



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

American Agricultural Economics Association



Journal of Student Papers



1991

WAITE MEMORIAL BOOK COLLECTION
DEPT. OF AG. AND APPLIED ECONOMICS
1994 BUFORD AVE. - 232 COB
UNIVERSITY OF MINNESOTA
ST. PAUL, MN 55108 U.S.A.

VALUES, BELIEFS, AND THE 1990 FARM BILL

Lyle D. Riggs, *University of Arizona*

Abstract

Values and beliefs play an important role in the formation of agricultural policy. The conflict over objectives and means results from conflicting values. Conflict of value judgements is the heart of any social problem. Common values and beliefs direct national economic and political development. Without common values and beliefs, social problems cannot be addressed because there is no sense of appropriate policy direction. This paper builds a value-belief model by identifying some of the beliefs that influence and direct agriculture policy in general, and then uses the model to evaluate some of the proposals offered to the 1990 Farm Bill.

"The purpose of public policy is precisely to reconcile conflicting interests and points of view, to establish some harmony of purpose amidst the welter of interests".

--Earl Heady

Bruce L. Gardner recently asked: "What can economics offer in the explanation of farm politics?" (1990, p. 1165). His paper also called for a reconsideration of values and beliefs and their influence on farm politics. Most of the work on the values and beliefs in agriculture took place in the 1950's and 1960's. During this period Geoffrey S. Shepherd wrote "One of the legitimate purposes of research and education is to show the consequences of alternative value judgments, as well as of means, and thus help people to change their values in directions that will enable them more fully to satisfy their wants" (Day, p.22). This paper, following the initiative offered by Gardner and Shepherd, defines a value-belief model and then applies it to the 1990 farm bill debate to show the influence that values and beliefs have on farm programs and the consequences of varying value judgments.

Acknowledgement

I would like to thank Dr. Neil Conklin for his suggestions, editing, and proofreading. The discussions we had made the paper worth doing. This paper summarizes the major thrust of my senior thesis entitled "A Philosophical Basis for Understanding Agricultural Policy." Dr. Conklin served as my advisor for the thesis. He sparked my interest in the subject during his class on agricultural policy at the University of Arizona. Dr. Conklin helped to identify initial sources of information on the subject and to arrange a trip to Washington D. C. On this trip I interviewed several individuals associated with agricultural policy both in the public and private sector. Dr. Conklin served as a sounding board and a source of additional ideas and helped to edit the final version of this paper. The ideas of this paper mainly come from previous works on the subject and my own thoughts. Dr. Conklin and I occasionally disagreed on certain ideas which helped to better define them, but seldom eliminated them, a credit to his intellectual humility.

VALUES AND BELIEFS

"Beliefs..are concepts of ways of life and work which people feel obligated to follow for the sake of proving their worth. Values are the relative weights that people assign to their various beliefs" (Cochrane, p. 305). A belief system is a set of two or more beliefs. A value system involves the ordering of beliefs and belief systems according to the weights given the beliefs and belief systems. Value systems can be individual, organizational, or social.

Individual value systems are relatively simple. An individual forms beliefs based on perceptions of past, present and future circumstances. He then attaches values (weights) to these beliefs. As his perceptions or circumstances or both change he reevaluates his beliefs and values and reorganizes his value system. An individual may hold beliefs that appear to contradict or come into conflict. The values given these beliefs determines which belief he will more closely follow. The complexity of value systems increases at the organizational and societal level due to the aggregation of the various beliefs and values of groups and individuals.

Beliefs that define ways of life and work that determine self-worth guide the efforts of individuals and societies (Brewster, p.7,10,57-59). Common value systems develop over time and help to simplify problems and to label solutions correct or incorrect (Kramer, p.9). Value systems are dynamic--shifting and

recombining with changes in conditions (Heady, p.16).

