Letters

Does Land Monopoly Exist?

■ Marvin Duncan, Michael Boehlje, and David Lins (*Choices*, Third Quarter 1995), in their fine article addressing challenges in the changing market for rural credit, point out that successful farmers increasingly choose to lease farmland rather than own it. This frees working capital for more productive uses, such as investment in machinery, equipment, buildings, livestock, etc., by which farmers intensify their farm operations in hope of higher profits.

Gene Wunderlich indicates that roughly 4 percent of U.S. farmland owners hold 47 percent of the nation's farmland. He also indicates that the 1992 census of agriculture shows a higher percentage of land farmed under lease than at any time since 1940. Harold Breimyer predicts the result of the trend in the structure of agriculture, which he calls industrial feudalism, will be the following: "Individual landholding might survive but proprietary control would not, with the single exception of a fringe of niche operations such as pick-your-own strawberries or ostrich farming."

Does this suggest that land monopoly now may exist, or soon will, in some agricultural areas? How much higher does concentration of farmland ownership have to go to become a serious problem to both producers and consumers of food and fiber in the United States? Philip Raup observed fifteen years ago that the concentration of U.S. farmland ownership is as skewed as in some countries where reform measures have been pursued to break up exceedingly large landholdings.

If we compare this to concentration in manufacturing, and 4 percent of the owners of U.S. manufacturing facilities held 47 percent of the nation's manufacturing capacity, would it arouse our historic concern about monopolies and trusts?

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Uruguay Round Agreement
Monitoring service needed

■ Responding to your invitation for comments, I wish to draw your attention to a role which *Choices* could fulfill which I think would be of widespread interest. I write as a European subscriber, but I may be reflecting the view of other non-U.S. readers.

We are entering a new era in agricultural policy under the Uruguay Round Agreement (URA). While that agreement is a very modest one for those who wish for rapid trade liberalization, it provides a foundation which will be built upon in future trade rounds. It is therefore a milestone as it marks the end of the incessant growth in agricultural protection since World War II and the beginning of its dismantlement. Yet *Choices* has paid little attention to this historic event, the most recent reference being in the editorial of First Quarter 1994.

I believe there is a demand in this new era for a monitoring service to enable people like myself around the world to efficiently track the major themes in policy development by country and region under the URA. Since the U.S. is the driver of the liberalization movement, the events in the U.S. itself are of primary interest. The debates on the 1995 farm bill and their relevance to the global liberalization process provide one current example of what I have in mind. The ongoing debates in the EU on enlargement to the East is another. Other regions of global significance are Latin America and China.

To my knowledge there is no ready source of up-to-date information on these developments. You have, of course, provided some coverage in the past, as in "World Events Shaping Future U.S. Agricultural Trade" (Second Quarter 1994). But this has been too patchy for my purposes and written mainly for your American audience. In due course, we can catch up with these events, if we persist, through such sources as the OECD Annual Monitoring and Outlook Reports.

I want a more current, user-friendly service and I am willing to pay for it. How many more are of like mind? Perhaps your existing non-U.S. subscribers may be too few to warrant a global service, but I believe there is a large potential clientele for such a service, if you can target it. In that regard you might consider working through national/regional associations.

Wishing you a constructive tenth anniversary.

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Agroecological Opium: A Comment

■ A Fourth Quarter 1995 *Choices* article by Jim Chen may explain, at last, why so many agricultural economists seem so threatened by the issue of sustainable agriculture. Apparently, they see it as some sort of "communist plot." The "specter of agroecological ideology" may in fact be haunting the minds of industrial technologists, but true academic intellectuals should never be afraid to think.

The sustainable agriculture movement is asking the scientific community to explore a fundamentally different model or paradigm for agriculture in the future. This request is being rejected, without thinking, by those who cling unwittingly to the industrial paradigm which apparently entangles their minds. Do they have so much invested in the old paradigm—so much to lose if their paradigmatic knowledge is found to be obsolete—that they dare not open their minds to even the possibility of an emerging post-industrial era of human progress?

There is no sinister social plot to distort the definition of sustainable agriculture. Sustainability has always included the economic and social, as well as the ecological. Agroecology, the conceptual foundation for sustainable agriculture, recognizes that agriculture, by its fundamental nature, represents an intentional, purposeful human intervention into "natural" ecosystems. Most

who study agroecosystems consider the economic and social motives for this human intervention to be critical dimensions of their work. There are many definitions of sustainable agriculture, but nearly all include ecologic, economic, and social criteria for sustainability.

Equating sustainable agriculture with "bucolic agrarian fundamentalism" is nothing more than building a "straw man" to be torn down. Why? Because as Chen states, "unless we can decouple the notion of sustainability from issues of farm income and economic viability" the agroindustrial technologists are going to have a tough time dealing with this issue. Industrialists see ways of coping with the environmental impacts of agriculture without abandoning their industrial model, as Chen illustrates. Others go further and grudgingly accept the ultimate necessity for a profitable as well as environmentally sound agriculture. But the current rebellion against sustainability stems from a growing awareness that a sustainable agriculture must also be "socially responsible."

