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Globalization, Broiler Production, and Community Controversy in East Texas *

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ABSTRACT The poultry industry was the first livestock commodity sector to adopt an industrial organizational model. In recent years the poultry industry has expanded beyond national boundaries into a globalized system of production. The globalization of agriculture and food is a frequent topic of discussion for researchers interested in rural society. A common focus of these discussions is the consequences of corporate penetration on rural areas and the ways local communities respond to such corporate actions. This paper uses the case of the introduction of large-scale broiler production in East Texas combined with a sociology of agriculture and food conceptual framework to inform discussions regarding the community impacts of the globalization of the agri-food system. This paper concludes that economic development initiatives can experience legitimation crises as local social movement groups resist development strategies.

This paper uses the case of the recent introduction of large-scale broiler production in East Texas combined with a sociology of agriculture and food conceptual framework to inform discussions regarding the community impacts of the globalization of the agri-food system. The poultry industry was the first livestock commodity sector to adopt an industrial organizational model. In recent years the poultry industry has expanded beyond national boundaries into a

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globalized system of production. The globalization of agriculture and food is a frequent topic of discussion for researchers interested in rural society. A common focus of these discussions is the consequences of corporate penetration on rural areas and the ways local communities respond to such corporate actions. This paper argues that economic development initiatives can experience legitimization crises as local social movement groups emerge to counter development strategies. While there have been previous analyses that focused on the impact of the globalization of the beef and pork sectors on local communities (see Constance and Bonanno 1999b; DeLind 1995; Stull, Broadway and Griffith 1995; Thu and Durrenberger 1998), this paper provides a new contribution to this literature through its focus on the broiler sector.

Data for the construction of the case were gathered in two ways. First, indepth interviews were conducted with people who played central roles in the development of the social movement group that organized to challenge the broiler production system. Second, document analysis was performed on a variety of local and regional newspaper articles that dealt with issues related to the case. Additionally, the social movement organization's newsletter was utilized as a source for official positions as the events of the case developed over time. Three perspectives distilled from the literature on the globalization of the agri-food system are employed to analyze the case: structuralist, post-modern, and critical. While all three views provide informative insights into the tension between economic development and societal legitimization, the critical perspective is most valuable at illuminating how the process of the globalization of the agri-food system is often contested at the local level.

The paper begins with an overview of the industrialization and globalization of the broiler industry. The next section provides a summary of the structuralist, post-modern, and critical perspectives on the globalization of the agri-food system. The case documents the introduction of large-scale broiler production in East Texas and the emergence of a social movement group to challenge the economic development initiative. The final section uses the three theoretical perspectives to interpret the event of the case.

The Industrialization and Globalization of the Broiler Industry

The broiler industry was the first livestock commodity sector to industrialize. The organizational structure of the broiler industry in the US has often been cited as the future model of agriculture (Breimyer 1965; Heffernan 1984; Marion and Arthur 1973; Marion 1986; Morrison 1998; Reimund, Martin and Moore 1981; Rogers 1963; Tobin and Arthur 1964; Vogeler 1981). This model is characterized by vertical integration of the various factors of production under the control of agribusiness corporations and the concomitant increasing market power of these firms through mergers and acquisitions leading to high levels of economic concentration.

Broiler production was originally a residual activity associated with egg production. On most farms both eggs and broilers were part of a household-based subsistence strategy controlled by the women (Fink 1986; Sachs 1983). History gives credit to Cecile Steele of Ocean View, Delaware for raising and selling the first commercial flock of broilers (Gordy 1974). Though usually an egg producer, in 1923 when her brood of 500 chicks reached 2 pounds, she sold them to a local buyer for 62 cents a pound. News of this profitable business “started to travel” and by 1925 some 50,000 broilers were raised in the area (Gordy 1974:377).

Broiler processing also started in the DelMarVa area (Delaware, Maryland, and Virginia). In 1937, Hendrich Poultry (a subsidiary of Swift and Co.) converted an old tomato cannery into the first broiler processing plant. As the local fishing economy declined, many other canneries were converted and local growers built more chicken houses. By the mid-1940s about a dozen plants were processing “almost 300,000 birds per day” (Gordy 1974:418). In 1930, C. S. Platt of the New Jersey Experiment Station commented that the broiler industry “lends itself rather easily to factory methods of production” (Gordy 1974:384).

