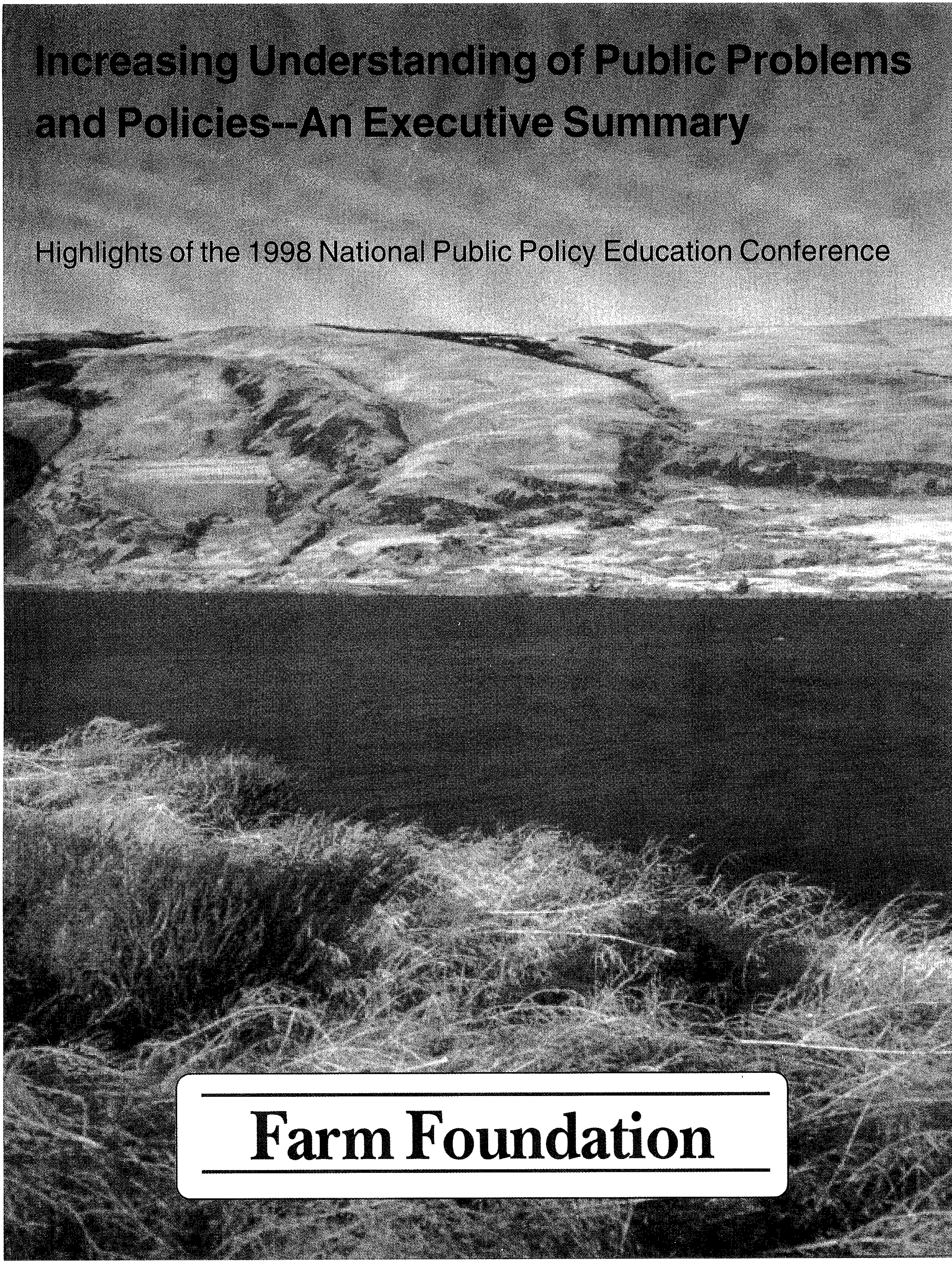
Increasing Understanding of Public Problems and Policies--An Executive Summary

Highlights of the 1998 National Public Policy Education Conference



Farm Foundation

This publication was produced by Farm Foundation for the pursuance of public policy education and understanding, with permission of the speakers.

Farm Foundation,
1211 West 22nd Street, Oak Brook, IL 60521
Telephone 630-571-9393, FAX 630-571-9580
Internet http://www.farmfoundation.org
E-mail ff@farmfoundation.org

David P. Ernstes, editor and layout.
November 1998

Increasing Understanding of Public Problems and Policies--An Executive Summary

Highlights of the 1998 National Public Policy Education Conference

Clackamas, Oregon
September 20-23, 1998

Farm Foundation

Introduction

Since 1951, Farm Foundation has published the proceedings of the annual National Public Policy Education Conference under the title of *Increasing Understanding of Public Problems and Policies.* The publication is widely distributed each year to extension policy educators and is used as a reference for policy education programs across the nation.

