

Chapter 8

WHAT RURAL IOWANS THINK ABOUT HOGS

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There is considerable concern in rural Iowa about changes taking place in Iowa's pork industry. The evidence can be found in protests at new production sites, attempts by counties to regulate large operations, constant media reports about possible water contamination and hog odor levels, and numerous letters to the editor.

Missing from the debate has been hard evidence of the opinions of average rural Iowan's about these issues, as well as how these opinions were formed.

In an attempt to fill this gap, the Iowa State University Department of Economics designed and funded a survey in 1997 to study what rural Iowan's think about the hog industry.

The purpose of the survey was to study in a scientific manner if rural Iowan's have weighed the benefits and costs associated with the state's pork industry, and what opinions they have formed.

The survey was conducted by the Iowa Agricultural Statistics office staff. Iowan's 18 years of age or older living in rural areas or in towns of less than 2,500 population were surveyed by telephone. A total of 1,000 people were interviewed.

Here are some conclusions that have been drawn from the survey results, followed by some suggestions developed in response to the survey results.

Conclusion 1. The average rural Iowan is very supportive of an Iowa based hog industry.

		Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
1.1	Iowa should strive to maintain its number one ranking in pork production.	2%	15%	7%	63%	13%
1.2	People who live in rural Iowa should be prepared to accept occasional odors and noises associated with pork production.	3%	14%	2%	69%	12%
1.3	There should be policies protecting owners of pork production units from nuisance lawsuits unless they are habitual violators of environmental regulations.	1%	12%	7%	72%	7%
1.4	Pork production offers opportunities for young farmers to stay involved in agriculture.	1%	11%	5%	73%	10%
1.5	It is better to have some pork production and some odor problems in my community than no pork production and no odor problem.	1%	8%	5%	71%	15%
1.6	Having local farmers raise hogs in their buildings is bad for my community.	17%	73%	4%	6%	0%

Conclusion 2. Iowans realize Iowa's pork industry needs to change and modernize.

		Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
2.1	The pork industry must change to meet consumer demands and global competition.	0%	13%	19%	62%	6%
2.2	Iowa's current pork production policies and regulations allow Iowa pork producers to capitalize on an expanding global meat export market.	1%	16%	31%	50%	2%
2.3	Iowa's current pork production policies and regulations have encouraged the shift to larger pork production facilities. [2,000 or more head	0%	12%	12%	61%	15%

at one site.)

**Conclusion 3.
But lowans are uncomfortable with the changes taking place.**

		Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
3.1	Iowa's current pork production policies and regulations have encouraged absentee ownership of large pork production facilities.	1 %	16%	18%	53%	12%
3.2	Iowa's current pork production policies and regulations have adequately protected the rights of neighboring property owners.	16%	48%	9%	26%	1%
3.3	There should be policies that allow citizens legal redress for nuisances caused by pork production units.	2%	19%	17%	55%	7%

**Conclusion 4.
lowans want some regulatory changes to deal with their concerns.**

		Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
4.1	It is better to have local control of pork production in my community even if this reduces Iowa's share of total U.S. pork production.	1%	26%	14%	54%	5%
4.2	Regulations should be used to reduce pork odors in my community even if this reduces income in my community.	1%	29%	13%	52%	5%
4.3	Uniform statewide regulation of pork production is better than standards that differ among local areas in Iowa	1%	20%	17%	57%	5%

**Conclusion 5.
lowans tend to favor pork production as long as it is produced by people they know who follow environmentally -safe management practices.**

		Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
5.1	Absentee ownership of pork production is bad for my community.	1%	23%	7%	53%	16%
5.2	Regulations should be used to restrict outside investors from raising pork in my community even if this reduces income in my community.	1%	26%	12%	54%	7%
5.3	Regulations should be used to prevent large-scale pork production facilities even if this reduces income in my community.	1%	29%	11%	54%	5%
5.4	Regulations should be used to restrict corporate pork production even if this reduces income in my community.	1%	24%	11%	58%	6%
5.5	It is better to have small family owned pork production facilities in my community even if they produce more odor than large corporate pork farms.	2%	27%	10%	53%	8%
5.6	Pork production odors are worse than poultry or cattle production odors.	4%	41%	9%	330/6	13%

**Conclusion 6.
lowans believe that, if properly managed, large pork production facilities can protect the environment.**

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
6.1 If properly managed, large pork production facilities can protect the environment and encourage economic growth.	1%	19%	7%	67%	5%

Conclusion 7.

Iowans are less opposed to large facilities if they believe over-regulation will lead to packing plant closings, which will hurt family farmers.

	Strongly Disagree	Disagree	No Opinion	Agree	Strongly Agree
7.1 Regulations should be used to restrict large-scale production facilities even if this means some slaughter plants will close, reducing the number of markets for family owned farms.	1 %	40%	19%	38%	2%

Interpretation and Suggestions

As with any survey of this type, the results are open to interpretation. Here are a few thoughts.

Rural Iowans are prepared to accept certain inconveniences associated with hog production but only so long as they experience an associated economic benefit. Current tensions seem to be related to a perception that "outside" or "corporate" investors do not create as much local economic activity as family-owned facilities.

If this interpretation is correct, then it suggests some common sense solutions. First, production arrangements that coordinate teams of local producers in a way that captures the technical efficiency of large units should find general acceptance, as should franchise arrangements that pass some of the market risk back to the producer.

