

## **Testimony**

**Dr. Carolyn Orr**

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Hello

Thank you for the opportunity to speak with you today. Your task is immense and I appreciate your willingness to take on this challenge.

I have been charged with talking to you about state's actions, but first you should know from whence I come. My name is Carolyn Orr and I have a Ph.D. from Texas A&M in Stress Physiology. I taught college students and chaired the department of agriculture at a small college called Berea in the Appalachian mountains for 23 years. I taught three courses a semester and managed a 1000 acre college farm.. You see Berea is a work college, and students pay no tuition, but work for the college, which means I ran a 200 head cattle, 100 sheep 150 goats and 50 sow operation entirely with student labor.

I did my best to find careers for these students, because there was no way the family farm could ever support them... many were the first in their family to attend college. These were bright kids interested in agriculture and determined to continue in the field. Graduate school and vet school accepted many of them, the extension service loved their work ethic and but it was companies like Butterball turkey, Perdue and Smithfield that gave them the opportunity to stay in agriculture, live in rural areas and make more money than they had dreamed.

I know that you will join me in support of family farms. I live, work and pay the mortgage on 160 acres of prime Maury Silt Loam in central Kentucky. My husband is a forage specialist for a farm supply company. I work with state legislators across the country on agriculture and rural policy issues, both of us working full time so we can work another 40 hours a week on our family farm. On bad days we wonder why we don't sell the land to developers and sit on our rocking chairs in town, on good days we revel in the antics of a new calf or marvel at the 74 bushels we got on our wheat crop this year. Our farm is enrolled in the Conservation Security Program, one of the best conceived, poorest implemented conservation program the states have ever seen.

Men and women who serve in state legislatures across this nation see economic conditions that are driving people to jobs in town, off the farm or forcing consolidation and bigger operations. Agriculture profitability, particularly for the small and medium sized farms is one of their major concerns. If small and medium sized farms were profitable, this Commission would not be necessary.

The driving changes in animal agriculture that are increasing the size and scope of confined animal facilities are also the driving changes in our culture as a whole. How many of you shop in mom and pop grocery stores, shoe stores and hardware stores now? We all have a stake in these business, and their future, just as you do in the production of your food. And we must recognize that animal production is food production, I love my cows, they are all named, I can tell you their dam and sire and the calves they have produced, and when they reach their end of their life, I will treat them as humanely as possible and but not mind eating their ground beef. Livestock are raised because consumers across the globe will pay for meat, milk, cheese and leather, and consumer demand for consistency and low price drive animal production methods.

Just as grocery stores merge to seek price savings, the demand for low cost food results in farmers having to lower production costs and increase the productivity of their land, thus we in

animal agriculture are driven toward increasingly large confinement animal production. So it is the American consumer's demand for high quality, consistent, low cost food that drives the changes you have seen in the animal industries. While some consumers today may demand organic or free range, a lot more shop for convenience and value.

My 16 year old son has 40 hens, the eggs from these he delivers on our road, at \$1.50 a dozen, netting \$60 a month for gas money. Can you imagine how many he would need to make a living? To produce the eggs consumed in Kentucky each year on a farm with a 100 bird laying flock, we would need 40,000 farm flocks. We would also need 40,000 farms willing to raise 2000 broilers per year. Since Ky only has about 80,000 farms, every single farm in Ky would have to have a flock of layers or broilers, not to mention the seedstock for these birds, and the cows, sheep and hogs they would need to raise to provide those items. At least that is remotely possible still in a rural state like KY, I don't know what Washington DC and other large urban areas will do. A recent study by the Minnesota Farm Business Management group, using economic data from 374 farm families found that in order for the family to earn \$65,000 per year, with no paid vacations, no health insurance and no 401K—that family had to;

- Raise 2500 acres of corn,
- Market 16,000 finishing hogs,
- Farrow 220 sows,
- Calve 815 beef cows
- Milk 140 holsteins

Now what happens when son and daughter want to come back to the farm? Triple those numbers to support three families and the “family farm” that we all support, suddenly becomes the CAFO that some love to hate. Then the families incorporate to protect their assets, and they are now a corporate farm and a CAFO as well... but what are they really? A family farm supporting three families in the tradition of the country. Family farms have to grow as the family does.

U.S. Department of Agriculture data that shows that most U.S. farms—98 percent in 2003—are family farms. Small and medium family farms account for 91 percent of the farms, 71 percent of all farm assets, but only 27 percent of the production. Only 16 percent of agriculture producers get more than 75 percent of their income from the farm. So in reality, the off-farm jobs of many of the small and medium sized farmers, are subsidizing about 30 percent of the food produced in this country. How many of you work a fulltime job, so you can go home and work a full time job of milking cows, feeding pigs or baling hay?

As custodians of the bulk of farm assets—including land—those 91 percent of the farms have a large role in natural resource and environmental policy, but a much smaller role in the production of our food.

