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# CORPORATE STRATEGIES IN THE GLOBAL ERA: THE CASE OF MEGA-HOG FARMS IN THE TEXAS PANHANDLE REGION\*

**Alessandro Bonanno**  
**Douglas H. Constance**  
*Sam Houston State University*

## INTRODUCTION

Employing the case of the expansion of mega-hog production facilities in the Texas Panhandle region, this paper contributes to the globalization of agriculture and food literature by illustrating the strategies employed by transnational corporations (TNCs) to advance their economic and social interests and respond to emerging resistance. We argue that – rather than substantively addressing property, quality of life and environmental concerns raised by rural activists and residents – TNCs complement their hyper-mobility with corporate actions at the legitimative, political and economic levels which support their plans. At the legitimative level, hog-producing TNCs reacted to the challenges of local residents by presenting a “green” image which indicates conformity to good practices of environmental stewardship, narrows the definition of sound environmental actions and devalues opposition’s claims. Politically, TNCs modified existing environmental legislation to fit their agenda. By exercising direct control over the polity, TNCs were able to eliminate citizen participation from decision making processes concerning environmental issues. Additionally, they were able to further depoliticize environmental and property issues by shifting them from the political realm to the administrative sphere. Economically, TNCs stressed the benefits that communities received from the relocation of mega-hog operations in their areas in a context characterized by a high demand for corporate investments from other regions. Additionally, TNCs employed their economic clout to exploit communities’ needs in order to gain acceptance of corporate positions.

This case study is grounded on a Critical Theory framework (Antonio 1983; Horkheimer 1972; Wiggershaus 1994). While sharing the Marxian tenets of economic domination and class struggle over of the control of the means of production, Critical Theory pays attention to the cultural and ideological sides of class domination. For Critical Theory mature capitalism is characterized by the cultural hegemony of dominant classes and the economic and ideological oppression of subordinate groups. Though the use of Immanent Critique, critical theorists document the false unity of theory and history, the claim that current social arrangements correspond to the bourgeois ideals of universal equality, justice and

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\* Address all correspondence to Alessandro Bonanno, Dept. of Sociology, P.O. Box 2446, Sam Houston State University, Huntsville, TX 77341, USA; e-mail: soc\_aab@shsu.edu. We would like to thank Chris Mayda, Bob Antonio, Andrea Castro Medina, Ronda Harris, Lourdes Gouveia, Laura Reynolds and the anonymous reviewers for their comments to early drafts of this manuscript.

freedom. Accordingly, our study of TNCs is framed in a context in which the corporate search for more profitable forms of production is accompanied by similarly important actions at the cultural and ideological levels. In this context, culture and ideology are contested terrains in which hegemonic discourses support but also legitimize the interests of dominant classes. These assumptions allow us to approach domination and resistance from an economic as well as cultural and ideological levels without having to commit the ontological primacy of one of the other components. For Critical Theory the relationship between economy and ideology is a dialectical one.

A case study methodology featuring content analysis is employed to examine the discourses and actions of TNCs and their opponents. These data were generated through keyword searches of available data bases at the Sam Houston State University Library and the internet. Key words included "CAFOs," "Seaboard Farms," "Texas Farm," "Premium Standard Farms," and "ACCORD." Data consist of the universe of published works and documents available on the subject from 1995 to 2000. The majority of the data for construction of the case were obtained from internet versions of local, regional and national newspapers that provided balanced accounts of the controversy. Documents generated through these searches were organized and analyzed for content focusing on the debate over the impacts of swine CAFO location in the Panhandle region of Texas.

The paper is divided into four sections. The first section reviews salient literature on the globalization of agriculture and food and of the primary tenets of the literature of the globalization of the economy and society. The latter is employed to frame the discussion of the former. Moreover, the major findings of this literature are employed as departing points for the analysis of the case. The second section presents the case study. Here, the illustration of the events follows more an analytical than a chronological pattern, although some faithfulness to the events time sequence is maintained. After a brief description of the expansion of the industry in the region, the section explores the actions taken by TNCs at the political, economic and legitimative levels along with local resident's responses. The third section consists of an analytic discussion of the case study. It is maintained that TNCs employ an array of strategies to advance their agenda. These strategies transcend hyper-mobility and involve control of the polity, TNCs' use of economic clout, and attempts to legitimate their actions to broader segments of society. The fourth and concluding section discusses the impact that corporate strategies have vis-a-vis the issue of democracy in the global era.

## **THE GLOBALIZATION OF AGRICULTURE AND FOOD LITERATURE: A BRIEF REVIEW**

One of the major tenets of the now vast literature on the global economy and society (see Cox 1997; Carnoy, Castells, Cohen and Cardoso 1993; Dicken 1998; Harvey 1990; Lipietz 1992; Sassen 1996; Sklair 1993; Spybey 1996) is that transnational corporations are among the most powerful agents in today's society. They are entities endowed with powers which shape contemporary patterns of socio-economic development. Some view TNCs as key vectors for the expansion of the economy and the creation of better socioeconomic conditions (e.g., Kindleberger 1986; Strange 1996). They believe that the TNCs' ability to bypass state imposed

laws and regulations is an indication of the problems that state intervention has generated in socioeconomic matters and, ultimately, a solution to this issue (Friedman 1982; Rubner 1990). They generally hold that TNCs should be allowed to freely maneuver if better socioeconomic conditions are to be sought.

Diverging positions stress that newly created jobs do not transcend low to minimum wage levels and their existence is subjected to corporate relocation strategies (Bluestone and Harrison 1986). When pressures to raise wages and/or to conform to existing state imposed regulations emerge, corporations can exercise their enhanced global mobility to relocate in areas characterized by less expensive labor pools and more favorable political climates (Lash and Urry 1994; Sassen 1996). *Hyper-mobility* of capital is the term employed to refer to the now expanded capacity of TNCs to move about the globe in search of more favorable factors of production and sociopolitical climates (Harvey 1990). Pitelis (1993), for instance, argues that the desire of TNCs to control labor and diminish production costs motivate them to consider alternative production sites. This situation increases their bargaining power over nation-states which compete for direct investments. The nation state is, consequently, faced with a contradictory situation in which its desire to attract investments limits its responsibility to monitor TNCs' actions. Locals within nation-states are forced to compete with each other in order to attract TNCs' investments. In so doing, however, they discount local resources for corporate use. Recent studies (see, for example, Barlett and Steele 1998) indicate that communities' efforts to provide incentives for corporations do not necessarily net job increases. This corporate welfare is simply a system to shift public resources toward the corporate side with minimal – and often negative – results for communities. Despite this evidence,<sup>1</sup> TNCs' ability to move, and/or threat relocation, has been a powerful tool for the generation of less expensive and/or more convenient factors of production (Sassen 1996; Sklair 1998; Storper 1997).

