AGRICULTURE AND THE ENVIRONMENT IN THE 1990s: CHANGING SETTING AND CHARACTERISTICS

Jeffrey A. Zinn
Congressional Research Service
Library of Congress

The nexus between agriculture and the environment in the national policymaking arena has changed a great deal during the past decade. It is likely to change considerably more in the 1990s. Reasons behind the changes are relatively easy to identify. However, the shape that these changes might take are much harder to forecast. Even among the "experts," there are many competing views about both the general configuration and about the specifics.

This discussion is centered on considerations and possible actions by Congress as it is buffeted by pressures to address the numerous and complex issues that connect agriculture with the environment. The complexity is caused both by the substance of these issues and by the way that they are resolved in the public policy process. This process no longer is limited to the farm bill, annual appropriations and other agricultural legislation. It now includes a much broader array of participants and legislative vehicles. Before getting to the specifics, two stories about the future may help set the perspective.

Predicting the Future

Predicting the future requires brashness and a willingness to accept being wrong. For example, in a June 22, 1991, issue of *Congressional Quarterly*, Ron Elving published a column titled "Predicting Elections; Catalog of Folly." Remember, this was after the Gulf War, at the height of President Bush's popularity, and a mere eighteen months before the upcoming election. After quoting Henry Shaw's saying that "we go wrong not because of what we don't know, but because of what we know for sure that ain't so," he reviews presidential elections since 1940. He finds that the conventional wisdom eighteen months before the election to be more often than not at odds with the results. He also reviews the Bush record and the public perception of the Bush presidency at that time.

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Elving concludes, "Does this call for a full-ranch bet against the GOP in 1992? Hardly. Being incumbent and popular remains preferable to being anything else. But you still have to pave the road before you cut the ribbon. Don't let anyone tell you different." I am not about to predict the election, but the dynamic under which it is operating has changed a great deal in little more than a year.

A second story is an example of how history can repeat itself. Earlier this year, a group of my colleagues and I convened a two-day seminar on multiple-use and sustained-yield concepts. We invited national experts to discuss whether these concepts remain valid guides for anticipated U.S. Forest Service and Bureau of Land Management activities and, if they were not, what concepts might replace them. Two summarizers were asked to pull together the presentations and comments at the end of the seminar. One of the summarizers was Frank Gregg, formerly director of the Bureau of Land Management. Frank spent the better part of ten minutes making insightful comments and concluded by saying he had just given a verbatim summary of a water resources meeting a year earlier at which he had the same role. He concluded by noting that public lands issues seemed to mirror national water policy issues, the major difference being that one is a little behind the other in time.

What the second anecdote suggests is that we can learn about the future by looking for analogous sequences of events and concerns. But in making comments about the future, one must also be very careful to avoid creating a catalogue of folly. My comments will be useful if you can graft some of these thoughts on to your own experiences and needs, and if they will help you to see the future a little more clearly while avoiding a catalog of folly.

When we talk about the future, one usually assumes that past broad trends will continue. Some trends that affect agriculture might include changes to the structure of agriculture such as the relative decline of the mid-sized farm, changing consumer preferences such as the continued decline in per capita beef consumption and increase in per capita poultry consumption, and broader changes that impact on agriculture such as the continued depopulation of large portions of rural America. If the decade of the 1990s is a relatively quiet one, with few deviations from past trends, then many of the predictions are more likely. But as we move further into the decade, or as more unpredicted events occur (major natural disasters here or abroad, events of the magnitude of the fall of communism during the last decade, basic changes in personal preferences, etc.), the likelihood of being off the mark will grow.

Listing Topics

A laundry list of the issues one thinks of today would seem to serve little useful purpose. Trying to identify and discuss all these

issues—from the global, such as the North American Free Trade Agreement, the General Agreement on Tariffs and Trade negotiations and climate change, to the specific, such as the Conservation Reserve Program (CRP) after 1995 and integrated farm planning—would probably confuse. Such a list would not only be extremely long, it is likely to hide rather than highlight key policy considerations. However, two topics that are not addressed later, wetlands and endangered species, need some mention because they both are likely to remain major national policy issues during the next few years.