Broilers were first raised by independent growers who paid cash for the chicks and feed, and then sold them on the open market. As the flocks became larger, the local feed dealer rapidly became the major source of credit for inputs and had “first call” on the profits (Gordy 1974). By the 1950s, these informal contractual agreements became formalized as the growers became increasingly dependent on the feed dealers for inputs. This process of vertical

integration moved broiler production from a farm sideline to a highly developed agribusiness (Lasley 1983).

Until after World War II, the DelMarVA region was the major broiler production area in the United States. After the war both the location and structure of the broiler industry shifted dramatically (Martin and Zering 1997). The region that benefited most was the South (Reimund et al. 1981). Through the late 1940s the South experienced chronically depressed farming conditions due to boll weevil outbreaks and cotton crop failures. Many farmers saw contract production as similar to share-cropping and readily accepted broiler production as an amendment to their traditional operations (Martin and Zering 1997; Skully 1998). Underemployed farm labor, a favorable climate, lower wages and less unionization, and the stabilization of feed prices contributed to the increasing advantage of the South (Breimyer 1965; Easterling, Braschler and Kuehn 1985; Reimund et al. 1981). These aspects made the South an attractive region for the development of a new broiler production system based on an industrial model. By the early 1970s the South accounted for about 90 percent of total broiler output (Lasley 1983; Reimund et al. 1981). The South still accounts for about 75 percent of broiler production (USDA/NASS 2002).

Due to several technological advancements, organizational changes accompanied the geographic shift. Production advancements included confinement housing design, automated feed and water handling, improved feed rations utilizing growth hormones, selective breeding, and disease controls utilizing sub-therapeutic antibiotics. These developments combined to make it possible to grow larger numbers of uniform broilers in shorter amounts of time. As a result, the number of farms growing more than 100,000 birds rose rapidly from zero in 1954 to about 30 percent in 1974 (Reimund et al. 1981). By the mid-1990s, nearly 100 percent of production came from farms growing more than 100,000 birds per year (Welsh 1996) with about 90 percent of production organized on formal contracts with integrators (Welsh 1997). Similarly, the development of mechanized killing and processing lines followed models established by industrial factories (Reimund et al. 1981).

The most important factor in broiler industry industrialization was the organizational innovation of vertical integration (Reimund et al. 1981). Vertical integration rationalized the broiler

industry as it brought all aspects of the production chain (e.g., breeding, hatching, growing, feed mills, transportation, and processing plants) under the control of the integrating firm. Central to this system was the adoption of the production contract as the formal link between the broiler grower and the processing firm. Without contracts “and the opportunities they afforded for coordinating the several stages of the sub-sector, it is doubtful the new entrants, primarily feed manufacturers and dealers, would have considered broiler production very attractive” (Reimund et al. 1981:8).

Mooney (1983) sees the contract model of poultry production as an excellent example of how industrial relations can penetrate agriculture by “detouring” around “obstacles” such as the control of production practices without formal ownership. Mooney agrees with Davis (1980) that in many instances the contract producer is a “propertied laborer” that compromises autonomy for security. The contract poultry grower becomes a “semi-autonomous employee” who still holds title to his land but has otherwise lost control over decision-making and the labor process (Mooney 1983:573). Heffernan (1984) adds that due to the high costs and single purpose characteristics of the poultry barns, the security of the poultry producer is less than other contract producers such as vegetable growers. Other researchers have discussed the market power that integrators hold over contract producers (see Brandow 1969; Wellford 1972). In his study of contract growers, Roy (1972) concluded that while there were advantages and disadvantages to the arrangements, the contract farmers are in a position similar to a sharecropper. Vogeler (1981) states that contract grower is a transitional status between family farmer and agricultural worker. Breimyer (1965) refers to broiler growers as “serfs on the land.”

Mirroring the vertical integration trend, economic concentration increased steadily from the largest 19 broiler processing firms accounting for about 30 percent of production in 1960, to the top 8 firms controlling 30 percent in 1975, and finally, to the largest four firms accounting for about half of total broiler production in 1998 (Heffernan 2000; Reimund et al. 1981). Several other researchers have also documented the increasingly oligopolistic market structure of the broiler industry (Breimyer 1965; Marion and Arthur 1973; Rogers 1963; Tobin and Arthur 1964; Wellford 1972).

