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Agricultural Policy: Can It Cope With a Changing World?

U.S. Agriculture in a Global Setting: An Agenda for the Future. Edited by M. Ann Tutwiler. Washington, DC: Resources for the Future, 1986, 234 pages, \$20.00

Reviewed by Marc O. Ribaud

Traditional farm policies cannot cope with the rapidly changing environment in which U.S. agricultural policy operates, according to the editor of *U.S. Agriculture in a Global Setting: An Agenda for the Future*. The contributors present convincing evidence that fundamental changes in farm policy and legislation are necessary. The book does an excellent job of identifying and discussing the forces that affect the goals and rationales for agricultural policy.

The title is a bit misleading. It implies a discussion of the changing role of the United States in the international economy. However, the book goes beyond trade issues by examining two forces that affect agricultural policy: forces within the agricultural sector itself and forces outside the domestic farm sector. Many farms have become larger, more heavily capitalized, and more specialized. There have been large gains in production technologies, and the number of farms has declined. The decline in political power of the traditional agricultural lobby has led to many commodity-based interest groups, affecting how agricultural policy is created.

U.S. agriculture's position in the global economy has become increasingly vulnerable to changes in domestic and international trade policies and patterns. Demand for agricultural products has changed in response to changing demographics and increasing awareness of nutrition and food safety. Rural economies' diversification, with less reliance on agriculture, has reduced the economic effect of agricultural policy on rural areas.

Resource adequacy and environmental quality have become major issues for farmers. There is growing concern over the availability of land and water to produce adequate levels of food and fiber economically in the future. There is also concern over the environmental effects of the use of pesticides and nutrients, soil erosion, and loss of habitat. To complete the list, the authors even included changes in global climate as a potential effect on agricultural policy. This is a growing concern in agricultural circles and may become one of the major issues in the near future.

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The forces affecting agriculture are placed in the context of traditional agricultural policies, which, the authors argue, have been essentially unchanged since their inception in the 1930's. An excellent presentation of the historical background of the current policy environment, in chapters by Allen and Elliott, Thompson, and Browne, provide the economic, philosophical, and political forces that shaped traditional agricultural policy. Traditional policies were designed mainly to increase and maintain farm income (and the economic health of rural areas), to prevent large swings in agricultural prices, and to preserve the traditional family farm.

However, the authors maintain that traditional commodity-based policy is unable to cope with the changes outlined above. They present evidence that those policies have not protected the agricultural sector from the effects of external forces on farm income, and that they have encouraged environmental degradation and misuse of natural resources and hampered our competitiveness in the world economy. Attempting to deal with trade, environment, and other new issues facing agriculture through traditional programs will lead only to failure, probably expensive failure.

The papers include (1) "The Current Debate and Economic Rationale for U.S. Agricultural Policy" by Kristen Allen and Barbara J. Elliott, (2) "The Philosophical Rationale for U.S. Agricultural Policy" by Paul B. Thompson, (3) "An Interdependent and Fragile Global Economy" by M. Ann Tutwiler and Barbara J. Elliott, (4) "Brighter Prospects for Agricultural Trade" by Fred H. Sanderson and Rekha Mehra, (5) "International Agricultural Negotiations: The United States and European Community Square Off" by Michel Petit, George E. Rossmiller, and M. Ann Tutwiler, (6) "Consumer Demands: A Balancing Act" by Carol S. Kramer, (7) "The Changing Face of Rural America" by John J. Kornacki, (8) "The Fragmented and Meandering Politics of Agriculture" by William P. Browne, (9) "Agricultural Information and Technology: A Continuum of Change" by A. Barry Carr, (10) "Land and Water: Will There Be Enough for Agriculture?" by Pierre R. Crosson, (11) "Some Rays of Hope for Agriculture and the Environment" by Tim T. Phipps, (12) "Global Climate Change: Holds Problems and Uncertainties for Agriculture" by Norman J. Rosenberg, and (13) "An Agenda for the Future" by M. Ann Tutwiler and A. Barry Carr.

The forces acting on agriculture are redirecting agricultural policy away from traditional commodity tools and toward a more broadly defined policy. The authors do not make specific policy recommendations, but present a general agenda for change. The major recommendations include

- Reassess the goals of agricultural policy, and determine which problems can best be dealt with through agricultural policy
- Develop programs that minimize market distortions
- Emphasize education to enable farmers and other rural residents to cope with changes

- Focus on encouraging growth in less developed countries, thereby creating markets for US products
- Integrate environmental and agricultural policy

One set of recommendations that could have been made involves the institutional framework within which policy is made. Proliferation of special interest groups and subcommittees involved with agricultural policy was justifiably cited by Browne as a major problem in creating flexible, consistent policy. Major changes in the relationship between Congress, the President, and special interest groups would have to occur before a new agenda for agricultural policy could be enacted. Whether such a change will be made is highly questionable.