LSP *Myth Buster* #1

An ongoing Land Stewardship Project series on ag myths & ways of deflating them.

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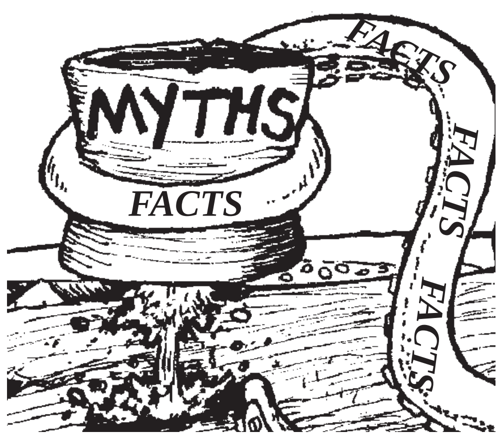
Myth: *Anti-corporate farm laws stifle rural economic development.*

Fact:

Counties in states with anti-corporate farming laws have fewer families in poverty, lower unemployment and higher percentages of farms with good cash flows, according to an analysis conducted by two rural sociologists.

Using the 1982 and 1992 Censuses of Agriculture, Tom Lyson of Cornell University and Rick Welsh of Clarkson University analyzed data from the 433 counties in the U.S. classified as "agriculturally dependent"—meaning at least 75 percent of the county's land is used for farming and 50 percent of the county's total gross receipts for goods and services comes from farm sales. They then compared the economic vitality of counties in states with anti-corporate farm laws to counties in states that had no such restrictions.



Nine Midwestern states—Minnesota, Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota and Wisconsin—have adopted laws that restrict corporate involvement in agriculture. These laws are perennially under attack from large-scale agribusiness interests who argue they stifle economic activity and ultimately hurt farm-dependent counties.

What Lyson and Welsh found was that, in general, agriculture dependent counties in states with anti-corporate farming laws fared better than those without such laws. These counties had fewer families in poverty, lower unemployment and higher percentages of farms with a good cash flow. The analysis also indicates that some level of agricultural industrialization isn't necessarily always bad for a county, in that it might add diversity to the economy. However, when that industrialization starts to dominate a county's agriculture, crowding out less industrialized farming, the region suffers. And the lack of anti-corporate agriculture laws allows industrialized agriculture to push out everything else.

"A public policy intervention that promotes organizational diversity in agriculture would seem to be needed," conclude Lyson and Welsh. "In this vein, anti-corporate farming laws provide one model."

More Information

◆ For a copy of "Anti-Corporate Farming Laws, the 'Goldschmidt Hypothesis' and Rural Community Welfare," visit www.i300.org/anti_corp_farming.htm, or contact Rick Welsh at 315-268-3988; welshjr@clarkson.edu.

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This Myth Buster is brought to you by the members and staff of the Land Stewardship Project, a private, nonprofit organization devoted to fostering an ethic of stewardship for farmland and to seeing more successful farmers on the land raising crops and livestock. For more information, call 651-653-0618 or visit www.landstewardshipproject.org.