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Agroecological Opium

A comment

■ In his article about "Agroecological Opium" (*Choices* Fourth Quarter 1995), with its high content of invective, Jim Chen gives voice to his indignation that Minnesota dairy farmers are reluctant to recognize the merits of recombinant somatotropin, and resist marching willingly, as lemmings, to their immolation. He then draws a sweeping generalization that the phenomenon "confirms the true nature of support for environment-enhancing developments in contemporary agriculture."

It does no such thing. It confirms only that Minnesota dairy farmers are normal human beings. I doubt that they are any more indignant about accepting rbST than are university professors who face denial of lifetime tenure.

Perhaps I overread him, but Chen seems to regard technological developments, particularly in biotechnology, as implicitly good, and anything agrarian as, well, if not bad, then outmoded and destined for the ash can. My colleague, Bruce Bullock, is on sounder ground when he says that technology is not itself good or bad, nor neutral either.

In about the same vein, Chen writes that "environmental integrity *can* occur in a corporate environment" (my emphasis). Of course it can; who has suggested otherwise? It can also fail to occur. Citing the single favorable instance of Gallo wineries has no generalizable meaning. In fact, Gallo is known for being exceptional, not typical.

We can't deny, Chen says, the "irreversible industrialization of food production in the United States." Oh yes we can! Until germplasm is fabricated in a retort, food production will continue to have a biological component—the "bucolic illusion" that Chen disdains. Furthermore, that component will grow in importance as stock resources, on which the current industrialization of agriculture draws heavily, are depleted enough to pinch. By definition, sustainability depends on flow resources, and the preeminent flow re-

source is solar energy; not in the foreseeable future, if ever, will the chlorophyll of plants be replaced as an instrument for catching and converting it.

Subject to the editor's acceptance of another paragraph, I add here a personal comment that bears little on the Chen thesis but illustrates the thinness of his reasoning. He goes back a half century to dig out the chestnut of Carl Wilken's 7:1 multiplier for farm income (a million dollars the government might plug in would spew out 7 million of GNP, mostly in the country, Wilken averred), which he calls an early defense of "price and income support for farmers." Of course Wilken won a few adherents, rather as Steve Forbes has done for his flat tax. But it had no bearing on policy making. I was there; I worked in the program planning office and can testify that Wilken and his numbers were given not an iota of credence in policy making. Why, then, does Chen or anyone want to build a case on that worn-out banality?

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How I Spent the Great Blizzard of 1996

■ In June 1995, I accepted an appointment as agricultural attaché at the U.S. Embassy in Mexico City. After completing a six-month training program in Washington, I was prepared for my departure to Mexico City in early January 1996. However, political debate over the federal budget combined with the Blizzard of 1996 to delay my departure. During the week of January 7–12, 1996, Washington, D.C., and the metropolitan area received approximately 25 inches of snow. As a result, USDA and other federal agencies were closed for the week.

Snowbound in Washington, I reviewed my files on U.S.-Mexican agricultural trade issues and reviewed the legislative progress on the 1995 farm bill. In addition, I began packing the few remaining books and files in my

office when I uncovered a small book that I had purchased at a Washington area bookstore a few years back. Thus, during the Blizzard of 1996, I finally had the opportunity to read *Farmers at the Crossroads*, by former secretary of agriculture Ezra Taft Benson.

Published in 1956 during President Dwight Eisenhower's re-election campaign, the book details agricultural issues of the period, albeit in a heavily conservative Republican perspective. Many of the issues presented by Mr. Benson remain with us forty years later: changing farm demographics, control of agricultural production by the government, etc. However, in the last chapter of the book, titled "Year of Decision," Secretary Benson outlined a policy prescription that would reduce the government's role in agriculture and ensure a profitable future for U.S. farmers during President Eisenhower's second term. Specifically, in the last sentence of the book Secretary Benson wrote that the goal of the administration was "...a prosperous, expanding, and free agriculture. We shall never relax our efforts to achieve that goal."