As economic concentration increased at the national level, U.S.-based poultry firms were expanding operations globally (Heffernan 1990) based on the concept of global sourcing (Constance and Heffernan 1991; Heffernan and Constance 1994). For example, in 1989 Tyson Foods formed a joint venture with C. Itoh of Japan and Provemex of Mexico to grow, process, and market poultry products. As part of this arrangement, Tyson removed the breast meat in Arkansas for the fast food industry, then it shipped the leg quarters to Mexico to be deboned by hand at much lower labor costs. The marinated meat was shipped to Japan as “Yakatori Sticks,” a fast food item. Similarly, in 1989 Cargill, Inc. entered into a joint venture with Nippon Meat Packers to establish Sun Valley Thailand. This operation sourced conducive production factors in Thailand and profitable consumer markets in Japan. Many of the major broiler operations were subsidiaries of agribusiness transnational corporations sourcing the most advantageous factors of production at the global level (TNCs) (Heffernan and Constance 1994; see also Friedmann and McMichael 1989).

The Globalization of Agriculture and Food

The literature on the globalization of the agri-food system that focuses on the relationship between agribusiness transnational corporations (TNCs) and local communities can be generally divided into three categories: the structuralist, post-modern, and critical perspectives (see Bonanno, Constance and Lorenz 2000). The structuralist position (e.g., Heffernan 1990; 2000; Friedland 1994a; 1994b; 1995; McMichael 1996a; 1996b; McMichael and Myhre 1991) views TNCs as powerful global actors that through strategic alliances control not only world resources and other segments of the production process, but also the nation-state. As a result, the nation-state has lost its ability to control its socio-economic agenda and successfully mediate conflicts between opposing social groups. The nation-states' class character was enhanced as it was transformed into a facilitator of the needs of global capitalism. These authors do view resistance to TNCs as possible; however, such resistance is limited to specific niches open for local action and is always subject to TNCs' powerful counterattacks. McMichael refers to these phenomena as the “globalization project”

- a frontal attack against the interventionist role of the nation-state in favor of a free-market-based project at the global level.

Employing the micro-oriented actor-network approach (e.g., Long and Long 1992), the post-modern position (e.g., Arce 1997; Arce and Fisher 1997; Marsden and Arce 1995) criticizes interpretations of globalization and TNCs exclusively through macro-analyses. This view stresses the lack of consideration given to micro aspects of the uneven process of globalization and the diversity that these dimensions unveil. Global processes are fragmented and reinterpreted at the local level as actors make sense of and construct their everyday lives through interpretations of situations. Therefore, resistance and alternatives are always available as people mediate and reconfigure TNC actions designed to structure the global agri-food system. Because of this situation, TNCs' powers are reinterpreted to produce opportunities that empower local actors. Arce concludes that mediation and interpretation enhance reflexivity and consequently allow individuals and communities to take advantage of emerging global situations.

The critical perspective involves authors who maintain that TNCs' powers are limited and that the global arena is a contested terrain characterized by the struggle of opposing class- and/or interest-based groups (e.g. Bonanno and Constance 1996; 2000; Bonanno et al. 2000; Constance and Bonanno 1999a; 1999b; 2000; Constance, Bonanno and Heffernan 1995; see also Goodman and Watts 1994; 1997 for a similar view that does not employ the Fordist/post-Fordist frame). From this perspective, although TNCs are extremely powerful actors that source the globe for the most favorable factors of production, they also have limits and therefore their control of the global economy and society is contested. Employing the Fordist/post-Fordist dichotomy as their conceptual frame, these authors contend that earlier Fordist arrangements that supported a long run of capital accumulation unraveled in the late 1960s as labor and new social movements used the interventionist state to challenge the dominance of business interests at the economic, social, and cultural levels. These constraints on business profits in the First World were eventually rectified through the transnationalization of production processes; the goal was to avoid restrictive nation-based regulations. Globalization, therefore, is essentially a strategy to revitalize capital accumulation by restructuring production proc-

esses at the global level and thereby maximizing flexibility. The social interdependence that globalization entails, however, is a liability for TNCs as it opens up the possibility of anti-corporate actions such as consumer campaigns and localized resistance. Business development projects sponsored by TNCs often meet with resistance from social movement groups who view the project as illegitimate and challenge it. These instances of contested globalization are carried out in the arena of the state (local state [i.e., county, State of Texas], nation-state [i.e., U.S.], and global state [i.e., World Trade Organization]). This perspective adopts a more mid-range approach that avoids the determinist aspects of the structuralist approach and the super-empowered actors of the post-modern view.