This "Executive Summary" is designed to stimulate interest in public policy issues, to provide educators and other interested parties with a quick review of the major presentations given at the 1998 National Public Policy Education Conference, and to serve as a resource for policy education programs.

This text is available via the Internet on Farm Foundation's home page **(http://www.farmfoundation.org)**.

National Public Policy Education Committee

Officers:	
Chair	*Judith A. Burridge, Oregon State University*
Past-Chair	*Harold M. Harris, Jr., Clemson University*
Chair-Elect	*Mark A. Edelman, Iowa State University*
Secretary	*Steve A. Halbrook, Farm Foundation*
Representatives:	
1890s	*Adell Brown, Jr., Southern University* *Benny L. Lockett, Prairie View A&M University*
Home Economics	*Cynthia N. Fletcher, Iowa State University* *Sue E. Williams, Oklahoma State University*
North Central	*Marvin Duncan, North Dakota State University* *Jeri P. Marxman, University of Illinois*
Northeast	*Nelson L. Bills, Cornell University* *Edmund Tavernier, Rutgers University*
Southern	*Ronald D. Knutson, Texas A&M University* *James L. Novak, Auburn University*
Western	*Richard Bowen, University of Hawaii* *Robert F. Gorman, University of Alaska*
Administrative Advisors:	
North Central	*Henry A. Wadsworth, Purdue University*
Northeast	*Carol L. Anderson, Cornell University*
Southern	*James L. App, University of Florida*
Western	*LeRoy Luft, University of Idaho*
USDA:	*W. Fred Woods, CSREES*
Farm Foundation:	*Walter J. Armbruster, Managing Director* *Steve A. Halbrook, Associate Managing Director*

Consequences of Devolution

Clara Pratt, Oregon State University—The 1980s and 1990s have been times of change in federal-state relationships. Many of these changes involve policies toward families as exemplified in welfare reform, but are also evidenced in policies toward health care and health care financing, child care, tobacco settlements and legislation, juvenile justice, and other issues affecting families. To answer the question—how are families faring in an era of devolution?—requires examining what devolution is, how it has affected families, and what its likely future is.

In the 1990s, landmark devolution legislation has presented the states with increased decision-making power, increased program and fiscal flexibility, increased administrative authority, and broadened responsibilities. Categorical and entitlement funding were largely replaced by block grants to states. The Unfunded Mandate Reform Act of 1995 marked the clear beginning of the era of devolution. This act greatly restricted the federal government's ability to initiate policies and programs that were to be paid by state and local governments.

In the last two years, other major devolution legislation was passed, including the Safe Drinking Water Act, children's health insurance legislation, Medicaid reforms, and welfare reform enacted through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

One characteristic of devolution is an increased federal focus on stating the goals, or ends, of policies, and a decreased specification of the means. Within fairly broad guidelines, states have increased discretion in how to meet the federal targets or goals. This focus on ends has contributed to a tremendous interest in specifying and tracking the outcomes of state efforts.

In welfare reform, PRWORA has as its primary goal a reduction in long-term dependence on welfare entitlement programs. A concomitant goal was the reduction of growth in welfare expenditures. The primary outcome measured is the decrease in welfare caseloads; particularly, reductions in the number of families receiving cash assistance. In fact, the PRWORA requires states to meet targets for reduced caseloads. If these targets are not met, sanctions, in the form of reduced federal funding, follow. While some policy makers talked of other PRWORA goals such as increased family self-sufficiency and well-being, the clear focus was reduced caseloads and restrained costs.

> While a strong national economy has contributed to reduced welfare caseloads, the costs *per case* have actually *increased* in 49 states.

The success of welfare reform in reducing caseloads has been astounding. Nationally, caseloads dropped by 27 percent between January 1994 and July 1997 due both to welfare reform and the strong national economy. While this strong economy has contributed to reduced welfare caseloads, the costs *per case* have actually *increased* in 49 states. States spend more per family on child care, job training and transportation. Because of the dramatic drop in caseloads, however, most states have reduced state spending.

Whether these achievements can be sustained or not is a critical question. When the economy weakens at some point, and history tells us it will, caseloads and spending will increase at the same time that tax revenues decrease. Most states are reserving some federal block grant monies for anticipated future economic down-turns. Nevertheless, the stability of financing welfare remains one of the most challenging and critical questions in welfare reform. The more successful states are in moving families away from the precipice of unemployment and poverty, the less likely it is that caseloads will swell during a future recession.

Some scholars believe that the devolution of federal authority to states has peaked. Technology, global economies, politics and common national issues may lead to renewed preemption of state authority. Whether or not the future holds more or less devolution in policies is likely to be less important for families than the content of those policies. The two most fundamental issues for families are:

- Can families, in all of their forms, consistently meet their needs for income security, food, shelter, safety, health, participation and growth throughout the life-span and in all parts of the nation?