In many ways, 1996 is also "A Year of Decision" for U.S. agriculture. It appears that the Senate Agriculture Committee, under the leadership of Senator Richard Lugar (R-Ind.), will succeed in passing legislation which will accomplish what Secretary Benson wrote about forty years ago. The current legislation would end farmers' reliance on subsidies over a seven-year period and eliminate government regulations that have influenced farmers' production decisions. In short, farmers would be free to farm. Thus, many of the policies and ideas which Secretary Benson advocated in 1956 may finally be realized.

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Can Farm Policy Be Reformed?

A comment

■ The article by David Orden, Robert Paarlberg, and Terry Roe recount-

ing how the 1996 farm law came into being ("Can Farm Policy be Reformed?" *Choices* First Quarter 1996) is perceptive and scholarly. I offer a few comments, and do so as one of the few agricultural economists who have been associated with farm programs since their beginning in 1933. (Don Paarlberg is another.)

My overall judgment is simply, "So what else is new?" The political process the three men outline is, to veterans, old and familiar. Only newcomers, having been taken in by the "budget-driven" sloganeering heard so often the past year, would expect law-writing to proceed differently this time.

Budgetary considerations are always a factor in writing a law that calls for appropriations, but they rarely dominate. They didn't in 1995-96.

Let me take a personal credit: for two years I have insisted that the 1995-96 law-making would *not* be budget driven.

The political process from which the final version of a farm bill emerged and was adopted, as annotated so carefully by Orden, Paarlberg, and Roe, is not new yet has to be learned anew by each generation of agricultural economists. The process as described is in no small way inherent in democracy itself. Orden, Paarlberg, and Roe are good teachers.

It might be supposed that the particulars of a law-drafting experience such as that of 1995-96 predetermine the quality of the legislation that comes out of it. This is not true, in any broadly generalizable sense. The political process, although grubby in some respects, is equally capable of spewing

out the good and the bad—or, not infrequently, a mix of good, bad, and in-between.

One reason results are often so mixed is that participants work from such different visions as to what is desirable. Even so with economists. Orden, Paarlberg, and Roe seem to take for granted that a desirable farm program is, among cognoscenti, self-defining. They use terms such as "reform," "liberalized," "market-oriented," "deregulated," as though they are key words to a desideratum. They convey some meaning but are not definitive.

Reform as a verb or noun is the most accommodating word in the English language. It's one of Roger Gray's purr words, and means, as Lewis Carroll had Alice put it, "What I choose it to mean." Is market orientation liberal? Well, maybe, today. But when markets of yesteryear dropped to bankrupting level, advocates of a price floor were decried as liberals. So what's in a label?

The three authors miss one bet when they fail to point out explicitly that the law-drafting experience of the last two years carries forward a trend of recent decades, that of the growing influence of commodity organizations. By my criteria, the trend is to be regretted. Paradoxically, commodity organizations would have had less success in shaping the new law if budget austerity had been a genuine factor and not a smoke screen.

In a newspaper column I write weekly, I have suggested that transition payments at a time of high prices serve mainly to preserve a budgetary base. I call the ploy Machiavellian.

I have one firmly negative judgment about the Orden, Paarlberg, Roe article. It has to do less with what the authors say than with what they fail to say. They treat the farm program as almost exclusively price and income support gadgetry. Price and income stabilization has long been only one of three missions of farm programs. The second mission, that of environmental protection, has grown in status and support. Ostensibly, the newly enacted farm law preserves various of the environmental measures of the 1990 statute. It should! Price support is of the here and now; soil conservation can be, like diamonds, forever. According to the language of the law, Conservation Compliance will remain in force, and that's splendid. But let me admit to misgivings having to do with the compatibility of decoupled payments alongside conditional mandates for soil protection. In this respect the new law is a hodge podge and could lead to administrative hassles—possibly to a rewritten law within two years.

The third mission of farm programs has been to provide for reserve stocks of wheat, feed grains, and cotton. Academics who write off that program role are wrong. A nation whose corn harvests can fluctuate wildly over a range of several billion bushels and fail to store during bumper crop years is as foolish as the six virgins in the Biblical parable. The 1996 farm law does not eliminate stock-carrying but weakens current provisions.

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Findings Citations

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