

# Review Essay

## Revisiting the History of Agribusiness

### BOOKS:

A Concept of Agribusiness. *By John H. Davis and Ray A. Goldberg* (1957); Nature's Metropolis: Chicago and the Great West. *By William Cronon* (1991); Willard Cochrane and the American Family Farm. *By Richard A. Levins with a foreword by John Kenneth Galbraith* (2000); Insatiable Appetite: The United States and the Ecological Degradation of the Tropical World. *By Richard P. Tucker* (2000); Banana Cultures: Agriculture, Consumption, and Environmental Change in Honduras and the United States. *By John Soluri* (2005); Bound in Twine: The History and Ecology of the Henequen-Wheat Complex for Mexico and the American and Canadian Plains, 1880–1950. *By Sterling Evans* (2007); Creating Abundance: Biological Innovation and American Agricultural Development. *By Alan L. Olmstead and Paul W. Rhode* (2008); Fresh: A Perishable History. *By Susanne Freidberg* (2009); Making Tobacco Bright: Creating an American Commodity, 1617–1937. *By Barbara Hahn* (2011); Empire of Cotton: A Global History. *By Sven Beckert* (2014); Pure and Modern Milk: An Environmental History since 1900. *By Kendra Smith-Howard* (2014); Citizen Coke: The Making of Coca-Cola Capitalism. *By Bartow J. Elmore* (2015); Sugar and Civilization: American Empire and the Cultural Politics of Sweetness. *By April Merleaux* (2015); The Price of Plenty: From Farm to Food Politics in Postwar America. *By Sarah T. Phillips* (forthcoming).

### ARTICLES:

“Breaking New Ground: From the History of Agriculture to the History of Food Systems.” *By Peter Coclanis*. *Historical Methods* (Winter 2005); “Peeling Back the Layers: Vidalia Onions and the Making of a Global Agribusiness.” *By Tore C. Olsson*. *Enterprise & Society* (Dec. 2012); “The World with Us: The State of Environmental History.” *By Paul S. Sutter*. *Journal of American History* (June 2013); “Agribusiness, the Family Farm, and the Politics of Technological Determinism in the Post–World War II United States.” *By Shane Hamilton*. *Technology and Culture* (July 2014).

*Business History Review* 90 (Autumn 2016): 541–545. doi:10.1017/S000768051600074X  
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Reviewed by Shane Hamilton

Nearly sixty years have passed since the publication of *A Concept of Agribusiness* by John H. Davis and Ray A. Goldberg. The book, which circulated widely among agricultural policymakers, business leaders, and academic economists, cemented the neologism “agribusiness” in the English lexicon. By opening up a new discourse for understanding the political economy of agriculture, Davis and Goldberg introduced a potentially revolutionary strategy for exploring the workings of a food and fiber economy anchored by large corporations. After briefly exploring how the book was received (and often misunderstood) in its own time, this essay will consider whether recent historical work has effectively revived the crucial insights Davis and Goldberg offered more than half a century ago.

Political economy, not neoclassical economics, was the analytical mode deployed by Davis and Goldberg in *A Concept of Agribusiness*. The structure of the state and the primacy of political concerns about the fate of rural society were central to the book’s framing, not least because Davis had spent more than a decade in public policy before joining Harvard Business School in 1954. Unlike many conservatives of the time, Davis and Goldberg recognized that New Deal-era farm price supports were entrenched in American politics, and not merely because of “creeping socialism.” According to Davis and Goldberg, “the trend toward governmental assistance to agriculture is the result of inherent weaknesses in the food and fiber economy, rather than merely the consequence of the efforts of socialistic promoters” (p. 23). But unlike many liberals of the era, Davis and Goldberg envisioned a solution to those “inherent weaknesses” that depended upon not state power but corporate power.

At the heart of *A Concept of Agribusiness* lay reams of historical economic data demonstrating the rapid rise to power of corporate players in the agricultural marketplace. Drawing on their Harvard colleague Wassily Leontief’s pioneering work in input-output analysis, Davis and Goldberg systematically explored the ways in which agribusinesses—vertically integrated firms at both the input and output ends of the farm marketplace—were increasingly responsible for determining where foods and fibers were produced, what they cost, how they made their way to consumers, and perhaps most importantly, who received the lion’s share of the economic value being created up and down the supply chain.

Few readers were likely to be surprised by Davis and Goldberg’s findings that corporate entities such as food processors and grain marketing firms were reaping rewards while most farmers’ net incomes were falling. Quite a few readers, however, were surprised at the unabashedly pro-corporate agenda laid out by Davis and Goldberg, who argued that agribusinesses should increasingly take over from the federal government

the task of coordinating and stabilizing the agricultural economy. Among the most dedicated opponents of Davis and Goldberg's concept of agribusiness was the University of Minnesota agricultural economist Willard Cochrane. Cochrane served as John F. Kennedy's farm advisor during the presidential campaign of 1960 and, after the election, as head of the U.S. Department of Agriculture's Economic Research Service from 1961 to 1964. While in government, Cochrane proposed a farm policy more sweeping than most New Dealers would ever have considered: a production-control system using mandatory quotas to limit farm output across the board and thus inflate prices. Quickly labeled "communist" by conservative detractors both in and out of Congress, Cochrane's proposal for strong production controls was dismissed out of hand, making it the last such effort of the twentieth century. Even so, the audacity of Cochrane's proposal illustrates the extent to which many influential liberal policymakers in the 1960s and 1970s insisted that big government, not big corporations, could and should solve the problems of American farmers (Levins, *Willard Cochrane and the American Family Farm*; Phillips, *The Price of Plenty*).

