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Ag policy: Looking ahead

What policy changes are in store for agricultural policy under the Clinton administration? Spitze reviews clues from the campaign, new appointments, and economic and policy trends to suggest what might happen. Hathaway and Rossmiller look to the past to understand why policy mistakes have been made and how to avoid future errors. To make their case, they review for us some of the notable agricultural events and policies of the last two decades: the world food crisis, the debt crisis, the European community's CAP, and U.S. agricultural policy in the 1970s and 1980s. Finally, Harrington and Doering start us thinking about the 1995 farm bill with a specific suggestion for new commodity policy. Will their proposal do all they claim, or can better ways be found to reach income stability, budget, environmental and other goals? It is not too early to begin the debate.



Election signals for future agricultural and food policy

by R. G. F. Spitze

What new agricultural and food policies lie ahead with the new Administration? Campaign utterances, election results, initial appointments, current economic trends, and an evolutionary view of public policy gives us some clues.

From the campaign

Campaign rhetoric and position papers from the U.S.-style election are hardly blueprints for action nor a four-year policy agenda. Yet neither are they to be ignored if one is to understand future political decisions. Unlike promises made by party leaders in a parliamentary system, the promises of a U.S. presidential candidate represent policy directions toward which the victor hopes to lead a Congress that is independent of the executive.

The just-completed presidential and congressional election, as well as the elections in almost all states and counties, very likely provided more information than ever before, in a wider variety of forums, to interested citizens. The unprecedented use of the diverse formats of debates, talk-shows, and call-in programs, as well as the unusual three-candidate contest, augmented the usual public access to the candidates.

Furthermore, two of the presidential candidates had extensive records of public service as president and as a state governor. Written evidence of President Clinton's policy predispositions, and the basis for

much of this section, can be found in Clinton's book *Putting People First*, co-authored with Vice President Gore; the Clinton Democratic Party acceptance speech, "A Vision for America;" a campaign issue paper, "Bill Clinton on Agriculture;" the Clinton-Gore position paper, "Rebuilding Rural America;" the adopted Democratic Party Platform, "A New Covenant With The American People;" and numerous press reports on the candidates' speeches.

Clinton's roots are in a relatively low income, economically struggling family with both parents employed, living in a small town (Hope, Arkansas, population then of 8,600). His formative professional years were as attorney general and governor of Arkansas, a relatively rural state (population now of 2,400,000, forty-six percent rural, and the largest metropolitan area being the capital with a population of 480,000). Clinton commonly confronted problems of the part-time farm families of the Ozarks as well as commercial farmers of the Mississippi Delta. They produced poultry, soybeans, beef cattle, rice, and cotton for domestic and export markets. He faced the inadequate infrastructure of small towns, survival and growing pains of changing regional commercial centers, and a state economic base of modest personal incomes and accumulated wealth. The president's education reached beyond the public schools

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to higher education at Georgetown University, Yale University, and as a Rhodes Scholar at Oxford University in England.

Clinton's central campaign theme was the "state of the national economy." Although agriculture was not a prominent part of his theme, Clinton hinted at his vision for agriculture and for agricultural and food policy in these statements:

"...adequate supply of quality food and

expansion of agricultural research and development."

"Our current farm programs, [Food, Agriculture, Conservation, and Trade Act of 1990], properly managed, can achieve reasonable prices for producers and guarantee a safe and stable food and fiber supply for consumers."

In the policy area of the rural community, family farm, environment, trade, and

will enable rural Americans to help themselves, create jobs, and rebuild their communities."

"...support policies which protect the environment while recognizing the fundamental importance of private property rights."

"Pass a new Clean Water Act with standards for non-point-source pollution and incentives for our firms, farmers, and families to develop ways to reduce and prevent polluted run-off at its source...."

"Multilateral trade agreements can advance our economic interests by expanding the global economy... negotiations, our government must assure that our legitimate concerns about environmental, health and safety, and labor standards are included."

"Increase funding for the Food for Peace Program."

"...should not use food as a weapon, but search for alternative ways to carry out foreign policy objectives."

"Federal funds need to be utilized in ways which improve cooperation among farmers

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fiber is an important strategic goal of the United States."

"American farmers are the most competitive and efficient in the world."

"...provide American leadership in world agriculture through modernization and development of current farm programs and

research, Clinton wrote:

"...help diversify rural economies to enable people to continue to live and work in rural America."

"...it's time to invest in the rural economy ...by investing in the infrastructure, telecommunications, education, and health that



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and between states in the same region.”

