

The Feed Bill

Running the enclosure algorithm on what the animals eat

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When we ran the cattle market, we watched the rancher get squeezed at the slaughter end, where four packers set the price. But anyone who has raised an animal knows the squeeze comes from both directions, because the single biggest cost of raising livestock is feed. So follow the grain. The same algorithm that fenced the packing plant has fenced the feed bunk too, and at the far end of it you find some familiar names, including one that sits on both sides of the animal at once.

Step 1 TARGET | *find shared value not yet owned*

The commons is the grain trade itself: corn, soy, and the rest, grown by hundreds of thousands of farmers, fed to animals raised by hundreds of thousands more, once bought and sold through a web of local elevators and open markets where many buyers competed and the price was discovered in the open.

Step 2 REFRAME | *call the commons a tragedy*

The story is logistics and scale. Only enormous, globe-spanning, vertically integrated traders, we are told, can move grain efficiently enough to feed the world. The local elevator and the independent feeder are recast as quaint and inefficient, obstacles to a modern supply chain.

Step 3 ABSTRACT | *turn it into a countable unit*

Grain becomes the graded bushel, the pooled commodity, the futures contract, the position. Feed becomes the formulated ration. Real kernels grown by a real farmer are abstracted into tradable units whose price is shaped less by any open auction than by the private flows of a few firms that can see the whole board.

Step 4 TITLE | *vest the unit in a private owner*

The ownership has a nickname. Four companies, ADM, Bunge, Cargill, and Louis Dreyfus, the “ABCD” traders, control by various estimates something like seventy to ninety percent of the global grain trade, and traded roughly sixty percent of the world's cereals and oilseeds by volume in a recent year.¹ They are not mere middlemen; they own the elevators, the ports, the railcars, the barges, and the mills, the entire path the grain travels.² And note one name on that list: Cargill is also one of the four packers that dominate beef. The same company can sell the rancher his feed and buy his finished cattle. The animal is fenced at both ends, sometimes by the same hand.

Step 5 INVERT | *make the old custom a crime*

Independence becomes dependence, and nowhere more completely than in contract growing. In poultry and hogs, the integrator owns the animals and supplies the feed, while the grower takes on the debt for the barns and carries the risk, paid through a “tournament” system that ranks neighbor against neighbor and docks the losers.³ The grower who speaks up, or who tries to operate outside the contract, can simply lose it, and with it the means to pay the mortgage on barns built to the company's specification. The old freedom to raise animals on your own terms is, in practice, no longer allowed.

Step 6 TOLL | *charge for access, dump the cost downstream*

The toll is collected in the gap between what the grain farmer is paid and what the feeder pays, and again in the feed cost that weighs on every rancher, the same ranchers already squeezed at the packer. The cost is dumped onto the grain farmer who is a price-taker, the contract grower buried in debt, the cattle producer paying for feed, and finally the family at the table, who is told only that meat is expensive.

Step 7 NATURALIZE | *erase the memory of the commons*

And the cover story: this is just what it takes to feed a planet, global agriculture is simply this big and this consolidated, there is no alternative. The memory of the farmer-owned elevator and the open local grain market, both of which built and fed this country, is allowed to fade into nostalgia.

The loop

Then it loops, and fast. Trading margins fund the next merger in an industry already consolidating hard, and deeper vertical integration up and down the chain, which widens the margins, which fund the next merger.

Who pays for this fence

The cost lands on the grain farmer who cannot set a price, the contract grower who owns the debt but not the birds, the rancher paying for feed at both ends of the animal, the rural town that loses its independent elevator, and the household paying more for protein. Everyone who grows food or eats it is on one side of this fence. A very small number of firms are on the other.

The counter-algorithm

The inverse is, once more, partly built and partly law. Farmers long ago answered concentration by owning the elevator together; farmer cooperatives and feed co-ops are a living, working commons in the middle of American agriculture. The Packers and Stockyards Act of 1921 reaches contract poultry and livestock growing, and USDA rules have moved to curb the worst of the tournament abuses and protect growers who speak up.⁴ Antitrust scrutiny of the traders and integrators is overdue but real. And the memory is recent: within living lifetimes, the elevator down the road was owned by the farmers who used it. Saying that out loud is the start of building it again.

The fence around the feed bunk

This is the program run on what animals eat, and it completes the picture from the cattle market. An open grain trade targeted, consolidation reframed as the only way to feed the world, grain abstracted into contracts a few firms command, the chain titled to four traders, the grower's independence turned into contract debt, a toll collected at both ends of every animal, and the farmer-owned past quietly forgotten. Fence the feed and fence the slaughter, and you have fenced the whole animal, and the family that raises it, and the family that eats it. Once you can see the seven steps, you can see the trap close from both sides.

Notes and Sources

1. On the “ABCD” traders (ADM, Bunge, Cargill, Louis Dreyfus) controlling an estimated 70% to 90% of the global grain trade, and trading roughly 60% of global cereals and oilseeds by volume: [PitchBook](#); and Farm Action agricultural concentration data.
2. On the ABCDs as vertically integrated owners of elevators, ports, rail, barges, and mills (“value chain managers”): [Oxfam](#), [“Cereal Secrets.”](#)
3. On contract growing and the “tournament” payment system in poultry and hogs, in which the integrator owns the animals and feed while the grower carries the debt and risk: see USDA and Farm Action analyses of contract livestock production.
4. Packers and Stockyards Act of 1921 reaches live poultry and contract growing; on recent USDA contract-fairness rules, see the companion piece “Spot the Fence No. 1: The Cattle Market.” The seven-step framework is set out in “The Enclosure Algorithm.”

Spot the Fence is a recurring Hold in Common series that runs the enclosure algorithm on one commons at a time. Figures were checked against the sources above; the framing is the project's own.