Second, larger facilities that are not locally owned should emphasize the local benefits that they create. Third, large facilities should make every effort to buy local inputs and employ local labor. Finally, operators of large facilities should keep the lines of communications open with the community, and may want to consider inviting neighbors into new facilities to view the environmental practices that will be used.

One rather surprising result of this survey was that rural Iowans are very protective of existing family-based pork production (see 5.5 and 7. 1). This may explain why new Iowa-based egg producers have found such general acceptance. If this is true, efforts that show how large scale facilities can help smaller family units would help relieve tension.

Can Money Buy Peace?

In an attempt to further understand the tradeoffs rural Iowans are willing to make with respect to the benefits and disadvantages of large hog facilities, two questions were asked concerning the possibility of explicit monetary compensation for living near such a facility. Survey respondents were asked whether they would be willing to accept an annual payment ranging from \$75 to \$4,000 per year to have a large hog facility (1,000, 2,000, or 5,000 head finisher size) located within one-eighth, one-half, one, or two miles from their primary residence.

For those survey respondents who answered "no" to this question, a follow-up question was asked to shed light on why they answered as they did. The respondent was asked to identify one of three reasons for the "no" answer: 1) the compensation was not high enough to offset the disadvantages of the hog facility-, 2) hog lots should not be allowed under any circumstances to locate near residential housing; 3) distrust that the proposed compensation would actually be made.

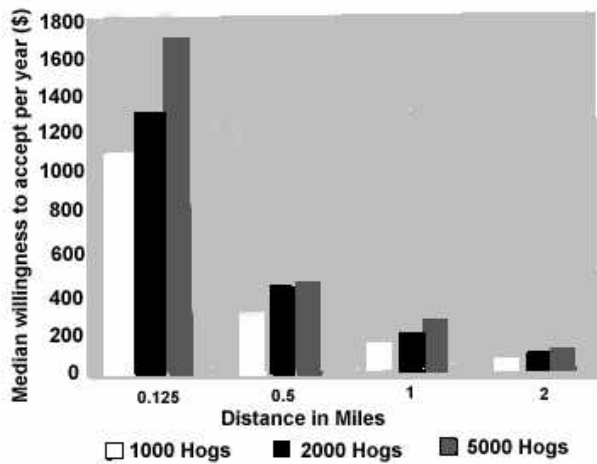
Of the 1,000 survey respondents, roughly 25% answered "yes" to the question concerning monetary compensation in exchange for living near a large hog facility. Of the roughly 75% who answered "no," 24% said the compensation was not enough to offset the disadvantages of the new facility. The remaining "no" answers either did not believe that the compensation would actually be paid (6%) or they felt that hog facilities should not be allowed to locate near residences (68%).

This set of responses shows many rural Iowans simply reject the idea that they can or should be compensated in exchange for locating large hog facilities near their home. They are unwilling to consider the issue in terms of a tradeoff of money for the inconveniences of having such a neighbor.

This may be because they see the issue as one of right and wrong where such tradeoffs are not appropriate. Or it may simply be contrary to their way of thinking about the subject of large hog operations. They may never have considered the possibility of financial compensation for putting up with the disadvantages of having a large hog facility as a neighbor. Whatever the explanation, it appears that many Iowans are unwilling to consider

monetary compensation in exchange for having a hog facility as a neighbor.

For the group of survey respondents who were willing to consider such tradeoffs, Figure I shows the minimum amount of money these respondents would need to be compensated annually to voluntarily accept having a facility located near their home. The numbers are estimates of the median value of the necessary compensation. Of the 461 survey respondents who were willing to consider the idea of compensation, half of them would have been willing to accept the dollar value shown in exchange for living near a hog facility.



The numbers in the graph differ, depending upon the distance the individual's residence is located from the hog facility and depending upon the size of the hog facility. As one would expect, the minimum compensation required for having a facility located one eighth of a mile away is much higher than if the facility is further away. Likewise, larger operations (5,000 finisher size) require more compensation than smaller ones.

There is a very important caveat regarding these numbers. Given the large number of survey respondents who are not willing to consider monetary compensation for the local siting of a hog facility, it would be incorrect to interpret these numbers as representative of the compensation typical Iowans would require or as a monetary estimate of the "damages" imposed on local residents by proximity to hog operations.

However, the general range and relative size of the numbers do tell a fairly compelling story about rural residents' concerns. Specifically, they emphasize the importance of the distance that the facility is located from their primary residence. Respondents require far less compensation for a facility that is even a half mile away from their home compared to one that is only an eighth of a mile away. This has obvious implications for policies designed to determine the location of these facilities.

It is also noteworthy that the compensation exchange for the various sizes of the operation do not differ nearly as much as the differences in compensation required for distance. Thus, rural residents appear to be more concerned with the distance of these facilities from their home rather than the size, although the size is clearly of some concern as well.

Rather than interpret these compensation estimates literally as the monetary payments that operations should compensate local residents, we suggest that they be interpreted as approximate per capita amounts that hog operations might consider contributing to community development projects or other contributions to local areas. In this way, the existence of these operations would clearly bring some benefits to the community in exchange for the perceive actual discomforts they also bring. Examples of community development projects might be parks, youth and/or community centers, libraries, etc. These results also suggest that expenditures on mitigation activities would be quite appropriate.