Clinton also made observations about the Secretary of Agriculture and reorganization of the USDA:

“...appoint a Secretary of Agriculture who is respected by America’s farmers...turning it into a department *for* agriculture and American farmers....”

A tone, an attitude, an overriding philosophy of government that may transcend any insight gained from specific policy pronouncements was evident in much of the Clinton campaign, and perhaps best summed up by the repeatedly-used words “partnership,” “covenant,” and “community.” Note the following:

“The revolution that lifted Americans to the forefront of world agriculture was achieved through a unique partnership of public and private interests...It’s time to reestablish the private-public partnership to ensure that family farms get a fair return for their labor and investment, so that consumers receive safe and nutritious food, and that needed investments are made in basic research, education, rural business development, market development, and infrastructure to sustain rural communities.”

From the election

Just as the campaign did not signal clearly the future for agricultural and food policy, neither do the election results. Yet they do add insight. The signals were the election of Clinton and Gore, and the fact that the Democratic party captured, for the first time in thirteen years, the Presidency and both Houses of Congress. Clinton emerged the victor with a comfortable 69% of the electoral college (370 out of 538) and a plurality but not a majority popular vote (43%). He won in states from all regions of the nation and both rural and urban areas. However, Ken Cook of the Center for Resource Economics reported that among the 512 counties classified as “farm dependent” by USDA (averaging 20% or more of income from agriculture), Clinton carried only 36%.

Congressional election results revealed unusual party stability. Fifty-seven Democrats and 43 Republicans sit in the new Senate; no change from the previous Con-

gress. The new House includes 259 Democrats, 175 Republicans, and one Independent, reflecting a loss of nine Democrats. Issues mostly unrelated to agricultural or food policy brought high turnover in the House. The number of women, Black, and Native American members increased. Substantial change occurred in the membership of House and Senate Agriculture Committees as a result of reassignments and incumbent defeats attributed to redistricting.

The leadership of both Agriculture Committees remains unchanged, except for the defeat of the two ranking minority members on the House Committee, and the elevation of another midwesterner, Roberts (KS), to that minority leader position. However, there is a new look in membership, particularly in the House Agriculture Committee. Among that membership, continuing at forty-five, sixteen (36%) will be first term—eleven first-term Democrats, five first-term Republicans, and one Republican reassigned. This change is higher than in the total House membership (25% first-term). House Agriculture membership by region remains stable. However, there are four women, all Democrats, instead of only one.

The House Agriculture Committee was organized almost two months earlier than in the last Congress and, abiding by a new general House rule, reduced its subcommittees from eight to six. The new configuration includes three commodity subcommittees: General (including wheat, feed grains, soybeans, cotton and rice), Specialty Crops and Natural Resources (including tobacco, peanuts, sugar, forestry, and marketing), and Livestock. This new organization also includes three operational subcommittees: Department Operations and Nutrition (including research, pesticides, and food programs), Environment, Credit and Rural Development, and Foreign Agriculture and Hunger. The new committee structure probably signals relatively more emphasis on foreign issues and less on peanuts and tobacco.

Senate Agriculture Subcommittees probably remain unchanged. House Appropriations Chairman Whitten (MS), will be replaced by Natcher (KY) for the general Committee and Durbin (IL) for the Agriculture Subcommittee. In total, the new

Congress and the agricultural committees seem to reflect the agricultural and food policy leanings of the new president and his party.

From the initial appointments

Sixteen top administrators of USDA must have Senate approval. Twelve major agency heads and well over one hundred others, mostly at the state levels of various federal agencies, will be appointed to help shape future policy. USDA is second only to the Department of Commerce in the number of non-career federal employees.

Senator Pryor (AR), second ranking majority member of the Senate Agriculture Committee and long-time, home-state ally of Clinton, was one of his earliest agricultural advisors. Following Clinton’s nomination, supporters established national—and even some state—support groups called Farmers and Ranchers ’92. Pryor was national leader, co-chaired by others from the Senate and House agricultural and farm organization ranks. Miles Goggans, from Pryor’s staff, and William Davis, retired from USDA’s Foreign Agricultural Service, also provided counsel to Clinton throughout the campaign.

The transition process hints at possible directions for agriculture and natural resource agencies. First, a natural resources “transition cluster” including agriculture, under James Speth, a former president of World Resources Institute was announced. Then, almost a month after the appointment of initial presidential transition leadership, six transition teams for USDA were established headed by Susan Sechler, the rural policy program director of the Aspen Institute and a former USDA official in the Carter Administration. These teams were patterned after the recent programming areas at the assistant secretary levels in USDA, and included International Affairs and Commodity Programs; Marketing, Inspection, Food and Nutrition Programs; Natural Resources and Environment; Science and Education; Small Community and Rural Development; and Economics, Personnel, Budget, Administration, and Economics.

