



LSP Myth Buster #11

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

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Myth: *Large-scale factory hog farming creates strong local economies.*

Fact:

Just the opposite is true, according to one preliminary study done on 1,106 Illinois towns. For the study, detailed annual sales tax data covering the period between 1981 and 1997 were obtained for the towns by researchers at Illinois State University. The researchers were then able to track trends in retail spending in these towns, a good sign of the economic vitality of a community.

During the study period, towns of “moderate” hog concentration experienced real per capita spending increases of 1.93 percent annually. Communities experiencing “rapid” concentration in hog production had a real per capita spending increase of 1.2 percent annually (“rapid concentration” communities are those in which the percentage of hogs sold annually by farms with sales of 3,000 or more animals increased by 30 percent or more during the study period). The difference in economic growth was particularly striking in the 1990s, a time when average swine farm size increased dramatically.

The researchers then went one step further to address the

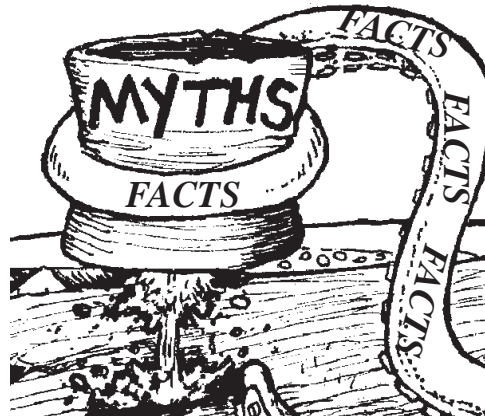
concern that factors other than changing structure in swine production might explain the differences. They developed a statistical model to measure the effect of increasing hog concentration while holding other determinants of a town’s economic growth constant. But it made no difference: the preliminary results of this research confirm that the larger the swine farm, the lower the economic growth.

“The results reject the hypothesis that large swine farming contributes to the vitality of local economies,” wrote one of the researchers, agricultural economist Miguel Gómez. “On the contrary, the several models developed here consistently indicate a negative relationship between large swine farms and economic growth in rural communities.”

More Information

◆ These findings were presented at the 2000 meeting of the American Agricultural Economics Association. A copy of the paper can be downloaded from <http://agecon.lib.umn.edu/aaea00/sp00go03.pdf>.

◆ Miguel Gómez can be contacted at 607-255-8472 or mig7@cornell.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.