LETTERS
From You...

Ag Census

From: Hugh T. Martin
Martin Farms of Little York, Inc., Chicago, Illinois
Re: Rich Allen and Bud Paulter's Current Statistics and Agricultural Census, First Quarter 1988 *CHOICES*

I read with considerable interest the importance placed upon the results of the agricultural census. The article glows with all the good things that flow from this very fine information. It makes one feel that the authors, who apparently have some responsibility for the census, are proud of bringing so much timely and accurate information to agricultural policymakers.

My neighbors and I, who are required by law to complete and file the forms for the agricultural census by February 1 of each year, laugh at the efforts of a misguided federal bureaucracy that is trying to generate information when none exists.

In my view the first problem with the census is that the questionnaire is not understandable. It appears to be written by someone unfamiliar with farming, and it is difficult to figure out what is wanted.

The second problem is that the information on each questionnaire must be collected, tabulated, and calculated by February 1. Now that's a joke. According to my accountant, this year the tax calculations took 30-40 percent more time to compute. Many of the W-2's, 1099's, and other inputs were not even issued until well after February 1. Our corporate tax return was due March 15 and we had a hell of a time getting it filed on time.

But the ag census had to be in by February 1, by law. So it's guess work. The basic law of computing is GIGO, which stands for Garbage In-Garbage Out. Those proud bureaucrats have done a great disservice to agriculture by requiring the production of information that is not yet available. And it's so incredibly stupid!

Actually, it's a classic example of the old comedian's standby, "I'm from the government and I'm here to help you."

From: Rich Allen
National Agricultural Statistical Services, USDA
Re: The Author Responds

The Census of Agriculture questionnaire is indeed long. However, it has been my observation that the Bureau of the Census has taken a tough stance on limiting the burden placed on farmers and kept the form as short as possible. There are easily twice again as many questions that farm organizations, economic researchers, local government planners, policy analysts, etc., would like to have added to the questionnaire. However, the Bureau has concentrated on presenting the fewest questions in as straightforward a manner as possible. The "white out" answer cells, the questionnaire numbering, and the internal instructions were designed to make the questionnaire easier to answer.

Since most of the Census of Agriculture questions are production oriented rather than investment or tax oriented, it is expected that the majority of these questions can be answered from ongoing production records. The encouragement to respond as soon after January 1 as possible also reduces the chances for memory biases. Setting the date early in the year helps to maintain comparability with USDA data and speeds up the timeliness of release of the census publications for use by everyone in the agricultural community.

From: Bud Paulter
Agriculture Division, Bureau of the Census
Re: The Author Responds

The Census Bureau selected February 1, 1988, as the due date for the 1987 Census of Agriculture report form after discussing the issue with farmers and ranchers and their organizations (several of whom are on our Census Advisory Committee for Agriculture Statistics). We also tested the due date with over 40,000 agricultural operators who found it to be acceptable. We have found that if the due date is much later in the year, farmers have difficulty recalling accurately their end-of-year inventories. Many farmers prefer to receive census reports early in January before becoming heavily involved in their agricultural operations for the year and so that they can coordinate their census and tax information gathering efforts. The Census Bureau grants an extension date up to May 1, 1988, to any operator who requests one because of difficulty in preparing or receiving tax information. In addition, with a later due date, the Census Bureau would not be able to start processing soon enough to have the timely publication of valuable information.

The Census Bureau made a considerable effort towards developing a census questionnaire that was understandable and served the needs of agriculture and data users while at the same time did not impose undue burden on farmers and ranchers. Regionalized forms were developed to aid the collection effort. All state governors and agriculture departments, land-grant universities, and Federal data users were asked to submit comments and suggested questions. As mentioned above, over 40,000 farm and ranch operators participated in a national content test. Personal interviews and classroom experiments were held where operators could express their opinions about any questions, including whether or not they were understandable and the information could be obtained. With all of this information, the Census Bureau went over the questionnaire a second time with the Census Advisory Committee on Agriculture Statistics which has 20 members representing all aspects of agriculture and its organizations. In summary, the Census Bureau worked very hard on this difficult aspect of the census program.