Works in this camp also argue that the transnationalization of economic relations weakens the ability of the nation-state to monitor groups and resources which, in turn, compromises the maintenance of established forms of democracy. Because nation-states have historically been the vehicles of self-government, they have been able to allow citizens – albeit in different degrees – to bring their judgments and

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1. According to Barlett and Steele (1998) the practice of “corporate welfare” has skyrocketed in recent years in the United States. Corporate welfare refers to the wealth of state subsidies, tax abatements and general incentives that corporations receive in order to invest, create employment and limit disinvestments in local areas. These authors also demonstrate that despite the heralded benefits that corporate welfare was supposed to generate, evidence indicates that it is rarely responsible for employment growth. Some among the many examples of corporate welfare include: a \$10 million incentive package provided by the city of Jonesboro, AK to Frito-Lay, a subsidiary of the powerful PepsiCo Inc; \$16.9 million in tax exemption and \$3 million in property sale tax reduction to General Motor from the state of New York; \$29 million of tax and investment credits and \$2.5 million for job training programs to the meat packing company Nebraska Beef Inc from the state of Nebraska; \$253 million to the automobile giant Mercedes from the state of Alabama; \$355 million from the state of Ohio to General Motors; a \$2 million a year sale tax exemption to Time Warner from the state of Florida; an \$80 million incentive package to UPS from the state of Kentucky (Karmatz, Labi, and Levineststein 1998).

values to bear on the economic forces that dominate society. The ability of economic actors to transcend national domains has greatly diminished the historical capabilities of citizens to participate in decision making processes, a situation which redefines the limits and scope of democracy (Danley 1994; Sandel 1996).

Complementing contributions referring to other productive sectors and society as a whole, the literature on the sociology of agriculture and food has provided numerous analyses of the behavior of TNCs and the consequences that their actions have on various segments of society and institutions. A number of authors have documented the ability of TNCs to establish global production networks based on the identification of more desirable factors of production (e.g., Friedland and Bendini 1998; Heffernan and Constance 1994; Sanderson 1986). *Global sourcing* is the concept employed to describe TNCs' capacity to operate worldwide in search of less expensive labor and resources, friendly legislation, and more accommodating social relations (Fink 1998; Gouveia 1994; Higgins and Jussaume 1998; Raynolds 1998; Raynolds and Murray 1998). To be sure, this literature stresses that the concept of "more desirable factors of production" involves more than TNCs' simple search for less expensive labor and natural resources. It contemplates processes of identification of those locations endowed with good business climates, that is, regions in which the intervention of the state, industrial relations, political postures and cultural outlooks assume procorporate tendencies.

The ability of TNCs to bypass state rules, regulations and demands has also been one of the foci of the sociology of agriculture and food literature. Employing the cases of various agro-food commodity chains and corporations, authors maintain that TNCs' hyper-mobility and the transnationalization of social relations within which it emerged have allowed corporations to increase their control over the state (e.g., Bonanno and Constance 1996; Friedland 1991; McMichael 1996; McMichael and Myhre 1991). For some, this control is only partial as TNCs need state support to carry out capital accumulation projects (Friedland 1994; Koc 1994). Others indicated that the state has already been controlled by TNCs and its national form has entered an irreversible crisis (Llambi 1993; McMichael 1996; McMichael and Myhre 1991). Regardless of these differences, it is commonly agreed that TNCs' hyper-mobility has weakened the ability of nation-states to monitor and/or oppose the activities of corporate actors. This situation, they argue, also weakens the ability of citizens to participate in decision making processes concerning food security and availability, scientific research patterns, environmental sustainability and community development, (e.g., Busch, Lacy, Burkhardt, and Lacy 1991; Constance, Kleiner, and Rikoon 1997; Mason and Morter 1998; O'Connor 1998; O'Connor 1994; Vellema 1999).

A growing concern among students of global phenomena in agriculture and food has been the implications that the TNCs' actions and their ability to bypass state imposed rules signify for democracy (Bonanno 1998; Busch 1998). Authors pointed out that the bypassing of state-imposed rules and regulations allows TNCs to be exempted from submitting to democratically established rules and procedures. It is a situation, they continue, in which TNCs can select which ones among the democratic processes and outcomes they want to follow and accept. Bonanno and Constance (1996), for instance, documented how agro-food TNCs avoided U.S.-based environmental legislation by claiming another nationality through moving

their production facilities overseas and reflagging their fishing vessels. These actions, it is maintained, jeopardize the existence of basic assumptions upon which democracy has historically evolved (Busch 1998). Lacy captured the essence of this literature by articulating the situation in these terms: "Both democracy and globalization have important implications for empowering communities. However, the overarching challenge of our age is the crisis in democracy itself. Globalization may contribute significantly to that crisis" (RSS 1998:2).

## THE CASE STUDY

### **The Confined Animal Feeding Operations (CAFOs) Come to the Panhandle**

The case study discusses the establishment and growth of CAFOs in the Texas Panhandle region. This area has been targeted for CAFOs due to its social, economic, geographical and political characteristics. This multi-state region (Texas, Oklahoma, Kansas, Colorado, and New Mexico) allows TNCs to select among a variety of state regulations, socioeconomic incentives, political postures and community sentiments within a relatively limited area. Because of this proximity – but not exclusively because of it – TNCs have the possibility to choose the most favorable conditions of production by enticing adjacent communities, counties and states to compete against each other for corporate investments (Barlett and Steele 1998; Constance and Heffernan 1991; Giardina and Bates 1991). Additionally, TNCs view the low concentration of population, the limited political opposition that this situation entails and the long standing tradition of animal agriculture typical to this region as ideal conditions for the establishment of CAFOs (Barlett and Steele 1998; Hart and Mayda 1998). Finally, the low socioeconomic status of counties within the region motivates political elites and some local residents to welcome industrial investments (Lee 1998:4d).

CAFOs have appeared in a variety of locations across the United States (Ladd and Edwards 1998; Thu 1996; Thu and Durrenberger 1998). Fueled by corporate needs to homogenize production, satisfy processing sector demands, and reduce costs, this type of business emerged as a desired option for large agro-food firms. The industry justifies CAFOs as an answer to the increased demand for lean meat generated by enhanced quality of life consumption models typical of postindustrial, affluent societies. Additionally, it is viewed as an effective manner to reduce production costs and bring jobs to economically depressed areas (Houghton 1998). However, it is also evident that restructuring internal to the sector and the development of more elaborated commodity chains requiring enhanced commodity standardization and delivery systems contributed to the growth of CAFOs (Kilman 1994). To this effect an industry representative recently stated: "Texas has been viewed as the next frontier for giant hog farms capable of turning out hundreds of thousands of uniform animals for a fast-growing market" (Lee 1998:4d).

In recent years there has been a rapid growth of CAFOs in the Panhandle region. This growth began with the location of the Seaboard Corp. pork processing plant in Guymon, Oklahoma in 1995. In this area, major hog production firms have permits to raise more than 2,000,000 animals annually and this number is on the rise according to Texas, Oklahoma and Kansas officials (Ledbetter 1997c). Firms that have recently located or expanded include: Premium Standard Farms, the 2<sup>nd</sup> largest pork producer in the U.S.; Seaboard Corporation, the 3<sup>rd</sup> largest; Texas Farm, the

20<sup>th</sup>, Vall, Inc., the 25<sup>th</sup>, and Hitch Pork Producers, the 39<sup>th</sup> (Successful Farming 1999).