Sanderson Comes to Texas Farms

Sanderson Farms began in 1947 as a farm supply business in Laurel, Mississippi. In the 1950s the company added breeder hen production, a small hatchery, and broiler growout in both contract and company-owned facilities. The business was incorporated in 1955 as Sanderson Brothers Farms, Inc. In 1961 full integration was reached when the merger with Miss Goldy, Inc. included a broiler processing plant (Sanderson Farms 1999b). Through continued mergers, acquisitions, and expansions in Mississippi and Louisiana, by 1995 Sanderson Farms, Inc. was the 13th largest broiler company in the United States with \$393 million in sales (Feedstuffs 1995; WATT Poultry USA 2001).

In early 1995, Sanderson Farms announced the end of the first phase of its expansion program. Phase One had increased its production 114 percent from 1991. The second stage of expansion began in 1995 (Smith 1995). By 2000 Sanderson Farms slaughtered an average of 5.0 million broilers per week and had grown to the seventh largest poultry firm in the United States. It employed 8,147 people in its 5 integrated poultry complexes located in Mississippi, Louisiana, and Texas. The company's broilers are grown on contract with 495 farmers in 2,075 houses with a capacity of 5.2 million placements per week. Sanderson Farms markets over 500 different products shipped to every state in the United States and many foreign countries. In fiscal year 1999-2000, exports accounted for

about 7 percent of the total sales of \$603 million (Sanderson 1999a; WATT PoultryUSA 2001).

In early 1995 Sanderson Farms announced that it was evaluating sites in Texas as the location for its next phase of growth. CEO Joe Sanderson, Jr., said that the new complex would require a total investment of \$68 million for the new feed mill, hatchery and poultry processing plant, plus another \$56 million from the contract growers for pullet and broiler housing and growout equipment (Brown 1995a). Sanderson stated, "Texas offers a unique opportunity for the next phase of growth for Sanderson Farms" (Brown 1995a:9).

Also in early 1995, Bryan, Texas, city officials met to consider a request from the Bryan-College Station Economic Development Corp. (EDC) to offer incentives to attract a new Sanderson Farms poultry processing plant to the area (Howell 1995a). After Bryan-College Station officials visited a Sanderson Farms processing plant in Mississippi, they commented that they were impressed with the company and its operations. John Anderson, President of the EDC stated, "It would distress me if it went somewhere else. It's something that would be good for the community" (Howell 1995b:A1). In a move to attract the Sanderson plant to the area, the Bryan City Council decided not to annex the area of the proposed plant for 15 years, a decision that would allow the plant to remain in Brazos County (Whitley 1995). Soon after, the Brazos County Commissioners granted a ten-year tax abatement for Sanderson Farms. In defending the announcement, Commissioner Gary Norton stated, "In today's way of doing business, if you don't play the corporate game you lose out" (Lambert 1995:A1). County Judge Al Jones said that the court would continue to offer whatever incentives it could in order to compete with other areas. "As long as there are entities competing for new business, Brazos County must be a participant in offering abatements and incentives," said Jones (Lambert 1995:A1).

In May 1995 Sanderson Farms announced that it would build its new processing plant in Brazos County and the new feed mill in adjacent Robertson County (Brown 1995b). The new complex was designed to process 1.2 million broilers per week and add 29 percent to production capacity (Meat & Poultry 1995). Joe Sanderson, Jr. cited market accessibility to the 14 million people

living within 200 miles of Bryan-College Station as the most important factor in the decision to locate in Brazos County. Other criteria in the site selection were local economic conditions and pro-business attitude, the residents' reception to the company, and available resources such as utilities, potable water, and labor. According to CEO Sanderson, the new complex is designed to provide "maximum marketing flexibility" through the production and processing of branded products, as well as value-added products, for both retail and food service market segments (Logan 1995). At full staff, the operation will employ 1,400 workers, making it the largest non-governmental employer in the county (Taylor 1997).