- Can communities optimize and sustain the resources of public, private, charitable and other organizations in order to offer supportive environments to all families?

Wendell Primus, Center on Budget and Policy Priorities—In many ways, the child support program is a more important program than federal Aid to Families with Dependent Children (AFDC). By age 16, 60 percent of the children in the United States do not live with one or more of their natural parents. As a reference, AFDC covers about 10-13 percent of the child population, and food stamps and Medicaid each cover about 25 percent of the child population.

In many ways, the child support program is a more important program than federal Aid to Families with Dependent Children (AFDC). By age 16, 60 percent of the children in the United States do not live with one or more of their natural parents.

We who study welfare have generally focused on the mother. We expect the mother to be the parent, the caretaker and the breadwinner. This focus on the mother is misdirected—she may have three or more children. We should be focusing more on the father. All we have required of the father in the child support program is just to pay child support. I believe that the child support program must undergo a transformation just like the AFDC program. We must be more concerned about getting the father into the labor force and establishing a better relationship between the father and his children.

There is a quiet revolution going on in this country. We are establishing greater legal connections between children and their parents. Roughly one-third of our children are born out of wedlock. We have not been very concerned about establishing a legal connection between these children and their parents. As a result, these children did not have any inheritance, and they had no access to the safety nets which came through the parents' employer, such as health insurance. These children were not eligible for social insurance benefits, such as Social Security benefits from the death or disability of a parent, or unemployment insurance. We are now establishing paternity in many more instances.

There are many community-based efforts to make fathers better parents and there is an increasing focus on getting fathers better employment. About 60-70 percent of the fathers whose children are on AFDC have prison records and are difficult to employ. As part of welfare reform, we are building stronger relationships between fathers and their children and increasing the effectiveness of child support.

Kevin Aguirre, Oregon Department of Human Resources—With welfare reform, Adult and Family Services (AFS) of the Oregon Department of Human Resources has undergone a "cultural shift." What was once viewed as a process-driven welfare maintenance system is now a mission-driven, self-sufficiency focused program.

While it is too early to call welfare reform a long-term success in Oregon, there have been many success stories. More than 44,000 clients in Oregon were placed in employment at an average starting wage of $6.27 to $7.06 per hour. Of these clients, 90 percent were off welfare within 18 months after finding work. Approximately 40 percent of the people found employment before going on welfare. This is the result of AFS's "up-front" assessment, support and job-search services. Also, since 1993, Oregon's welfare caseload has declined by over 60 percent.

Oregon AFS sees five keys for future success:

- *Experimentation* must be continued to encourage creativity and cultivate new ideas.
- There must be continued *flexibility* in state and federal policy to implement new ideas.
- *Collaboration* with other local organizations is necessary to help meet future welfare-to-work challenges.
- *Employee development* must be continued to keep agency staff prepared to meet the present and future challenges of welfare-to-work.
- Further *realignment* within Oregon AFS to honor and support the philosophy of a "learning organization." This encourages creativity and improves outcomes.

Randy Franke, Marion County, Oregon—Most would agree that welfare reform in Oregon has been a success. Caseloads have dropped considerably as welfare clients have entered the workforce. Oregon has emphasized support for families, including child care subsidies and assistance for teen parents who are enrolled in an educational program. Questions remain, however, about how we will continue to sustain families who are no longer on welfare, should the economy decline—and whether caseloads will continue to drop as significantly in the future as we move towards working with a population that is more difficult to employ (health and mental health issues).

From a county perspective, our concerns move beyond the balance sheet of state welfare caseloads. "Welfare reform" will occur only by truly devolving authority to communities so that the system of supports fits each community's unique circumstances. Devolution is an opportunity to build sustainable communities. Healthy communities are needed to support healthy families. Alone, state and county social services are insufficient to achieve the outcomes that Marion County has identified.

Why focus on community governance? Once upon a time, people lived, worked, shopped, attended school, gathered information and shared friendships within self-contained geographic boundaries. In 1998, a world economy, global media, the Internet, cultural diversity and political organization around common interests have stretched community boundaries and brought about a concurrent decline in community attachment. The "professionalization" of education and social work also significantly influenced a diminishing sense of community responsibility to solve social problems. We

> "Welfare reform" will occur only by truly devolving authority to communities so that the system of supports fits each community's unique circumstances.

simply paid our taxes and let the professionals do the work.

Families and communities are interdependent. Families are supported—or not supported—by the community which surrounds them. Even the best education and social programs will be marginally effective if the surrounding community environment and values are unhealthy. Children and families do not live in a vacuum. Addressing community conditions is an essential component of any comprehensive strategy to assure the well-being of children and families.

