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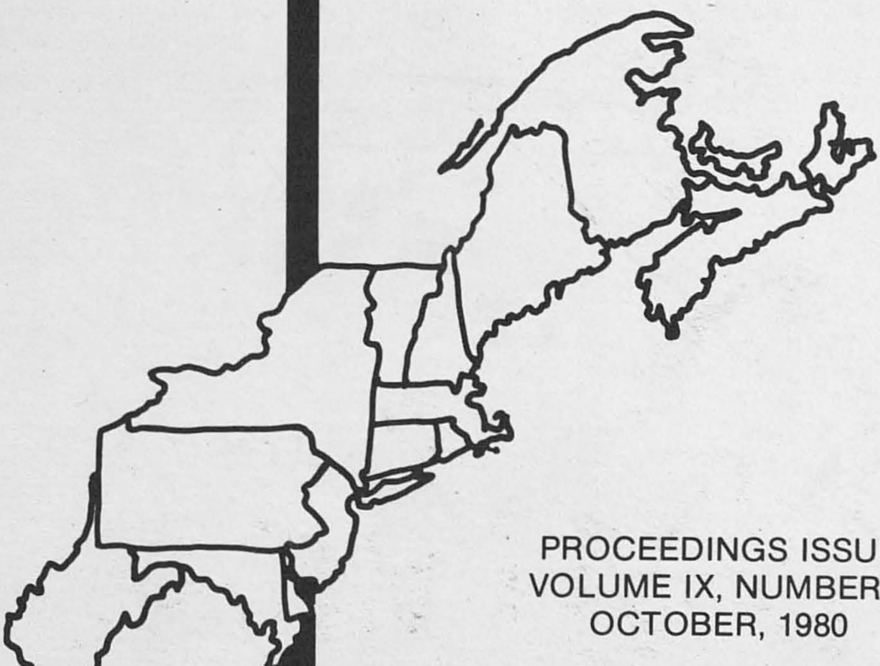

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# ORGANIZED SYMPOSIA

**SYMPOSIUM TITLE:**

Pesticide Regulation: Economic, Biological, and Federal Viewpoints

**Coordinators:**

Harry S. Baumes, Jr. and Kenneth H. Baum

**Participants:**

Harry S. Baumes, Jr.
Department of Agricultural Economics
Virginia Polytechnic Institute and State University

Robert E. Lee, II
Office of Pesticide Programs, E.P.A.

Edwin G. Rajotte
Department of Entomology
Virginia Polytechnic Institute and State University

Kenneth H. Baum
Department of Agricultural Economics
Virginia Polytechnic Institute and State University

Edward B. Bradley
Natural Resource Economics Division, U.S.D.A.

**Summary:**

The purpose of this symposium was to create an awareness of pesticide regulation research and not to discuss the positive and negative aspects of regulation. In this respect three topics of interest were discussed; federal, biological, and economic issues of regulation.

Pesticide usage has been regulated in some form by the Federal Government since the 1930s. The Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) of 1972 gave the Environmental Protection Agency (EPA) explicit authority to regulate these pesticides. The primary criterion for decision making under the statute is "unreasonable adverse effects on the environment" which is defined in FIFRA as "any unreasonable risk to man or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide."

Once it is determined a pesticide does have adverse effects, then it enters the Rebuttable Presumption Against Registration (RPAR) process. The RPAR process determines the risks, costs, and benefits associated with the suspect chemical. This process is a coordinated effort between EPA, the United States Department of Agriculture, and the states. When the analysis is completed, the EPA administrator weighs the risks and benefits and determines whether regulatory action is required. Legal mitigation may then follow.

Government regulation affects the discovery and development of pesticides and redirects research programs and production practices. Extensive regulation may encumber the research and development programs of chemical companies, increase the cost of chemicals reaching the market place, and decrease the number available to the producer, forcing him to revert to older or less effective chemicals. Both industry and producers must adapt to a constantly changing environment.

On the other hand, regulating the use of chemicals may extend the life of a chemical because pest populations will be less apt to build up genetic resistance. Research programs may be redirected into areas of alternative pest control measures such as biological control and host plant resistance. This ultimately leads to integrated pest management strategies. Inherent in this redirection is the need for researchers and producers alike to understand the basic interactions of animals and plants which would spawn new non-chemical control measures and prompt more judicious use of chemical controls.