Social responsibility includes providing people with safe and wholesome food and fiber at a reasonable cost, as most would agree. When any agricultural system fails this test of sustainability, the ecosystem and the economy are put at serious risk. But, a socially responsible agriculture also must provide competitive economic returns for those who produce. In addition, any socially responsible sector of the economy must provide its share of opportunities for people to be productive, contributing, successful members of society. Civilizations, historically, have destroyed their economies and supporting ecosystems when they deemed their societies to be unfair or unjust.

Chen's frustration with the rbST issue stems from his unwillingness to view it as a sustainable agriculture issue rather than an environmental or food safety issue. Environmental and food safety implications were debated because they are important indicators of sustainability. But, so are potential impacts of rbST on profitability of dairy farms, the future structure of the dairy industry, and future control of agricultural technology. The questions of economic viability and social responsibility must be asked if one is to seriously evaluate sustainability. These questions were asked and a decision was made. Was the decision right or wrong? Only time will tell. But, it was not wrong to ask the questions.

Why is the industrial model of farming being challenged? Because industrial systems historically have degraded their environment and depleted their natural resource base. Commercial fertilizers and pesticides—essential elements of a specialized, industrialized agriculture—have become a primary source of growing public concern for environmental pollution. Industrialization has transformed an agriculture created for the purpose of converting solar energy into human-useful form into an agriculture that uses more nonrenewable energy from fossil fuels than it captures as solar energy from the sun. But what is perhaps more important is that these industrial systems degrade their human resource base. Large specialized factory farms transform independent decision makers into people who know how to follow instructions or directions but not necessarily how to think or make decisions.

The industrialization of agriculture made sense as long as farmers displaced in the process were needed to fill more productive roles elsewhere in the larger economy. However, those days are gone. American industries now are reducing, not increasing, employment at all levels. Robots and computers are replacing people, and eventually will do anything and everything that can be done without thinking. American industry doesn't need any more displaced farmers. A dislocated farmer with no alternative opportunity for productive employment is no less a social liability than is a polluted stream or sediment-filled lake.

There is nothing unique or special about incumbent farmers in relation to this issue. Farmers who can find more productive employment elsewhere will continue to do so. But agriculture, along with every other sector of the economy, must become concerned with providing opportunities for more people to be more productive if we are going to sustain a healthy human society. Technologies which marginalize the productivity of people should always be questioned by those who are seriously concerned about the long-run sustainability of human life on earth. Simply labeling as "Luddites" those who question such technologies reflects a naivety that society can ill afford as we approach the twenty-first century.

Chen concludes with his "consumerist manifesto" as if it were something new for agriculture. In fact, the march toward industrialization of U.S. agriculture has been carried out under the banner of cheap food for American consumers. In this respect, the march has been successful. American consumers, on the average, now spend little more than a dime out of each dollar for food, and the American farmer only accounts for about a penny of that dime. But that march is just about over. American consumers have very little left to gain from making farming "more efficient." If farming cost nothing, consumers would only save a dime on each dollar spent for food or a penny of each dollar spent in total.

Consumers of America are uniting. They are saying to the agricultural establishment: "the potential harm you can do to the environment and to human society is now greater than any good you can do by making our food still cheaper through further industrialization." Consumers are asking for an agriculture that is ecologically sound, economically viable, and socially responsible.

The only "labor of love" I have seen driving sustainable agriculture advocates is a genuine "love of people." If it takes smelling cow manure every minute of the waking day and walking around in trousers drenched in pig blood for a few weeks to rekindle an empathy with real people among social scientists, then let's put those things into our curricula.

Elements of sustainable agriculture are clear in the "farmer's perspective"

of Will Erwin, in the "new farm management concepts" of Michael Boehlje, and in the "six decision-making criteria" of Marion Clawson, all in the same issue of *Choices*. Agricultural economists have a lot to contribute to agriculture sustainability, but we must become social scientists again. We must confront the specter of a new paradigm, accept the "challenge of agroecology," and focus on sustaining people through agriculture rather than just sustaining agriculture.

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The author responds

■ John Ikerd's response to my article, "The Agroecological Opium of the Masses," proves my point precisely. The predominant rhetoric on sustainability not only seeks to couple two distinct concerns in contemporary agricultural policy. It also purports to dictate "socially responsible" answers to agriculture's hardest environmental and economic issues. Call this approach "sustainable agriculture" if you like. I prefer the term "agricultural correctness."