Wetlands

Resolution of the current vociferous wetlands debate is largely a political decision, with sound science appearing to have a decreasing influence. The Bush administration has identified wetlands as one of its significant environmental initiatives. Decisions on criteria in the delineation manual used to define wetlands appear to be made based on political considerations alone. Whether they are good science seems largely irrelevant. But the manual seems to defy good science. That is, wetland scientists cannot agree on an interpretation of the three criteria identified in the Swampbuster definition that can encompass the physical diversity of wetlands, and the differing opinions on which wetlands really do provide the values for which they are supposed to be protected.

A lack of timely data has contributed to the contentiousness of the wetlands debate. The U.S. Fish and Wildlife Service, the primary keeper of federal data on wetlands trends, released a report late in 1991 on wetlands loss trends between the mid 1970s and mid 1980s. But between 1991 and the mid 1980s, changes in federal policies, as well as more general changes in the economy probably have affected the rate and pattern of loss. Imagine trying to analyze current agricultural policy options if the most recent land use data had been collected in the mid 1980s. This comment is not meant as a criticism of the U.S. Fish and Wildlife Service, because collecting wetland data is a complicated and time-consuming process. But with such a long time lag since the data were collected, it is very hard to assess options and determine the most appropriate adjustments to current policies. A lack of current data certainly inhibits policymakers from knowing how close they are to a no net loss situation, which types of wetlands are under the greatest threat, and which federal policy changes might most effectively respond to those threats.

Endangered Species

Reauthorization of the Endangered Species Act may be among the most significant debates in the next several years in which agricultural and environmental interests will interact. The Endangered

Species Act is seen by environmentalists as one of the strongest laws because the designation process only allows for biological considerations. Many agricultural (and other) interests see this flexibility as unacceptable. The debate over whether the law should allow decision makers more discretion in weighing factors other than the purely scientific information about the specie in question will be a major debate.

Protection of ecosystems rather than species is receiving more attention and will grow into a very important new center of discussion. If protection of ecosystems becomes a more important part of the legislative mandate, implementation could affect much larger areas in the future. As in the wetlands debate, the important and necessary data on various species and their relationships to their ecosystems will often be unavailable. The result may be more debates that take on many of the characteristics of the current spotted owl debate in the Northwest.

The Future—Defining Characteristics

Certain characteristics help define the limits and direction of future policy debates and decisions. Five characteristics that are important in defining the national policy debate on agriculture's relationships with the environment are changes in the 103rd Congress, the federal budget deficit, the expansion of designated special places, changes in the key players in the national debate, and possible changes within the U.S. Department of Agriculture (USDA). By the next farm bill debate in 1995, and increasingly as we approach the end of the decade, these defining characteristics could be replaced by others.

Changes in 103rd Congress

Congress will change markedly next year. Predictions are that at least 125 members, and perhaps as many as 150 new members will be elected to the 103rd Congress. These new members will have to hire staff. Those with no legislative experience will be working hard to learn the mechanics of functioning as members while their constituents pressure them to provide the services they promised. Significant reorganization proposals are being discussed. These will have a good chance of being implemented, both because there will be so many new members who do not have a vested interest in the existing structure and because many will be arriving with a mandate for change.

These changes are likely to affect aspects of the agriculture-environment debate, although specifics are unclear at this point. If Clinton-Gore win, the Democrats will press to move on several defining initiatives. But there is no indication any of these will be in areas that directly affect environmental aspects of agriculture, beyond

Senator Gore's well-documented interest in environmental topics generally. If Bush-Quayle win, then there is likely to be much less external pressure for rapid or significant change from current policies.