Sanderson Farms was promised more than \$600,000 by local governments, in addition to city and county tax abatements. It was also given 11.62 acres in the Bryan Business Park for its hatchery site. While some consumer and environmental activists opposed the location of the plant and the incentives provided to locate in Brazos County, supporters predicted that the city's investment in time and money would pay off. Opponents argued that the poultry litter contained arsenic that would contaminate local soils and water bodies. Other issues included concern over airborne stench and the fact that the poultry processing jobs were low paying and would bring an influx of workers that would strain the social services of the community (Taylor 1997).

The Sanderson Farms hatchery opened in late 1996, followed by the feed mill and the processing plant in early 1997. After opening a second processing line at the same location in mid-1997, the plant reached its full first shift capacity of 650,000 birds per week. With double shifts of both lines operating, the plant has a capacity of 1.2 million birds per week. At full operation, the complex will support about 85 independent contract producers operating 48 breeder houses, 24 pullet houses and 320 broiler houses. The Texas complex provides Sanderson Farms access to the large and growing Texas market as well as allows it to better serve customers in the Southwest and West Coast (Sanderson Farms 1999b). Bob Billingsley, director of development for Sanderson Farms, said the entire Brazos Valley community would benefit from the company. "We feel it is our role as good corporate citizens to be a vital part of the community," Billingsley said (Krinsky 1998:E1). Then Texas Agriculture Commissioner Rick Perry (now Governor of Texas)

commented, “One of the very wise things Sanderson Farms did was work close with the community leaders before settling on Bryan-College Station. It will pay huge dividends for them” (Krinsky 1998:E12). In their 1999 Annual Report, Sanderson Farms states that “one tradition that has been adhered to through the years, regardless of location, is a mutually beneficial relationship between Sanderson and the communities in which we work” (Sanderson Farms 1999a:11).

The Leon Country Environmental Group

While the processing plant is located in the Brazos County Industrial Park, the growout barns are spread throughout nearby Leon, Madison, Grimes, and Robertson Counties. Broiler growout barns are typically 40 ft. wide by 500 ft. long and house about 30 thousand broilers. Each barn costs about \$125,000 with 4 to 26 barns per site. The average size operation of 8 barns requires a \$1 million investment. The contractor arranges for the contractee to secure building loans. The contractee mortgages their land to borrow money to construct the growout barns. The contractor is responsible for delivering the day old baby chicks to the contractee, providing the feed and veterinary services, and picking up the birds for processing (after 40 days). The contractee is responsible for housing costs, water, electricity, and labor (including picking up and incinerating the “deads,” monitoring the watering and feed devices, and litter disposal). The contractee is paid by the amount of weight the birds gain, a factor that is greatly impacted by the number of birds still alive at the end of the growing cycle.

Some of the first barns to go up were near Normangee and Flynn in Leon and Madison Counties. In the spring of 1998 “12 to 15 couples joined together to discuss the problems of the influx of chicken barns in the area” (Abernathy 2000). Mr. Abernathy lives near Flynn and had already seen six broiler houses erected “in his backyard.” The main concern of the group was to determine how many houses were going up in the area as they were already having problems with odor, flies, and increased respiratory problems. At the first meeting they decided to call themselves the “Normangee Group.” Officers were elected and each family contributed \$100 for expenses such as mailings and newsletters (Abernathy 2000).

In June 1998 the Normangee Group retained a lawyer to try to stop the construction of some proposed chicken barns. The attorney sent a formal letter to the contractee stating that his clients were concerned about the possible negative effects of the broiler barns on their lives and demanded that the contractees “cease and desist all plans” to build the broiler barns. These effects included: foul odors that will drift across the neighbors property on a daily basis; a dramatic increase in the fly population due to the increase in chicken litter; dust from the feed and litter being blown on the neighbors’ residences on a regular basis; and various noises such as cackling chickens, alarm bells and whistles installed in the poultry houses. In combination, the consequences of these effects “will be that my clients will have to suffer substantial physical discomfort, annoyance and inconvenience in using their own homes, and the market value of their home and property will be diminished significantly” (Bennett 1998a:1). Furthermore, the neighbors’ health will be put at risk as a result of the long-term exposure to the barns (Bennett 1998a). In response to this action, a Sanderson Farms lawyer contacted the Normangee Group lawyer and informed him that the contractees were moving forward with construction and that “Sanderson Farms would provide legal defense for this particular grower and anyone else who is sued for constructing houses” (Bennett 1998b:1).