As of December of 1997, in Ochiltree County on the northern border of Texas and Oklahoma, Texas Farm is a subsidiary of Nippon Meat Packers. Nippon Meat Packers is one of Japan's largest meat packers. It processes pork at a plant in Nebraska in the U.S. that it jointly owns with the major U.S. meat packer and processor, IBP (Insights 1997). Nippon raises hogs in the Texas Panhandle to export to Japan. In response to concerns about BSE (mad cow disease), Nippon Meat Packers began specifying the source of its meat (Hoover's Online 2000). Nippon Meat Packer is one of Japan's largest food companies with 115 consolidated subsidiaries. Some ninety four are in Japan and there are twenty one abroad (Wright Analysis 2000). Texas Farm had 7,000 sows in production which were scheduled to grow to 53,000 by the year 2000. It had permits to raise 431,593 hogs per year and build 52 lagoons to service those facilities. It was also seeking additional Texas Natural Resources Conservation Commission (TNRCC) permits for another 307,350 hogs and 64 lagoons to control animal waste. Additionally, it had four facilities permitted and four more pending for more than 300,000 hogs located near Perryton in Ochiltree County. According to Texas Farm sources, the company operations covered 10,000 acres in Ochiltree and Hansford Counties, Texas, employed 140 workers, and projected the number of employees to expand to 420 by the year 2000 (Ledbetter 1997c). Most of Texas Farm's production was targeted for export back to Japan (Morris 1997).

Seaboard Farms is the hog producing subsidiary of Seaboard Corp., a diversified international agribusiness and transportation company primarily engaged in the domestic production of poultry and pork, commodity merchandising, baking, flour milling, and shipping. Overseas, Seaboard Corporation primarily engages in shrimp production and processing, flour milling, produce farming, sugar production, and animal feed production. It has over 4,000 domestic employees as well as substantial employment within its Latin American and African operations. Seaboard's Pork Division started in the early 1990s and quickly gained market share in the U.S., as well as became one of the leading exporters from the U.S. to Japan, Mexico, Korea and other premium foreign markets (Seaboard 2000). Seaboard Farms already had permits to raise 392,750 market hogs. It had also permits pending for another 716,920, and just submitted another permit application for an additional 296,000 hogs (total of 1,411,670) according to the Water Quality Services of the Oklahoma Department of Agriculture. Seaboard operations just moved to the Oklahoma side of the Panhandle after leaving Southeastern Minnesota despite receiving significant economic contributions from local authorities to establish and carry out production in that region (Barlett and Steele 1998:54–55). Environmental problems generated by animal waste and inadequate lagoon-based waste treatment systems coupled with the company unwillingness to invest to upgrade its facilities resulted in Seaboard leaving now polluted Minnesota areas for new uncontaminated lands (Barlett and Steele 1998:53).

Spanish-owned Vall Inc. is a subsidiary of Vall Company headquartered in Lleida Spain. Vall Company pioneered the system of livestock integration in Europe and currently has 2,500 collaborators supplied by its companies with livestock for fattening, feedstuffs, and technical assistance on animal health. The company owns

and operates five hog farms in the Panhandle of Oklahoma with, 2,500 sows per farm and around 250,000 fattened pigs. The company has a feedmill in Texahoma, Oklahoma that provides feed to its hog operations (Vall Inc 2000). Vall Inc. has five applications to permit 86,400 head of hogs. Presently it has about 12,000 sows producing approximately 240,000 pigs per year and employs 120 people. By the year 2000 the company is expected to have 24,000 sows and raise 500,000 pigs per year at its 35 to 40 finishing barns. Vall, Inc. sites are located in Sherman County, Texas, and at Four Corners and Texahoma, Oklahoma. (Ledbetter 1997c).

Premium Standard Farms (PSF) is a subsidiary of the ContiGroup, a division of Continental Grain, one of the largest privately held corporations in the United States. ContiGroup is a leader in integrated pork and poultry production, cattle feeding, and aquaculture, with nearly 200 years of experience in agribusiness and global trade. It operates in thirteen countries through facilities and affiliates and is one of the world's largest cattle feeders, the sixth-largest integrated poultry producer in the U.S.; and through its joint venture with Premium Standard Farms, the U.S.'s second-largest integrated hog producer. The Company is a leader in aquaculture and flour milling, and one of the largest animal feed and poultry producers in China. It also operates the largest integrated shrimp farm and hatchery in Ecuador, raises and markets more than 12 million pounds of fresh salmon per year along the U.S. Maine coast, and is a major producer of animal feed, wheat flour, pork, and poultry in Latin America and the Far East. ContiGroup is one of the world's largest agribusiness companies with 14,000 employees worldwide – plus an additional 10,000 in joint venture operations (ContiGroup 2000). PSF has 188,892 head approved on Subchapter K permits and another 925,000 head on Subchapter B permits.<sup>2</sup> Its operation near Dalhart has 22,000 sows with 251 employees located on 40,000 acres in the area and is stocking its facilities with additional sows. According to a PSF spokesperson, "We're simply adding sows as we can to the High Plains farms" (Ledbetter 1997c:3d). The regional manager for the TNRCC in Amarillo, commented that, although TNRCC did not have the actual number of requests because many of the operations were just stocking their farms, things were just hectic in the Panhandle (Ledbetter 1997c:3d).

Table 1 below lists the annual estimates of hogs at each location according to the company figures provided to the TNRCC, the Oklahoma Agriculture Department, and newspaper reports (Ledbetter 1997a:1).

## **Corporate Strategies and Local Responses**

### *Corporate Actions at the Political Level*

In early 1993 complaints about hog production generated environmental pollution began reaching TNRCC offices. In particular local residents complained about intense odors and respiratory problems. An investigation from TNRCC concluded (Morris 1997:10a):

The concentration of dust being carried outside the feedlot was adequate to interfere with the normal usage and enjoyment of ... private property. The

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2. Subchapter K permits are those issued after the TNRCC changed its permitting regulations and eliminated public hearing processes for neighbors of cattle feedlots or hog farms; under Subchapter B permits, neighbors were allowed such hearings. See below for more details.



**Table 1. Estimates of number of hogs produced annually by site, 1997**

<b>Company</b>	<b>No. of hogs</b>	<b>County</b>	<b>State</b>
Premium Standard Farms	396,000	Dallem	Texas
Texas Farm	140,000	Ochiltree	Texas
Vall, Inc.	240,000	Texas	Oklahoma
Seaboard	392,750	Texas	Oklahoma
Dean Paul	15,360	Hansford	Texas
Paul Hitch	300,000	Texas	Oklahoma
DeKalb	200,000	Seward	Kansas

dust could potentially cause adverse physiological discomfort, such as burning and itching eyes, coughing and breathing difficulties, to persons of ordinary (sensitivity). Individuals with compromising health conditions could be more severely impacted.

Despite these findings, TNRCC did not issue any odor-related citations to CAFOs. The air program director for TNRCC's Field Operations Division commented that the agency's ability to cite CAFOs for nuisance odors had been impaired by a 1993 Texas Supreme Court ruling. In 1993 F/R Cattle Co. of Erath County, TX contested a citation from the Texas Air Control Board (the predecessor to TNRCC). They claimed the odors emanating from the feedlot were part of a "*natural process*" and were therefore exempt from regulations linked to the Texas Clean Air Act. While F/R Cattle Co. lost the original trial and the appeal, the Texas Supreme Court found in their favor (Morris 1997:10a). As a result of this decision, the director informed the TNRCC regional offices that all proposed CAFO odor citations were to be sent to a review committee at the central office in Austin. The task of the committee was to ascertain whether there was evidence of "flagrantly bad management practices, extremely intense impact and/or a pattern of problems at the source" (Morris 1997:10a).