Redistricting has eroded agriculture's power in the House another notch and demographers see no reason these trends will not continue throughout the 1990s. As the population both grays and migrates to the coasts and the sunbelt, rural America will continue to lose its political clout. For the first time, in the 103rd Congress a majority of the members will represent the suburbs and exurbs and a minority will represent the central cities and rural areas.

Outside forces, including environmental and consumer interests, will have greater influence in setting basic agricultural policy. That influence is most apparent when the farm bill is being voted on in the House of Representatives. Many members who have no agricultural constituency view the farm bill as a relatively unencumbered vote to satisfy another constituency. Environmentalists and consumer interests have learned to more effectively involve themselves in the farm bill process, and to make members aware of positions they endorse. With redistricting, winning this House vote could require even more compromising by farm interests.

Implications over the next several years include:

1. Fewer members will be interested in agriculture as a priority.
2. Agriculture's voting block will continue to lose power.
3. Fewer members will seek appointment to the agriculture committees.
4. Agriculture will increasingly compete with other regional, rather than national, issues and constituencies, more akin to many of the Western public resource topics than to national topics such as defense and education.

The Senate Agriculture Committee is already becoming more of a regional, rather then national, committee, and it is likely to be increasingly dominated by members from the Plains, the Corn Belt and the Southeast. Only three of the eighteen members are not from those areas (Leahy, Craig and Seymour). Further, the committee is chaired by a member who represents a very small number of producers and whose state produces only one major commodity commercially. As a result, he has a specialized interest in agriculture that is different from the major producing regions. These characteristics can skew policy directions in many ways, some are probably desirable and others unfortunate.

Federal Budget Deficit

The continuing deficit will mean less money, foreclosing a growing number of possible policy options for fiscal reasons alone. Budget

constraints will generally demand more effective programs that have lower federal costs but higher levels of participation by the "right " people or land where the problem is most severe.

One possible response could be targeting. In the early 1980s, the Reagan administration pushed the targeting concept, but Congress placed strict limits on its application through the appropriations process. Policymakers will wrangle again over whether constituents should be penalized with less service because they have either fewer problems or have been more successful at solving problems. If financial and staff resources available for agriculture's conservation effort remain relatively constant over the next decade, defenders of the programmatic status quo may prevail, but if these resources are reduced or if there is a public perception that programs are not adequately addressing problems, then acceptance of targeting by Congress seems more likely.

Two examples may foreshadow the way that Congress will view conservation programs in the future when confronted by budgetary constraints. First, Congress chose not to fund any additional CRP signups in FY 1993 as called for in the administration budget request. In rejecting this request, the Appropriations Committee stated in its report to the House that "Difficult fiscal constraints have forced the Committee to provide resources for those conservation programs that have proven beneficial over the years." It seems very likely that Congress will apply the same logic and not provide new funding for FY 1994.

The administration also requested full funding for the wetlands reserve program. Neither appropriations committee provided any funds. On the floor of the Senate, limited funding was approved. However, in the conference committee action that concluded the agricultural appropriations process, this funding was deleted. In recommending no funding, the House Appropriations Committee had concluded, "In these stringent fiscal times, the Committee does not believe it prudent to embark on a program, notwithstanding its potential, without a clear understanding of its costs versus its benefits."

Special Places

The countryside is increasingly occupied by designated sites that may constrain farmer activity in the future. Examples of the designations include wetlands, wellhead protection areas, archeological sites, endangered species habitat, historic sites and the coastal zone. Further designations under these categories and the appearance of new categories can be anticipated. Each designation limits uses of the land that are incompatible with specified values. Some aspects of agricultural production may be identified as incompatible uses. The overall acreage remaining outside these designations will decrease. In some urbanized areas, especially in coastal locations, agriculture

could be largely pushed out by these designations in concert with economic and other forces. Eventually, these designations will place pressures on the undesignated resource base, first locally, then regionally in areas such as the coastal zone, and, perhaps eventually, nationally.