Federal Share of Agricultural Research Costs

	Percent
1969	51
1972	54
1978	52
1986	44

From: Jamie L. Whitten
House of Representatives Chairman, Committee on Appropriations
Re: Anderson's Agricultural Research Challenge

After describing the great beneficial results our investments in research have paid to the taxpayer through the application of science and technology, Jim Anderson gave the following pitch in his article: "There will be a worldwide shift

from an agriculture based on natural resources to one of biology, and scientific information. How fast that comes depends on many things, prices received, labor conditions, imports, and the state of the economy." We have volumes of hearings all supporting his first statement and perhaps as much on his description of the future and the outlook. We have a good relationship with Jim Anderson. He appeared before our Committee. The remainder of what he writes is good.

The end result is that Anderson feels it is dangerous for us to gradually reduce the percentage of Federal funds for agricultural research, which dropped from 52 percent to 44 percent from 1978 to 1986.

The explanation for this is that we have had a major push by the President, through the Office of Management and Budget, to turn most of the programs and our problems, except military and foreign aid where he has asked for increases, back to the States.

Though our Committee on Appropriations has held the total of appropriations bills below the President's requests, our debt has increased from $900 billion to $2.6 trillion.

An examination of where the Federal budget stood in 1980, compared to where the budget as proposed by the Administration projects us to be in 1989, shows these facts:

Between 1980 and 1989:

- Military spending has increased +47.3 percent.
- Interest on the national debt has increased +92.7 percent.
- Payments to individuals (including social security, medicare and medicaid) have increased +27.9 percent.
- "All other" government spending (essentially discretionary domestic programs) has decreased -38.0 percent.

Agricultural research is "discretionary domestic spending". In spite of this 38 percent reduction during the past eight years, Congress has appropriated almost $290 million more for agricultural research than the President requested, or an increase of 38 percent.

I would also point out that we now have the Gramm-Rudman law which will likely require further reductions in domestic spending. We also had the so-called "summit agreement" which set overall spending ceilings.

That agreement has required our Appropriations Committee to reduce many worthwhile domestic programs, while providing increases for military and foreign aid spending.

Placed in this context, Congress has done a remarkable job in maintaining Federal funding for agricultural research which it had to restore.

Except for the results of agricultural research during the last 25 years we would likely be hungry. If we don't keep agricultural research going at a sufficient level for the next 25 years, it is just as certain that we will be hungry and our economy bankrupt.

From: Jim Anderson

Michigan State University

Re: The Author Responds

We appreciate Mr. Whitten's recognition of the importance of agricultural research and his commitment over the years to provide funding for research in spite of severe budget constraints.

As Mr. Whitten emphasizes, it is essential to continue the funding of agricultural research into the future. A sustained effort will be required to capitalize on new developments in biotechnology and to protect and enhance our environment. New developments in research will assure an abundant food supply for our domestic needs, enable us to be competitive in the global markets, and sustain our agricultural bounty through the 21st century and beyond.

WEPs

From: Harold F. Breimyer

University of Missouri

Re: Ballenger's PSEs and McMinimy's WEPs, First Quarter 1988 *CHOICES*

It is astonishing that the Second Quarter 1988 CHOICES contains only one letter relative to Nicole Ballenger's earlier article on PSEs and none bearing on Vernon McMinimy's on world commodity markets. And Cathy Jabara's comment on PSEs is confined to an alleged misspecification of data and misidentification of the beneficiaries of producer subsidies.

The two pieces, both informative, merit more response. I offer a brief one. It combines an admonition to statistical (econometric) modesty, with a protest against regarding any government action relative to the farm and food economy as "intervention." Years ago, Wesley Mitchell in general economics and Tolley, Ezekiel, the two Workings, and their cohorts in agricultural economics engaged in the morale-boosting exercise of demonstrating to their respective professions that empirical data properly analyzed can contribute to prudent making of public policy.