Despite the apparent disagreement, however, Cochrane and Davis and Goldberg shared a crucial insight into modern agriculture: individual farmers, though they might be lauded in popular culture as the backbone of America, were effectively powerless in an economy dominated by agribusiness. But while Davis and Goldberg saw opportunities for harnessing corporate power to reshape the entire food and fiber system, Cochrane insisted upon supply-management policies aimed solely at slowing what he called the "technological treadmill" of ever-increasing production on farms. Cochrane was not the only individual to downplay the most important insight raised by *A Concept of Agribusiness*—that what was happening on the farm by the mid-twentieth century was utterly dependent on what was happening *off* the farm. So many people seem to have missed this point, however, that even today when most people hear the term "agribusiness" they think not of food processors, fertilizer manufacturers, or supermarket chains but instead of large-scale commercial farms.

In recent years, however, a revival of the methodological insights of *A Concept of Agribusiness* seems to be taking root in historical scholarship on agriculture. Two fields in particular—historical political economy and environmental history—are producing influential scholarship that has, frankly, made the study of agriculture a great deal more exciting than it was ten years ago.

Historians of political economy—a group in which I include historians of capitalism, certain economic and business historians, and historically inclined geographers and sociologists—have been at the forefront of

revitalizing agricultural history. At least one of those scholars, Peter Coclanis, explicitly acknowledges his intellectual debt to Davis and Goldberg's book as he completes a study of the global history of rice (Coclanis, "Breaking New Ground"). It seems fair to suggest, however, that relatively few historians of political economy are as familiar as Coclanis is with Davis and Goldberg's writings. Nonetheless, there is strong appeal in an agribusiness approach for those scholars seeking systematic narratives and explanations for transformations in food and fiber production and consumption. Some of the most influential recent scholarship in the field has focused on a particular agricultural commodity to enable systematic yet readable explorations in political economy. Sugar, cotton, Vidalia onions, and bright-leaf tobacco are among the commodities that have recently served as subjects for scholars seeking to treat production and consumption as co-constitutive forces in the agricultural economy. These works have effectively united otherwise disparate fields including labor history, science and technology studies, cultural history, and business history (Merleaux, *Sugar and Civilization*; Beckert, *Empire of Cotton*; Olsson, "Peeling Back the Layers"; Hahn, *Making Tobacco Bright*). Whether the market will bear additional single-commodity studies in the future is an open question. More thematic approaches—such as Susanne Freidberg's investigation of the history of food "freshness" or Alan Olmstead and Paul Rhode's examination of the impacts of biological and chemical technologies on the industrialization of agriculture—have provided influential examples of how to frame a study of agricultural history that takes off-farm economic activity as its starting point (Freidberg, *Fresh*; Olmstead and Rhode, *Creating Abundance*).

Environmental histories of agriculture offer a second highly productive adaptation of the systematic analyses advocated by Davis and Goldberg. Environmental historians, presumably unintentionally, have been among the most successful in adapting the agribusiness approach to the history of agriculture. No doubt this is due in part to the importance environmental historians place upon consumption. For many years, agricultural historians could content themselves with ignoring marketing issues, consumption theory, and urban history, but the 1991 publication of William Cronon's *Nature's Metropolis* ensured that environmental historians could not easily do the same. Two recent environmental histories of food and agriculture clearly influenced by Cronon's work are Bartow J. Elmore's *Citizen Coke* and Kendra Smith-Howard's *Pure and Modern Milk*. Crucial to both books is a recognition that the "environment" in environmental history includes not only the physical world, but also what Cronon influentially described in Hegelian terms as "second nature," or the human-built world. For Elmore and Smith-Howard, corporations were crucial actors in the environments in which sugar, caffeine, coca,

milk, and butter were produced. The business environment and the natural world co-constituted each other. Coca-Cola's network of bottlers and chain-store purveyors of branded butter, among other powerful firms, transformed sites of agricultural production as they sought to create and cultivate consumer markets. The theories and methods of environmental history range far more widely than the approach used by Davis and Goldberg in *A Concept of Agribusiness*, but undoubtedly draw on similar assumptions about the inherent intertwining of production and consumption. Taking a bird's-eye view, as environmental histories of agribusiness are wont to do, furthermore strongly encourages a transnational approach to research, apparent in the work of scholars including John Soluri, Sterling Evans, and Richard Tucker (Soluri, *Banana Cultures*; Evans, *Bound in Twine*; Tucker, *Insatiable Appetite*). A useful essay that explores the current relationship between environmental history and agricultural history is "The World with Us: The State of Environmental History" by Paul S. Sutter.

Contemporary historians are thus productively, if unwittingly, engaging with the ideas presented in the 1950s by Davis and Goldberg. Of course, today's approaches to agribusiness make important departures from the model advocated in *A Concept of Agribusiness*. For one, few scholars today would accept the technological determinism that undergirded the historical narrative of agricultural change in Davis and Goldberg's book (Hamilton, "Agribusiness, the Family Farm, and the Politics of Technological Determinism in the Post-World War II United States"). Likewise, input-output analysis seems unlikely to gain much new traction in either the history of capitalism or environmental history. But perhaps most importantly, the political context of today's scholarship on agribusiness is far more complicated than it was in 1957. For Davis and Goldberg, only one "farm problem" was of particular concern: namely, farmers' reliance on government funds and supply-management policies to stabilize an inherently unstable economic sector. Today's scholars may share with Davis and Goldberg an inclination to interrogate farming within broad political-economic contexts, but few could plausibly suggest that only one "farm problem" is worthy of attention. Environmental degradation, rampant obesity, global climate change, rising economic inequality, and food insecurity rightly demand our attention. Prioritizing the role of corporations in structuring the production and consumption of food and fiber may in fact be more important today than it was in 1957.

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