepared as a result of the transfer of the Migrant Division of the Office of Economic Opportunity to the Department of Labor.

\(^{37}\) Ibid.

Report to the Congress, "Impact of Federal Programs to Improve the Living Conditions of Migrants and Other Seasonal Farmworkers", February 6, 1973, pp. 26-27
In addition to analyzing the problems of farmworkers, the Report of the Farmworkers Task Force found:

- The federal government outlays just over one billion dollars per annum on domestic social programs, mostly human resources activities. Only between 2 percent and 9 percent of that amount is expended on the rural poor; and only 1 percent of that figure reaches farmworkers. Poor farmworkers and their dependents represent 2 percent of the population of the United States and approximately 15 percent of America's poor. The key target is clearly the billions of dollars of federal monies which could be made available to farmworkers but by administrative choice are not.

- Corroborating the findings of the General Accounting Office, the Task Force concludes that there is no discernible federal strategy on farmworkers. Taking the analysis one step farther, the Task Force seriously questions whether more frequent interagency meetings will improve the situation until and unless there are mutually agreed-upon definitions of objectives, priorities, opportunities, and delivery systems.

- There is no agreed-upon federal definition of farmwork.

- No one knows how many farmworkers there are. The best estimates range from two to six million.

- There is no data to support any statement about the ethnic composition of farmworkers.

If there is "no discernible federal strategy on farmworkers", so too is there is no discernible strategy for the development of rural America. The Rural Development Act passed in 1972 did not receive its full appropriation until late 1973; and then most of the authorizations under the Act were not funded or funded at levels far below their Congressional appropriations. Funds for comprehensive planning, pollution abatement, rural community fire-protection, small enterprise loans to rural residents, and resource conservation were cut from the appropriation.

These funded sections of the Act are loan-oriented; they will benefit banks more than people. Since there are few funded provisions for grants to communities, the more economically depressed rural areas — those areas which the Act was to assist — will receive few benefits from the legislation. Declining small towns lack a base to secure even government-guaranteed loans, the major feature of the Rural Development Act.

The limited scope of the Act will simply encourage the urbanization of larger rural towns and rural cities. Substantial legislative change and an increase in appropriations for the Rural Development Act are essential.
Reform and revitalization in rural America are possible."

Several legislative efforts to correct basic inequities in American agriculture were undertaken in 1973. The Family Farm Anti-Trust Act, which would curb vertical integration and force corporate giants out of agriculture, is still before Congress. Pending U.S. Congressional action, several states have acted to preserve the family farm. Minnesota adopted legislation which recognizes as legal only three farming modes: an unincorporated family farm, a family-farm corporation, and an authorized farm corporation with 10 or fewer shareholders. No other corporations can assume farming operations in the state. Nebraska's state legislature will consider similar legislation in 1974.

In California, State Senator David Roberti has proposed legislation designed to protect small California farmers. Under the Roberti legislation, any California farmer who obtains 50 percent of his income from farming and whose farm does not exceed 160 acres could sell the farm to the state at the current market price. The farmer or his heirs could lease the land from the state for an annual rental fee of one dollar per acre.

Senator Richard Clark (D-Iowa) has proposed easing the impact of fast-rising land prices and capital requirements by permitting young farmers to obtain government loans that would require principal repayment of only half of the mortgage over a 40-year period.

The battle for enforcement of the 160-acre limit on the land requirement under the Reclamation Act of 1902 is still pending in the courts. A group of landless Imperial Valley (California) residents sued to get these requirements enforced and won at the district court level. Large landowners have appealed.

Significant legislative changes affecting farmworkers were also undertaken by the Congress. Congressman William D. Ford (D-Mich.) has proposed legislation to strengthen federal protection of migrant workers from abuses of crew leaders. Congressman Peter Rodino (D-N.J.) has introduced legislation to protect U.S. farmworkers from the competition of an estimated 430,000 illegal aliens who cross the Mexican-U.S. border annually in search of work.

These legislative efforts may well form the beginnings of a national policy to turn rural America around and to save small farmers and farmworkers from lives of poverty and hardship. Other legislative measures are still required:

- Equitable farm labor legislation must be enacted;
- Vertical integration in the food industry must be prohibited by statute;
- USDA and Land Grant Colleges must be compelled to extend research and technology in behalf of the small farmer;
- The Rural Development Act must be fully funded and implemented;
- Tax loopholes which encourage tax-loss farming and agribusiness must be closed;
- Residency requirements and the 160-acre limitation in federal land-reclamation areas must be enforced; and
- Alternate land-redistribution policies must be developed.

All across the nation serious groups are actively working on the problems of rural America in the fields of California and Florida, the United Farm Workers of America is attempting to organize grape and lettuce workers. Near Fresno, California, four farmworker families organized the Rancho El Bracero cooperative and grossed $80,000 growing cherry tomatoes on five acres of land. In Southwestern Louisiana, the Southern Mutual Help Association is engaged in a program to solve the educational, health, and economic problems of the area's 15,000 sugarcane workers. The National Coalition for Land Reform brought together more than 400 people from 40 states in San Francisco for the first National Land Reform Conference. New Communities, Inc., near Albany, Georgia, is developing an agriculture-based planned rural community. Newburke, a rural community in Burke County, Georgia, is ready to begin to build its first homes. Farmer cooperatives are giving poor tobacco and cotton farmers a new chance to survive by turning to vegetable production. Near Wadesboro, North Carolina, the National Sharecroppers Fund has transformed an old 300-acre farm that had not been used for years into the thriving Frank P. Graham Experimental Farm and Training Center where migrant farmworkers, low-income farmers, young people, and potential co-op leaders can get the help they need to develop successful operations, through learning agricultural, managerial, and vocational skills.

These organizations are demonstrating that reform and revitalization are possible in rural America. The special interests of agribusiness need not dominate U.S. agriculture. It is possible to preserve rural life as an option for all Americans and at the same time to provide an abundance of food and fiber without raping the land and its resources.
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- Promotes national legislation to benefit migrants and other farmworkers and small farmers.
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