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How Tyson's Chicken Plant Became a \$320 Million Turkey

Despite offering 1,600 jobs, its proposed facility got the cold shoulder from Tonganoxie, Kansas.

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On Sept. 5, executives from Tyson Foods Inc., the nation's largest meat processor, traveled to the east Kansas town of Tonganoxie with what they figured would be welcome news for the locals. Joined by Governor Sam Brownback and other political leaders, Doug Ramsey, Tyson's group president for poultry, unveiled plans to build a huge chicken complex outside of town. The \$320 million project, Tyson's first new plant in 20 years, would be home to a hatchery, feed mill, and processing plant—employing about 1,600 workers to package 1.25 million birds a week.

“Six months ago, I couldn't have told you where Tonganoxie, Kansas, is,” Ramsey told the townspeople assembled at the Brunswick Ballroom, a local event venue. “I can tell you today that Tonganoxie, Kansas, is the center of the Tyson universe.”

To many small communities, that would have been cause for celebration. But for residents of Tonganoxie (population 5,195), the news—which many locals complain had been kept from them because of nondisclosure agreements that officials had signed during Tyson's site search—drew a far different response. “Citizens Against Project Sunset” quickly mobilized, borrowing the code name officials had used for the poultry complex, to object to the likely stress on roads and waterways, the plant's proximity to local schools, and the dozens of chicken barns—often odoriferous operations run by contract growers who would raise the chickens for Tyson's plant—that would pop up in the area. “I have a daughter in the elementary school, and I don't want her basically playing in the backyard of a slaughterhouse,” says Jen Peak, a Tonganoxie resident who organized the opposition.

White-and-red signs demanding “No Tyson in Tongie” sprouted up on lawns. The activists sought advice from an organizer from the Socially Responsible Agricultural Project, a group that's advised opponents of hog and chicken plants in Delaware, Iowa, and Illinois. A mid-September rally organized by some Kansas legislators drew thousands of locals, many concerned about the lack of transparency leading up to the Tyson deal. Not long after, Leavenworth County's board of commissioners—which five days before Tyson's announcement approved the intent to issue about \$500 million in industrial revenue bonds for facilities, without naming an operator—revoked its decision. Tyson then said it was putting its plans on hold while it investigates other plant locations. At least 15 other Kansas communities have since expressed interest in the project.

The backlash serves as the latest example of grassroots opposition to industrialized food plants, which stoke concern among residents about everything from environmental impact to animal welfare issues and fears of a potential influx of new workers. In the past five years, at least a half-dozen poultry or livestock companies have had to seek alternate sites or scuttle plans because of resistance from locals.

Agriculture and food processing accounts for nearly half of Kansas' economy. While not part of the Chicken Belt, the state has expanded beyond wheat to become a large producer of corn and

soybeans, key components for poultry feed—a likely reason the Tonganoxie region caught Tyson’s eye.

Tyson’s foray serves as a blueprint for how not to build a new chicken plant. First, the company may have overestimated how badly the jobs were needed. Members of the opposition say most residents are employed in nearby Topeka, Kansas City, and Lawrence, leaving few locals who’d want meatpacking jobs. Median annual household income in Leavenworth County is \$63,726, \$11,521 more than for the state of Kansas and \$9,837 greater than the national median. The median wage of workers who cut or trim poultry, meat, or fish is \$11.77 an hour for an annual income of about \$24,490, according to May 2016 government data.

Tyson spokesman Gary Mickelson says local development officials told the company there are about 37,000 area residents looking for jobs in the \$10- to \$15-per-hour range. “Our research says there are plenty of residents within a 30-minute drive of the location who would like to take advantage of our high wages and benefits,” he wrote in an email.

Local residents say they’re concerned that a large number of newcomers flocking to the area to work for Tyson could overtax local resources. The population of Leavenworth County is about 80 percent white, with foreign-born residents making up 3.3 percent of the population. Immigrants are a key pool of workers for U.S. meat plants.

There were communication missteps, too. While Tyson had pledged to hold town hall meetings to address questions, residents say that didn’t happen. Instead, they voiced their concerns at city and county meetings and in a Facebook group that’s drawn 6,000 members. Kansas Representative Jim Karleskint, a Republican who lives near Tonganoxie, was one of the state politicians who organized the September rally, the largest he’s ever seen in a community that size. “People were so emotional about it,” says Karleskint. For Tyson, he says, “I would have thought that when they made that announcement they would have been ready to be in this town, talking to people that day. There was a void.”

Tyson’s Mickelson disputes such criticism. “Our plans for community town halls and public meetings were shelved once the county commissioners withdrew their prior approval for the bonds that were part of the package Leavenworth County officials had offered to entice us to build at this location,” he wrote.

Operating under nondisclosure agreements is common practice for industrial site selections. Still, even before making a project public, companies often hire outside consultants to poll and conduct interviews in the community to gauge interest, says John Boyd, principal at corporate location firm Boyd Co. “You have to make sure the company and community are in sync,” he says.

Unlike Tyson, which hasn’t built a new chicken facility since 1996, competitor Sanderson Farms Inc. has built seven plants since 1992. It’s now the third-largest U.S. chicken processor. Sanderson has a list of items to consider when looking at sites, including adequate labor, farmers, feed, water, and environmental sustainability, says Chief Financial Officer Mike Cockrell. The company

meets with officials and invites them to visit existing plants to answer questions, including about manure and smell, he says.

Likewise, Costco Wholesale Corp. and its partner Lincoln Premium Poultry, which are constructing a poultry plant in Fremont, Neb., joined government and economic development officials in a public-relations blitz in the town. Company and local government leaders have been speaking at Rotary Club meetings, church gatherings, and coffee shops to answer the community's questions—a lesson learned after facing opposition elsewhere.

Even construction-savvy Sanderson was forced in 2012 to scrap plans to build in Nash County, N.C., after local complaints about transparency and opposition from a neighboring community worried about the impact on drinking water. Sanderson instead built its plant in Texas. This year it returned to a different part of North Carolina, opening a plant in St. Pauls. While the company expects to build more facilities in the future, Cockrell acknowledges “it’s getting more difficult.”

That seems to suit a lot of Tonganoxie residents just fine. On Oct. 2, the day the city council unanimously passed a proposal opposing the Tyson project, local ranch manager Kirk Sours sat in his pickup looking at the stretch of soybean fields and old-growth timber near where the facility was planned. He’d worried that a stream of semi trucks shuttling chicks and feed back and forth and the possibly scores of chicken houses supporting the plant would have changed the surrounding areas forever. Says Sours: “I’m not going to follow Tyson around and tell them they can’t camp out in Kansas, but it’s up to the community. It’s just not what we have in mind.”

BOTTOM LINE - Tyson Foods has put on hold a \$320 million chicken plant in eastern Kansas because of local opposition. More industrial farming facilities are facing such pushback.