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A FAMILIAR POLICY AGENDA FOR THE 1990s — *With A Difference*

— by R.G.F. Spitze —

➤ Much of the policy will appear to be “old wine in new bottles,” but one can expect to “taste the difference.” For those expecting a policy revolution, there will be disappointments, but for those comfortable with the status quo, surprises are in store.

The 1990s will bring important policy developments for the agricultural and food sector of the United States that will sound familiar, but with a decidedly different ring. That was the tone of a national workshop held in Washington, DC this past November on “Food and Agricultural Policy Issues—Alternatives for the 1990s.”

This is not a summation of the findings reported nor consensus reached in the workshop. Instead, it is an interpretation— influenced by that experience—of those driving forces shaping agricultural and food policy of this nation in the coming decade, with particular attention to the 1990 legislation.

That agricultural and food policy is truly an evolutionary process was reaffirmed by many of the presentations at the workshop. The core price and income policy is not permanent for the agricultural sector, as it is with much other statutory policy; because the Food Security Act of 1985 terminates on September 30, 1990, choices must be made. The pace of technology quickens the disequilibria on the farm, in the food chain, and throughout the information system. The drama of domestic policy making must be now played out on a revolving world stage propelled by GATT negotiations, contagious “perestroika,” redrawn national boundaries, and economic miracles in ancient lands and new city states.

Four main conclusions arise in my mind from the conference papers, the dialogue among the participants, and further personal reflection. Each conclusion embodies some familiar policy refrains as well as some distinctly different themes.

Changed Rhetoric

Policy discussions at the onset of the 1990s are commencing from a surprisingly different perspective compared to the past. In reality, public policy deliberations always begin with existing policy, but in recent policy making cycles, that was not where the rhetoric commenced. In the past, Congressional leaders from both parties, the Administration, and some national interest groups had put forward proposals which purposefully diverged from expiring legislation and that spoke to price, income, trade, and food issues. They were often proposed to chart a new path, revolutionize future policy, reverse bankrupt policy, to set a new agenda or a long-term course of action for decades to come. Each was released amid the fanfare of press conferences or with the best slick, colored booklets communication expertise could cre-

ate. These presentations provided the detail for the traditional succinct, comparative tabular summaries of the alternative proposals, identified by sponsor, source, or bill number. The comparative summaries became indispensable to every public affairs specialist, magazine article, or legislative aide's briefing papers. They identified the lead players and the “plays” they were calling.

The perspective is different this time. It is not that policy controversy has ceased nor that difficult negotiations do not lie ahead, but simply that policy makers are beginning at a familiar gate, the expiring 1985 Act. The rhetoric seems to have caught up with the reality of policy making. The Congressional leadership of both parties, the Administration, and some national organizations have all signaled agreement to this new starting stance.

At the workshop, Chip Conley, from the U.S. House Agriculture Committee staff observed that primary “1990 policy interests will focus on fine-tuning, rather than sector-wide economic issues,” and Carl Zulauf, from Ohio State University, argued that unlike the situation in 1985 “no farm policy crisis exists.” One thing is clear; rather than dissipate time with dances around ideological positions, it is possible for policy makers and those who influence them to begin immediately to deliberate about critical, but negotiable issues.

Water Quality & Food Safety

The policy agenda for the 1990s, which has long since moved far beyond the farm and commodity market intervention, is further extended by two new issues—water quality and food safety. The policy agenda still has the familiar entries—the commodity programs, grain reserves, food distribution at home and abroad, export promotions, and now the firmly rooted conservation reserve. But the externality concerns about heavy chemical use in commercial farming and food marketing will not be quieted by a continued ignoring of them.

The Clean Water Act is almost two decades old and food quality concerns are as old as the Food and Drug Act of 1906. Yet, definitive knowledge about the effect of chemical use on water supply is fragmentary, and food safety concerns thrive as much on the emotion stirred over two poisoned grapes and the threat of salmonella-lurking in every chicken yard as on reliable data. Regardless of the dearth of definitive data, tangible policy responses to improve the quality of both water and food have been squarely placed on the public agenda. Public policy issues are not just recognized on the basis of reliable knowledge. And responses to issues involve more than reliable information. Public issues are people issues and people's motivations are emotional, psychological, social and political as well as economic and technical. This is true for water quality and food safety as it has been for traditional farm commodity policy.

Science and information have contributed importantly to these issues. Science has helped society understand that chemicals not naturally found in drinking water or food can be harmful as well as healthy. It has also discovered a sufficient number of cases when water and food were contaminated with residues during production to cause serious questions about food safety and environmental quality. Furthermore, an information-oriented culture spreads misleading as well as accurate understandings quickly and extensively. For a society accustomed to the drama of space travel, the power of superconductivity, and the heavy economic burden of militarily-based security, the time for greater assurance that our water is safe and our food is safe has come. Never mind that the added costs of a safe, as well as bountiful food supply are unknown, or that private rights may have to be redefined, or that realization of the goal may require even more governmental inter-

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vention in our daily life. The public will assess its tradeoffs through pragmatic trials of public action, but action it will demand.

