

By Steve Miller, RealClearInvestigations
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RealClear Investigations

MOUNT OLIVE, N.C. – The image of modern hog farming is a far cry from "Charlotte's Web" or "Babe" or the halcyon Hollywood days when Dorothy took a tumble in the pigpen. Figuratively speaking, the industry sure isn't in Kansas anymore.

Lately, especially here in North Carolina, it has been better known for fetid, industrial-scale pools of sludgy pig waste called hog lagoons and the horrid stench from them wafting downwind – prompting dozens of angry and costly environmental lawsuits.

At least, that was the sorry reputation of the business here until a new myth-making machine kicked into gear. Welcome to the brand-new good old days of homespun American pig-raising - - brought to you in part by the Chinese.

Since 2015, a group called NC Farm Families has spun a benign image of hog farming, availing itself of millions of dollars in TV, radio and social media advertising with the help of Virginia-based Smithfield Foods, the world's No. 1 pork processor and hog producer, which was acquired by Chinese meat and food processor WH Group in 2013.

The effort – think Jimmy Dean, not Chairman Mao -- offers insights into consolidating global agribusiness and the lengths taken to fend off environmentalists' onslaughts and make locally acceptable the unpleasant byproducts of voracious world appetites. China, which has scoured the globe for natural resources and consumes half the world's pork, is more dependent on imports of the meat since the outbreak last year of highly contagious African swine flu among its own herds, with the complication that it's in a tariff war with the U.S.



NC Farm Families today has a Facebook page with 24,000 likes, a Twitter account and lifelong Mount Olive family farmer Chad Herring at its helm -- "to give farmers a voice" against 26 federal lawsuits starting in 2014 filed by more than 500 neighbors and environmental groups against scores of hog farms. Green groups, including Robert F. Kennedy Jr.'s Waterkeeper Alliance, opened a second front in the campaign with billboards, videos and social media designed to frame the state's \$11-billion hog-farming industry, and Smithfield especially, as polluting piggy profiteers.



: “Farm families all said, combat this.”

Top photo: NC Farm Families

In response to the continuing, years-long litigation, farming interests grabbed not pitchforks but more subtle image-cultivating implements.

“Farm families all said, ‘We need to combat this,’” Herring said while sitting at his kitchen table overlooking a wide, landscaped backyard that leads to barns of hogs and feed silos and, farther back, to the woods where he played as a kid. “So, we formed with a combination of money from pork producers, farm families and local businesses.”

For TV spots they brought on **McLaughlin & Associates**, a New York-based shop that has burnished the profiles of corporate giants from Amazon to Exxon/Mobil.

“Hog farmers aren’t perfect, but they’re honest and they work hard,” proclaimed one of its ads. The group's website features a 14-minute video titled **“Collateral Damage: A Farm Family Under Attack.”** Listed on the site as supporters are Smithfield along with local insurance agents, farm suppliers and chambers of commerce.

Emails from the litigation files show that early on Smithfield was focused on being portrayed as the benefactor of hard-working men and women who tend to nature’s bounty. Within a year, NC Farm Families was registered with the state and headquartered at Smithfield’s Corporate Hog Production Division in Warsaw, N.C.



Web banner for NC Farm Families. Smithfield's Chinese parent issued a qualified denial of involvement.

NC Farm Families

In one email, Smithfield public relations officer Keira Lombardo said not to expect much from actual farm families in terms of financial contributions.

“Based on past experience with growers, it is predicted that grower contributions will make up a negligible amount of the required funding and should not be counted on very heavily,” she said in the email to Smithfield CEO Ken Sullivan.



Sign in Duplin County, N.C.
Investigations

Another chunk of funding came from the North Carolina Pork Council, an association whose board -- like the NC Farm Families board -- is composed in part of Smithfield employees, former employees and contractors.

In an emailed statement, Chinese owner WH Group issued a qualified denial of any connection to NC Farm Families: “Any statement that WH Group or its representatives have had any involvement with NC Farm Families (NCFF) is patently false. WH Group has never had any involvement with NCFF.” But the statement went on to say: “Smithfield Hog Production Group” -- owned by WH -- “on the other hand, has joined with dozens of other hog production companies, farmers, and individuals across North Carolina in supporting NCFF.”

Tom Butler doesn't buy the image-making effort. He rejected an offer to join NC Farm Families and runs an 8,000-pig farm as a contractor for Smithfield competitor Prestage.

“It's a sham,” he said. “It's this romanticizing of the family farmer, this Paul Harvey thing, the backbone of the nation and provider of food. They use this unethically.”

What Is a 'Family Farm'?