Every economist alive today benefits from their legacy.

Now we have gone to the other extreme—overboard. Ballenger writes that it's possible to estimate prices farmers would receive following removal of policies that affect producer returns. McMinimy picks up the theme and carries it a step farther: to calculate World Equilibrium Prices. He even quotes, with apparent approval, an English study telling us that the WEP for sugar would be 19.9 cents.

Not 20 cents, or a range, but 19.9 cents.

How far can statistical effrontery be carried?

It's still good to develop data and analyze them; Mitchell and Ezekiel remain correct. But it's time to recognize limits to what can be done. World economies are too complex and diverse to be reducible to anyone's integers, PSE, WEP, or whatever the next one may be.

Employing the word "intervention" in the language of policy is most unfortunate. It's very close to the noble savage thesis, that nature is not only benign but universally beneficient and we need only stop interfering—intervening. In all modern nations, economic institutions are established via the governmental process. When government monitors and sometimes modifies what it has created it is not intervening.

From V. R. McMinimy

A.E. Staley Mfg. Co.

Re: The Author Responds

I thank Harold Breimyer for his letter. As he expressed I too have been intrigued by the lack of response. One of the reasons I wrote the article is my belief that there exists better systems for governments to agree on the rules of the game than the U.S. proposed PSEs and the old offers and request systems. I had hopes that the article would stimulate efforts in the search for better systems. Maybe it will still come.

If the world equilibrium price concept ever gets any serious consideration as a model, I expect the precision of the price will receive ample attention. In the meantime, for illustrative purposes, a precise number works fine.

'Doom and Gloom'

From: Denzil O. Clegg
Associate Administrator, Extension Service, USDA
and **Chester D. Black**
Director, North Carolina Extension Services
National Co-chairs, Initiatives Coordinating Committee
Re: Flinchbaugh's and Ward's Practical Marketing: Cure for Extension's 'Doom and Gloom'

In the "Disequilibria" section of *CHOICES*, Second Quarter 1988, Flinchbaugh and Ward discuss the role of the Cooperative Extension System's national initiatives in addressing Extension's so-called "image crisis." We agree with much of what the authors say; e.g., Extension must meet the changing needs of its clientele and communicate its success to administrators and officials. The nationwide initiatives (now nine with the development of the Youth-at-Risk initiative), are targeted toward meeting critical current and projected needs of society.

Extension is implementing a strategic planning process to ensure that the initiatives change as societal needs change. Issue programming that builds on the initiatives provides a vehicle to focus resources on problems in an interdisciplinary context. The interdisciplinary approach is essential to effectively address critical issues. Economists and scientists in many fields must play a role in bringing required expertise to solve the problems identified.

To clarify one potential misperception inadvertently created by Flinchbaugh and Ward, we must emphasize that the Extension initiatives are nationwide; they are the products of the total Cooperative Extension System and are not just "Washington's". The eight Extension nationwide initiatives were identified in June 1986 by a Task Force with representatives from across the entire System. The eight National Initiative Task Forces which developed the initiatives had only one "Washington" program leader among their 12 to 18 members, a fact that Flinchbaugh can attest to in his role as a member of the Task Force on Competitiveness and Profitability of America Agriculture. Task Force members were carefully appointed to ensure geographic balance and representation across programs and administrative levels. These Task Forces identified critical issues under the initiatives which were then validated at State and local levels throughout the Cooperative Extension System. These critical issues can hardly be described as "Federally forced top-down programming" or "Washington dicta." States and territories are encouraged to continue to address critical issues identified as unique to their State or local situation.

Flinchbaugh and Ward correctly imply that the strength of the Extension nationwide initiatives is that they are supported at all levels—local, State and Federal—within the Cooperative Extension System. This is further evidence that our unique Extension System works best when all levels are focused on the common objective of meeting societal needs.