Within the context of value systems, individuals, organizations, and society identify goals. "Goals are presumably formulated because the analysis of the current state of affairs identifies issues that are at variance with what [individuals] and groups in society judge to be desirable" (Gardner, 1985, p. 175). **Goals** (policy measures) represent what individuals and groups feel they need to accomplish in order to change conditions and make them consistent with what they believe. The means used to reach a goal are also influenced by value systems. **Means** identify the manner or way individuals and society wish to bring about the desired changes.

Consideration of the values and beliefs in American society helps explain the structure of modern American agricultural policy. Agrarian values and beliefs, at one time, dominated American values and beliefs. Now the values and beliefs of society as a whole and of agriculture in particular vary, but three principle historical belief systems in American society, the democratic belief system, the work belief system, and the enterprise belief system have wielded great influence in shaping contemporary agriculture policy. In addition, the agrarian belief system and the environmental belief system, which have deep roots in American Society, have exerted substantial influence on agricultural policy.

Democratic Belief System: The democratic belief system holds: (1) all people are equal in dignity and worth; (2) no person, however wise or benevolent, is sufficiently wise or benevolent to possess controlling power over another; and (3) every person is entitled to an equal voice in making policies that govern all (Cochrane, p. 305). This latter component is of special importance in a democratic society. As more and more people participate in the decision-making process, the more legitimate

the restraints and regulations become. People are obliged to follow the rules because they have imposed the rules on themselves (Talbot, p. 291).

Work Belief System: The work belief dictates: (1) no productive capacity is any higher or lower than any other; (2) proficiency in ones chosen field is the best way to earn respect for oneself and the respect and esteem of others (Brewster, p. 19).

Enterprise Belief System: The enterprise belief considers accumulation of capital from a successful proprietorship the exclusive test of a person's worth to society. Furthermore, the enterprise belief stipulates: (1) individuals are responsible for their own economic security; (2) the function of government is to keep the imprudent from demanding that others contribute to or share the burden of their economic security; (3) proprietors have the right to determine how they will produce; and (4) the government is to keep others and itself from infringing on the managerial freedoms of proprietors (Tweeten, p. 6-7).

Changes in farm policy in the twentieth century reflect the gradual change in weights given these beliefs, but these changes have not come easily. Examination of farm bills from the McNary-Haugen bill to the 1990 farm bill shows the difficulty of change and how heated the debates on what ought and ought not be done can become. Generally speaking, in the twentieth century the value attached to the democratic belief surpassed that of the enterprise belief resulting in policy changes (Cochrane, p. 306). Policies have changed to limit capital accumulation from the commodity programs, for example, payment limitations and eligible production have attempted to increase equality among farmers.

Excess productive capacity remains the central agricultural problem. Farmers, following their work and enterprise beliefs, have sought to

increase proficiency through cost-reducing and output-increasing technologies, but in doing so they have been denied an equitable return for this improvement and in some cases even penalized for their efforts (Brewster, p. 162-172). Farmers have turned to the government for help and have sacrifice managerial freedom contrary to the enterprise belief. The conflicts in agricultural policy are many and they are not easily resolved. Values change which further complicates the matter. Complexity, however, should not be viewed as a negative; it reflects societies increased willingness to accommodate additional values and beliefs.

Agrarian Belief System: the agrarian belief system evolved from Jeffersonian agrarian beliefs. Jefferson believed that society needed farmers not just for food and fiber, but for their virtue and sense of morality. Jefferson felt that yeomen farmers could best achieve the virtuous life of contemplation and continued learning. He argued that a majority of society should be engaged in this noble endeavor. The modern agrarian belief system reflects these ideals.

The agrarian belief system advocates: (1) there is something special about the farm way of life; (2) the farm way of life produces more dependable and politically stable citizens than the urban way of life; (3) the tiller is more independent and self-reliant than the city dweller; and (4) farming is a divine calling in which God and the farmer walk hand in hand to satisfy the physical needs of humanity.

