

Testimony of Curtis W. Stofferahn, Ph.D.
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Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee, I urge a no vote on any changes to the North Dakota Corporate Farming Law (HB 1371). This testimony is an elaboration and an addition to the testimony I submitted to the House Agriculture Committee. It includes references to documents I submitted along with my testimony.

For the record I am a fourth and fifth generation descendent of family farmers, and I grew up on a diversified family farm in southeastern North Dakota. I received my PhD in rural sociology from Iowa State University, my doctoral research involved the impact of the structure of agriculture on rural communities, and I've published academic articles on the topic.

In 2006, I was contracted by the North Dakota Attorney General's office to provide expert testimony on the social justification for the North Dakota corporate farming law. Defense of these corporate farming laws often requires evidence from social science research that industrialized farming poses risks to communities. Social scientists have had a long history of concern about the effects of industrialized farming on communities. I updated the research conducted by my colleague, Linda Lobao, for her 2000 defense of the South Dakota corporate farming law. That meta-analysis of the research literature synthesized some 80 years of research, from the 1930s to the present, on the social consequences for rural communities of industrialized farming. It included papers presented at professional meetings, peer reviewed journal articles, and other social science publications (Document 26129).

Later, Lobao and I, using only the pool of 51 peer-reviewed articles, had our peer-reviewed journal article published in *Agriculture and Human Values* (Document 14840). After that, I was asked to submit a summary to *The Encyclopedia of Agriculture and Food Systems* (Document 26126). This report, article, and encyclopedia entry were entered as evidence by the state in the following cases: *North Dakota v. Crosslands*, 2006, *Cook Waterfowl v. North Dakota*, 2012, *Stenehjem v. National Audubon Society, Inc.* 2014, *North Dakota Farm Bureau v. Stenehjem*, 2018, *North Dakota v. Dakota Access Pipeline* 2019. For each case, I had to sign an affidavit that there was no new research that would substantially change the generalizations from the meta-analysis (Document 14835).

The industrialization of farming refers to the transformation whereby farms have become larger scale, declined in number, and integrated more directly into production and marketing relationships with processors through vertical or contractual integration. Accompanying the growth of scale of operations are organizational changes in farming. These include an increase in the relative proportion of hired to family labor, greater use of incorporation as a form of legal organization, and the movement toward a more integrated industry from farm to grocery, whose 'hallmark' is 'contract production and vertical integration. Corporate farming falls within both the scale and the organizational attributes of industrialized farming.

In the journal article, my colleague and I documented the research designs employed, evaluated results as to whether adverse consequences were found, and described the aspects of community life that may be affected by industrialized farming. Of these studies, 57 percent found largely detrimental impacts. Twenty-five percent were mixed, finding some detrimental impacts. Eighteen percent found no detrimental impacts. The adverse impacts were found across an array of indicators measuring socioeconomic conditions, community social fabric and environmental conditions. Meanwhile, few positive effects of industrialized farming were found across studies. The results show that public concern about industrialized farms is warranted.

For socioeconomic well-being, researchers noted that industrialized farming was related to higher income inequality and to lower community employment, relative to moderate-sized family farming. Higher income inequality indicates that industrialized farming is less likely to sustain middle-class communities. Places with higher income inequality also are prone to other social problems because the gap between the affluent and the poor is greater. About other socioeconomic impacts, such as total income injected into the community, regional economic impact models were likely to review beneficial impacts. The findings for income inequality, however, suggest that income growth is impeded in trickling down to families. Studies assessing consequences for the social fabric of communities were likely to find detrimental impacts. Industrialized farming affects the social fabric of communities through altering population size and social composition which affect crime, social conflict, family stability, the local class structure,

community participation, and local shopping patterns. Case studies reviewed the loss of local autonomy, in which communities become increasingly subject to the influence of external business owners, whose interests may not be compatible with their own. More recent studies reviewed environmental impacts. As large animal confinement operations house densely concentrated livestock, they are prone to a host of negative environmental impacts on water, air, and human health.

The role that corporate farming laws play in protecting rural communities has been alluded to in past research but only recently addressed by Lyson and Welsh in an article in *Environment and Planning* (Document 26127). When they examined states with anti-corporate farming laws (Iowa, Kansas, Minnesota, Missouri, North Dakota, South Dakota, Oklahoma, and Wisconsin), they found that agriculture-dependent counties in states with such laws fare better on economic measures, that is, less families in poverty, lower unemployment, and higher percentages of farms realizing cash gains. In the comparison of states with less restrictive versus states with more restrictive laws, they generally found the same results as with the comparison of states with anti-corporate farming laws and states without such laws.

More specifically, regarding impacts on rural communities of industrialized animal agriculture the Pew Commission report on industrial farm animal production (Document 26128), of which I was a reviewer, concluded: “(The) single-minded pursuit of economic efficiency within agriculture has resulted in a loss of economic freedom and created an imbalance of economic power favoring agribusiness over independent farmers. The result is the transformation of rural America from a setting of many small, productive family farms and economically diverse, viable rural communities into a state of relatively few ever-growing factory farms and dying communities.”

The rural social science research literature on the impacts of industrialized agriculture in general, and corporate farming in particular, is conclusive about its detrimental impacts on rural communities. The bulk of evidence indicates that public concern about these detrimental impacts is warranted. I urge legislators to vote No on HB 1371.