



# Green Paper

## Confined Animal Feeding Operations

### The proposed re-direction of Ohio's policy orientation for livestock production

#### Overview

Livestock agriculture is an important part of Ohio's economy, so it makes sense to allocate research and development resources in that direction.

In recent times, the vast majority of federal and state research and developmental efforts have been focused on refining the regulatory, engineering, and technological infrastructural in

support of large, industrial confined animal feeding operations (CAFOs).

This strategy presumes that the high productivity and efficiency from these systems offer the best option for addressing our growing global need for food, fiber, and energy.

#### Challenges to Conventional Wisdom

The Ohio Environmental Council (OEC) offers the following challenge to that conventional wisdom:

I.) Objective studies that consider the "externalized costs" of industrial livestock production raise questions about the above presumption. Actual cost of industrialized food production (including those costs transferred to other taxpayers and those "unaccounted" costs such as environmental degradation) is much higher.

1. Tufts University, Global Development and Environmental Institute, E. Starmer and T. Wise, December, 2007.
2. Environmental Science and Technology, American Chemical Society, Environmental damages from pollution create a "toxic debt," Rhitu Chatterjee, Nov, 2008.

II.) As large, industrial style CAFOs are strongly dependent on cheap fossil fuels and large governmental subsidies, their future viability is threatened by recent trends in energy costs and expected changes in climate/carbon policy.

1. Weis, A. "Global Food Economy"
2. Tufts University, 2007, as above.

III.) Alternative models for livestock production offer better protection for our natural resources, greater resilience in our communities.

1. Land Stewardship project, April, 2008, Grass-Based Beef and Dairy Production.
2. Linda Loba, Industrialized Farming Related to Community Well being, For North Dakota's Attorney General, Sept. 2006.



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**Alternative Vision**

The OEC offers the following alternative vision for a robust, profitable, and resilient livestock industry, integrating well with Ohio's rural communities and supporting our need to maintain a clean, healthy environment.

The core of the vision is a nucleus of moderately scaled livestock farms, owned and operated by nuclear or extended families – where those families own or control and have responsibility for

both the livestock and the land base, and where they market their products through a competitive network of local and regional processors and markets.

We acknowledge that this “alternative” vision represents a significant departure from current trends but we assert that such a course is wise, reasonable, and achievable.

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**Proposed Policy Initiatives**

The following is an outline of some policy initiatives that would set the stage for such a transition:

- I.) Ohio should re-direct (target) its development, financing, and regulatory initiatives toward more moderately scaled farms, that own their livestock and control their land base.
  - a. Because large-scale, industrialized agribusiness operations already enjoy inherent advantages in both purchasing and marketing, the allocating state resources in their direction only serves to accelerate the pace of consolidation - further skewing the marketplace in favor of those business operations that have externalized important costs of their business operation.
  - b. An untargeted allocation of resources will predictably flow toward large industrialized and vertically integrated operations (agricultural production and processing businesses bound by a contractual marketing agreement). Such untargeted benefits will largely accrue to the owners of the parent processing business, who are likely to be absentee partners.
  - c. Unbridled consolidation in the livestock industry has allowed integrators to bias the marketplace by offering more favorable contracts to larger producers – thus upsetting the normal economic rules (larger integrators or ‘contract’

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## Proposed Policy Initiatives (con't)



producers may actually receive higher prices for their products than their more modest sized independent competitors), although contracts are normally proprietary, allowing no transparency.<sup>1</sup> Therefore, consumers may actually pay more for food produced in large CAFOs.

<sup>1</sup>(C. Robert Taylor, Auburn U. 2007)

d. More modestly scaled operations not only have the ability to produce adequate food for our citizens but are more likely to do so in a way that promotes resilient economic development and supports a healthy environment.

For instance:

- 1.) Today, Ohio is home to some 4,000 dairy farms. Together, they produce about 5 billion pounds of milk annually. If Ohio were to continue to facilitate the trend toward CAFOs, all of Ohio's current dairy production could be supplied by only 250 operations housing 1,000 cows each, 100 operations of 2,500 cows, etc.
- 2.) Alternatively, if Ohio committed to a network of more moderate sized farms, that same level of dairy production could be supplied by approximately 1,250 such farms (200 cows). This is NOT an unreasonable goal or expectation.
- 3.) In addition, many grazing dairies are reporting strong profitability along with dramatically reduced environmental pollution and a much smaller carbon footprint.

II.) Continue the statewide and federal initiatives to stop anti-competitive behavior by dominant processing and marketing powerhouses.

- a. As mentioned above, excessively consolidated market power actually negates the expected consumer benefits from the "economies of scale," and severely reduces competitive market alternatives for both farmers and consumers. Ohio's Attorney General, Commerce and Department of Agriculture could require transparency of contract terms for Integrators and Marketing Associations operating in Ohio.
- b. Local processing and marketing options maximize returns for local producers and processors, driving local economic development. Continued effort and investment focused on local market re-development would provide essential market options not currently available.

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**Proposed Policy Initiatives (con't)**

- III.) Tighten environmental controls for industrial livestock facilities.
- a. Assure that the permitting agency maintains a “chain of accountability” – connecting the source of animal manure to its final proper disposition.
    - 1. Such a requirement should not be regarded as overly rigorous, as well-managed farms and businesses already comply with guidelines designed to keep the environment clean and healthy.
    - 2. Lax environmental oversight gives unfair advantages to those who ignore environmental implications of their business practices, transferring those costs to the larger society.
  - b. Assure that permitting agencies utilize the latest available technological tools (such as GIS) to wisely manage the growth of the industry while protecting the environment we all share.
  - c. Require frequent testing of soils and water courses to deter excessive application of manure. (Current administrative rules require only one soil test every third year. Such infrequent testing is inadequate, especially where some fields receive numerous applications each year.)

The renewal of local authority is also a critical missing link to rebuilding strong rural communities.

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**Conclusion**

We urge you to use your great influence as leaders in Ohio’s educational and governmental institutions to revisit the statutes, administrative rules and Best Management Practices (BMPs) to assure that they support this reasonable, achievable, and more favorable alternative.

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