
Interview: Randy Sowers

Maryland Farmer Dumps Eggs, Warns Public of Food Crisis

During the first week of September, Maryland farmer Randy Sowers dumped 12,000 eggs on his farm in Frederick County, in protest of the ultra-low price offered him, and others, by Minneapolis-based Michael Foods, the world's largest egg-processing company, which controls 40% of the U.S. egg-product supply. On Sept. 21, Lawrence Freeman interviewed Sowers at his farm, for a segment to be aired on the TV show, The LaRouche Connection. The following are excerpts from that taping. Sowers, a large producer of milk, as well as eggs and other products, is nationally prominent for his testimony on the U.S. farm crisis, to the June 2000 Ad Hoc Democratic Party Platform hearings.

EIR: You made some news during the first week of September. You dumped over 12,000 eggs in protest here. What caused you to take such a radical action?

Sowers: Well, we've had chickens here for 10 years, and I never knew too much about [market] price eggs because we were under contract for six of those years, where we were paid to keep chickens for somebody else. We found out after about six years, that that's not what we wanted to do. They were telling us what to do, and they were paying us less for keeping their chickens, and they cut the bonuses out, so we decided to put our own chickens in house. This is a \$350,000 investment for chickens.

The first year, we did pretty well on eggs, except that in the beginning, when eggs are small, they don't want to give you anything for them. I think the first flock, we probably took somewhere around 9¢ a dozen for eggs. . . . The second flock turned out to be a disaster, complete. We took a little bit of nothing for eggs in the beginning, and we knew that the price of eggs wasn't going to be good for that two years, because that's what they figured it was going to be, but we didn't know it was going to be as bad as it was.

On the average, last year, from June 1999 to June 2000, we only averaged 25¢ on Grade A large eggs, which is what the market is.

EIR: You were getting paid only 25¢ a dozen?

Sowers: That's what it averaged. Even there, before Christmas—the market between Thanksgiving and Christmas is usually the best, because people do a lot of baking and things like that for the holidays, and the price of eggs is usually pretty

good. But last December, we got 17¢ for those eggs. So I knew then that there was definitely a problem, because they were still \$1 in the store. And they keep hollering about “over-production,” but I never saw where any of the processors were dumping eggs, or refusing to buy them for some price from somebody. If there were too many and they had no use for them, why would they even want to give you 6¢ for them? Because it amounts to a good bit of money after a while at 6¢.

So, we put the third flock in, and they started telling me that it was going to be 6¢, but actually it was 3¢.

EIR: They were going to pay you 3¢ a dozen?

Sowers: Three¢ for the small eggs, yes. They don't grade the eggs in the beginning, and actually, a lot of those eggs are mediums, and there are some large eggs in those, because chickens, in the beginning, lay all different size eggs. They even lay some jumbos. But 3¢ is all we were going to get for them.

It was Monday morning, and I had thought about it all night—we milk from midnight to four or five o'clock, and then we lay back down until nine—so when I got up at nine o'clock, I just started calling newspapers and said, I am going to dump these eggs. They are not giving me enough for them.

EIR: So your contract is with Michael Foods. . . . Did they just break the contract, by saying they were going to pay you 6¢, or 3¢? Is that what happened?

Sowers: Oh, they don't actually give you a contract telling you they're going to pay you, per se, so much a dozen for eggs. They tell you that they're going to pay you on a certain formula. . . .

There are two different prices—there are different regional prices, but there are two different prices on eggs. One of them is a *shell market* price, and one of them is a *breaker market* price.

Michael Foods is a breaker. And what they do is, they break these eggs, and use the liquid. They may pasteurize it and sell it to nursing homes, or they might sell it to McDonalds as egg patties. There are a lot of different things they make out of eggs. Cake mixes have eggs in them, and mayonnaise has eggs. Everything you eat, pretty much has eggs in it, especially if it's a baked good. And a lot of this stuff goes to those people.



Randy Sowers at his farm in Maryland. "We, as independents, just don't have a market anymore to go to, unless we develop our own markets, and that's what's going to have to happen."

And Michael Foods is the biggest one in the country. And ever since we've had a chicken house, the eggs went to that production facility. It was always Papetti, or Quaker State Farms, until Michael Foods took them over about four years ago.

EIR: Do you have a formal contract with them? What did they tell you that they were going to pay you? Is there nothing you can do about it?

Sowers: Well, how they were going to pay me, is an average of what the shell market is. All these processors pay the producers 30¢ back of whatever the market price is that's set in New Jersey, which is usually 60¢ less than what they are retailing for. Then, the breaker price is less than the shell market, so Michael Foods was averaging the shell market and the breaker price together, and that's what it was paying us.

EIR: That came out to be what?

Sowers: Last year, I averaged 25¢ a dozen. The year before it was probably 55 or 60¢ a dozen—or the other flock, not actually a year. A flock lasts almost two years.