CRP

From: Paul R. Harte
Agricultural Stabilization and Conservation Service, USDA
Re: Taff and Runge's Leaner and Meaner CRP

In their *CHOICES*-First Quarter 1988 article "Wanted: A Leaner and Meaner CRP," Taff and Runge review the two major Federal cropland retirement programs and recommend major policy changes. The authors assert that the three policy goals of these programs are (1) erosion control, (2) supply control and (3) budget reduction. For each of these goals they advocate the use of separate programs instead of current multi-objective programs.

The main three objectives associated with Federal cropland retirement programs are actually (1) the conservation of natural resources, (2) supply control, (a.k.a. production adjustment), and (3) income support. As with all Federal programs expenditure control is an underlying goal. The Acreage Reduction Program (ARP) is actually only one of three annual land retirement programs associated with price support programs (a.k.a. loans, purchases, and reserves) and income support programs (a.k.a. deficiency, diversion, and disaster payments). The other two are the Paid Land Diversion Program and the 0-92 Diversion Program. Note that although there are Federal land cover and general erosion reduction requirements for the Acreage Reduction Program (this retired acreage is referred to as the Acreage Conservation Reserve or ACR), there are no specific Federal erosion reduction requirements for any acreage retired under annual programs.

The worthiness of a multiple objective program should be evaluated in the context of the program's effectiveness in achieving objectives. In the case of the Conservation Reserve Pro-farm, its multi-objective nature is largely believed to be the reason for its existence. The disbursement of CRP annual rental payments solely for the purpose of erosion control would prove very cost-ineffective. The Government could buy the cropping rights to produce commodities largely associated with erosion for much less. USDA is not able to formally remove the base reduction feature of the CRP because it is not a discretionary feature of the authorizing legislation, and even if they were able to, many of the annual commodity program participants, who have also chosen to participate in the CRP, would have their annual program payments reduced anyway. This would happen because payments are calculated using actual plantings (within base limitations), not total base acreage.

The insistence upon conservation covers on acreage retired under the annual programs is also sound agricultural policy. Cover requirements for this acreage are less stringent than that of the CRP because this acreage is usually not eroding at serious levels and the land retired one year may be planted the next.

The authors also advocate that USDA no longer use the current bid cap technique for contract acceptance; "Let the forces of supply and demand decide the price for cropping rights on marginal lands. It's bound to be cheaper". This statement sounds fine—most people like market-force determined prices, however it provides no real suggestions regarding CRP bid selection by the USDA.

The last proposal of the authors calls for land retirement program eligibility restrictions based on productivity and potential environmental threat. They propose that USDA rank individual parcels of land based on these two criteria and select those that achieve the best desired results. The current use of the land would not be considered in this decisionmaking. Like many proposals suggested for the CRP this idea has some merit in theory, but when the policy issues are evaluated in the context of realistic documentable procedures, the flaws rapidly surface. Even in their current simplified forms, USDA land retirement programs are huge vastly complicated undertakings that require multiple volumes of written procedures, months of software development, and months of training and implementation for roughly 3,000 county and

state offices. The objective national ranking of all fields on the basis of productivity and potential environmental threat may not be possible. Implementing procedures to attempt this would (1) add unmeasurable amounts of complexity to programs that are already burdened with necessary details, (2) add years and huge costs to land retirement efforts that may not be needed in future decades, and (3) remove the needed flexibility farm program officials have in managing individual commodity supply/use levels.

