



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Plotting Agricultural Policy Means Changing Course

The Political Economy of U.S. Agriculture: Challenges for the 1990s Edited by Carol S. Kramer
Washington, DC Resources for the Future, 1990, 298 pages, \$20

Reviewed by David Ervin

Agricultural and food policy is an enigma to many. Through sometimes conflicting government programs, the public sector often influences the agricultural and food industries to achieve diverse goals. Not surprisingly, even policy analysts have difficulty identifying the effects of policy on food production, prices, trade, the environment, and other processes, let alone predicting the path of future policy. The papers in this book help explain how the web of current agricultural policies was woven, and how to identify the major forces that will influence new policies. It offers provocative and productive reading for agriculture and food policy analysts.

The authors present the most complete coverage of the current farm and food policy mix. Articles are well written and argued with considerable insight, but unfortunately, with little empirical analysis to support strong conceptual arguments in most cases.

Much of the work, while academically interesting, does not push beyond how we got to where we are, or venture analyses of policy changes that might accompany a changing agricultural and food agenda. To be fair, the editor explains that the book is not intended to explore new policy directions, but rather to "examine the political economy in which agricultural and food policy is formulated today in the United States." Therefore, this volume is most useful in providing an understanding of the evolution to the current policy setting, a commendable exercise that preceded construction of the recently passed 1990 farm bill and the still emerging GATT agreement.

Four important strains of thought inform the analysis: increasing roles of external factors, international dimensions of policy, policy challenges of new technology, and contributions of policy analysis.

Agriculture and food policies are increasingly influenced by forces outside the traditional agricultural policy domain, including the environment, food safety, biotechnology, international trade, and the budget deficit. Partial evidence from the 1990 farm bill process supports the "external forces" premise. The most

important reform in the 1990 Food, Agriculture, Conservation, and Trade Act is the increased flexibility in commodity program plantings, a direct result of budget deficit pressure and perhaps of GATT strategies. Agricultural policy analysts should sort these outside influences by degree of importance. Such a ranking will not only help identify the likely path of policy evolution but will better target the policy research agenda. For example, the effect of budget and trade pressures appears to supersede environmental, food safety, and technology concerns. In effect, the more important external forces determine the feasible set of policy choices for environmental, food safety, and other issues.

Global forces are profoundly affecting agricultural and food policies. Examples cited in the analyses range from immigration policies for farmworkers to international technology transfer to trade agreement negotiations. When the history of agricultural development in the 1990's is written, the increasing internationalization of U.S. agriculture will be stressed. This "opening" of the agricultural industry will not likely be reversed. The integration of monetary systems with large international capital investment is a powerful force. Still other international influences may emerge. Pressure mounts to have international agreements on significant global resource changes. This book illuminates this important international dimension.

The book includes (1) "Introduction and Overview" by Carol S. Kramer, (2) "Why Is Agricultural Policy So Difficult To Reform?" by James T. Bonnen and William P. Brown, (3) "Is There Anything 'American' About American Agricultural Policy?" by Robert L. Paarlberg, (4) "Selective Perceptions and the Politics of Agricultural Policy" by James Duncan Shaffer, (5) "Agriculture and the Failure of the Budget Process" by Charles H. Riemenschneider and Robert E. Young II, (6) "The Political Economy Of Farm Credit Reform: The Agricultural Credit Act of 1987" by David Freshwater, (7) "The Evolution of Pesticide Policy: Environmental Interests And Agriculture" by Katherine Reichelderfer and Maureen Kuwano Hinkle, (8) "Biotechnology and Agriculture in the Congressional Policy Arena" by L. Christopher Plein and David J. Webber, (9) "Food Safety and International Trade: The U.S.-EC Meat and Hormone Controversies" by Carol S. Kramer, (10) "Farm Workers, Agriculture, and the Politics of Immigration Reform: The Immigration Reform and Control Act of 1986" by Rekha Mehra, (11) "Choices and Challenges for the 1990's" by Carol S. Kramer, Barbara J. Elhott, Lawrence M. Rubey, and George E. Rossmiller.

Ervin was a branch chief in the Resources and Technology Division, ERS. He recently accepted a position in the Department of Agricultural Economics, Oregon State University, Corvallis.

Several authors comment on the forces for change created by new technologies. Their comments reflect the powerful technological process that agriculture has undergone and the potentially greater technological revolution ahead. But, technology today is a double-edged sword. Many emerging technologies offer the promise of productivity gains but often raise the specter of health and environmental problems. The writings recommend understanding the public's fear of new technologies like the bovine growth hormone. Allaying those fears has proven difficult despite strong countervailing scientific evidence. Such a recommendation may help salvage potentially important productivity improvements that may offer lower costs and safer food and fiber products. In a closing comment, the editor stresses the need for empirical analysis to document possible external effects of technologies and to characterize tradeoffs of policy approaches. The book analyzes technology as exogenous to agricultural and food policy. Possibilities for understanding the economic and political forces that endogenously determine the path of technological change are left largely unexplored. Both private and public technological

developments are biased by the absence of prices for nonmarket environmental services and by public commodity programs. Understanding and documenting the nature and magnitude of those biases may help in understanding public fears about new technologies.

The editor issues five challenges to policy analysts in the agricultural and food policy process: (1) examine why things (policies) are the way they are, (2) use inputs from multiple disciplines, (3) address the role of policy institutions and processes in determining outcomes, (4) educate through policy analysis, and (5) explore conscious or unconscious assumptions in policy analyses. Perhaps an implicit element in some of the challenges needs amplification. The most useful policy contributions come from the best, policy-relevant scientific analyses. Studies of historical or current policy often focus on the evolution of policy instruments. But those instruments are products (or symptoms) of underlying problems. Understanding the driving forces in those problems through sound conceptual and empirical research yields the best policy analysis.