Last July, Michael Foods sends a letter and said, you know, we're not going to pay you on that formula anymore. And when he contracts, or gives you a formula, it is for the entire flock. So, what happened is, the breaker price got so far below the shell market price, that he didn't want to pay us that difference, which would have amounted to 5¢ a dozen, which is, you know, a \$100,000 in a year for us, when the production is what we get. So what he did, actually cost me \$100,000.

He said, "We can't honor that formula price anymore. We are going to pay you strictly by the breaker price."

EIR: And that came out to be 6¢ a dozen?

Sowers: Five or 6¢ a dozen. It varied a little bit. I don't know exactly what it was.

EIR: We're talking about less than half a penny per egg here!

Sowers: Yes, but you know, that amounts to \$100,000 in a year.

EIR: So, you just woke up in the morning and said, "I've had it."

Sowers: Pretty much.

EIR: What do you need to get for eggs?

Sowers: To make a decent profit, we would probably have to have 50¢.

EIR: And what are you getting today, Sept. 21?

Sowers: The ones going out of here today, I think we'll probably get around 15¢ for.

EIR: So it's about 35¢ a dozen less than you need to keep the operation going.

Sowers: If they were large eggs, today we'd probably get 40¢.

EIR: In 1999, did you make money, or lose money on your eggs?

Sowers: In 1999, I lost money.

EIR: How much did you lose?

Sowers: Depends on how you figure it. On a normal contract, somebody would pay me \$3,200 a month to keep their chickens. So, I say I lost \$150,000—because that's how much I owe on feed and the chickens yet. But I didn't get anything for my labor, or that does not count the labor we paid somebody else to keep those chickens. That's just the loss on feed and chickens.

EIR: How are we doing in the year 2000?

Sowers: Well, so far, I haven't gotten a check yet from this flock of chickens, and I am sure that I have a feed bill that's probably \$50,000 already.

EIR: A \$50,000 feed bill covers how many months?

Sowers: That's just one month.

EIR: So, you'll have a feed bill of \$600,000 for chickens per year?

Sowers: It'll be a little more than that. It'll depend on the price of feed, and the price of feed right now is pretty low, but I think that's how they price these commodities—by how much our input costs are. Because it doesn't matter what the price of feed is, we just can't seem to make anything off them. We can pay the bills usually. But you would think that when the feed price is cheap, and when the price of eggs in the store is the same, that at least the farmers ought to be able to make money that year. But it seems like the price we receive, and the commodity prices, kind of go hand-in-hand. They kind of go up and down together.

EIR: You also have a modern dairy operation, with around 400 cows. You own 350 acres, you rent another 1,650 acres on top of that, and farm 2,000 acres. So, according to all normal laws of being a productive businessman, and entrepreneur, you've expanded tremendously, you've modernized, you've diversified—you've done everything right. Why are you still losing money as a farmer? Why don't profits in one area, make up for losses in another year by year?

Sowers: If you consider everything, in 20 years I haven't paid a cent in taxes. So I don't know what that tells you; it tells me that I'm not making any money.

EIR: And this is something that the consumers don't understand at all. They just see this food appear on their shelves. And they have no idea of the amount of work and investment that goes into producing food, which you're forced to sell under the price of what it actually costs you to produce.

Sowers: Definitely. And what farmers need from the government and the general public, is to know what is going on out here. Independents like me are becoming an extinct group, because most people are just using their—they're building

facilities and using their land to grow food for mega-corporations. They think that's the way to go, but you're kind of—I'd say, you're just as much a slave as people were slaves back before the Civil War. You have really no say about what's going on. You are responsible for the upkeep of the equipment, the buildings, and you are responsible for all the manure that's produced there. You have to get rid of it. So if there are any problems there, the farmer is responsible, not the guy that actually owns the animals and is making the money off it.

These guys are what you call "integrators," who own the product from the time it is born, until it goes to retail. We, as independents, just don't have a market anymore to go to, unless we develop our own markets, and that's what's going to have to happen. The independent people are going to have to retail their own product. You have to become small integrators, or you can't stay in business.

EIR: What are your milk price losses right now?

Sowers: In 1981, when we first started, we were getting \$14.50 a hundred [pounds] for milk. Today, we're getting \$3 a hundred less for milk than we were in 1981. All last year, we might average \$11.50 for milk, which is about 80¢ a gallon. And when I had somebody come in here in 1981 to work on equipment for me, it costs me \$15 an hour, and today it costs me \$60 an hour. What we paid somebody to haul milk back then was about 30¢ a hundred, and today it's 50¢. Our income has been reduced by 30%. And everything else has gone up 300%.

The price of milk in the stores has probably gone from a \$1.50 to \$1.60 to almost \$3.00 a gallon in that period of time, and we're taking less in for milk now than we did then.

We thought getting bigger was the answer, because it just seemed like it would make sense. We've got the facilities, and we might as well milk more cows, and maybe we'll make a little more profit. But it doesn't work. The bigger you get, the less we get for it. And, with the eggs, and everything else in farming, that's the attitude farmers have taken for the last ten years, but it's not working.