From: Michael Dicks

Economic Research Service, USDA

Re: Taff and Runge's Leaner and Meaner CRP, First Quarter 1988 *CHOICES*

The concept of integrating short, intermediate, and long-term land retirement programs has merit. However, the general implementation strategies for the programs proposed in the Taff and Runge (TR) article begs a more thorough examination. Targeting all land retirement programs within the constraints of the authors' "figure 2" has serious implications regarding distributional equity. If the TR design were to be implemented as a national program, the CRP would be limited almost exclusively to specific areas in the Great Plains where productivity is low and erodibility is high. The ARP would be applicable only on the best lands in the Corn Belt and Mississippi Delta where cropland is highly productive. Areas such as the Polouse (northwest) and the foothills of Missouri, Iowa, Nebraska, etc., where cropland is highly erodible and highly productive would be enrolled in a multi-year set aside program. Thus, producers in more productive, less erodible areas of the nation would bear the costs of supply control programs without benefits from conservation programs while the producers in areas of high erosion and low productivity would obtain all the benefits of the conservation programs without suffering the costs of supply control programs. The impact on producers in highly productive highly erodible areas is unclear without knowing the exact implementation strategy for the 3-5 year ARP.

Perhaps the TR scheme of targeting for a "Leaner and Meaner CRP" is meant to be implemented in each state rather than as a national program. This may eliminate some of the distributional inequities inherent to implementation of the scheme as a national program. But, if the TR scheme is implemented by each state, would the program objectives be consistent across states and with the objectives of national policies? It is unclear exactly what the objectives are for the TR scheme.

For instance, the authors proclaim that the CRP "costs more and accomplishes less than it should" but never quite tell us what they feel the program should accomplish and at what price. Should the program be targeted to reduce erosion, reduce erosion only on cropland with a "low potential productivity" or "get the cheapest environmental benefits (presumably through reducing erosion causing the most severe environmental damages)?" Should the objective selected be obtained at a maximum level, the level providing the lowest net government cost or the greatest social benefits? A different implementation strategy is required to obtain each of these unique objectives. Implementation strategies required to meet the different objectives may not be feasible given the legislative directive to meet minimum acreage enrollment levels each year. If the minimum acreage requirements are applied such that 5, 15, and 25 million acres must be actually retired in fiscal (or crop) years 1986, 1987, and 1988 the answer is definitely no for 1986 and 1987 and maybe for 1988. In fiscal 1986 only 2 million acres were actually retired. In fiscal 1987 just over 15 million acres were retired and in 1988 we may get about 26 million acres. It is very difficult to be selective when over 95 percent of the acreage signed up has to be accepted to meet the minimum acreage requirements.

According to TR, the current implementation strategy could be improved by getting rid of the base acreage retirement provision and the bid cap, reducing eligibility to only "truly marginal croplands" and "letting market forces decide the price for cropping rights."

When acreage is enrolled in the CRP, a fraction of total cropland is reduced and hence the associated crop production is reduced. Producers, having previously determined the most profitable cropping sequence, will most likely reduce acreage of each crop proportionally. However, several exceptions to this generality are possible. Additional acreage may be rented or purchased, rotations will change due to changes in relative prices of crops, or land in forages may be brought into production of program commodities. If the requirement to reduce base acreage is eliminated (eliminate base bite) farmers may expand acreage in production of surplus commodities thereby maintaining government commodity program expenditures. Thus, by eliminating the "base bite" the CRP will be less of a reduction in government expenditures and less disincentive to sodbust or swampbust.

The authors suggest that only highly erodible, low productivity cropland be eligible for the CRP. Eligibility is defined to include both eroding (3T), erodible (EI 8) and fragile (Land Capability Classes VI-VIII) cropland. But still this is less than 25 percent of total cropland. This provides a pool of acreage sufficiently large to select acreage that will best meet the desired program objective(s). The bid cap is (in most areas) set to the average cash rent. Thus, only cropland with less than average productivity would presumably be placed into the reserve as cropland with greater than average productivity and could receive a greater than average cash rent. However, a farmer is highly unlikely to place cropland currently rented for $45/acre into the reserve for $45/acre when an additional cost of $30-60 ($4-9 annually) will be needed to establish a permanent cover and another $4-10$ annually will be required to maintain that cover. The $45 bid cap would, in most cases, restrict entry to cropland renting for $26-37 indicating productivity would be an average of 65-80 percent of the areas average productivity. This would seem to indicate that the bid cap has been a successful tool in keeping our more productive croplands out of the CRP, just as the authors suggest.