In July 1998 a representative of The Normangee Group wrote a letter to State Representative Steve Ogden complaining about the odors of the chicken houses in Leon County. The response letter acknowledged the request for investigation and turned the issue over to Texas Natural Resource Conservation Commission (TNRCC). A TNRCC representative was sent to Leon County to investigate the alleged odors and concluded that the growers were in compliance with the environmental regulations according to Texas standards. But the representative then stated that “herein lies the challenge. The current odor regulations in Texas are subjective – no benchmark exists by which to measure the severity of or harm created by a particular odor... any new regulation must balance the legitimate and competing interest of two groups: private property owners and private citizens” (Ogden 1998).

The Normangee Group held regular meetings, started a newsletter, and through word of mouth grew in numbers. The group

decided that in order to include everyone in the Leon County area that they would change the name to the Leon County Environmental Group (LCEG). New officers were elected, members wrote letters to regional and national news programs, and placed ads in local newspapers (LCEG 1998a). At this time their attorney reported back to the group regarding the proposed lawsuit. Due to the unknown costs associated with a protracted lawsuit in which Sanderson Farms would provide legal support for its contractees, as well as the uncertainty of the potential outcomes, the LCEG Group reluctantly decided to not pursue the lawsuit (LCEG 1998b). The LCEG renewed its letter writing campaign to state political representatives but all of the letters were forwarded to TNRCC. TNRCC responded to each letter and suggested that the group contact the Texas Department of Health regarding fly infestation concerns and local authorities for noise-related issues (Saitas 1998).

In late September 1998, the “Poultry Summit” was held in Leon County to address the concerns of the LCEG. It was attended by State Senator Steve Ogden, county commissioners, county judges, local growers and representatives from the local state representative’s office, Sanderson Farms, the Texas State Soil and Water Conservation Board, the U.S. Natural Resource Conservation Service, the Texas Poultry Federation, and the TNRCC, along with local and surrounding county news media. Issues discussed were the odor, flies, noise, property values, stockpiling of manure and the response time for complaints to the entities listed above. Even though all of these issues were addressed, nothing was resolved and Senator Ogden closed the meetings with comments on potential solutions such as limiting the number of houses within an area and having only one agency monitor all the problems (Johnson 1998; *The Normangee Star* 1998).

Texas for Responsible Poultry Production

In early January people from Madison and Grimes Counties increasingly attended the LCEG meetings to discuss the risks associated with poultry production in their areas. The LCEG members decided that to be inclusive and represent all Texans, they would change their name to Texans for Responsible Poultry Production (TRPP) (Abernathy 2000). Each county was represented as a “chapter” of

TRPP. Andre Dean, a member of the Madison County chapter, commented that there were rumors of a chicken farm coming into their neighborhood. According to Dean (Dean 2000):

We had heard of a bad situation with chicken farms in Leon County and some of us went to their meeting in December 1998. That was the spark to get going or we would suffer their fate of 12-24 chicken houses within 1 mile of this little community of 12 homes near Jewett that was under a nasty cloud of stench and flies, and valid concerns for the future of massive build-up of chicken manure with the real health concerns for our future. Concerns were stench, fly infestations, health concerns, lack of any enforceable controls or constraints by any government agency, inability of private citizens to sue for redress by state law protecting all agricultural projects from lawsuits after their first year of operation, manure run-off and loss of enjoyment of our own property as a violation of our 5th and 14th amendment rights to property.

Along with the new name change, new goals were set for TRPP. These goals were directed at changing legislation for poultry operations such as removing the AFO/CAFO distinctions for poultry producers. Broiler operations were considered animal feeding operations (AFOs) because of their dry manure system and were not subject to the stricter regulations associated with confined animal feeding operations (CAFOS) with liquid manure systems and stronger waste management regulations (LCEG 1999).

After several trips to visit state legislators to express their concerns, TRPP members decided to draft their own legislation - the Enjoyment of Private Property Bill. They sent a draft of the bill to State Senator Ogden and asked him to provide recommendations for improving the bill. Primary concerns addressed in the bill were (1) for the nuisance protection of poultry growers to be remanded, (2) for nuisance to be defined by law, (3) for the establishment of an odor tolerance zone, (4) for mandatory setbacks from neighboring properties, and (5) that a permitting processing be required for

licensing of the broiler barns. They also asked Senator Ogden to sponsor the bill in the Texas legislature (TRPP 1999a).