Behind the authenticity debate is deeper issue: Just what constitutes a family farm in an era of globalized agriculture?

The family farm, regardless of how it is defined, is larger today. Between 1997 and 2017, the number of farms in the United States of over 2,000 acres increased 25%, according to the [2017 U.S. Census of Agriculture](#). Between 2002 and 2017, the number of corporate-owned farms increased almost 50% while family farms declined 20%.



View next to a farm in North
Carolina.

Economies of scale; big corporate buyers of farm products from corn to cows; and generations of land accumulation have sealed the deal. What might seem a quaint mom-and-pop farm amid amber waves of grain is more likely to employ dozens working with hundreds of thousands of dollars' worth of high-end gear. Often that comes with corporate backing. Smithfield itself began as a family business in the Virginia town of that name in 1936. Back then all meat was required to be cured and treated within the town's boundaries. Smithfield Foods now calls itself a “global food company” with a \$15-billion roster of stalwart American brands including Eckrich

Press, Zach Frailey

Smithfield's American brands including **Embroider**, **Farmer John** and **Armour**.

Such changes have created a new American farmland, in which profits and large scale overshadow personal connections to the soil or community, said John Ikerd, professor emeritus of agricultural and applied economics at the University of Missouri Columbia.

“These are family businesses, not family farms,” he said. “These operations do not reflect the family other than that they have chosen that way to make some money.”

Pork is particularly suited to large-scale operations like Smithfield’s, said James MacDonald, chief of the Structure, Technology, and Productivity branch of the U.S. Department of Agriculture.

“Hog farming needs substantial economies of scale,” MacDonald said, and that means production by many farmers under contract. Hogs produced under contract to big companies nearly doubled from 34% in 1996 to **63% of total production in 2017**.

And so traditional farm-raised pork is increasingly rare. Between 1990 and 2011, control over pork production in the U.S. by the four largest firms doubled, with Smithfield at the top.



gs in Farmville, North

Broome, File

In North Carolina, second to Iowa in the U.S. in **hog population**, there were 23,000 hog farms in 1969, with an average of 54 pigs per farm. Today there are 2,300 farms, with an average of 3,900 hogs per farm.

Yet nostalgia for the family farm can still be used as a powerful marketing tool.

“Smithfield is ultimately the one calling the shots on these farms,” MacDonald said. “But it is certainly in their interest to say, though, that these contractors are family farmers.”

Smithfield has a stronghold in North Carolina’s pork sector through contract arrangements that pay local livestock farmers a set fee per head, roughly \$7 per pig (see a contract **here**).

Smithfield provides the hogs and feed to local farmers many of whom come from true farm

Smithfield provides the hogs and feed to local farmers, many of whom come from the farm families with generations of agriculture in their heritage. The farmers own the land and can take on debts of \$250,000 or even \$1 million to build the hog sheds and other infrastructure, including the waste disposal lagoons -- man-made outdoor earthen basins where manure is pumped for storage and treatment. Installations must be built to Smithfield specifications and the farmers are required to follow the management dictates set by the company.

Farmers are paid per animal based on a complicated formula that takes into account the amount of feed it takes to get each hog to a certain weight. If a hog dies during raising and before being shipped to Smithfield for slaughter -- the fate of roughly 3% of pigs -- the farmer takes the loss and gets paid nothing.



on hog waste in

“These production contracts have made many people unhappy,” said Mary Hendrickson, a professor of rural sociology at the University of Missouri, who has studied consolidation in agriculture. “They have loans on these buildings and on the land and anything else they’ve been required to install. They have to pay those loans back, and they can’t be making that much money.”

Such financial constraints tether farmers to the company providing the livestock, she said, “so you won’t hear a farmer talking bad about the integrators, or they won’t get any animals.”

Broome, File

Andy Curliss, CEO of the N.C. Pork Council, disagrees. Although Smithfield’s contracts stipulate many details, he said, the farmers are still in charge.

“These guys own their land and own their farms and to suggest they aren’t calling their shots, those are the kind of things that offends our farm families,” Curliss said.

Marching to ‘Chinese Orders’

The acquisition of Smithfield was not just a business deal; it was also a reflection of the Chinese government’s strategic interests.

Since the early 1950s, the government has issued a series of five-year plans for development. These plans have become increasingly outward-looking in recent decades as China has sought more global influence.

China is “very supportive of expansion into other countries.”



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Chinese owner of
ods.

China is very supportive of expansion into other countries, said Phil Howard, an associate professor in the Department of Community Sustainability at Michigan State University, who studies the international business of food. “And the governments finance many of these purchases.”

