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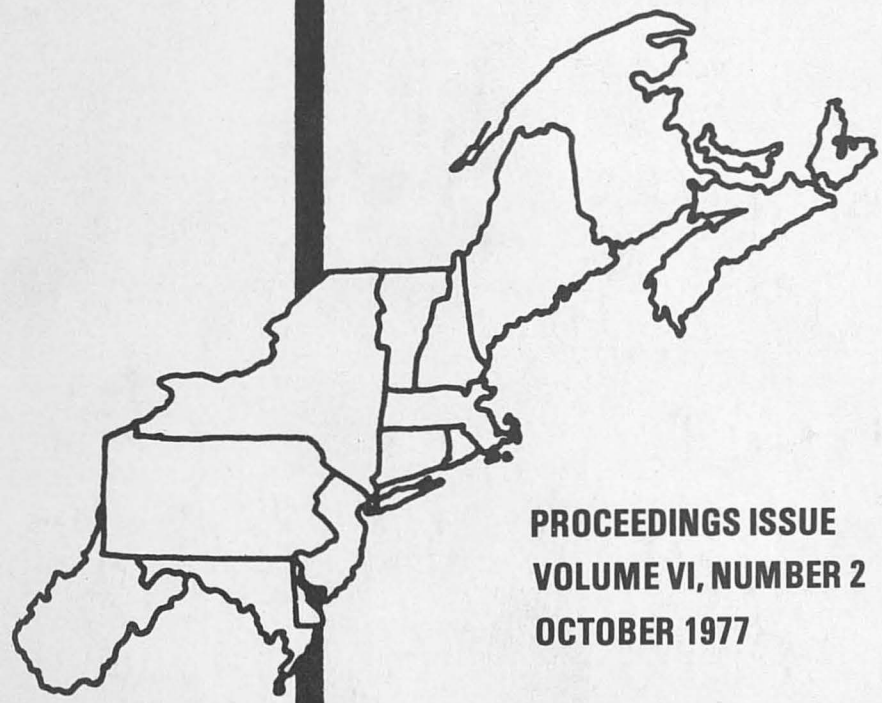
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1977 FOOD AND AGRICULTURAL POLICY: IMPACT ON CONSUMERS

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The interests of American consumers in our food policy can be set forth rather simply. Consumers are concerned about ensuring adequate supplies of safe and nutritious food at reasonable prices. The real problem, of course, is finding policies which can lead toward these goals, and enacting them.

In the last few years consumers have begun to make more input into the formation of food policy. The shift in terminology from farm policy to agricultural policy to food policy is one indication of their growing input into policy formation.

The Consumer Interest and the Public Interest

The need for separate and distinct consumer representation in policy formulation has been questioned repeatedly over the years. Some people have questioned whether there even is such a thing as the consumer interest. They argue that the consumer interest is the same thing as the public interest. This viewpoint seems to be especially common among government officials. One result is that when new programs are being considered consumer spokesmen frequently point their fingers accusingly at the government officials and say, "You have ignored the consumer interest." The officials respond, usually a bit condescendingly, talking the way one might speak to a confused child: "We are all consumers, and the consumer interest is the public interest. We, in government, are responsible for representing the public interest; consumers need no special representation."

The consumer spokesmen have heard this before. They are likely to respond quickly that this is not so: "There is a farmer interest, a business interest, a labor interest and a consumer interest. Weighing and balancing these interests produces the public interest."

Sources of Consumer Input to Food Policy

This scene is repeated less frequently these days. Consumer participation in the food policy formulation process is occurring in a variety of ways.

Congressional legislators have been important spokesmen for consumer interests. Many urban legislators have a clear conception of the consumer interests of their constituents and have not hesitated to push these interests.

We also see more consumer representatives on various boards, advisory groups and commissions. We see, for example, new consumer representatives on some of the marketing boards in California. And recently, there was another first, the first consumer representative in a delegation to an international commodity conference. Dr. Lee Richardson, head of the Marketing Department of Louisiana State and current president of the Consumer Federation of American was added to the U.S. delegation to the recent International Sugar Conference in Geneva. It should be noted that Richardson was added to the delegation at the insistence of Representative Drinan of Massachusetts and other Congressmen.

At the present time the appointment of such representatives probably has mostly symbolic importance. Consumer representatives in these roles usually are over matched both in numbers and expertise. Few probably know much about the technical area involved or its legal or economic aspects. This seriously limits both their impact and their potential contribution. I draw here on some of my own experiences as a consumer member of a National Gas Survey committee. Ag Economics, I found, just is not very good preparation for understanding the problems of natural gas transmission and regulations.

A final source of input on food policy is the consumer advocacy groups in Washington. The impact of these groups is limited both by their personnel and financial resources. Currently, they are giving chief priority to work in behalf of the Agency for Consumer Advocacy bill. As a result, I am told, they have given only minimal attention to the current hearings on agricultural legislation. A loose coalition of consumer groups has, however, been formed to press in four areas [1]:

- 1) to ensure inclusion of a grain reserve in the final legislation,
- 2) to ensure setting of reasonable target prices - one particular concern is the possible effects of including land prices in cost-of-production formulae,
- 3) to obtain increased funds for nutrition and food-related research, and,
- 4) to eliminate the purchase requirements for food stamps.

It is interesting to note that in assessing proposals, the coalition has taken into account not only their probable effect on food prices, but also their treasury costs.

Some people, including apparently some farmers, have become convinced that consumers and consumer groups are willing to sacrifice the welfare

of farmers to gain their own ends. This kind of paranoia has been encouraged by some farm leaders and by bumper stickers reading: "When you complain about farmers, don't talk with your mouth full." The fact is, that nobody much really complains about farmers. Some work we did back in 1972 indicated they were seldom blamed for increases in food prices. Instead, the nebulous middleman was blamed [4]. A 1976 study for the United Dairy Industry Association supports the same conclusion: Consumers were found to have a generally favorable image of dairy farmers [3].

Some Questions

As the new legislation takes form its impact on consumer prices and supplies will become clearer. At this time we seem to have more questions than answers.

The pattern of the new food stamp legislation seems clear enough to encourage some speculation about its effects. Pat Madden's work on the nutritional impact of food stamps suggests a major effect has been to further increase already adequate protein intakes in households which participated [2]. It appears that the transfer income elasticity of demand for meat was high.

The proposed eligibility changes for food stamps seek to enroll more very poor households and drop some marginally poor ones. The transfer income elasticities of the households added seem likely to differ from those dropped. One wonders if meat will enjoy the same high priority in the households added as it did in those dropped, and what the impact of these changes on the total demand for meat will be.

The other question I would like to raise has been implicit throughout this paper. It perhaps should be made explicit: In commenting on the food policy proposals, have consumers correctly recognized their own interests and how much effect have they had? Perhaps Dr. Penn and others close to the Washington scene can address this question.

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