In April 1999 Senator Ogden and other state legislators included a rider in the Appropriations Bill calling for \$100,000 in funding to conduct a statewide assessment of poultry operations. The rider provided funding for research to be done by the TNRCC and Texas A&M University on minimizing odor emissions and arsenic contamination from poultry facilities and finding the best method for taking corrective action when nuisance odors are confirmed (TRPP 1999b). TRPP stated that this rider may help the growers, Sanderson Farms, and the neighbors come to a “workable solution to what is considered a serious threat to the enjoyment of life and property...some of our most fundamental rights under the constitution” (TRPP 1999b:1). In May the Enjoyment of Private Property Bill was hand-delivered to two Senators and five Representatives prior to the meeting of legislature, along with over 1000 citizens’ signatures. Although lauded by the legislators as an example of citizen democracy, the bill was not introduced for a vote of the legislature due to insufficient time to mobilize the necessary support. Senator Ogden assured the TRPP members that the utmost attention would be given to the matter of poultry operations and that the rider study would look at all sides of the issue, not just the side of Sanderson Farms, the growers, or the TRPP group (TRPP 1999b).

Citizens Against Poultry Pollution

In their first meeting of 2000, TRPP asked political candidates to attend and discuss their positions on the growth of the poultry industry in the region. Most candidates said they were not aware of the extent of the growth of the industry in the “out counties” and expressed their “concerned about the proximity of the chicken houses to populated areas and about property devaluation” (TRPP 2000:1). At this meeting an executive board was elected including one representative each from Leon, Madison, Robertson, and Grimes Counties and one for the North Texas Chapter and the East Texas Chapter. The Chairpersons of each group meet each month and report back to their respective groups. The entire group meets every three months. It was also decided to change the name of the

group to Citizens Against Poultry Pollution (CAPP) to remedy a perceived confusion regarding the meaning of TRPP (some people felt that the name suggested a group that was in favor of poultry production)(TRPP 2000). The CAPP members renewed their commitment to use the legislative process to change state laws related to the regulation of the poultry industry and the protection of their private property rights (CAPP 2000a).

In the summer of 2000 the results of the research funded by the rider were announced. CAPP was very disappointed with the results of the study done by the TNRCC and Texas A&M University. CAPP felt that the study report was only an extensive literature review and did not contain a substantive research dimension (CAPP 2000b). CAPP argued that while the TNRCC had done some air testing at one site in Madison County, the testing was useless because there were no chickens at the facility when the testing was conducted (CAPP 2000c).

As a result of the increased controversy over the possible negative water quality impacts of the growth of large scale poultry operations, in early 2001 legislation was proposed and passed that required that each person who owns or operates a poultry facility design, submit, and implement a water quality management plan (WQMP) to protect the natural resources of the State of Texas (Telicon 2001). The CAPP group welcomed this legislation but felt that it did not go far enough as it did not address other important issues such as air quality and property values (Hagerbaumer 2001). At this time, CAPP continues to pursue its legislative agenda for stricter regulation of the poultry industry.

Global Sourcing, Legitimation Crises, and Resistance

The events of the case presented above speak directly to the issue of globalization and its consequences to local communities. The improvement in socio-economic conditions in Texas in the past decade has been promoted through free-market oriented policies, deregulation, and the fostering of a pro-free-market cultural climate (see Bonanno and Constance 2000; Constance and Bonanno 1999b). Doing business in Texas meant to “play the corporate game” because for local communities this action “pays good dividends.” This was the socio-cultural terrain that attracted Sanderson Farms to

Texas as the base of its “second phase of expansion” to service regional, national, and global markets in a more flexible manner. In this respect Sanderson Farms followed the globalization strategy of global sourcing as it sourced a supportive business climate (tax and land incentives), cheap land and labor (mostly Hispanics in the processing plant), lax regulations (no planning and zoning in rural areas and weak regulations regarding the broiler barns), abundant water and feed, and access to large consumer markets (14 million consumers within the Houston – Dallas/Ft. Worth – San Antonio triangle). According to CEO Joe Sanderson, consumer access was the “most important” reason to locate his new “maximum market flexibility” complex in East Texas, followed by pro-business attitude and available resources (utilities, potable water, and labor). The Brazos County officials’ language regarding the incentives package to attract Sanderson Farms highlights a competitive market that favors the firm over the community (i.e. that ability of TNCs to play one community off another one to get the best deal). In defending the tax abatement, the Brazos County Commissioner commented, “In today’s way of doing business, if you don’t play the corporate game you lose out”(Lambert 1995:A1). The county judge added, “As long as there are entities competing for new business, Brazos County must be a participant in offering abatements and incentives” (Lambert 1995:A1).