Furthermore the agrarian belief system submits: (1) because farmers make good citizens, a high percentage of the population should be on farms; (2) farming is more than a business; it is a way of life; (3) farming should be a family enterprise; (4) tillers should own the land they work; (5) farmers should try to make two blades of grass grow where only one grew before; (6) anyone desiring to farm should be free to do so; (7) a farmer should be his own boss; and (8) farmers do not like to

receive welfare, that is, receive something for nothing.

Environmental Belief System: The environmental belief system deems: (1) present inhabitants have a responsibility to maintain earth's productive capacities and resources for the future; (2) natural resources have value in themselves, not just the value given them for their productive capabilities; (3) humans should work with and understand nature; (4) humans are a part of nature as a whole, as opposed to nature existing for humankind's benefit.

Environmentalists differ from conservationists in that the latter calls for maintaining nature for its resources and productive capabilities, the value of what nature can do for man, while the former considers nature to have rights and value in itself, existence value. Drawing on beliefs that date back at least as far as the Roman civilization, the American environmental movement has slowly emerged and has reached significance only in this century.

Modern environmentalist echo the sentiment found in the Magna Charta which recognized that people, by virtue of their existence, possess rights, natural rights, and claim that nature, by virtue of its existence, possesses rights, the rights of nature. In other words nature does not depend on man for recognition of its rights it simply possesses them because it exists. Furthermore, the end of the American Revolution did not end the struggle for natural rights. The civil War began that process of granting the Blacks their natural rights; a process that continues today. Women did not receive their natural rights by virtue of the American Revolution; they had to struggle for them as well. The environmental movement draws on these examples to show that the struggle for natural rights continues and now focuses on the rights of nature (Nash, p. 14-16).

In addition environmentalists seek to refute the notion that nature exists for man and that man has the right and the ability to control

and subdue nature. C.J. Briejèr, a Dutch scientist, in response to continued use of weed killers, said: "Once again we are walking in nature like an elephant in a china cabinet" (Carson, p. 78). In other words, man acts without considering the whole picture and the consequences of his actions. Alexander Pope wrote: all living things "are all but parts of one stupendous whole, whole body Nature is, and God the soul" (Nash, p. 21).

Finally, the belief that present inhabitants have responsibilities to the future appears to have conservationist overtones. The responsibility, however, is not limited to preserving nature for the benefit of future inhabitants, but also includes preserving nature so that nature can continue to exist. John Locke considered the right to continued existence a natural right (Nash, p. 14).

In spite of limiting discussion to these five belief systems, the democratic, work, enterprise, agrarian, and environmental belief systems still demonstrate the complexity of forming a social value system which harmonizes these beliefs. They also show the difficulty of writing a farm bill that accommodates to one degree or another these value systems. Proposals for payment limitations and environmental controls during the 1990 farm bill debate illustrate this difficulty.

VALUES, BELIEFS AND THE 1990 FARM BILL

The 1990 farm bill emerged relatively unchanged from previous years. The mechanisms of loan rates, target prices, marketing quotas, and others particular to individual commodities continued. However, some of the debates that surrounded the passage of the 1990 Food, Agriculture, Conservation, and Trade Act ("FACT") brought a new tone to farm legislation. In particular the pushes for targeting benefits and environmental controls have modified to some degree the orientation of farm legislation. Each of these movements

reflects a particular value system and the final outcome, the accommodation and arrangement of these value systems.

Representatives Dick Arme, R-Texas, and Charles E. Schumer, D-NY, led a coalition composed of urban Democrats and suburban Republicans who advocated implementing legislation that would target farm program benefits to small producers and sponsored an amendment, authored principally by Arme and Schumer, to the House Farm Bill, which sought to deny benefits to farmers with adjusted gross annual incomes in excess of \$100,000. The House debated and defeated, 159-263, the amendment July 25, 1990 (Congressional Record, H5518-H5573).