Some landowners who are affected by these designations are challenging them. They are coalescing into private property rights advocate groups. Defense of private property rights had been a rather quiet legal backwater until recent years, when a series of lower and Supreme Court decisions encouraged these advocates to assert that certain governmental actions that reduce property values should require compensation. These court decisions have given these advocates hope that the current balance between a land owner's right to use his land as he wishes and the government's right to protect societal values without compensation, except in very limited circumstances, is changing. While these decisions have been touted by protection advocates as heading toward a real change in governmental ability to limit uses, most judicial scholars believe any changes that result will be less significant.

Key Players

Key players in national agriculture and environment policy issues can be divided into three general groups; a conservation coalition, a commodity coalition, and congressional staff. These groupings bypass many specific differences, some of which are pronounced. Players in each group have been active in agricultural politics through the agriculture committees since 1985, and will continue to be for the rest of this decade. Excluded from this discussion are many outsiders in the environmental and Congressional communities who influence policies toward agriculture through initiatives outside the agriculture committees and the farm bill process that nonetheless affect the business of agriculture.

The conservation coalition has evolved since 1985 when it first appeared as a forceful and tight-knit group of representatives from five to ten environmental organizations. It centered on about five key leaders; they were surrounded by a number of organizations and individuals who shared the coalition's goals and interests. By the 1990 farm bill the coalition had fragmented. For example, wildlife interest worked separately to develop and promote their proposals. But the remaining coalition seemed more fragmented as well. As a result, what it submitted was a wide-ranging array of proposals in 1990, and the diverse features of the conservation title may be attributed, in part, to this diversity of proposals.

The conservation coalition is likely to continue to fracture, but the central members, who understand farm bill politics the best, are likely to be most effective within the agriculture committees in the

future. However, recent actions by some of the key leaders also suggest they will not be reluctant to take environmental concerns to other committees that have been far more receptive to the environmental perspective than the agriculture committees in the past.

In 1985 there was no commodity coalition to respond to conservation proposals. Reasons may include that they thought these proposals would not go anywhere, that they would be watered down through the legislative process, that they were unstoppable, or that there were more important farm bill issues (commodity title provisions for example) that needed their full attention. Being wrong in 1985, they were organized by 1990. As in the case of the conservation coalition, a few groups and leaders became central. While commodity groups were very visible, the major farm groups stayed on the sidelines, at least in public. The goal of the coalition was to blunt conservation initiatives they believed to be onerous, both by softening the 1985 enactment and by limiting aspects of the new proposals in 1990. They were looking for win-win situations, which seemed to characterize 1990 amendments to Swampbuster, for example.

In 1985, Congressional members and staff sought to accommodate environmental proposals as the two agriculture committees bid against each other to enact a stronger set of proposals. But with the emergence of the commodity coalition, members and staff were buffeted by competing views and pressures in the 1990 debate. Senator Fowler's staff attempted to accommodate them in 1988 and 1989 by providing a forum in which each could express views with Fowler's staff facilitating a process that would lead to compromise and agreement. This did not work, however, as neither side was apparently ready, or perhaps able, to fully articulate its position.

Heavy committee staff turnover in both agriculture committees meant that most who had worked on the 1985 conservation title had been replaced and the new staff had a great deal to learn about both the politics and the substance of the topic. Congress, sensing strong support for most pro-environment proposals, took the approach that more was better than less, and most of the topics and ideas proposed found their way into the bill. Also, Congress tried to keep control over implementation by inserting numerous deadlines and reporting requirements. Since 1990, however, Congress has generally chosen not to pursue this control through the oversight process; to date there have been two oversight hearings, both held by the House Agriculture Committee's Subcommittee on Conservation in May of 1991. One addressed the status of compliance and the other addressed water quality activities throughout the USDA.

In future debates, answers to several key questions will indicate how these three groupings have decided to participate.

