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Societal Constraints on Agriculture: Discussion

Peter J. Kuch*

The three papers presented here made interesting reading, provided much food for thought, and gave evidence of a great deal of effort.

The moderator asked us to pay special attention to how well each paper addresses "the struggle between environmental regulation and the policy of maintaining cheap food". I will attempt to deal with this and to give my reaction to other related issues that come to mind.

Pesticide Regulation issues: Living with the Delaney Clause--*Craig Osteen*

The author does a good job of showing how the application of current pesticide policies, as applied, restrict farmers' ability to produce abundant and cheap food. Evidence shows that farmers tend to benefit from pesticide restrictions, but consumers tend to lose.

He rightly faults the current pesticide-by-pesticide regulatory approach and correctly stresses the need to focus attention on crop clusters, searching for a more global optimum.

However, I believe he over-emphasizes the usefulness of risk-benefit analysis since we have not established norms for acceptable risk-benefit trade-offs. What threshold applies in terms of cost per case avoided? Remember, we are not talking about cost-benefit analysis here.

Possibly more important in the context of a crop cluster, is how do we deal with risk-risk trade-offs -- dietary cancer risk versus acute worker exposure, farm-worker cancer risk versus avian risk, etc. The public seems to be "irrationally" preoccupied with cancer risk.

He ignores the whole issue surrounding the perversity in the application of FIFRA relating to the establishment and protection of property rights. These generate quasi-rents and seem to motivate a lot of registrant behavior, particularly as relate to data requirements. As a result, farmers' interests tend to receive less attention than the concerns of the registrant.

As relates to minor-use crops, EPA is not at fault alone. USDA doesn't seem to be very concerned about specialty crops. As far as I can tell there is very little ag-economics research devoted to these crops. It has provided very little funding for the IR-4 program and has certainly devoted many more resources to defending existing registrations on field crops than for finding-developing new pest controls for specialty crops.

The Methyl Bromide Rule did undergo cost-benefit analysis as required by EO 12291. The question is how good was the analysis?

Sustainability Issues: How Should Government Coordinate Farm Regulations and Policy?--*Larry Johnson*

The authors theme is that confusion among government programs inhibits farmer productivity. I am sure this is true.

He does not address, nor for that matter seem to see any conflict between society's environmental demands and cheap food. To my

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mind such conflict is readily apparent with respect to livestock production, in particular dairy and poultry. These are areas in which environmental regulation is especially costly.

He places great emphasis on coordination among federal agencies, state agencies, etc. and the voluntary adoption of BMPs through education and traditional tech-transfer approaches. Why expect this approach to succeed with respect to water quality or even more intangible ecological concerns, when it didn't work for erosion control, which is more obvious and of direct benefit to farm operators? He really gives the impression that there is "free lunch" out there.

It takes a lot of manpower and financial resources to do "holistic ecological resource management". However, there is not likely to be enough money in the federal budget to do more than a few pilot projects.

I find his references to sustainability very confusing. Traditionally it relates to some concept of preserving natural resource stocks -- soil, water and ecosystems. He has it as a state, that is produced by competitive market forces without serious government intervention. How then do the externalities get internalized?

Finally, I don't believe that most government policies relating to agriculture "have the designed purpose to bring forth a more sustainable society", certainly not my view of a sustainable society. I see them as tools of rent-seeking behavior that have favored large commercial agriculture at the expense of diversified sustainable agricultural enterprises. These policies have also probably accelerated the decline of rural America.

Note: EPA does not administer the Endangered Species Act. That is the domain of the Fish and Wildlife Service.

Wetlands and Environmental Legislation Issues--*Roy Carricker*

I learned a lot from Roy's paper, but that is probably because I don't know very much about Section 404 of the CWA.

However, the focus of the paper seems to be on the development value of wetlands, not their value in conversion for crop and livestock production. As I read his paper, it seemed that farmers are preoccupied when it comes to permitting under Section 404, with option values for future development, not current production.

When it comes to concerns about exempting "normal farming activities" from Section 404 permitting requirements, the real focus of the discussion should shift to concerns about Swampbuster or of putting large blocks of converted wetland into the Wetland Reserve Program. The only struggle in this paper seems to be about preserving the value of the land when it comes time for farmers to retire from farming, not between environmental regulation and cheap food.

Relating to the taking's issue, if there were legislation that replaced some part of commodity program payments with stewardship (or green) payments, farmers could be compensated for not draining wetlands.