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Factory farming and the price of meat

by Harish
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There is no doubt that factory farming in animal agriculture—along with all of the animal suffering that it entails—enables the meat industry to reduce the cost of producing meat. Not surprisingly, it is often assumed without a closer examination that factory farming has been essential to keeping down the price consumers pay for meat. Even when the mainstream media writes a piece critical of factory farming, this tacit assumption often guides the story.

Naturally, when criticized for the abuses of factory farming, the industry sometimes chooses this line of defense. It argues that rolling back factory farming and improving animal welfare will leave it no choice but to raise the price of meat. It claims that the rise in factory farming has been essential to keeping meat as cheap and affordable as it has been.

But, this industry claim is valid *only if* all three of the following conditions hold true:

> *Condition 1:* The cost savings from increased factory farming are actually passed on to the consumers of meat.
>
> *Condition 2:* The cost savings from improved efficiency in operations unrelated to factory farming (e.g., retail) are also passed on to the consumers of meat. (If this condition is not met, it is hard to argue that increased factory farming was *essential* since these other cost savings may have brought the retail price down to the same level without it.)
>
> *Condition 3:* Ways to reduce costs other than factory farming are not ignored so that savings secured with increased factory farming do not just become an excuse to overlook unnecessary inefficiencies in other operations within the industry. (If this condition is not met, as in the case of Condition 2, it is hard to argue that increased factory farming was *essential* to keeping down the price of meat.)

As I will argue in this post, there is no evidence that the meat industry has met all of these three conditions at least since 1980 even as both the intensity and the prevalence of factory farming sharply increased during this period. I begin in 1980 because most of the price data discussed in this post is available only for the period since 1980.

I will consider two of the largest components of the meat industry where factory farming is pervasive: the pork industry which sells the meat of pigs and the broiler industry which sells the meat of chickens.

On the price of pork

I will begin with a peek into the prices in the pork industry at three stages in the economic cycle of the product. One is the *farm price*, the price at which farmers sell the pigs to meatpackers like Smithfield and Tyson for slaughter and processing. The

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