Using hogs as an example, one fourth of one percent of all producers, sold approximately 60 percent of slaughter hogs. One the other end of the scale, 96 percent of the producers, those marketing less than 5000 hogs per year, are responsible for 13 percent of the production. Contracting is growing, with 68 percent of the contract producers beginning in the last 7 years and 89 percent saying they will continue to contract. Contracting is growing because the average operating profit margins and average rates of return are negative for small farms and only positive for large, very large, and non-family farms.

In fact, since most state legislatures are part time positions, meeting as little as 30 days a year, it serves as the off-farm job for many on the agriculture committees in state legislatures. So the members of the agriculture or rural development committees that I work with are often farmers, ranchers and rural businessmen.

I know a legislator that had milked 130 cows on his family farm for years, with no vacations, no weekends off, no health insurance and as many decreases in his income as raises... but still I was shocked when he sold his operation and bought into a 4000 cow dairy. I went to see him, wanting to hate that CAFO, but you know what, their methane generated the electricity that ran the farm, the by-products from that went on the local farmer owned corn fields around the dairy, there was always someone there when a calf was born, and the cows were spotless, they were very well cared for. In this case, the expansion and merger was not to increase his income, but to provide him with retirement benefits, vacations and days off, so that he was not on call 24/7 with his cows. Now he can keep a lifestyle farm and pass it on to his children, and not have to sell the farm for his retirement. Neighbors hired a lawyer and tried to block this farm, 300 residents signed petitions opposing it because the cows produce 50 million gallons of manure and urine and require 100 million gallons of water. But these cows would produce this whether they were on one farm or 15 farms of 200. The new operation has a better way to handle that manure than those 15 farms might and his impact on the environment may actually be less than theirs. In his county, there were 33,000 cows 25 years ago, with this operation, the total is now 24,000. Two thirds of the animals the county housed before, producing more milk.

State policy makers, at least the ones that are committed to agriculture and rural communities, know that there are some people who believe that things would be much better if we returned to the production practices of the 60s. When animals were all free roaming and sold to the mom and pop stores, but my family farm can not fill the supermarkets requirements for consistency and price, not to mention that much of the family farm land is now in blacktop and subdivisions, priced out of the farm market by consumer demand for houses and shopping malls.

State legislators look at two major impacts from large confined animal units, those related to environmental or social issues, and these issues often prove to be intertwined. In many cases, what may have begun as concerns over odor, water pollution, and location of operations, has turned into private property rights debates, increased regulation of farmers and farming practices, and the loss of trust, civility towards neighbors, and community cohesion. Most rural communities are unprepared to address these issues, so state policy makers must have vision and planning skills as well as be skilled at conflict resolution. This issue needs to stay at the state level, because states have two chambers and a governor to provide checks and balances as well as a staff of researchers to assist in the rule making. Local county commissioners do not have the checks and balances or the Legislative Research Commissions.

Central to these issues is a handful of laws – some new, some old –that continue to change as the dialogue increases in intensity. These are: nuisance, right-to-farm, anti-corporate farming, and environmental laws.

While most every state has some sort of nuisance suit protection for farms, their strength varies. Recent court decisions have several states reviewing their right to farm laws as well as the Anti-corporate farming laws found in seven states.

A majority of the states require state agency approval prior to citing a large animal unit, and 20 also require some sort of local approval. About half the states require public notices or hearings prior to permit approval.

Our research shows that 39 states are facing CAFO controversies as viewed by media attention . About half the states have legislation related to CAFOs under consideration this year, and a similar number have experienced recent court actions. Swine, dairy and poultry operations appear to be those under fire most often, and about half the states have recently initiated policy education programs to facilitate public dialogue on CAFOs.

Some people tend to think that the best way to solve our problems is through more legislation, whether it be local, state or national. This is probably not the best solution to the incredibly complex problems posed by CAFOs. Often times, people want to make things more uniform by preempting state regulations with federal requirements. Beyond the reasonable expectation of state's rights, this is a huge issue because one size does not fit all. It must be remembered that not all knowledge flows downhill, states have all types of resources in animal health, agricultural practices and environmental issues that should serve as resources for the feds. Look at the example states are providing in dealing with carbon emissions and global warming as well as renewable energy policy. Ease of communications, and recognition of a fed-state partnership would be beneficial to both parties.

As I follow the debate on confinement livestock production, I find that the issue has become so divisive and polarizing, that I wonder if a sustainable resolution may be out of reach, but then I see incredible policy options come out of the states and the development of successful model programs.

For example, Wisconsin has the premier livestock citing law in the nation, it establishes procedures for local governments to follow to issue conditional use permits and most importantly, creates a review Board to hear appeals concerning permit decisions, rather than promulgating additional court cases. The process includes; Property line and road setbacks, Management plans, Odor, Manure and runoff management and Manure storage facility approval. Technical assistance is available to the producers and the local officials .

Georgia has the premier poultry contracting law in the nation, it provides contractors and integrators with a level playing field.