EPA has tended to define benefits in a cost sense. In the economic analysis of pesticide regulation (primarily cancelling the registration of the pesticide) to date, benefits are synonymous with changes in production cost (per acre) for the affected producer and the industry (by commodity) as a whole. For this reason, the two methods of analysis have been partial budgeting and budgeting. There are two serious drawbacks in these approaches. Both problems originate from the short-run nature of the approaches. No supply response is considered in the analyses. This implies no consumer price effects and ignores the relevance of the concept of economic threshold in pesticide usage. Secondly, there has been little effort directed at regionalizing the producer impacts of the regulatory act. These problems must be overcome to perform adequate analysis. This requires increased research in the area pesticide productivity for supply response and regionalizing economic supply utilization, and price data.

**SYMPOSIUM TITLE:**

Inflation—Should We Take Another Look?

**Coordinator:**

Gene Engel, University of Massachusetts

**Participants:**

James Hildreth
Farm Foundation

Alan Bird
U.S. Department of Agriculture

Kenneth McIntosh
West Virginia University

**Summary:**

Society has received only modest help from economists on inflation. Besides other effects, inflation redistributes income and wealth in ways not understood or predicted; it increases uncertainties for households, firms, and governments; and it calls into question individuals' expectations of their rightful share of goods and services, i.e., their "entitlement." Our audiences need less mechanical, more complete and sophisticated explanations of what inflation is and what causes it; information on income, wealth, and equity effects of inflation among and between farmers, agri-industry firms, consumers, investors, savers, local and state government; and information on the consequences of alternative policies to deal with it. Agricultural economists must read and think about both emerging microeconomic and macroeconomic literature.

The new inflation of the seventies is mainly chronic, compared to cyclic. Chronic recession has accompanied chronic inflation. That implies the need for novel remedies that include structural changes as well as new monetary measures. The priority needs are outside agriculture, but dominate the interaction of inflation, agriculture, and rural development. Accordingly, agricultural economists cannot accept inflation as a given situation best understood and resolved by others.

The recent shifting of the primary monetary emphasis from 'one eye on interest and one on the money supply' to 'one eye on reserves and one on the money supply' will not be adequate to control

inflation. Long-run warfare to reduce inflation requires a comprehensive approach integrating monetary and fiscal measures, structural considerations, sharing of costs, and other public policy changes. Assets and income inflation create a spurious sense of well-being which has severe redistribution effects. Planning and acting on these inflated values further fans inflation. Some structural problems reinforce inflation, for example, the COLA (cost-of-living adjustment). Partial indexing creates widespread inequities, for example, social security recipients obtained a 14.3 percent raise on July 1, 1980 but the average wage earner's deductions increased in 1980 while his wage rate increased a mere 8 percent! Public policy implications include a needed statute to indicate the nation's will, desire, and procedures for containing inflation; automatic price and wage controls when inflation exceeds certain rates; elimination of partial indexing; and the resolve of all public leadership to control inflation.

Inflation is chronic, world-wide, unresolved. Comprehensive solutions are needed. Agricultural economists cannot expect others ot "solve" it.

**SYMPOSIUM TITLE:**

Interlocal Cooperation: Its Use and Importance in Small Town Service Delivery

**Coordinator:**

Beth Walter Honadle, Economist
Economics, Statistics, and Cooperatives Service
U.S. Department of Agriculture

**Participants:**

Mr. Alden Cousins, Project Manager
Bureau of Solid Waste Management
Massachusetts Department of Environmental Affairs

Ms. Catherine Flynn, Public Finance Specialist
Department of Food and Resource Economics
University of Massachusetts

Dr. Edgar C. Leduc, Professor
Department of Political Science
University of Rhode Island

Mr. Kenneth Payne, Executive Director
Rhode Island League of Cities and Towns

**Summary:**

This symposium focused on the history, development, and characteristics of voluntary interlocal cooperation among small governments in the Northeast. Recent survey research results of a study on patterns and types of interlocal cooperation in Rhode Island and Massachusetts were presented. Interlocal cooperation in the area of solid wastes disposal in Massachusetts was also discussed. Factors contributing to voluntary cooperation in Rhode Island were also analyzed. Both the benefits and the disadvantages associated with interlocal cooperation were treated in the symposium.