As agriculture gets consolidated into fewer and fewer entities and mega-corporations that buy our product, they try to figure what our costs are, and just try to keep us in business. If there is any money to be made over and above what they think we need to stay in business, they're the ones that are going to make it. They're not going to let us have it.

So, we just started today on a building for processing our own dairy products. And we're not going to let any of this get away from us. We're going to retail it. . . . And the more farmers that can do it, and take our product away from Kraft Foods [owned by Philip Morris], and Michael Foods, and the other corporations that are taking the product from us, the better chance that we have of getting these guys back down to marketing something else besides agriculture products. . . . Because it's not good for the farmers, for sure. And it's defi-

nitely not good for the consumer, because, as soon as they get rid of me, and people like me, and they have complete control of the food chain, you are going to be in the same boat you are with gas and home heating oil, because they're the only people you're going to be able to get it from, and they're going to tell you what you're going to pay, and you're not going to have any choice but to pay it.

EIR: We've estimated that probably well over a million family farmers across the United States have been thrown off the land in the last 20 years. Frederick County, the first- or second-richest dairy-producing county in the East Coast—there was a statistic in Maryland, that a farm is lost every month now. How many farms in this area have gone under in the recent months or years?

Sowers: Well, there's very few of them per se that have gone under. We're farmers whose kids are not interested, because they've seen what their parents have gone through their whole life, and they see what their friends are doing. They are going out and getting these jobs making \$30-40,000 a year—off every other day, and don't have to work Saturdays and Sundays. You know, they say, "Why should we do this? Why should we do this? So what other choice do the parents have? They sell their farm to whoever has the most money—which you can't blame them for that. And most of these farms are developed. We've lost six farms—dairy farms, just in this area in the last six months. One guy, he's like an eighth-generation farmer on the farm: He just woke up one morning and said, "The hell with this. Why should I do this?" So he quit.

EIR: So, you farmers are producing food that people want. You're investing, expanding, working your tails off every day. What's going on here that you guys can't make a living and can't prosper?

Sowers: I think it has to do with educating the people with what really goes on. Food doesn't get manufactured in some kind of a plant somewhere. It's got to come from farmers, and people just don't realize what we go through day to day. We try to educate people. We get a lot of people in here, and we try to tell them what goes on. That was one reason for dumping eggs, because I wanted to be able to show people what actually goes on, and what we actually get for products, and how much they pay for them when they have to go to the store and buy them.

One of the statistics that I've seen lately, showed that the average American farmer was paid an average of \$25,000 in government subsidies last year, and the average farm income was \$5,000. So, every farmer in this country lost \$20,000, that the government gave them just to keep them in business.

EIR: As you pointed out, you feel like a slave.

Sowers: Yes, if we continue to produce and market the way we do. Farmers have to, as I say, become "integrators," and

go right to the general public with it. So we get that difference between the 80¢ that we get for milk, and the \$3 it's bringing at retail level. Or the 10¢ that we get for a dozen eggs, that are bringing 80¢ at retail. We have to take it upon ourselves, which—I'd say is pretty pathetic. We have to go through all the stress—especially in animal agriculture, because animals get sick, animals die. That's a loss that we take. This guy that's taking this product from us, and retail, he doesn't have to worry about that. He's getting a good product. If we don't produce a good product, he won't take it from you. He has a right to accept or reject, whatever you are giving him. And he'll give you what he wants to give you for it.

We should just have to produce it. We shouldn't have to sell it. And, with the difference in what we get for the product, and what it's actually sold at retail, everybody could make a good living. We'd have more farmers. I wouldn't have to have 300 cows, I could have a 100 cows and make a living. And maybe I'd have a life. We could go to the fair. Right now, the Frederick Fair is going on—it's ten days, and I got to go in two hours the other day, to look at the machinery. But that's probably all I'll get to go. Because I have so much work to do, that we just can't get away.

EIR: There is the concept of parity, that was introduced many times the last century. It's whittled down to nothing. Could you explain what the concept of parity is, and what it means to your farm operation?

Sowers: From what I understand of the concept, parity is supposed to guarantee the producer a profit—meaning enough to cover what it costs to produce it, plus to make a fair profit above that. It's never been that way since I've been farming, since 1981.

EIR: Now we're in the election year, do you see any candidates, or any policies coming out from any candidates, that seriously address this issue, or are we just going to get more of the same, and see more family farmers go under, and work themselves to death?

Sowers: If you look at your candidates in your newspaper, and you vote for either one of those, or there's probably three, that you see a little bit about, you've just signed a death warrant for most family farms, I think.

The one candidate that you don't hear anything about is Lyndon LaRouche, whom I met actually 10 years ago. I was kind of skeptical, because of things you heard then, about it. But, I went to a conference in Chicago, and met the man myself, and he told us what his policies were, and what he thought was going on in this country, and it seemed to be the same thing I was thinking. I never heard anybody else say it. I think somebody like Lyndon LaRouche, that has a sense of—what word am I looking for—common sense. There is no common sense in our government today. We need common sense, and common sense could get this all straightened out.

That's where my vote would have to go right now.