What sort of agriculture is "socially responsible"? The answer depends on the question. From an environmentalist perspective, there is a simple solution. Every economic factor in agriculture, from farm incomes to consumer food prices, should reflect the full social cost of production. In the nonagricultural setting, economists, lawyers, and other social scientists have more or less agreed on the contents of the environmental policy maker's toolbox. Pigovian taxes reinternalize costs that private parties are able to evade. Liability rules put the burden of legal compliance on parties most able to reduce costs, or at least to spread them broadly. Uniform environmental standards, with only such exceptions as natural science will bear, impose nondiscriminatory "green" obligations on a diverse world. Those firms with efficient structures and low costs survive. Others die.

In almost any other discipline, a defense of this model of environmental protection would be unoriginal at best and insultingly repetitive at worst. In agriculture, my brand of environmentalism inspires a different sort of contempt. Nothing strikes deeper fear in the hearts of farm advocates—traditionalists and sustainability aficionados alike—than the suggestion that farmers follow the same environmental laws that are applied to their industrial counterparts. Why? Because one does not need a doctorate in economics—and I haven't so much as a bachelor's degree in this field—to anticipate the economic consequences for American agriculture. Environmental protection does not come cheap. Prevention and remediation of ecological harm is a cost like any other. Smaller family-owned farms are, on balance, less likely to survive an agricultural treadmill accelerated even further for the environment's sake.

Unsurprisingly, Professor Ikerd argues that "profitability of...farms, the future structure of [agriculture], and future control of agricultural technology" are "important indicators of sustainability." Unable to swallow what pure environmentalism would do to the farm, many self-described sustainability advocates add "economic and social criteria" to the definition of their movement. This maneuver is doubly duplicitous. First, it deprives us of a chance to pursue a purely ecological agenda. Second, it dictates what is and what is not "socially responsible," all too often under a self-righteous guise of pursuing all that is "green."

The National Environmental Protection Act, the source of the federal government's obligation to consider the environmental impact of its decisions, should be required reading for every agricultural policy maker. Time and again, federal courts have held that this bedrock of American environmental law has nothing to say about the disruption of employment relationships, farmworker displacement, family farm bankruptcy, and the like. (See, for example, *Metropolitan Edison Co.* v. *People Against Nuclear Energy*, 460 U.S. 766 [1983]; *Image of Greater San Antonio* v. *Brown*, 570 F.2d 517 [5th Cir. 1978].) Environmentalism, properly understood, seeks to preserve the natural and physical environment. Nothing less, nothing more.

Compromised by the predominant social preferences of its rank and file, the sustainability movement has spent a disproportionate amount of its scarce political capital fighting cost-reducing, yield-enhancing advances in agricultural technology. Improvements such as rbST doom farm employment prospects, but they also reduce agriculture's demands on the natural world. Meanwhile, more substantial environmental problems go unaddressed. When will we price agricultural water at its full social cost? When will those who graze on public lands pay fees reflecting the ecological damage inflicted by their animals? When will wetland degradation and agricultural runoff be regulated as the full-fledged forms of water pollution that they are? No answers are readily forthcoming, not as long as we condition environmental protection on unemployment insurance for farmers.

Professor Ikerd implies that a "dislocated farmer" has, as a matter of course, "no alternative opportunity for productive employment" and thus becomes "no less a social liability than...a polluted stream or sediment-filled lake." The arrogance of this sentiment is self-evident; its inefficacy is less obvious and deserves some explanation. We already have massive legal apparatuses for addressing the social consequences of unemployment and poverty. Among them are the Internal Revenue Code, the various federal and state systems of public and general assistance, and, yes, even the Food Stamp Program. In the three decades since Rachel Carson wrote *The Silent Spring*, it has proven hard enough to accomplish any environmental objective, especially when good ecology comes into conflict with entrenched economic interests. To force environmental policy to accommodate problems of agricultural unemployment—a cause lost from the moment that Stone Age farmers began replacing the hoe with the plow—is far too much to ask. Millions for environmental defense, but not one dime in agrarian tribute.

Finally, to the extent that the debate over agroecology has become a race to be "more progressive than thou," Professor Ikerd's disregard of food prices bears noting. There may not be a more progressive tax cut than an across-the-board reduction in food prices. American farm policy routinely subsidizes some of the richest self-employed individuals in the nation off the taxes and grocery bills of the poorest. If it is farm income support we want, let us have the decency to get in line with every other welfare lobbyist in Washington.

Properly defined, sustainable agriculture is an environmental ideal to which we all can and should aspire. "Socially responsible" sustainability, on the other hand, is a thinly disguised excuse for coercive economic measures for compensating some of modern agriculture's losers. Let us be wise enough to recognize the difference, honest enough to state the difference, and courageous enough to act accordingly.

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Findings Citations

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Note: *JARE* is the *Journal of Agricultural and Resource Economics*, *Agribusiness* is *Agribusiness—An International Journal*, and *JAAE* is the *Journal of Agricultural and Applied Economics*.