

LSP lays the groundwork to take on corporate abuse

By Bobby King

As part of the debate this spring and summer over how to address Minnesota's revenue crisis, we heard repeatedly that everyone would have to accept compromise. In reality, one element of our society did not have to compromise — corporate special interests.

In fact, corporate interests came out ahead. Just one example that the Land Stewardship Project exposed is that while the budget was being negotiated behind closed doors at the Minnesota Capitol, language was inserted into the "compromise" that weakened environmental standards for our state's largest factory farms (see page 12). At the federal level, farm programs that benefit family farmers and land stewardship like the Conservation Stewardship Program (pages 10-11) and the Beginning Farmer and Rancher Development Program (pages 3-4) are being put on the chopping block by corporate-backed politicians.

Virulent corporate opposition to rules aimed at restoring fairness to livestock markets has prevented the strengthened Grain Inspection, Packers and Stockyards Administration (GIPSA) rule from being released. But commodity subsidies that feed the corporate agriculture system are left untouched.

Corporate America making profits is not the problem. The problem is when corporate interests make profits at the public expense. These are lean times for many Americans, and yet corporate America — Wall Street and investment bankers especially — are making record profits. After receiving a trillion-dollar bailout, the biggest banks are still foreclosing on homes at record rates. Too often we have seen their profits stay private — and often tax free — while their losses have been picked up by the public.

This is happening at a time when we don't have enough revenue to maintain our roads, schools and water systems, much less provide beginning farmers the assistance they need. And as health care costs skyrocket for all of us, insurance companies make record profits and their CEOs are paid

millions in salaries and bonuses.

Citizens for Tax Justice analyzed the effective taxes paid by 12 major Fortune 500 corporations: American Electric Power, Boeing, DuPont, Exxon Mobile, FedEx, General Electric, Honeywell, IBM United Technologies, Verizon, Wells Fargo and Yahoo. From 2008-2010, these 12 major corporations reported profits totaling \$171 billion, but collectively they paid *no* taxes. In fact, they were subsidized with \$2.5 billion from taxpayers, many of modest incomes. And corporate-backed politicians say we have to cut the \$20 million per year Beginning Farmer

"This massive ascendancy of corporate power over democratic process is probably the most ominous development since the end of World War II, and for the most part 'the free world' seems to be regarding it as merely normal."

It is increasingly clear that we cannot achieve prosperous rural communities and ensure stewardship of our land without understanding and confronting this corporate abuse of our democracy and corporate control of our economy. The stories of corporate abuse of our economy, democracy and land have become so commonplace as to be

almost impossible to keep track of. An alarming testament to corporate power is that a majority of elected officials either avoid the issue, or even worse, defend corporate interests. A successful movement to rein in corporate power and hold the common good above corporate profits must be a grassroots movement of diverse interests. In coming months and years, LSP plans on playing an important role in this movement of bringing a rural and farm voice to the discussion.

LSP has started a conversation with allies in Minnesota, the Midwest and the nation about what we can do to check this corporate abuse. We held two membership meetings in late August — one in southeast Minnesota and one in the western part of the state — for LSP members to discuss the issue and help decide how we can most effectively confront corporate abuse of power that increasingly affects

our lives. We are planning more meetings for this winter.

As always, the success of this work will depend on strong engagement from LSP members. If you have thoughts about this important work, contact me. □

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The CR4* in Agricultural Markets 2011

Beef Slaughter CR4 = 82%

Historical CR4

1990: 72%

1995: 76%

1998: 79%

2000: 81%

2005: 83.5%

Flour Milling CR4 = 52%

Historical CR4

1982: 40%

1987: 44%

1990: 61%

2000: 81%

2005: 63%

Pork Slaughter CR4 = 63%

Historical CR4

1987: 37%

1989: 34%

1990: 40%

2001: 59%

2005: 64%

2011 CR4 of various ag industries

Broiler Slaughter: 53%

Turkey Slaughter: 58%

Wet Corn Milling: 87%

Soybean Processing: 85%

Animal Feed: 44%

* According to one economic rule of thumb, when at least four firms control over 40 percent of a market — called the four firm concentration or "CR4" level — it is no longer a competitive situation.

Source: "Concentration of Agricultural Markets 2011," Mary Hendrickson, University of Missouri, & Robert Taylor, Auburn University; www.foodcircles.missouri.edu/consol.htm

and Rancher Development Program because there just isn't the money to do that?

Corporate consolidation and abuse of power has been addressed throughout history by some of our nation's most prominent leaders.

Thomas Jefferson said, "I hope that we shall crush in its birth the aristocracy of our moneyed corporations, which dare already to challenge our government to a trial of strength, and bid defiance to the laws of our country."

"To befool the unholy alliance between corrupt business and corrupt politics is the first task of the statesmanship of the day," was Theodore Roosevelt's take on the issue.

And recently, Wendell Berry, a farmer and LSP member, and one of the leading thinkers and writers on sustainable agriculture and rural communities, has written:

Give it a look

To watch brief videos of Land Stewardship Project members talking about corporate abuse of democracy and our economy, see www.youtube.com/user/LSPNOW#p/u.