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False Promises! Costly Reality!

What hog confinements really cost Iowa's counties!

Iowa raises more hogs than any other state in the United States -- over 14.5 million in 2001. Most of these hogs are raised in a factory system that causes *measurable* and *unnecessary* harm to Iowa's counties, residents, farmers and farm animals. What many call a hog confinement in Iowa is actually a hog factory.

In a hog factory animals are simply units of production to be standardized, confined and concentrated. Independent farmers become first contract producers and then ultimately may become factory wage workers on their own farms. Industrial levels of waste may be released into water and air without the controls factories in other industries must install. The use of antibiotics to promote rapid animal growth increasingly threatens public health.

Finally, this industrial hog system inflicts costs on Iowa's county governments that are not often mentioned when hog confinements are first proposed.

The industrial hog industry, in general, makes three promises to Iowa's counties and communities. Hog confinements generate tax revenue to help finance vital county services! Hog confinements create jobs! Hog confinements generate economic development! These are the promises. But are they true?

1 Do hog confinements generate additional county tax revenue?

Iowa's counties face a fiscal crisis today unseen since the Great Depression. State deficits and federal inattention are forcing cuts in education, human services, highway maintenance. *In this growing fiscal crisis, do hog confinements actually contribute to a county's ability to provide its citizens with mandated and critical services.* The answer, according to over a dozen studies, is "no!"

☒ Hog confinements depress land values!

The Nebraska Supreme has ruled that home owners within one mile radius of a hog confinement of 2500 pigs or more are eligible for a 30% reduction in their tax assessment.¹

Other land value losses have been documented in four studies by Universities and unbiased organizations.

■ A University of Michigan studied estimated that house values decreased \$0.43/hog within a hog mile radius. That translates into a loss of nearly a \$1,000 per hog confinement barn within a five mile radius of the structure.² In some place homes have 20-100 hog confinement barns within five miles. A similar study was repeated in North Carolina with similar results.³

■ A study in Iowa reports that homes within half a mile of a large hog operation lose 40% their value, within 1 miles they loss 30% of their value. This loss in value directly affects tax assessments and thus county tax revenues.⁴

■ A study in Missouri of land sale transactions found that each sale lost an average of \$58 an acre within 1.5 miles of a hog confinement facility.⁵ A second Missouri study (Mubarek et al) documented that land within three miles of an industrial hog barn would produce a land value loss of \$2.68 million -- with an average loss per acre of \$112.⁶

Table 1. Property Tax Reductions⁷ within up to 2 miles of a CAFO

COUNTY	REDUCTION AMOUNT
Grundy County, MO	30%
Mecosta County, MI	35% (dwellings only)
Midland County, MI	20%
McLean County, IL	35%
DeKalb County, AL	Base reassessment
Renville County, MN	Base reassessment
Frederick County, MD	10% (reduced to 5%)

☒ Hog confinements do not pay for the damage they cause to county roads and infrastructure.

■ One Iowa community estimated costs for gravel road upkeep *increased about 40%* due to truck traffic to industrial hog confinements. The annual estimated cost of local road upkeep around a 20,000 hog confinement to be \$6447/mile due to truck traffic.⁸

■ Michael Snyder, the Gosper County, Nebraska Highway Superintendent *calculated the cost of one hog confinement (Furnas County Farms) to his road budget.* His report, dated May 2, 2001, includes the following calculations.

Taxes paid for road maintenance	\$1,479.70
<u>Cost of road maintenance*</u>	<u>\$6,598.52</u>
Difference	-\$5,118.72

*For roads directly affected by the facility.

Superintendent Snyder's report concludes with this observation about how much the hog confinement was subsidized by Gosper County, Nebraska,

"When the hog confinements first proposed their sites, they indicated that they would choose a location on a minimum maintenance road and then expect the county to fix this road up so that they could get into the site during construction. No consideration was given to the county's 1 and 6 year plan on projects scheduled for that year. They balked at having a contractor, at their expense, to come in and grade the road because of the cost associated with it."⁹

 **2. Do hog confinements create new jobs?**

New hog confinements **do** create some jobs. But what kind of jobs? How much do they pay? And how many jobs are really created? And how many are lost?