Finally several statements made in the TR article are incorrect and need clarification. First, eligibility for 1987 did not "remove from eligibility some lands that had been eligible under the old definition (3T)." In 1987, the decision was made to *include* cropland with an erodibility (not erosion) index of 8 or greater to the pool of acreage eligible under the "3T" definition. This decision was made to ensure that all cropland faced with conservation compliance would be eligible for the CRP and to provide a larger pool of eligible acreage.

Secondly, "the only genuine bidding" did not occur just among first round participants. A study by Boggess on bidding behavior indicates that participants bid and rebid several times in an attempt to either enter the program (bids were lowered when not accepted) or to locate the maximum acceptable rental rate (farmers with bids accepted increased their bid and acreage in successive sign-ups). Still other studies by Esseks and Kraft indicate that a great majority of farmers are still unaware of the CRP let alone the bid cap. And, to be sure, many farmers are still bidding below the bid cap.

A more commonly made erroneous statement is that "a significant portion of enrolled CRP land has been generally productive." This seems to imply (and the implication is made throughout the article) that the CRP is retiring highly productive cropland. There is simply no

data to support this statement. In fact the data that is available *suggests* the opposite. Yields are reported for the base acreage enrolled. These yields are farm averages for commodity bases, not the yield for the field enrolled. Thus, the yield on the enrolled field is likely to be no greater than this average base yield and in most cases probably less. The average base yields reported are 10-30 percent less (CRP corn base acre yields are 83 bu/acre while national average is 120 bu/acre) than the national average yields for program commodities. Granted, some land enrolled may be considered highly productive in a specific area (region, state or county) but one could hardly argue that the enrolled acres are even of average productivity at the national level.

Not unlike many ideas, the Taff and Runge targeting scheme has potential but more thought needs to be devoted to the actual implementation strategy. More than likely, after thinking through the possible implementation strategies and their implications on producers, processors, input suppliers, rural communities and government expenditures, the authors will probably come up with a strategy not too much different from the strategy currently used. Those of us who played a role in determining the implementation strategy for the CRP will be the first to admit that some mistakes were made and a better implementation strategy could be conceived (although we know this after the fact). Unfortunately, until USDA is given sufficient time and resources to develop an efficient implementation strategy which truly reflects programs' objectives, program performance will continue to fall short of goals.

From: Steven J. Taff and C. Ford Runge

University of Minnesota
Re: The Authors Respond

Paul Harte notes the constellation of political supporters that caused the CRP to promise something for everyone. But each ornament on a legislative Christmas tree like the farm bill doesn't itself have to be multi-hued. A CRP could be lean and mean and still be part of a larger assemblage of interests. Even the present CRP as administered is far less colorful than its goals section would suggest. The program stresses erosion control, with surplus control and water quality as secondary objectives, and pays scant notice to wildlife habitat, etc. We would only go one step further and focus entirely on cost-effective erosion damage control.

Harte says the CRP is complicated enough already, that our proposal would only gum up the works further. Maybe so, although this isn't an overwhelming defense of a program that we consider quite well run, given its constraints. But Harte goes on to say that our scheme would add administrative hassle and costs to retire land that we might not want retired in future years. If this land is raising such environmental havoc now, why won't it cause similar problems if cropped in the future? Harte's argument holds only if the CRP is to be used for commodity control. But that objective is what our scheme specifically eschews. Use short-term programs like annual set-asides for commodity management; use long-term programs like the CRP for damage control.