Speaking for creating a more equitable farm policy, Schumer said: "Perhaps at one time we could afford to have 40 percent of the farm dollars go to the top 3 percent of the farmers, but that time is no longer. The Schumer-Arme amendment will fix the farm program, because we care about the family farmer. It will say money goes to the family farmer, money goes to the family working soil, but money does not go to the well-to-do hobby farmers, the large agribusinesses and the investors who are now milking the Government for \$700 million a year" (Congressional Record, H5572).

The Schumer-Arme value system attaches relatively heavier weights to the democratic belief of equality by attempting to make sure benefits reach producers in need, to the enterprise belief of limiting government intrusion into the market and returning decision-making to more individuals, and to the agrarian belief of maintaining the family farm. The Schumer-Arme movement failed not because it was necessarily wrong but because not enough people shared their value system, or as David Cloud put it, the "coalition of urban Democrats and suburban Republicans proved more adept at drawing attention to its attacks on farm programs than at attracting votes" ("House," p. 2393).

One of the areas in which the coalition drew attention centered on the objectives of

agricultural policy. Is farm policy an income maintenance or welfare program for farmers? Or, is it a food supply and price stabilization program implemented for the benefit of consumers? Jim McDonald, aide to Representative Glenn English, D-Oklahoma, succinctly stated that the purpose of farm policy is to provide food and fiber at the lowest possible price. Jasper Womack, specialist at the congressional Research Service, concurs, claiming that the present justification for Government involvement in agriculture is that food and fiber are essential for political and economic stability. Furthermore, it is better to have too much production than too little which results in surpluses pushing down prices and justifies price and income supports. Opponents of targeting payments support this objective.

However, as recently as 1981 Congress wrote:

Congress reaffirms the historical policy of the United States to **foster and encourage the family farm system of agriculture** in this country. Congress believes that the **maintenance of the family farm system** of agriculture is essential to the social well-being of the nation and the competitive production of adequate supplies of food and fiber. Congress further believes that any significant expansion of non-family owned, large scale corporate farming will be detrimental to the national welfare... It is the policy and the express intent of Congress that no such program be administered in a manner that will place the family farm operation at an unfair economic disadvantage. (emphasis added)

--Food and Agriculture Act of 1981 Sec. 1608

Whichever answer is correct, if there is a correct answer, does not matter. What is important is that the coalition built around the

Schumer-Army value system forced lawmakers to reevaluate the goals of agricultural policy. Members of the House Agricultural Committee seemed to coalesce around the objective of stabilizing the supply and price of food. Goals change with changes in value systems.

The Schumer-Army movement attempted to change farm policy in directions that reflected both the democratic and parts of the enterprise belief system. Philosophical arguments based on these same belief systems rose to oppose these changes revealing not a difference in beliefs but of values. Yet it was the arguments based on environmental beliefs that appeared most lethal to the Schumer-Army position.

The National Audubon Society and the National Wildlife Federation opposed the Schumer-Army amendment. "They argued that kicking big farmers out of federal farm programs would hurt environmental quality because, to qualify for federal payments, farmers must comply with numerous environmental controls, including a ban on draining wetlands and plowing highly erodible land." The National Resource Defense Council favored the amendment. They wrote: "If anything drives the over production of commodity crops, it is the status quo, not restrictions on subsidies to the wealthy..." (Cloud, "House," p. 2396). The consensus in the House adopted the former position that eliminating big farmers would hurt environmental quality. Representative Roberts said: "When you drive him [the successful farmer and investor] out of the program, you can bet your sweet green wetlands will go with him, and that's something we don't want to see" (Congressional Record, H5557). Evidently, the House attached a greater weight to environmental beliefs than to the beliefs offered by the Army-Schumer coalition. The value given the environmental beliefs, however, was not uniform through the House.