The limited ability of environmental agencies to cite CAFOs did not halt local residents from complaining and raising doubts on the presumed benefits that the introduction of these agro-food operations brought to the area (Morris 1997). Faced with growing resistance, CAFO corporations sought political assistance from state agencies. In late 1993, steps were taken to secure the support of an eminent Texas State Senator<sup>3</sup> and like-minded political figures. CAFO representatives protested TNRCC's investigations of cattle feedlots that were allegedly producing pungent and "potentially unhealthful" clouds of dust. Additionally, they complained that the TNRCC was not giving them time to correct their infractions, a reversal of this agency's previously established policy and a behavior which was almost unanimously considered overzealous.

The strategy worked. By the summer of 1994 a proposal was drafted to simplify

3. The name of this state senator is omitted to protect privacy. Records of meetings between state and CAFO officials disclose the identities of the participants (Morris 1997).

the permitting process for CAFOs in Texas. A key element was the elimination of the public hearing process which was contingent upon the farm or firm meeting certain environmental criteria. In a letter to TNRCC, the state senator stated, "The perception throughout the United States that the regulatory environment in Texas is burdensome and unfavorable creates disincentives (for CAFOs) to locate in Texas" (Morris 1997:10a). The Senator's self-professed aim was to attract operations that had been moving into states such as Oklahoma and New Mexico. Additionally, he also made it clear that CAFOs should not be made against the law just because some of the neighbors find them offensive. "While many people would like to use the TNRCC as a sort of rural zoning agency, that's not their job. Their job is environmental protection" (Morris 1997:10a). The Chairman of TNRCC responded quickly by indicating that the TNRCC had "been thinking along the same lines" and agreed with the "basic thrust of his proposal" (Morris 1997:10a). Dissatisfied with this outcome, the air quality manager for the Amarillo chapter of TNRCC resigned his post in August of 1996. Co-workers stated that he had resigned because he "could no longer tolerate the agency's hands-off policy toward CAFOs" (Morris 1997:10a). By the summer of 1995 the TNRCC had incorporated the proposal into the changed rules regarding CAFO permits: "Its field personnel were ordered to stop issuing nuisance-odor citations to CAFOs, regardless of how disagreeable their emissions became" (Morris 1997:10a). The new rules stated that permits could be challenged only on matters of *technical merit* and not "the fact that a barn might reek or otherwise be troublesome" (Morris 1997:10a).

According to a local TNRCC agriculture and water quality specialist, Texas adopted CAFO permits in an effort to streamline a fragmented system and make better use of the agency's limited resources. From his point of view, the new system has worked fairly well. The Chairperson of TNRCC stated, "If you compare what Texas requires with what other states require, we are as stringent, if not more stringent. What we require in Texas is protective of the environment and the people around these facilities" (Morris 1997:10a). He went on to say that Texas was following a national trend in doing away with site-specific permits and hearings based "more on land-use disputes than on actual environmental risks" (Morris 1997:10a). To be sure, this posture clashes with the content of existing Federal regulations. The EPA, for instance, requires inspection of soil sample every three months while the TNRCC requires for soil checks every year. Additionally, the EPA mandates inspection of waste-retention lagoons ever two years while the state of Texas requires these inspections every five years (Barta 1998). With this change in the regulatory climate, large-scale pork producers began to locate and expand rapidly in the Panhandle region.

### *Local Resistance*

As information spread in 1995 that the CAFOs were moving in, some residents formed a group called Active Citizens Concerned Over Resources Development (ACCORD). A similar group had formed a few years before in Texas County, Oklahoma in response to the rapid growth of CAFOs around the Seaboard Farms pork processing plant in Guymon, Oklahoma (Morris 1997). By early 1998 ACCORD had grown to 155 members. The group held monthly meetings inside a farm-supply business called the Outhouse which became their "war room" where they plotted the movement of hog farms on two large county maps that cover one

wall (Lee 1998:4d). In short, ACCORD was a community-based small group that was created by concerned citizens disturbed by declining property values and quality of life in their communities. Members were local residents, mostly farmers and ranchers, who felt threatened and violated by the establishment of the CAFOs. The development of health problems and the discomfort caused by CAFOs' air pollution emerged as the primary reasons motivating protest. However, the fear that persistent quality of life problems could affect the value of local residents' properties, enhance social problems such as crime and school overcrowding, and deteriorate the community's overall socioeconomic conditions further motivated anti-corporate actions. Anti-corporate feelings remained strong even in the presence of claims that the CAFOs' presence generated new jobs and other economic benefits to local communities (Constance and Bonanno 1999).

Exemplifying local residents' willingness to fight for their substantive ability to participate in decision making processes in their communities, ACCORD's most visible action came when they initiated a lawsuit against TNRCC. ACCORD claimed that the rule changes deprived property owners of their fundamental right to a hearing prior to the permitting of a feedlot (Lee 1998; Morris 1997). Furthermore, they claimed that the "awful odors from large-scale hog farms waft into their homes and their tractor cabs and generally threaten their quality of life" (Lee 1998:4d). According to the ACCORD legal representative, "The state permitting process should not be a formality. It is now, but it shouldn't be. [Also] the rights of the hog firms to make money should not supercede the rights of adjoining landowners to be free from annoying and possibly hazardous air pollution" (Morris 1997:10a). ACCORD legal representative's additional statement that the State Senator who was author of the changes "has written off the citizens of Ochiltree County" was emblematic of local residents' resentment regarding the collusion between corporate and political powers and their broader capacity to scrutinize links between these two spheres. The Court eventually ruled that the 56 CAFO permits approved by TNRCC for cattle feedlot expansions, new dairy operations, and pork facilities under Subchapter K since 1995 were invalid<sup>4</sup>

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4. The use of legal strategies to combat corporate actions is an important component of the local anti-corporate resistance. Following previous successful attempts by other segments of the environmentally based anti-corporate movement, ACCORD members challenged TNRCC's pro corporate standings on the grounds that the elimination of hearings was illegal and therefore that CAFO permits issued under the new regulation should be revoked. The design was to replicate the strategy employed in a number of previous cases in which locally based environmental groups challenged corporate entities on legal grounds. In these cases, the use of the Court was aimed at requesting the enforcement of already existing laws and regulations unattended by corporations. Like other attempts before this one, this strategy was successful as Court support for pro-environmental claims is growing (see also Constance et al. 1997; DeLind 1995). However, this victory discloses also its limits. It was primarily directed at preserving the implementation of already existing norms which have been on the verge of being reformed by pro-corporate forces. It was a defensive battle which is telling of the difficult political climate within which pro-environmental and community based anti-corporate groups operate. Indeed the vulnerability of this strategy is evident in the instance in which the Texas Supreme Court overruled a lower court judgement which supported an originally more aggressive role of TNRCC in monitoring and citing CAFOs.