A visit to the annual Hog Expo at the Iowa Fairgrounds reveals the future of industrial hog farming. Booth after booth displays gleaming stainless steel and aluminum machines, plastic containers of new drug and chemical inputs, and even computer

control systems for industrial hog barns. In the future, the industrial hog system will produce more and more animals with fewer and fewer people. Animals will be increasingly monitored by machines that treat them like machines. Several studies exist that document this trend.

Seven separate studies document the negative effect hog confinement has on the quantity and quality of hog producing jobs.

■ A Congressional Research Report found communities with industrial animal facilities had higher unemployment rates.¹⁰

■ Two other reports found industrial animal facilities generated lower total community employment.^{11,12}

■ Four other studies document significant population declines in communities with more industrial animal agriculture.^{13,14,15,16}

In Iowa many of the crews that construct new industrial hog barns are made up of itinerate workers that spend little in the communities where they build.

A study by John Ikerd of Missouri comparing hog production sites with the same amount of animals (12,000 animals) raised found an industrial hog confinement created 9.5 jobs compared to 28 jobs by independent family farms.¹⁷

The Ikerd study points out that hogs can be raised in a way that doesn't preclude an economic future for a county. Iowa raised as many hogs in 1910 as in 2001 but without the social, environmental and economic costs of the industrial hog confinements of today.

 **3. Do hog confinements promote economic development?**

Hog confinements do NOT promote economic development in a county. In fact, the opposite is true. Hog confinements effectively preclude other businesses from locating in a county.

As one resident said, "What business would relocate in a county covered with hog manure and laden with polluted ground water?"¹⁸

Iowa produced over 15 million hogs in 2001 and 2002. Based on the acres needed per animal, over 50 million acres would be needed to dispose of the manure produced by these animals OR 14 million more acres than Iowa has.

The impact on a county's future can be indirect.

Del McDermott, a supervisor from Carroll County and an independent feed dealer, talked at the Iowa Association of Counties 2003 Spring Meeting about how hog confinements pitted grain dealers against one another.

"The one who cuts the price a dollar a ton, gets the contract," said Supervisor McDermott. This race to the bottom does not bode well for the continued existence of independent feed dealers.¹⁹

A 1994 study by the University of Minnesota Extension Service found that livestock operations with gross incomes in excess of \$900,000 spent less than 20 percent locally. Farms with gross incomes under \$100,000 made nearly 95 percent of their purchases locally.²⁰

A 1994 study in Iowa documented that small hog farmers purchased 69% of their animal feed within 10 miles of their farm, vertically integrated hog confinements purchased 58% *outside* their communities.²¹

The North Central Regional Center for Rural Development studied the affects of a large hog confinement on Texas County, Oklahoma. This comprehensive case-study documented that...

- the crime rate increased by 74% compared to a decline of 12.5% in the comparison counties.
- theft increased 64% while decreasing 11% in the comparison counties.
- violent crimes increased 378% while decreasing 29% in the comparison counties.²²

What can county governments do?

First, it is important to realize that Iowa can raise hogs profitably, sustainably and humanely without incurring the costs that now burden county governments.

Iowa has over one thousand hoop structures that raise hogs on deep bedded straw without resorting to inhumane confinement and industrial manure disposal and tax breaks.

Iowa independent hog producers raise for Niman Ranch, Organic Valley, Patchwork Farms, Eden Pork and a number of other "alternative" hog brands.

The fact is these humane, environmentally sound hog producers are the future. A poll by The HSUS found that 77% of all Iowans want to buy humanely raised, environmentally soundly produced pork.²³

Three steps your county can take.

1. Use your county's health & safety powers to pass an ordinance to protect citizen's and environmental health. Model legislation is available.
2. Pass a moratorium on new and expanded hog production over 2500 animals until new proposed air regulations come into affect in 2007. Again, model legislation is available.
3. Write your Iowa state representatives and senator to demand that hog confinements *pay their way*. Current environmental state tax breaks for hog confinements need to be repealed. And local taxes on hog confinements should be increased to cover BOTH the increased cost of road maintenance AND the loss of property taxes from land devaluation near hog factories.

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