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Another View of Farmer Collective Bargaining

Richard A. Levins, in "Collective Bargaining by Farmers: Time for a Fresh Look?" (Winter 2001-02), argues that collective bargaining could help farmers to obtain lower input prices or higher output prices. He suggests that 350,000 family-sized farms might be the core of an effective farmers' bargaining unit.

This is unlikely. Unions have four major sources of power: strikes, control over the supply of labor, political action, and consumer boycotts. Employers counter the traditional union weapon — a strike — by hiring replacement workers to maintain production during strikes or by shutting down, so that the strike becomes a contest to see whether the loss of wages will force union concessions before the loss of profits leads to employer concessions. Fewer than 10 percent of private sector workers are union members, reflecting the declining power of unions to win benefits for members. Is there any reason to believe that farmers would be more successful?

Finally, in a time when some farmers are fighting mandatory promotion assessments, it may be worth remembering that unions are based on exclusive representation and union security agreements. Once a union is certified to represent workers, it is their exclusive representative on all wage and benefit matters; no side deals are allowed. Union security means that members must pay for representation, typically two percent of gross earnings, and the union can bar from employ-

ment workers who are not in good standing with the union. Applying these concepts to farmers could very quickly lead to "right-to-farm" laws that would weaken any unions.

Philip Martin
University of California (Davis)

So Who Says?

I was dismayed to see in the "So They Say" section of the recent issue of CHOICES quotes from web sites, popular media, USDA publications, and Staff Papers rather than from journal articles. Scientific information depends on peer review. The profession should be promoting, not subverting, this kind of information.

Henry Kinnucan
Auburn University

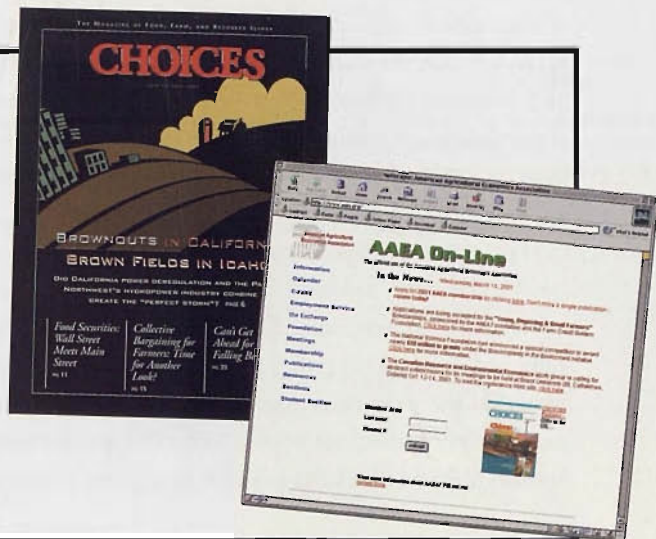
CHOICES agrees that the profession should promote information found in journal articles authored by agricultural economists. However, the So They Say page includes excerpts from a broader spectrum of work. Including only excerpts from professional journals would limit So They Say to a subset of the profession's output. — ED

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A Rejoinder to Hayenga

Professor Hayenga's conclusion that agricultural economists should speak with greater consensus on policy issues is probably neither achievable nor, in all instances, desirable. Heated policy debates go back decades as attendees at the annual meeting of the then American Farm Economics Association can recall. Moreover, the differences were not then and are not now attributable to either a lack of "sound analysis" or because of a need for "improved dialogue between economists and policy makers." Differences in assumptions, interpretations placed on data and the inability to predict accurately the long-term consequences of short-term observations assure that knowledgeable observers can, and often do, reach different policy conclusions. Moreover, policy makers are well served if the full range of possible outcomes is displayed, not a single point of view which may later prove to be wide of the mark.

A point not discussed by Professor Hayenga that does need attention is the widespread perception that some economists in the debate had a conflict of interest because of sustained research support over a period of years by packers and packer organizations. Indeed, in one instance, a state (Kansas) enacted legislation in 2002 directed at requiring disclosure of research support. Just as medical researchers have faced increasing pressure to disclose funding, consulting, and other ties with pharmaceutical and other private sector firms, economists with close ties to the meat packing industry were questioned as to their objectivity in this debate. This led USDA Undersecretary Bill Hawks, at a July 16, 2002, hearing on the proposal to ban packer ownership, to suggest that additional study of the issue be conducted by experts other than livestock marketing economists at land-grant universities.

The argument that the Association should foster a "quick response" team to address policy issues is ill-advised and unnecessary. The Association has wisely refrained from taking policy positions, directly or indirectly, in the past; the current era does not appear to provide a compelling set of reasons for doing otherwise. Indeed, a provision of the AAEA operating policies,

adopted in 1999 specifies that the Association "will not take a position on any public policy issue."

Clearly, the agricultural economics discipline would be aided by open consideration and debate of all perspectives concerning policy issues, rather than proceeding lock-step in "think tank" mode. This is particularly true given the perception among at least a portion of the public that Colleges of Agriculture are struggling to retain objectivity in light of large financial contributions from the agribusiness sector and/or collaborative efforts with agribusiness research and consulting firms.

Finally, it is important to keep the matter of offering up advice to policy makers in proper perspective. Most policy issues, this one included, potentially involve several disciplines. In this instance, economics is obviously involved but so also are law, sociology and political science. While it may be tempting for economists to assign a heavy weight to economics, for example, to the exclusion of other disciplines, what is critically important is that each discipline involved be encouraged to communicate clearly to the appropriate decision-making group the consequences of attaching varying weights to the key disciplinary variables and not to dissipate their effort in lamenting why their own particular disciplinary view did not prevail.

Neil E. Harl, Charles F. Curtiss Professor of Economics, Iowa State University, Ames, Iowa

Roger A. McEowen, Associate Professor of Agricultural Economics Kansas State University, Manhattan, Kansas

Peter C. Carstensen, Professor of Law, University of Wisconsin, Madison, Wisconsin. .

For More Information

McEowen, Roger A., Peter C. Carstensen and Neil E. Harl, "The 2002 Senate Farm Bill: The Ban on Packer Ownership of Livestock," 7 Drake Journal of Agricultural Law 267 (2002).

The Author Replies:

Contrary to Harl and co-authors' assertions, I did not propose that the Association take a policy position. I proposed that it help facilitate bringing together the available knowledge base and foster an informed dialogue on such issues. A forum in which competing views contend should bring out the strengths and weaknesses of the arguments to economists and participants in the policy process. In some cases, misperceptions may be cleared up, and differences may disappear.

Harl et al. assert a widespread perception that some economists in the ownership ban debate were marked with conflict of interest because of past research support from packers or packer organizations. While they point accusing fingers at economists with views opposite to their own, they do not acknowledge that the same economists have been the major sources of our knowledge base about livestock and meat industry structure, behavior, and performance over the last 30 years. Fur-

ther, researchers and writers have continually passed the bias-sensitive peer review process in our profession (even on research with some packer funding). Moreover, they have often been consultants to or had research funded by producer organizations and public agencies like USDA, because of their expertise and objectivity. So where would their conflict or bias be, if they had one?

The issue of packer ownership and control is alive in the U.S. Senate again in 2003. I would encourage all economists interested in that issue to examine closely what our profession offered to the debate in 2002, and consider whether my proposal might fortify our profession's policy contributions on this and future economic policy issues.

Marvin Hayenga, Professor,
Iowa State University, Ames, Iowa.

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For more **information**:
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