(Ledbetter 1997d; Lee 1998). The sentence motivation was based on the fact that TNRCC had failed to show “reasoned justification” for eliminating hearings for permits (Lee 1998:14d).

### *Corporate Actions at the Economic Level*

CAFO representatives insisted that the new regulations were more stringent than ever before and that the facilities in question “were designed and constructed properly to be protective of the environment” (Ledbetter 1997d). They attributed the ruling to a “technicality” having little to do with the environment, citizens’ health and property value.<sup>5</sup> These objections notwithstanding, considerable emphasis was placed on the economic effects that the ruling might have on the Panhandle. One representative stated: “We’re confident the state will work out the technicality because the importance of animal agriculture to this region and our state is very substantial [as] operations touched by the ruling account for more than \$2.3 billion and 2,400 jobs” (Ledbetter 1997d). An animal science professor and director of an industry related institute at a major Texas university warned of the consequences that a situation such as this could have in a competitive market populated by highly mobile corporations. He stated: “[the ruling] has already had an effect. Companies are doing site selection – they’re just doing it in other states... And if [pork meat] is not produced in Texas, it will be produced overseas” (Lee 1998:4d). “After all,” the Head of the Animal Science Department at the same university concluded, “the pig industry has provided a vehicle for communities to grow [and] to preserve a way of life” (Brown 1998:9). Following established mobility-based corporate strategies, Nippon Meat Packing was quick to announce that “major additions to its Panhandle facilities were on hold” (Lee 1998:4d). An analyst noted that “he knows of a least two corporate hog producers that had eyed new locations in the northern Panhandle but now have become skittish” (Lee 1998:4d) while another study stressed that “there are already reports of plans to develop huge hog farms in Mexico, where the restrictions on them would be less onerous” (Hart and Mayda 1998:76). Texas Farm issued a formal statement saying that it had selected the Panhandle region of Texas because it was environmentally sound and it already had a long and successful history of large-scale cattle feedlots. The company further stressed that its lagoons surpassed federal and state standards and that it intended to bring “new life” to the declining local economy by building a \$10 million feedmill in Ochiltree County that would employ 400 workers (Morris 1997).

The possibility of the existence of local resistance was quickly acknowledged by the CAFO corporations. However, rather than simply relocating to a new area, CAFO TNCs employed their economic clout to counter such opposition. In late December of 1997 Seaboard Farms announced that it was negotiating with officials and residents of Cimarron County, Oklahoma to build facilities to house about

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5. To avoid the limitations imposed by the Court ruling, TNRCC reworked CAFO regulations. In late 1998 a new set of rules were adopted which, however, were almost identical to the previous ones. This new set of rules continued to prohibit residents from challenging CAFO operation permits unless the challenge involved technical merit. Also eliminated in this version was the right of residents for a public hearing following a complaint. CAFO representatives commented on the new rules by stressing that they “allow agriculture to return to business in Texas” (Barta 1998).

400,000 hogs. The deal called for the community of Keyes to become home to a feedmill, but also to have its grade school reopened (Ledbetter 1997b:1a). According to Seaboard Farms estimates, when all the construction was finished the operation would add \$50 million to the tax rolls and an annual payroll of \$2.5 million for about 75 employees and managers (AP 1997). "The Keyes school district was in trouble," a Seaboard Farms spokesperson stated and "we agreed to give them some up-front money so they could reopen their elementary school" (AP 1997:24a).

The agreement between Seaboard Farms and Cimarron County included the construction of a 259,000 head hog farm covering 8,000 acres and a 500,000 ton feed mill to be located near Keyes, Oklahoma and the commitment on the part of the community to allow the construction of 400 buildings for growing the hogs. More importantly, Cimarron County officials and residents would not take any action to restrict Seaboard's ability to acquire land for the construction of the buildings (Ledbetter 1997b:4a). In return, Cimarron County would receive the promise that the hog buildings would be located within a 5-mile radius of property Seaboard currently owned and outside a 5-mile radius of any town in the county; a \$125,000 donation to the Keyes Public School District upon commencement of construction of the feed mill, and a \$2,500 donation to the district for each new student whose attendance in the district is directly related to the employment of a family member at Seaboard Farms or the feedmill during the two-year period following the establishment of these operations.

Cimarron and adjacent Counties, as well as the state of Oklahoma, funded Seaboard to a much greater extent than the corporate grants that they received. The state of Oklahoma passed a \$700 million measure to build infrastructures to facilitate Seaboard relocation and \$47 million were allocated for highway improvement to accommodate Seaboard generated traffic in the area. Additionally, Seaboard was granted a number of fiscal abatements which translated into a situation in which the company was excused from paying 78 percent of its taxes. For the fiscal year 1998, Seaboard was required to pay only 17 percent of its assessed tax bill (Karmatz et al. 1998). Finally, while great emphasis was placed on the importance that CAFOs had for the region, little was said about the quality of the jobs created. These were low paying jobs starting at \$7.00/hr. characterized by harsh labor conditions which prompted a turnover of 100 percent a year (NCRCD 1999). The net result was that this combination was rejected by the majority of local residents and the plant was staffed increasingly with migrant, often illegal, labor composed by some Asian workers – mostly Laotian and Vietnamese – but mostly by Latin American laborers (Karmatz et al. 1998).

#### *Corporate Actions at the Legitimative Level*

Texas Farm called the odor problem "challenging." Employing a posture which showed formal consideration of the issues at hand, it indicated through a spokesperson that the company did not dismiss odor complaints and tried to locate barns far enough away from neighbors to minimize negative effects. It was claimed that Texas Farm continually evaluates its state-of-the art waste treatment systems. According to the same spokesperson, "we've tried to address those concerns head-on. We have been as candid and upfront as I know to be. There needs to be some

level of tolerance” from the neighbors (Lee 1998:4d). These arguments were backed by a member of a local university who concluded that it was possible “to produce pigs in confinement in ways that do not harm the environment. It is possible to produce pigs without odor” (Brown 1998:9).

This type of attentive position was not shared by independent CAFO producers. For instance, a local CAFO operator who had expanded his operations in the area to about 15,000 hogs in two buildings dismissed the critics as “radicals” who “need a cause.” He said that his permits had all the required safeguards for odor and spillage and that “we don’t need a watchdog group to oversee our operations. The TNRCC’s got that completely covered” (Morris 1997:10a). These sentiments were not just confined to a realm external to corporations. A hog industry expert suggested that the Texas legislature create penalties for false charges made against CAFOs equal to the penalties imposed for violations by CAFOs. Furthermore, along with physical setbacks, there should be “philosophical setbacks,” or what he referred to as “pig enterprise zones,” which would buffer the industry from “agricultural terrorism” and “corporate sabotage” by opponents (Brown 1998:9).