The events of the case also reveal the problematic nature of this business project. A common theme in both the structuralist and critical perspectives is the decreased ability of the state to mediate the negative aspects of globalization (the post-modern view does not deal directly with this issue). Friedland (1991) and Constance and Bonanno (1999b) discuss the three functions of the state in supporting socio-economic development (see also O’Connor 1973). The first function is economic accumulation. The state must provide a favorable business climate to attract and maintain economic investment (and hence, economic growth, jobs, and taxes). The second function is societal legitimation. While the state must provide the business climate conducive to attract investment, the citizens must perceive these investment strategies as legitimate. For example, if the populace views the development strategies as too detrimental to the local area, the state suffers a legitimation crisis. The final function of the state is mediation. The state must mediate conflicts that

arise between opposing social groups regarding economic development strategies and possible legitimization crises.

Although Sanderson Farms' project succeeded at the level of accumulation as it moved from the 13th to the 7th largest broiler firm in the United States, it failed at the legitimization level. While receiving cooperation from the upper strata of the State of Texas, the city of Bryan, and Brazos County representatives, they did not contemplate the extent of discontent in the rural areas where the broiler barns were located. Rural residents defined the broiler barns as an illegitimate form of economic development that was detrimental to their health, soil, water, and air natural resources, community cohesiveness, and property values. In their view, they neither benefited economically from the project nor saw Sanderson Farms as adhering to its stated tradition of a "mutually beneficial relationship between Sanderson and the communities in which we work." In their attempts to resist the expansion of the broiler industry, rural residents formed a social movement group and used a variety of strategies such as lawsuits, letter writing campaigns, political lobbying, and self-designed legislation to try to protect their interests. As the rural residents became more frustrated in the efforts to get redress through political channels such as state politicians and TNRCC officials, the resistance group grew in three years from twelve families to a statewide organization with an active legislative agenda. Although the state did try to mediate the controversy by dispatching TNRCC employees to measure the levels of odor pollution, participating in the "Poultry Summit," providing monies in the form of the "rider" to study the issue, and passing the "WQMP" legislation, these actions were viewed as inadequate by local residents.

The events of the case tend to provide more support for the structuralist view than the post-modern view. Although a locality-based social movement group did organize to counter the business development project, Sanderson Farms quickly and successfully countered this action. For example, the Normangee Group dropped the lawsuit against the grower when Sanderson Farms retaliated that "it would provide legal defense for this particular grower and anyone else who is sued for constructing houses." Similarly, the case illustrates that under the globalization project state powers have been greatly reduced and/or transformed to accommodate capital

mobility. Using the rhetoric that it was “the corporate game” and there was no choice but to “play it” or “lose out,” the political and economic officials intervened significantly to protect corporate interests while only marginally, and unsatisfactorily, addressing the concerns of local residents. The assistance provided to Sanderson Farms in the form of economic incentives, the lack of support for regulation of AFOs, and the inadequacy of the state-promoted scientific study of the environmental issues are all indications of the limits that the local state encounters in mediating conflicting demands.

The critical perspective provides a valuable middle ground to evaluate the case. Although political and economic elites were successful in convincing Sanderson Farms to locate its second phase of expansion in East Texas, the fact that the economic development project was contested as local rural residents rose up in opposition highlights limits encountered in the globalization of the agri-food sector. While not the victory that the CAPP group might prefer, the WQMP legislation can be seen as an attempt by the state to accommodate the forcefully articulated discontents of local residents. More specifically, although continuing to perform its accumulation function through support of the broiler industry, due to the actions of the local social movement group the state was forced to address the legitimization crisis and mediate between oppositional social groups. This process can be viewed as a contested terrain where the battles over the future form of the global agri-food system are carried out.

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