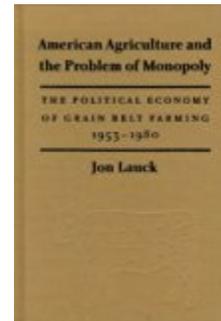


# H-Net Reviews

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Jon Lauck. *American Agriculture and the Problem of Monopoly: The Political Economy of Grain Belt Farming, 1953-1980*. Lincoln and London: University of Nebraska Press, 2000. xiv + 259pp. \$45.00 (cloth), ISBN 978-0-8032-2932-7.

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## AGRIBUSINESS AND MONOPOLY IN MIDWESTERN AGRICULTURE

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Farm men and women have been concerned about monopolies in agriculture since the late nineteenth century. The Grange, Farmers' Alliance, and People's Party particularly challenged the problems created by concentration of capital in industries that affected farmers and the dangers that monopoly posed for the Republic. Although the Democratic and Republican parties, agricultural organizations, and political alliances, known as the Farm Block, attempted to curb the influence of monopolies in agriculture during the early twentieth century, corporate mergers and changes in transportation, marketing and finance as well as government policy often fostered the growth of monopolies after World War II. Few historians, however, have studied the effects of monopolies on the American farmer, particularly in relation to marketing during the late twentieth century.

John Lauck, a professionally trained historian and current law school student, helps fill this scholarly gap in business and rural history by analyzing the nature of agricultural monopolies in Kansas, Nebraska, North and South Dakota, Minnesota, Iowa, Missouri and Wisconsin. These states constitute the grain belt and produce most of the nation's wheat, corn, soybeans, hogs, and cattle. In general, Lauck emphasizes the attempts of the federal government to deal with surplus production and high price supports from the Eisenhower Administration to the election of Ronald Reagan to the presidency in 1980,

the latter of which signaled the beginning of a concerted effort to terminate many farm programs that dated from the New Deal. Much of his story involves the efforts of food processors, meat packers, and export firms to control prices through market control as well as production via vertical integration. At the same time, Lauck emphasizes the work of the National Farmers Organization to counter corporate power by controlling the marketing process for specific agricultural commodities. Lauck also offers an important perspective on the formulation of agricultural policy by showing that antitrust policy since the 1970s has favored corporate mergers relating to agriculture because economists and government officials often consider such actions an efficient use of resources.

Lauck provides an excellent survey of the aggregate concentration of the food processing and meat packing industries to show the advantages of scale based on technology, transportation, and reduced labor costs. He also notes that agribusiness firms have not reaped great profits from the international marketing of grain as most farmers believe and that farmer cooperatives often function as cartels in attempts to control marketing at home and abroad. Lauck is at his best when he discusses agricultural cooperatives in the context of tax-free organizations that compete with agribusiness for the supply and marketing of needed goods and commodities. Many of these cooperatives, such as Farmland Industries, are as diversified as other agribusiness firms, with refineries, feed and lumber mills, fertilizer plants, and canneries, among other enterprises. As a result, the growing

economic power of farmer cooperatives has prompted charges that these businesses are trusts and should be subject to anti-monopoly laws. Other observers, however, considered farmer cooperatives an alternative for marketing and a way to fight agribusiness on its own terms. Lauck is weakest, however, when he perpetuates the idea that farm men and women enjoy superior lives to urbanites. Farm men and women have championed this myth for years. If farm life is morally superior, no farmer has yet called for the mass exodus of city people to the countryside so that they can begin farming and live the good life. They, of course, want the countryside for themselves, while often relying on government programs and off-the farm employment for survival. Lauck is on firmer ground when he suggests that stronger antitrust laws and court actions are needed to prevent greater consolidation of economic power among a few agribusiness.

Overall, Lauck has provided a good survey of the

problems of monopoly in American agriculture during the late twentieth century, although the chapters do not always link and usually stand alone. This lack of unity stems, in part, from the publication of a considerable portion of this book as journal articles. Still, in terms of content Lauck's assessment of the power of agribusiness and farmers cooperatives is knowledgeable, fair, and balanced. Although he clearly supports the efforts of farmers cooperatives to compete with the agribusiness conglomerates, he is quick to note problems among farmers and their organizations. As a result, agricultural, rural, and business historians will find this book informative and useful for gaining a better understanding of the business side of agriculture.

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