Alabama is a leader in controlling land application of animal wastes and other nutrients, even working with the National Weather Service to have a daily map of spreading conditions.

Almost every state has requirements for approved waste management, nutrient management or water management plans. For example, Washington state's Dairy Nutrient Management Act of 1998, mandated that all dairies have an approved waste management plan and created a task force to monitor waste management plan implementation. Five years after enactment, Washington Department of Ecology officials report they are very pleased with the cooperation of the state's dairy farmers.

California dairy farmers were hoping that a program to turn manure into electricity was successful, the farmers that took advantage of the short lived program that helped them convert manure into methane gas for producing electricity are extremely pleased, but funds have been cut from the program.

Indiana's strategic goal of doubling hog production is not meant to attract just the big boys, but to provide sufficient critical mass to keep the infrastructure that the family farms are more dependent on than the larger integrated producers. Indiana pork producers, in general, are pleased to be recognized as a key state asset, and look forward to a rejuvenation of the pork industry.

Idaho and several other states have made significant strides in air quality issues, but serious research efforts are necessary before air quality regulations can be as scientifically based as they need to be.

North Carolina has put its money where its mouth is identifying five manure handling systems as environmentally superior technologies, but we must identify ways to fund the construction of these for small and middle sized farms.

Farmers care about their animals and are good stewards of the land and environment. They are good neighbors and contributors to their community and they trust that the public still has confidence in them and their products. Nebraska Third District Representative Tom Osborne is a driving force in his region to get pork producers to open up their farms to public observation, he believes that people need to see the fact that no CAFO has a wall around it. I quote him when I say "I have long been concerned about the impact of the CAFO regulations on Nebraska's livestock operations. We must strike an appropriate balance between the needs of our rural communities and that of our environment and the livestock industry's ability to be economically competitive. It is the duty of the pork industry to shatter the myths about CAFOs." While many consumers would not be pleased to see 100 sow farrowing house, there are not many that would appreciate the view of a processing facility either. Many consumers prefer to believe that their milk comes from a carton in the store.

State legislators know that livestock producers are not standing at the door, palm upturned, looking for a hand-out. On the contrary, producers are asking that environmental regulations be reasonable, but not relaxed in their intended outcome of protecting land and water – for anyone. They ask that University researchers and extension specialists join them on-farm, in the commercial environment, to try out new approaches to animal welfare, animal crop nutrient management, air emissions, and fertility management. They ask for education for their crop farmer neighbors, so that they understand the value of organic nutrients in crop production, and how to manage total crop fertility to enhance the quality of our soils. They ask for better access to technical service, grants and pilot projects, understanding that these will require precious management time, because they want to learn to be better and teach their peers what they have learned.

In a survey of Indiana producers, it was found that the farmers believe that in the past state and federal agencies, instead of coming to help, seemed to seek to identify and publicize problems, making example of producers instead of helping them make things right.

One thing is certain. As long as the consumer shops for the best prices on meat, and federal policies do not encourage more diverse livestock and cropping operations, than more and more livestock will be produced in confinement. The growing bio fuels industry is going to be producing large quantities of bi-products that can only be used by the livestock sector.

Thus, as this Commission reviews the role and impact of trends to increasing size in animal production units, it is absolutely imperative that you take into consideration;

**Avoid Unintended Consequences;** Most of the policy damage done to small farms over the last 20 years have been unintended, but has occurred none the less. One example involves increasingly stringent environmental regulations, large farms have the technical expertise to respond to new rules and can apportion the costs over greater animals, small farms have no such expertise and fewer animals to absorb the expenses.

**Ensure that regulations are fairly applied;** and that any new certification, best practice requirement, environmental technology or regulation does not put current operations, particularly small and medium sized operations, at a disadvantage.

**Provide States with Flexibility;** Water regulations made for Idaho would not be reasonable in Tennessee and land set backs in Tennessee may be illogical in North Dakota. Regulations work better when states are provided the flexibility they need to develop their own rules within a

given framework. This is an issue states are facing now in regard to several of the farm bill conservation programs.

The question, you all must keep on mind is how will your recommendations affect where production will take place and how will it be owned. Will it move to Brazil and China, with much less stringent environmental and health regulations – that does get it out of your backyard, but if energy security is an issue today, do you want food security to be the issue of tomorrow?

If not, then next generation CAFO policy debates must address the issues of developing a process to reach sustainable resolutions of CAFO related problems, collectively creating opportunities for progress, not increasing issue polarization through finger-pointing. They must avoid unintended consequences, be fairly applied and not put undue burden on the existing small and medium sized farms. They must consider the overriding issue of farm profitability and its role in this issue. They must value the resources states bring to the table, and remember that diverse agronomic and environmental conditions require diverse and flexible solutions.

I ask that you work with moderate advocacy groups and the industry to forge a working relationship based on an objective analysis of behavioral, physiological, and economic data, and food preferences as demanded by society through the marketplace, and use this information to create the programs necessary to reach sustainable solutions for food animal production.

I welcome your comments and questions