Staffing for these various transition groups dealing specifically with agriculture and food came from a broad representation of congressional committee personnel, agribusinesses, environmental groups, farmer organizations, commodity associations, and officials of the last Democratic Administration. The transition teams immediately held meetings to hear concerns from many agricultural leaders.

Rumors concerning the new Secretary of Agriculture circulated freely for weeks with names of some twenty-five former governors, members of Congress, and agricultural leaders from throughout the nation, including representatives of several minorities. On the occasion of the announcement of the last group of top-level officials, President-elect Clinton introduced his nominee for Secretary of Agriculture, the Honorable Mike Espy.

He is a four-term congressman from the 2nd district of Mississippi (Delta-Jackson area) and the first African-American Mississippian elected to Congress since Reconstruction. He is also the first southern Secretary of Agriculture. Espy, an attorney and previous state official, served continuously on the House Agriculture Committee and was a member of the House Budget and Select Committee on Hunger. Agriculture subcommittees on which he served include (1) Cotton, Rice, and Sugar; (2) Domestic Marketing, Consumer Relations, and Nutrition, and (3) Conservation, Credit, and Rural Development.

Espy is known for his broad agricultural and food interests including commercial and small farms, food distribution, and rural development. Leaders of a wide spectrum of agricultural and congressional interests characterized Espy as a knowledgeable, dedicated, innovative, and popular member of Congress. He had worked closely with Clinton in the Democratic Leadership Council and the development work of the Mississippi Delta Economic Commission. Clinton, in presenting Espy, stressed the new administration's for family farmers, small towns, and rural areas. Espy, in response and with a tribute to his father as a long-time county extension agent, stressed his commitment to both the producing and

consuming sectors, and to a reorganization of USDA adequate for serving the *changing public needs* of the future.

From outside the election

In addition to the campaign utterances, the election results, and ongoing appointments, future agricultural and food policy will be shaped by other important forces: (1) the knowledge, values, and political influence of interest groups, (2) current economic and social conditions, and (3) past policy. The direct political influence of farmers and their rural communities was already diluted before this election, because of their declining populations, and the 1990 reapportionment of all legislatures, except the Senate. This decline will continue. Citizens have already indirectly expressed their knowl-

trade negotiations, and export markets in the major unstable regions of the world.

From an evolutionary theory of public policy

The foremost determinant of future agricultural and food policy is past policy, and especially the Food, Agriculture, Conservation, and Trade Act of 1990. Election 1992 came at the half-way mark of the five year duration of that policy and Clinton signaled strong support for it. Thus, in view of the evolution of past public agricultural and food policy, the 1995 legislation will most probably be a continuation of past policy, with some changes to be sure, but at the margin. Nothing in the election suggests substantial departure from this norm. In the absence of unusual national or international disturbances, the focus of these marginal

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edge and values through the officials elected and these expressions will continue as those officials choose future policy.

Economic and social conditions of the agricultural and food sector clearly did not figure prominently in the campaign nor in the party platforms (one-third page out of sixteen in the Democratic and two and one-half out of seventy-six pages in the Republican). Unemployment, budget deficit, health care, education, and infrastructure were more pressing issues. Hurt still lingers from the farm crisis of the early 1980s, and chronic rural community and resource problems are still with us. Yet at election time crops were generally good, farm incomes improved, debt receded, and exports recovered with aid from large export subsidies. Future policy will most certainly be affected by changes in economic and social conditions yet to come, and some could be destabilizing shocks. Changes to watch are imbalances in supply and demand growth, macroeconomic factors of interest rates and currency valuation,

changes is likely to revolve around national budget constraints, quality and safety of the food supply, and environmental impacts of agricultural production, all priorities expressed in the Clinton-Gore campaign. Historic mandates for food labeling are now being implemented. Immediate attention will likely be required to resolve two other contentious issues: clarification of wetlands definition and response to the just-signed NAFTA. Attention to the GATT negotiations are sure to continue. In addition, re-authorizations of ongoing policies outside of agriculture, yet directly affecting it, in the areas of clean water, endangered species, and chemical controls, are already on the agenda.

The Clinton team thus far has demonstrated it will likely approach agricultural and food policy-making with extended study and with unconventional listening and consensus-building efforts to achieve what became during the campaign an oft-voiced goal of a "private-public partnership." ■