1. Will environmentalists increasingly seek legislative changes outside the agriculture committees?

2. Will environmentalists seek to consolidate the initiatives already in place, centering their collective attention on topics like the CRP after 1995 and more consistent implementation of compliance, or will they look to further expand the array of conservation initiatives to perhaps whole farm planning, more aggressive water quality protection efforts, or a new initiative that would supplement compliance?
3. Will major farm groups become visible players on behalf of farmers and, if they do, how will they relate to commodity groups who were already at the table in 1990?
4. Will commodity groups continue to be relatively passive, looking for win-win situations, or will they more actively seek to develop and enact an alternative agenda that differs from environmental group proposals?
5. Will the same Congressional staff that developed the 1990 farm bill provisions be back for the 1995 farm bill debate?
6. Will Congressional interest take a more aggressive and perhaps adversarial posture with USDA, measuring initiatives and accomplishments against the diverse and complicated agenda that was enacted in 1990?

Changes at USDA

The recent proposals to reorganize the USDA are outside the scope of this discussion. But the types of reorganization that are being discussed could affect the interrelated services that the USDA offers for addressing environmental problems—financial incentives, technical assistance, education, research and other supports. These have evolved over the past several decades as new programs have been added and the overall array expanded. This collage of services was probably a better fit with the needs of the country's producers when there were millions of farms, mostly of similar size and with similar needs. As the sector has evolved toward a bimodal structure with many very small producing units, more very large units and a rapidly shrinking number of middle sized units, this packaging of services seems less efficiently fitted.

Adoption of reorganization proposals would alter the political tension over whether the USDA and its agencies should focus more attention on the large farms and commercial agriculture, a direction in which recent and current leadership have headed, or give more support to small farmers and to the broader needs of rural America, as was most recently attempted in the late 1970s. For policymakers, this is largely a question of equity. Those who support more assistance to rural America probably assume most larger farms are in much better economic shape by almost any measure, and need less public assistance, while those who support the current approach would argue

it yields the best assurance of plentiful and affordable supplies of food and fiber.

The reorganization discussion is propelled, in part, by budget constraints. It is hard to imagine the USDA overall will have as many employees or as large a share of the overall federal budget by the turn of the century. If it does, agencies that deal with farmer-specific programs will probably lose staff and funds to the agencies that implement programs that respond to a broader cross-section of interests and a larger constituency. This change will be one of the outgrowths of the ongoing debate over whether agriculture retains a special place in the American mind (and in national policy), or is just another business that is not entitled to special exemptions from federal regulations and other limits that are applied to most businesses. While the trend to treat agriculture like any other business will continue, the debate will probably not be concluded by the end of the century.

Congress seems to mistrust the ability of the USDA to deliver the conservation package as most recently defined in the 1990 legislation. Congress is micromanaging it with numerous deadlines, precise implementing instructions, and a blizzard of reporting requirements. Micromanagement is also a reaction to strong external pressure, primarily from some environmentalists who believe that the USDA is reticent to act and needs to be prodded. However, micromanagement also has a number of very real costs, in terms of human and financial resources.

Micromanagement is likely to continue. It will be most apparent in areas in which Congress concludes that the USDA or its agencies are unwilling to carry out authorized policies, moving too slowly to implement them, or misinterpreting the Congressional mandate. Part of Congress's inclination to micromanage will show up in more precise directions in controversial areas; a comparison of legislative language regarding Swampbuster in the 1985 and 1990 as well as a review of oversight hearings on that topic during those years are both good examples.

Causes of this distrust need to be understood. One explanation is that there is a time lag after changes in policy before they can be translated into actions and into the culture of the implementing agencies at the local level. When there have been changes of the magnitude that occurred in 1985, reinforced by additional ones in 1990, the implementing agencies, especially at national headquarters, believe they are moving rapidly, while critics believe they are moving too slowly. In the case of compliance, for example, while producers call for flexibility and common sense, some conservationists counter that the law was enacted a decade ago and little flexibility is appropriate at this time, except under unusual circumstances. They fear that flexibility may really be a code word for minimization or avoidance. The recent study by the Center for Rural

Economics, which documents a far higher portion of farmers out of compliance than Soil Conservation Service's statistics, is one of the initial gambits in what is likely to be a battle of claims and counterclaims.