The damage done by anti-CAFO protesters required additional counter actions. Accordingly, it was decided to initiate a campaign to elevate the image of CAFO corporations by stressing their environmentally sound operations, their willingness to dialogue with local opposition, and their past and present respect for existing rules and regulations. To these ends in April of 1998 the Perryton Chamber of Commerce sponsored a tour of Ochiltree County hog and cattle CAFOs followed by a public hearing. On the tour were a number of state Senators and Representatives, five members of the Texas House Environmental Regulation Committee, several CAFO industry officials, and several interested citizens. The official purpose of the tour was to study the “cumulative effects of numerous CAFOs in a concentrated geographic area, and to determine whether environmental protections are adequate” (Brown 1998:8). The tour stops included two Texas Farm facilities, a commercial sow operation and a nursery/finisher, located within 10 miles of Perryton. At the Texas Farm’s sites, the entourage of about 25 vehicles got no closer to either facility than the county road, from which no animals or waste lagoon was visible. The group did stop at the site of a lagoon under construction where Texas Farm officials explained the process of compacting and core testing used in building the clay lined lagoon pits that hold the hog effluent flushed from the barns (Brown 1998). The tour then stopped at Wolf Creek Feeders to visit the feedlot feedmill under construction. The manager of Wolf Creek explained to the group their dedication to environmental protection and detailed their efforts to control dust and minimize odors. After lunch the group stopped at a confined hog feeding operation owned by Dean Paul Farms. The group observed the operations from about one-half mile away and smelled no odors. On the return trip to town they stopped to see the progress on the construction of the new Texas Farm feedmill due to be finished in mid-1999. At the mill a Texas Farm official displayed drawings of the mill and commented that when completed, it would be the fifth largest consumer of grain sorghum annually in the world. However, he was “non-committal” when asked how much grain would be purchased locally (Brown 1998:8).

Visitors signing in at the following public meeting were greeted with banners for

ProAg (Plains Residents Organization of Ag Growth), a newly-formed organization reported to have 1500 members in Kansas, Oklahoma, and Texas. The ProAg group formed in early 1998 to combat anti-corporate hog farm sentiments which had emerged in several states “targeted by the industry for development” (Brown 1998:24). Sign-up sheets for those people wishing to address the Committee were available at the ProAg table, along with free bumper stickers, hats, and newsletters promoting the group. The white ProAg hats were very noticeable during the three hour meeting (Brown 1998).

The Texas House Environmental Regulation Committee, along with the other state legislators, heard the testimony of 29 people. One of the State Senators began the testimony by praising the economic benefits of live pork production and the slaughter facilities, which he promised would follow. He cited the example of the prosperous hog expansion around Guymon, Oklahoma where the Seaboard Farms processing plant is located. Since that time, Seaboard Farms-owned and Hitch-owned hog production facilities had expanded to a level of 740,000 head annually. He reported that an \$8 million investment by the City of Guymon had resulted in 5,000 new jobs, residential property value increases of up to 30 percent, and 140 new businesses in the past five years (Brown 1998). The Senator admitted that Guymon was experiencing some problems due to its sudden growth such as housing shortages, a surging crime rate, school crowding, and odor problems, but he commented that those are “more social problems than pork problems” (Brown 1998:8). He “shrugged off” the complaint about noxious odors coming from the hog farms. “Once you get a mile away, you can’t (sic) hardly smell them,” the senator stated (Brown 1998:8).

A local farmer’s wife and retired schoolteacher challenged this definition of the situation. The third generation farm she lives on has 400,000 hogs to the south, southwest and east of her home. She testified, “Our roots run deep. We care about our community and our environment. I live by hogs 24 hours a day, and have not found one Seaboard or Hitch official that lives by them” (Brown 1998:9). She stated that many residents in the Guymon area are victims of “hog smog” which she described as pockets of ammonia that linger in furniture and drapes in their homes. “We cannot keep (the fumes) out of our homes,” she said. “We’ve done everything we can to seal our homes and yet they persist” (Brown 1998:8). Showing pictures of decomposing dead hog in dumpsters to the Committee, she further testified that neighbors of hog farms suffered health problems ranging from nausea, headaches, and congestion. They also have seen their living and working quality of life decline and property values drop. She also reported other negative effects such as increase gang activity in the schools, increased demand on welfare programs, and overall crime rates up by 65 percent with violent crime rates even higher than that (Brown 1998).

A representative of Texas Farm testified in defense of the industry. He said that pork production provided stable jobs, a good working environment, and good benefits. Furthermore, the Governor of Texas and the Agricultural Commissioner assisted in recruiting the corporate hog industry to Texas. “Our company was recruited to this state, this region, this county,” he said (Brown 1998:9). The Senior Vice-President of the First Bank of the Southwest, supported these claims and concluded by testifying to the beneficial effects on what was a rapidly declining tax base in the county.

## DISCUSSION

Confronted with locally-based resistance, TNCs displayed a variety of counter actions. Following the categorization employed in the presentation of the case study, we organized corporate actions in three general groups: political, economic and legitimative. These three distinct – yet interrelated – facets of corporate behavior are analyzed in terms of: (1) the positive image of themselves that CAFO corporations proposed in regard to the environmental and quality of life issues (legitimative strategies); (2) their control of environment regulatory processes and state environmental agencies (political strategies); and (3) the use of their economic powers in regard to local communities and groups (economic strategies).

### *The Image*

Throughout the case, CAFO TNCs projected an image portraying their Texas Panhandle presence as environmentally sound and conforming with existing rules and regulations. Employing their own rendering of the situation, support from political and scientific leaders, and their reading of the opposition, CAFO corporations presented a technologically “green” and socially positive image which narrows the definition of environmentally sound operations and displays a delegitimized view of anti-CAFO postures. We would like to illustrate four constitutive elements of this image.

The *first* of them refers to CAFO corporations’ definition of their operations and adopted technology as scientifically and technically sound. Despite local residents’ complains, throughout the case corporate arguments indicated that CAFOs were structures designed to address present and emerging environmental problems. CAFO representatives claimed that these were the product of state of the art research which was aimed at combining productive efficiency with environmental sensitivity. Downplaying nationwide complaints against CAFOs, in a number of occasions members of local universities and research institutes supported the soundness of CAFO technology. “It is possible to produce pigs without odor,” one pro-CAFO expert concluded referring to new technological advancements in the field. The message was clear, science indicated that the opposition’s complaints over CAFO pollution transcended legitimate concerns. CAFOs were technically and ecologically adequate and the supposed problems were simply not existent. Simultaneously, this message supported a much narrower definition of environmental problems. Those problems generated by CAFOs did not deserve this label because they were at best “temporary problems” which can be further addressed with available instruments. Following this discourse, the entire issue was displaced to the levels of the opponents’ unreasonable demands and CAFO TNC’s positive attitude toward the adoption of technical solutions.

CAFO corporation’s awareness of, and willingness to, address environmental contamination is the *second* constitutive item of this positive corporate image. While corporate representatives acknowledged that an odor issue existed, they employed this admission to legitimize the “reasonable” nature of the corporate posture and support the claim that companies have been doing everything possible to address the pollution issue. CAFO corporations were not only responsible members of society who were capable of acknowledging problems, they were also equally responsible in the selection of solutions. The technical solutions that they



proposed were, in effect, adequate to solve the problem.