House Agricultural Committee members, led by Chairman Kika de la Garza, D-Texas, advocated the position that farmers serve as good stewards of the land and that their well being

depends on caring for the land. Environmental groups contended that farmers needed stricter guidelines and restrictions in order to satisfactorily protect the environment. The debate over new requirements centered on conservation versus environmentalism with some debate showing different values given to the environmental belief system. Conservation practices continue to dominate farm policy, but environmentalism did make headway and managed to incorporate several measures into the 1990 farm bill, reflecting a growing value for environmental beliefs.

Representative English, however, cautioned that because of the voluntary nature of the programs, efforts to improve the environment must be attractive to farmers or farmers will drop out of the programs and not comply with the requirements (Congressional Record, H128-H129). In other words, environmental measures cannot offend the value system of farmers who generally place a relatively greater weight on the enterprise belief of freedom from government intrusion than on environmental beliefs. Proposals to improve the environment through farm programs covered a wide gambit, ranging from complete elimination of the programs to including mandatory limits on chemical usage in order to receive benefits.

"Dismantling the farm program is not a particularly popular answer to these problems--from the point of view of farmers or environmentalists. Farmers do not want to lose the federal government as an automatic market for their surpluses. And environmentalists do not want to lose the leverage that federal farm programs give them over production practices" (Cloud, "Farmers," p. 168).

CONCLUSION

The final version of the 1990 farm bill embraced many of the elements of the provisions previously discussed. For example, in spite of its defeat, the Schumer-Army movement succeeded in tightening payment

limitations. The law maintained the current \$50,000 limit on direct and deficiency payments and added a \$75,000 limit on marketing loan payments, reducing the effective cap from \$500,000 to \$250,000. So while the Schumer-Army movement did not remove the big farmers from the programs, it did place tighter limits on the amounts big farmers could receive. Environmental groups succeeded in maintaining program benefits as an effective instrument of environmental policy. No one received everything they wanted, but everyone received something. The 1990 farm bill reflects in part an accommodation of the various value systems with regard to agricultural policy held by different individuals and sectors of society.

REFERENCES

- Brewster, John M. A Philosopher Among Economists. Philadelphia: J.T. Murphy Co., Inc., 1970.
- Carson, Rachel. Silent Spring. Boston: Houghton Mifflin Company, 1962.
- Cloud, David S. "Farmers Reap a Crop of Scorn from Anti-Chemical Forces." Congressional Quarterly Weekly Reports 48, (3) (1990): 166-170.
- Cloud, David S. "House and Senate Resist Calls to Alter Course on Farm Bill." Congressional Quarterly Weekly Reports 48, (30) (1990): 2393-2396.
- Cochrane, Willard W. The Development of American Agriculture: A Historical Analysis. Minneapolis: University of Minnesota Press, 1979.
- Congressional Record--House 127-H129, H136, January 30, 1990.
- H3834, June 2, 1990.

Day, Richard H., ed. Economic Analysis and Agricultural Policy. Ames:Iowa State University Press, 1982.

Food and Agriculture Act of 1981.

Gardner, Bruce L. "Economic Theory and Farm Politics." American Journal of Agricultural Economics 71, (5) (1990):1165-1171.

Gardner, Bruce L., ed. U.S. Agricultural Policy: The 1985 Farm Legislation. Washington, D.C.:American Enterprise Institute for Public Policy Research, 1985.

Heady, Earl, ed. Goals and Values in Agricultural Policy. Ames:Iowa State University Press, 1961.

Kramer, Carol S., ed. The Political Economy of U.S. Agriculture, Challenges for the 1990's. Washington, D.C.:Resources for the Future, 1989.

McDonald, Jim. Personal Interview. August 1990.

Nash, Rodrick. The Rights of Nature: A History of Environmental Ethics. Madison, Wisconsin:University of Wisconsin, 1989.

Talbot, Ross B., and Don F. Hadwiger. The Policy Process in American Agriculture. San Francisco:Chandler Publishing Company, 1968.

Tweeten, Luther G. Foundations of Farm Policy. 2 ed. Lincoln:University of Nebraska Press, 1979.

Womack, Jasper. Personal Interview. August 1990.