Even though Meadowbrook Farms appears to be down for the count, Peter Goldsmith believes the farmer-investors made a valiant effort to retain more control over their product. He says Meadowbrook owners only wanted to stay ahead of vertical integration, which began approximately 50 years ago in the livestock industry.

Goldsmith is an associate professor with the University of Illinois. His research deals with the structural change in global agro-industrial markets and its effect on farmers.

"Over the years, the packing industry has become more coordinated and concentrated as a result of the need to more effectively service the increasingly large and more specialized demands of entire chains of stores," Goldsmith explains.

To ensure a steady and uniform supply of livestock, many packers now prefer to contract production. This allows stores such as Wal-Mart to have a steady, safe supply of meat, but many farmers have lost their independence in the process.

According to Goldsmith, this wave of consolidation started in the poultry industry. The poultry industry is almost completely vertically integrated, i.e. one company supplies the feed, genetics, transportation and slaughter. The hog industry is rapidly following suit. In this respect, a pork co-op to preserve farmer control over production and marketing, such as Meadowbrook, made sense.