CAFO corporation's responsible image is reinforced by their claims that they have been cooperating to the fullest extent with Texas regulatory agencies and local authorities and communities. Ignoring the content of Federal regulations which pointed to the opposite, corporate positions identified Texas regulations to be among the stricter in the nation which required more sophisticated record keeping and better designed facilities. These were conditions which required additional investments and higher production costs. CAFO corporations stressed that these conditions have already been satisfied by the industry. Additionally, "CAFO TNCs have been invited to Texas" one industry representative stated, pointing to local public officials and community leaders' efforts to attract CAFOs in the area. The invitation was accepted and this, it was claimed, was one of the primary reasons for the CAFO's presence in the Panhandle region.

CAFO corporations' presentation to the public represents the *third* constitutive item of their image. The episode of the Ochiltree County CAFO tour is emblematic of attempts to create public support by opening CAFO facilities to the inspection of elected public officials and interested citizens and presenting empirical evidence backing corporate claims.

During the tour, political figures endorsed CAFO operations. They addressed visitors and praised CAFOs for their economic and social contributions. The number of new jobs created and the increases in property value constituted some of the central items of their presentations. They dismissed charges of socioeconomic degradation by decoupling housing shortages, surging crime rates, school overcrowding, and other related problems from the existence of CAFOs. These, politicians maintained, are "more social problems than pork problems." They also dismissed pro-environmental groups' contentions of air pollution as exaggerated, legitimizing in this way the truthfulness of corporate claims about the adoption of reasonable environmental positions.

The tour was characterized primarily by the presentation of empirical evidence supporting corporate postures. At a closer scrutiny, however, we find that there was an extremely selective presentation of "empirical evidence." The accusation that the facilities are environmentally unsound was countered by allowing visitors to view them but only from a "safe" distance. No animals were visible nor were the often questioned waste lagoons. Indeed, a lagoon was made available to inspection, but it was under construction. This is an effective strategy to legitimize the use of waste lagoons. By showing under construction lagoons, evidence of environmental problems could never be detected because they emerge only when lagoons malfunction after they became operational. However, the assumed environmental features of the lagoon were illustrated to the visitors. Accordingly, the visitors were presented with an explanation of the functioning of the lagoon in which its post-operational undesirable consequences could not be verified while its potential – and therefore unchallengeable – ability to address the environmental problems of animal waste was emphasized. A similar tactic was employed for the illustration of the functioning of a feedlot mill which was also under construction. In essence, the environmental soundness of CAFO facilities was demonstrated by using a tactic in which claims of these structures' positive features could not be contrasted with their actual characteristics.

The *fourth* component of this corporate image refers to attacks to the credibility of anti-corporate activists. The latter constitutes the *fifth* component of the corporate image. In this instance, CAFO TNCs constructed a view of opponents' actions which evaluate them as exaggerated and unreasonable ones. These were the outcomes of the work of activists who are stigmatized through the use of belittling terms such as people involved in "agricultural terrorism" and "corporate sabotage." Indeed, the corporate position claimed their outrageous behavior was not only dangerous to the well-being of local communities but something from which CAFO operators should be protected. For instance, dwelling on a perceived scientific position, a pro-corporate expert urged the Texas state law makers to introduce legislation which would punish anti-corporate activism. In this view, CAFOs should be protected from damaging radical activism which hampers the growth of these positive socioeconomic contributions.

#### *The Control of Environment Regulatory Processes and State Agencies*

A second group of corporate strategies consists of their control of environment regulation processes and state environmental agencies. Threatened by anti-corporate activism, corporations worked to weaken the content of environmental legislation and to diminish the sanctioning power of state agencies. Following the often described path in which corporate actors control the polity, (Block 1977; Domhoff 1979; Miliband 1969; Poulantzas 1978), CAFO corporations were able to mobilize support from key members of the state political apparatus. Most notably, they enlisted the support of one influential State Senator<sup>6</sup> who was known for his strong ties to the agricultural sector and for the financial support that he received from it.

The request of CAFO corporations to the Senator and his associates was explicit: to make the establishment and existence of CAFOs less problematic primarily through reducing the ability of state agencies to cite them for environmental violations. The plan of action centered on two items. The first consisted of the establishment of a discourse in which TNRCC's policy was defined as overbearing and ultimately counterproductive to the well-being of Texas agriculture. The adoption of this posture provided most of the justification for a pro-corporate reform of the legislation regulating CAFOs. The second item referred to the depoliticization of the issue. The elimination of public hearings, the restriction of complaints to technical merit, and the shifting of the dispute from the environmental arena to the property arena characterized this action.

The Senator's evaluation of TNRCC's policy was made explicit through a memo to the Amarillo TNRCC air quality manager. In that memo, the Senator admonished the air quality manager that TNRCC's actions against CAFOs were incomprehensible and the outcome of "overly enthusiastic" behavior. A more explicit illustration of this posture came in the text of a subsequent letter to TNRCC. In that text, TNRCC's actions in defense of existing environmental legislation were defined burdensome and unfavorable to Texas agriculture. More specifically, it was stated that continuation of anti-CAFO citations could negatively

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6. Despite the fact that the Senator played a significant and prominent role in this case, it would be erroneous to equate political actions with the individual. These were the outcomes of the interaction of broader political forces in a context which was favorable to corporate positions. References to the Senator in our analysis have largely heuristic purposes.

impact the local economy as this situation could motivate companies to eventually move their operations to other states. In this case, the often used corporate strategy of “capital hyper-mobility” (Harvey 1990) was implicitly but clearly recalled to deter TNRCC from enforcing pro-environmental rules. The Senator further justified his point by maintaining that he received numerous complaints against TNRCC. Indeed, though the Senator was pursuing a pro-corporate conduct, he constructed a position in which his actions were viewed as consistent with popular desires. As the events of the case indicated, though, the popular support claimed by the Senator was contrasted by the actions of local TNRCC agents and those of other local residents who protested CAFOs.

The depoliticization of the CAFO issue is emblematic of the ability of TNCs to manipulate the polity. The elimination of public hearings deprived local residents of the capacity to question corporate policies and practices and voice dissent. Indeed, it eliminated one of the most feared forms of anti-corporate action available to local rural residents. However, it could be argued that the most important corporate achievement was the strengthening of a political climate in which democracy appeared weak and its practice conditioned by the interests of a restricted elite. In this context, the fundamental democratic principle of public participation in decision making processes was reduced to a function which could be eliminated with ease.

The control of the polity and its use to depoliticize the issue is further represented by TNRCC’s reclassification of environmental pollution as a property issue and the confinement of complaints to the technical merit area. “We don’t do property value” claimed a TNRCC official, justifying in this manner the lack of intervention of this agency in cases of environmental pollution. The justification included the claim that this was a national event. The restriction of complaints from substantive objections concerning air, water or land pollution to matters of technical merit signified that objections to CAFOs could be raised only if established protocols for their approval and construction were violated. More importantly, it signified that the objections of anti-corporate activists were placed outside the TNRCC sphere of jurisdiction and, therefore, could not be addressed employing this instrument. Despite opposition from local cadres, CAFO corporations were able to neutralize the use of TNRCC as a venue for anti-corporate resistance.