At the workshop Katherine Reichelderfer, USDA ERS, concluded that a lack of reliable knowledge will not forestall water quality being addressed in the agricultural bill of the 1990s, but that in the near term, "policy options are likely limited to these nonregulatory approaches." David Dyer, American Farmland Trust, predicted that, "improving water quality will be top priority" in future policy decisions. Carol Kramer, Resources for the Future, and Jean Kinsey, University of Minnesota, recounted over 25 House bills and eight Senate bills already introduced in 1989 to enhance food safety and food choices by consumers.

Rural development is already on the agenda but is it a familiar or a new issue? Certainly, it has been discussed and a subject of public action for half a century. Following decades of patchwork policy, often more focused on organization than on funding, it remains elusive in the search for consensus and direction. Perhaps it is too ill-defined for public support, or as Kenneth Deavers, USDA ERS, urged, perhaps rural development awaits a better home than can be offered by the traditional USDA and Land-Grant University structure. Olan Forker, Cornell University, thinks value-added initiatives offer more economic possibilities for the rural community than presently recognized by either the private or public sector.

U.S. Policy and GATT

The question for the 1990s does not seem to be whether farm, food, grain reserves, conservation, and export policies continue.

Rather, it is how will their structure be influenced by a different force, the current Uruguay GATT negotiations. Never before have these decisions been so sequentially interwoven.

Farmers prefer this continuation according to a national survey reported by Marshall Martin, Purdue University, and Harold Guither, University of Illinois, but they also strongly support the GATT negotiations. However, decisionmakers in neither the Washington, DC nor Geneva arena need to be in the dark regarding the interrelations of their options. Daryll Ray, Oklahoma State University, and William Meyers, Iowa State University, tracked the differing impacts of alternative scenarios on consumers, farmers, and trade, using the unique capability of contemporary economic analyses.

Never before has there been so much visible trade conflict among major agricultural trading nations nor has agricultural policy been so high in the deliberations of almost one hundred nations. However, while these nations preempt center stage at GATT, Michel Petit and Ashok Subramanian warned the workshop that the vital interests of the developing nations, where

most of the world's future population must survive, may be overlooked. Whether the proposal by the United States, EC, Cairns Group, or some combination, is finally agreed upon, GATT decisions will affect what the United States perceives as desirable policy in the 1990s; conversely, the 1990 policy will send signals to Geneva negotiators. Even though these international negotiations inject greater uncertainty into the policy environment, Harry Baumes, USDA, ERS, noted there is now more economic stability in this nation's agricultural sector than experienced in over a decade.

The Workshop

A national workshop, "Food and Agricultural Policy Issues—Alternatives for the 1990s," was held in Washington, DC in November 1989. It was jointly sponsored by the North Central Policy Research Committee, American Agricultural Economics Association (AAEA), AAEA Foundation, Kellogg Foundation, Farm Foundation, National Center for Food and Agricultural Policy—Resources for the Future, and USDA's Economic Research Service, Extension Service, and Cooperative State Research Service. Participants included policy decision makers, staff members of federal and international agencies, educators, researchers, and leaders of farm, consumer, environmental, agribusiness, and religious organizations. As might be expected from such a diverse group, there was much spirited discussion about the broadening policy agenda—from the current world and national economic conditions, to rural development, to food safety and quality, to environmental imperatives, to trade, farm commodities, food aid, and budgetary constraints.

Copies of the Workshop proceedings will be available by writing to the editor: R.G.F. Spitze, 305 Mumford Hall, 1301 W. Gregory Drive, Urbana, IL 61801.

Program Costs

Budgetary considerations could significantly affect how the agricultural and food policy game is played in the 1990s. Treasury costs present both a familiar and a new perspective. In every agricultural policy development from the relatively large fund provided to the Federal Farm Board in 1929 through the succeeding nineteen agricultural Acts, Federal costs have figured prominently. Simply recall the cost concerns about the ill-fated 1948 Brannan Plan or the veto threats and counter-threats during the prolonged Conference Committees for the 1981 and 1985 Acts. Furthermore, the relative size of Federal outlays for farm programs within the total Federal budget has fallen from the 1950s and 1960s, as indeed has farm population.

Then, there is yet another kind of budget concern. Joyce Allen, Joint Center for Political Studies, and Carlton Davis, University of Florida, reminded us that real outlays for food programs had been shrinking in the midst of rising poverty.

The reality is that our nation has been experiencing unprecedented Federal budget and international trade deficits and a consensus is not clear on how to manage either. As every presenter noted in the workshop, budgetary concerns will enter into all policy decisions of the 1990s. William Hoagland, U.S. Senate Committee on the Budget, noted the irony that while current agricultural legislation is viewed with growing satisfaction, future legislation will be partly shaped by a growing sense of frustration about continuing overall deficits. In the near term, however, commodity program costs could become a non-issue if supply-demand conditions permit the continued decline in farm program outlays.

Agricultural and food policy for the 1990s will have a familiar look, but a closer scrutiny will reveal important differences. This is where the public policy making process will focus and is also where responsible researchers and educators can make vital contributions. The workshop helped identify those likely policy changes and the gaps which they expose in our knowledge base. Making choices is what public policy, and hence policy work, is all about.