Mike Dicks raises the important question of distributional equity. Of course *any* targeting "favors" or "penalizes" by its very nature. It boils down to this: who owns the good land? Dicks says that people with good land would be forced to bear the cost of supply control programs (be forced to accept a dollar subsidy on every bushel of corn produced?) while people who have bad land will get the benefits of long-term retirement payments. We recognize that USDA has to worry about distributional politics like whether or not the whole CRP ends up in Wyoming, but we are more concerned about the nature of the landowners than about their location. Is all the good land held by the rich and all the bad land by the poor? If so, then any government program that discriminates on the basis of land quality—whether ours, the current CRP, or the price support program—will have significant equity implications.

Both Dicks and Harte question the praticality of our proposal to abolish the bid cap. All we ask is that a true bidding procedure be implemented. Instead of the government trying to figure out the proper price for the cropping rights to an acre of eligible land, let landowners tell their willingness to give up their rights. By establishing an eligible pool of acres, the government implicitly is saying that any or every one of those acres is worth retiring. Our legal structure is such that farmers need not account for public damages through pollution, so the government has to pay them to stop. If it costs more to get them to stop than you gain from their stopping, then you're overpaying. How ensure that this doesn't happen? Take the cheapest bids, restrict eligible acreage to those lands that truly cause problems, and remove excess baggage like the base bite.

Dicks is right in noting that the bid cap has served to limit enrollment of more productive lands. Our problem with the cap is not that it keeps out high bidders but rather that knowledge of its existence pulls up the low bidders. In Minnesota, for example, the mean and standard deviation of the bid to bid-cap ratio went from 1.41 and 0.83, respectively, in the first CRP round, to 1.01 and 0.19 by the third round. This costs money. Perhaps a *CHOICES* reader could suggest a mechanism that would allow USDA to keep its bid cap and let us have our competitive bidding scheme—without one screwing up the other.

From: Kenneth R. Farrell

Vice President
University of California
Re: George R. McDowell's Land Grant Colleges of Agriculture

In his provocative article in the Second Quarter 1988 issue of *CHOICES*, George McDowell concludes, "...the universities, particularly the land-grant universities, are too important to be left in the hands of the professors."

His solution? In the short run, encourage Extension to more effectively influence the research agenda, undertake research, and publish material of relevance to clients. Longer-run, major institutional adjustments are needed. The impetus, he asserts, must come from leadership of external groups. Traditional agricultural interest groups should insist that colleges of agriculture address issues important to nonfarm audiences, form political coalitions with nonfarm interests, and through the political process increase the funding and control of the scholarly agenda.

I share several of McDowell's concerns about the future of colleges of agriculture in a changing society. However, I question whether institutional failure is of the order asserted by McDowell. Total factor productivity in the farm sector has grown at an annual average rate of nearly 1.6 percent in recent times. The science-based technology that drove such growth came from somewhere, and at least parts

of agriculture found it highly relevant. Bashing the land-grant university has become fashionable when agricultural economic circumstances go awry, whatever the causes.

As to McDowell's recommended solutions, it seems highly unlikely that leadership of the traditional agricultural groups will insist that colleges of agriculture address issues important to nonfarming audiences. A substantial part of the current tension results from concerns of such groups that the universities are doing just that. As for political action, coalitions to control the scholarly agenda, the annual "pork barrel" process in Congressional funding of agricultural research should be sufficient evidence to illustrate the disastrous effects which would result from political control of the research agenda.

McDowell is correct in calling for renegotiation of the "social contract" between the universities and their constituents, old and new. That will require negotiation not only on subject matter to be added but that to be de-emphasized or deleted from the agenda. It is simply not realistic to continue to ask for more resources while maintaining a "business as usual" posture with respect to base resources.

Renegotiation will succeed only if *both* university and external leaders assume responsibility for the process—solutions cannot be imposed unilaterally by either side. It is imperative that any such negotiations recognize that a basic purpose of a research-based public university is to create and extend *new* knowledge. In turn, that requires the freedom to pursue research which may have no immediate relevance to the issues of the moment.

Finally, there is far more flexibility, capability, and, yes, even power to bring about internal change in universities than McDowell assumes. Even professors will respond to appropriate incentives!