Finally, it should be noted that pro-corporate forces’ control over TNRCC transcended the regulatory sphere to enter that of the establishment of a broader pro-corporate discourse. This situation is exemplified by the acceptance of the corporate vision of the role of TNRCC by the agency’s mid-upper level cadres. The positions of TNRCC officials such as the air program director for TNRCC’s Field Operation Division, but also Amarillo air quality manager’s resignation, are cases in point. Though acknowledging the sense of frustration resulting from the changed conditions of operation of TNRCC and the newly created limits of the agency’s scope of actions, some TNRCC officers did not contest the new mission of the agency and approved the reshaped and reduced meaning of protection of the environment associated with it.

### *Economic Powers*

The third strategy employed by CAFO TNCs consists of the use of their economic

clout to condition the actions of communities and groups. The events of the case point to two related instances. The first refers to hyper-mobility. CAFO corporations present their presence in the area in terms of the creation of new jobs and the overall enhancement of the economic conditions. Because competition from other geographical areas exists, corporate designs to invest locally should be regarded as beneficial and benevolent. The second instance refers to the exploitation of local socioeconomic contradictions to limit dissent. In this case, TNCs provide the solutions to unattended community problems in return for the abdication of possible anti-corporate behaviors.

As far as the first instance is concerned, CAFO corporations and their supporters presented mega-hog farms as extremely beneficial in a situation characterized by local economic stagnation. This growth, it was also argued, promised to be extended into the future as demand for lean standardized meat has increased steadily in recent years. Additionally, direct investments in the agro-food sector positively affected other sectors, such as retail, housing and manufacturing, which also displayed growth in the area. The benevolent dimension of corporate actions is justified by the argument that the CAFO presence in the Panhandle was a corporate decision favoring the area over numerous and equally deserving rural locations domestically and abroad. Additionally, the CAFOs' presence in the Panhandle was not simply a TNC-based initiative as their relocation has been courted by regional leaders. In this case, a number of alternative options could have been pursued. Because political leaders such as the Governor of Texas, the Texas Agricultural Commissioner, and members of the state of Oklahoma supported the industry's local presence and actively recruited CAFOs, the present course of actions was taken. In essence, the corporate message is one in which local communities greatly benefitted from the corporate commercial presence and one in which these benefits would vanish if it were not for the willingness of TNCs to remain in the area.

This posture, however, contrasts with past corporate behavior. Seaboard Corp., for example, relocated to the Panhandle region after intense exploitation of natural and human resources generated intolerable levels of environmental pollution and social contradictions in Albert Lea, Minnesota. In that area, Seaboard benefitted not only from extensive economic support from local interests, but also from Federal agencies. The city of Albert Lea donated \$3 million and \$3.4 million to build the mega-hog facility and create the wastewater treatment plant respectively. Additionally, the state of Minnesota contributed \$5.1 million while the Federal Government donated a hefty \$25.5 million grant. Jobs were created, but at significantly lower wages than previous meatpacking jobs in the same plant under a previous owner (Karmatz et al. 1998). When local workers refused to accept the precarious labor conditions and pay, Seaboard imported much cheaper and less vocal Latino workers, a practice common in the industry (e.g., Fink 1998; Gouveia 1994; Stull et al. 1995). When the situation in Albert Lea became too uncomfortable for Seaboard, it moved to the Panhandle while its president continued to reassure local residents of his company's intention to remain in Minnesota (Karmatz et al. 1998).

The events which occurred in Cimarron County, Oklahoma provide a clear example of the corporate exploitation of local contradictions to silence opposition.

In this case, the community problem was Cimarron County's inability to adequately operate its schools. Seaboard intervened with a donation to the public school district combined with other commercial concessions which were described as "good faith efforts" to restore the community well being. In return, the company requested the community's commitment not to oppose corporate plans. Also in this instance, the appearance did not match past experience. Indeed, if the case of nearby Guymon can be employed as an indication of the social consequences of this type of presence, Cimarron County can look forward to an increase in the overall crime rate in excess of 60 percent, an escalation of assaults and rapes of more than 90 percent, and auto theft of 200 percent (Karmatz et al. 1998). More importantly, through a relatively small donation, Seaboard was able to force community residents to renounce some of their basic rights such as free speech and freedom of dissent, an inexpensive yet very significant accomplishment in a country like the United States in which democracy and freedom are considered among the most important values.

## **CONCLUSIONS**

Classical sociologists and many of their contemporary followers stressed the connection between socioeconomic growth and the strengthening of democracy. For instance, Weber (1978) and Durkheim (1984) – albeit in significantly different ways – pointed out the positive contributions that the advent of the industrial revolution and the establishment of capitalist social relations generated for society. Warning about the dangers of the system, they maintained that the capitalist expansion of the economy lifted society away from repressive feudal social relations, dramatically improved living conditions, and allowed the existence of individual rights which became constitutive elements for the existence and exercise of democracy. Even Marx (1997) and Marxist thinkers placed an emancipatory connotation to their analyses of the expansion of the forces of production. In the Marxist tradition, the growth of capitalism produced unsustainable and unequal social relations. Simultaneously, however, it also improved the economic, political and social conditions of subordinate groups as bourgeois democracy provided the context for emancipatory struggles of oppressed classes.

The events of this case study speak directly to this longstanding sociological tenet. The expansion of CAFOs is a move designed to enhance capital accumulation and market control on the part of TNCs. Corporations employed a variety of sophisticated strategies to respond to local resistance and enhance their image of pro-environment and pro-socioeconomic growth agents. These strategies were able to counter protest emerging from overt degradation of local living conditions and economic expansion based on low wages and unstable jobs. More importantly, TNCs' promises of economic growth came with the request that communities forfeit their rights to participate in democratic processes. The elimination of public hearings for the establishment of CAFOs, the limitation of complaints to the technical sphere, and the strategy of buying consensus through economic donations are episodes which point to a situation in which the expansion of economic forces demands a narrowing of democratic spaces. Departing from views which support a much deregulated role for TNCs, this situation is telling of the consequences that unchecked TNC's actions can have for society.

If the scenario is correct and if the issue of coupling economic growth with

democracy is relevant, development plans should be formulated in ways that transcend these past experiences. It seems clear that faced with a situation in which hyper-mobility is accompanied by TNCs' ability to affect the polity and legitimate their actions, individual communities as well as society should move away from strategies which assume competition among localities for the attraction of direct investments. This developmental path tends to isolate communities and make them vulnerable to the negative effects of corporate designs. One alternative way to conceptualize resistance rests in the development of broader alliances spanning across communities and regions which expands the boundaries of opposition to match TNCs' scope. While these options are available, the extent of local resistance points to the difficulties that residents encounter in altering established patterns of economic development. This is a situation which generates concerns about the future of rural communities and democracy and, as such, it is one which deserves further scrutiny.

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**Alessandro Bonanno** is Professor and Chair of the Sociology Department at SamHouston State University in Huntsville, Texas, USA. His research focuses on the implications that the globalization of the economy and society in general and the agro-food sector in particular have for democracy and emancipatory options for subordinate groups. He has published several books and articles on this subject.

**Douglas H. Constance** is Assistant Professor of Sociology at Sam Houston State University in Huntsville, Texas, USA. His research focuses on the environmental and community implications of the globalization of the agro-food sector. He has published a book as well as numerous book chapters and articles on this subject.