The purchase of Smithfield by WH Group for **\$7.1 billion in 2013**, anticipated the five-year plan adopted in 2016, said Usha Haley, a professor of international business at Wichita State University, who studies Chinese business.

“In that plan, China highlighted its commitment to increase lower-value agricultural imports, including pigs and hog feed,” she said.

In addition, it provided China with another source of pork.

“With the Chinese, there is this degree of opportunism that led to this sale,” said Haley, who was an outspoken critic of the deal. In 2013, she advised a **Senate committee vetting the transaction** that “[WH Group] Chairman Wan Long ... has been a member of China's National People's Congress, a national-level legislature that meets once a year to formalize measures proposed by leaders of the Chinese Communist Party.”

Today, Haley continues her crusade.

“There is this feeling of a broad strategy, which is that they are looking for world dominance,” she said. “They overpaid for Smithfield to get their foot in the agriculture sector and to gain access to the branding and technology.”

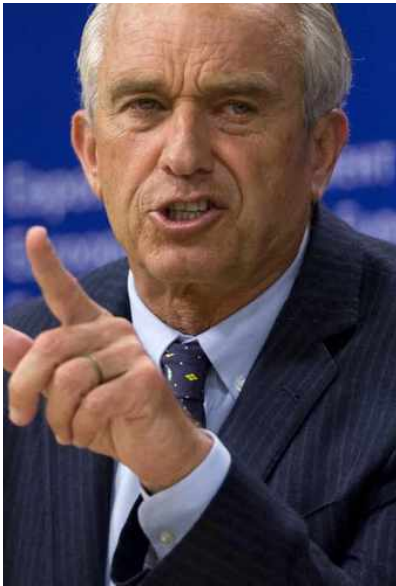
Under Chinese ownership of Smithfield, she said, “WH Group will have influence on all major decisions. Everybody will march to Chinese orders.”

More Sophisticated Opposition

When WH Group purchased Smithfield six years ago, it also acquired neighbors' complaints over foul odors and pollution. Plaintiff legal victories, however, were rare.



But just as Chinese ownership reflected the changing landscape in agriculture, new court challenges reflected environmental groups' growing legal and tactical sophistication



Robert F. Kennedy Jr.: bête noire of
the hog farmers.
via Mayo

Since the early 2000s the New York-based Waterkeeper Alliance had been firing PR bullets at Smithfield through op-eds, advertising campaigns and social media. Alliance leader Robert F. Kennedy Jr. **declared** that "large-scale hog producers are a greater threat to the United States and U.S. democracy than Osama bin Laden and his terrorist network." Like-minded groups joined his battle, including the Sierra Club, the National Farmers Union and the Animal Welfare Institute.

Then in 2014 came the "out-of-state lawyers," as the NC Farm Families website ruefully **recounts**, including one from Austin, Texas. "As soon as the trial started," it says, "the plaintiffs' lawyer, Michael Kaeske, began hammering Smithfield Foods, telling jurors Smithfield was a big corporation with a lot of money and if it had just spent \$500 million it could have cured the problems with odor on hog farms across North Carolina. Why hadn't Smithfield done that? The answer was simple: Greed."

Jurors in the five lawsuits that have been heard so far **awarded plaintiffs** \$550 million, reduced to roughly \$100 million by the state's limits on punitive damages. Local farmers call the verdicts unfair, arguing they met or exceeded every state environmental requirement.

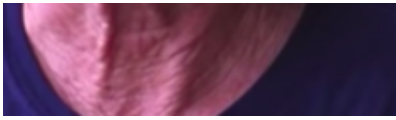
"No juror ever heard the rest of the story," the website **continues**. "Because no lawyer could ask a plaintiff: *You lived beside Billy Kinlaw's hog farm for 18 years and never complained once about odor – until those lawyers from Missouri and Georgia knocked on your door and said you could make money if you joined their lawsuit. Was that a coincidence?*"



Shortly after the first of the lawsuits was filed, Joey Carter, whose farm was named as one of the malodorous offenders, got a visit that seemed to undercut the Chinese claim of detachment from the matter.

It was an entourage led by a Chinese executive from the WH Group along with several Smithfield executives.

Carter didn't catch the name. "He wasn't the highest guy at WH," he recalled, "but he was up the ladder. He spoke real good English."



Duplin County hog farmer
visitor.

shot/NC Farm Bureau

“He wanted to see the neighborhood for himself,” Carter said.
“He stood out there and smelled. Super nice guy.”

WH said in an email that any visits by corporate leaders to North Carolina farms in recent years were not tied to the lawsuits: “To the extent representatives of WH Group may have visited one or more farms in North Carolina, those visits have had nothing to do with either [NC Farm Families] or the ongoing nuisance litigation.”

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