Peering into a Cloudy Crystal Ball

What's going to happen? There are several fairly specific trends that can be anticipated for the future.

First, the time for programs like the CRP, and, to a lesser extent, the Wetlands Reserve, may be passing fast. Future federal budget constraints will mean that mechanisms that allow the landowner to buy his way out, especially for a temporary solution such as CRP, will not sell in the political marketplace. These programs will be far more acceptable if program costs can be shown to be affected by savings in other areas, such as commodity program costs. These offsetting savings will be more difficult to demonstrate if these other programs are cut back.

Second, compliance will be a growing concern for environmentalists if efforts to reduce the federal farm program expenditures are succeeding. They will worry that if fewer farmers choose to participate in these programs, then compliance will be less effective. They will be looking for opportunities to supplement compliance to encompass more rather than less of the country's resources. So far, new ideas are in short supply.

Third, in water quality, but other areas as well, demonstration projects at selected sites will not cut it any more at the national policy level. What critics of current conservation efforts are demanding is national programs that work to solve these problems wherever they occur, not just in selected areas, and where available resources can be concentrated for an unusually intensive effort. As water quality, and resource conservation issues more generally, are increasingly addressed by state and local jurisdictions, and as the use of regulatory approaches grows, the pressure for a coherent rather than piecemeal program will increase.

Fourth, a key question will be what to do with CRP acres as the contracts expire. Congress may still be discussing options almost until the first of the contracts expire. The range of options will continue to be limited by budget considerations and also by a view that compliance already provides a protective floor, at least to keep the highly erosive lands out of production. Possible outcomes to this debate include the end to the program after the contracts expire, a smaller CRP with more stringent eligibility requirements that would admit only the most erosive of lands, and a CRP of up to the same size, but with smaller payments for all those who choose to continue participating. The approach that is selected will be based on an evaluation of the costs and benefits of the current program, as well as perceptions of future needs.

These fairly specific trends and decisions will fall out from other forces that will influence the debate. One has to do with recognizing that the speed of policy changes can be too swift. Policymakers may not stop changing policies and programs long enough to determine whether new initiatives are working well. If policy direction continues to change rapidly, with multiple and diverse new opportunities, then it may be very difficult for the implementing agencies to get the new programs running and to assess how they work. Such information is critical to the rational evolution of public policy. The pace since 1985, should it continue, has the potential to undo many of conservation's positive gains.

Also there will be much more environmental legislation during the rest of this decade that treats agriculture like another business, but agriculture will still be protected in many areas. Agricultural interests will continue to cry "foul" while other interests will continue to be frustrated by this partial protection. The big issue that will encompass this debate will be the environmentalists' search for a new approach to supplement compliance that will more fully capture all producers whose activities result in unacceptable environmental degradation.

One good way to pull all these thoughts about policy trends together is by thinking in terms of time at both the producer and the policy levels. For producers, time is increasingly the enemy. Successful farming is demanding more management that takes time, so any assistance that reduces time demands can be highly valued. USDA may be pressured by Congress to help deal with time constraints on producers in two ways. One is to provide a package of services to help them understand and incorporate more sophisticated management technologies. This could help give progressive producers some additional competitive advantage. The other is to help them overcome the minutia of regulation and other government interventions. This would help them know when they need to do things to take advantage of the carrot programs and to avoid the penalties of the stick programs.

In terms of national policy, time is crucial—if you cannot clearly articulate accomplishments, those who would propose alternative approaches have superior policy leverage, not necessarily because what they are selling is inherently better, but because you had your chance, and you cannot measure that it successfully did the job. With all the changes in policy and new directions of agencies in the USDA, this will be both one of the most pressing questions to address and most difficult to answer. This will remain one of the key questions that policymakers will explore during the rest of this decade. Given current conditions, the present policy arena, and other considerations, there are reasons to be both optimistic and pessimistic about where we will be at the turn of the century.