Pat Mohr, Salvation Army—The Salvation Army has 12 centers in the Portland metro area which provide emergency shelter, food and clothing to transitional housing, senior housing and services, emergency assistance, disaster relief, services to street youth, residential programs for pregnant and parenting teens and domestic violence shelter and services. Welfare reform has offered specific challenges both locally and nationally to The Salvation Army. While The Salvation Army is not opposed to welfare reform (the old system often kept people locked in an inter-generation cycle of dependency and poverty), we believe that welfare reform is *a process*—not an *event.* It is, in our opinion, a process that needs to be approached in a thoughtful and considered manner, and which needs to be continually evaluated for effectiveness.

While The Salvation Army is not opposed to welfare reform (the old system often kept people locked in an inter-generation cycle of dependency and poverty), we believe that welfare reform is *a process*—not an *event.*

The "fallout" that was expected from welfare reform is very difficult to assess. When the reforms were first instituted nationwide, we saw a national increase in demand for food and shelter of about 19-20 percent.

A truly "national picture" is hard to paint, however, since there are many variables due to the differences in the way individual states put their welfare reform packages together. In some counties in the nation, we have seen an increase in demand for emergency help of as much as 300 percent. In a few counties, the increase has been negligible.

At the local Salvation Army Harbor Light Center, where we serve public meals to indigent people six days per week, we have seen an alarming increase in demand. In the past year, our daily service level has increased 67 percent. This number grows even higher toward the end of the month when those who do have access to some benefits are waiting for their next month's food stamps or check. The other noticeable trend is that we are serving proportionally more families with children and more unaccompanied youth in both our public meal line and emergency shelter. We are concerned about what this increase in demand will look like once the welfare caps are instituted.

Voluntary health and human service agencies cannot single-handedly maintain the "social safety net" supporting the needy. People earning $7.00 an hour (which is not unusual for people reentering the work force) will still require help. The increase in demand that is already noticeable must subside for welfare reform to work or we will simply transfer dependency from public welfare to private charity. At the same time that the burden shifts even further to non-profits, we see government's commitment to funding helping agencies diminish every year.

Now, let me address the local picture in more detail. A recent study suggested that in order for someone to afford market rate rent on a two bedroom apartment in Portland, a $15.00 per hour wage would be required. I have no staff—not even licensed, professional staff—who are paid at that level. How can we expect a $7.00 per hour food service worker to survive, let alone *succeed* against those kind of odds? A recent "graduate" of our program completed the state-mandated Jobs Program and Vocational Rehabilitation, all the while working with our counselors on parenting issues, domestic violence issues and her own drug addiction. She did everything required of her and more under the new welfare reform guidelines. Her reward? She is working for a sandwich shop, single parenting two young boys under the age of five. When she proved to be an exemplary employee and received a $1.00 an hour raise, her publicly subsidized rent nearly doubled and she lost all of her food stamps. She is far more "cash poor" today than when she was on welfare. It is difficult to understand how this courageous young woman would feel like a welfare reform "success," yet she will count as one on the statistics because she is no longer on welfare.

Patrick Stephens, Cascade Policy Institute—I do not believe that welfare reform is about making programs more cost efficient. I believe it is about making them more effective, responsive and locally controlled. Federal programs are usually one-size-fits-all. Devolution is an attempt to make them more responsive to the people who need them in the community.

The recent welfare reform legislation is a first step. But, we do not want a simple caseload reduction. We need welfare assistance to be a temporary situation for families—allowing them to move out of the cycle of poverty and not be trapped.

Block grants to states are neither efficient nor effective. Block grants move taxes from the communities to the federal government—where the federal government takes a cut—and then returns the tax dollars back to the communities without any measure of its effectiveness in the community.

If we want devolution to succeed, then we should grant states full control, not only over the structure, but also over the financing of the welfare programs. Let states design their own programs without interference from the federal government and then we can see what works. We need to be able to make assessments between different programs.

Gaming

Bill Eadingon, University of Nevada-Reno—In 1997, gaming in the United States—in terms of total revenue after prizes—was a $50 billion industry. Casinos made up slightly over half of that total (26 billion), of which 6 billion was Indian gaming.

With the exception of gaming in the State of Nevada and Atlantic City, New Jersey, the proliferation of legalized gambling has occurred within the last 10 years. Gaming was prohibited in all states, with the exception of Nevada, from 1931 to 1978 and then was allowed only in Nevada and Atlantic City, New Jersey, from 1978 to 1989. Now, more than 25 states allow some type of casino-style gambling.

A variety of forms of gambling have been legalized since 1989 for a variety of economic development reasons.

First in Deadwood, South Dakota, and then in three mining towns in Colorado (Cripple Creek, Central City and Blackhawk), statewide referendums were passed to authorize small-scale casinos in the late 1980s. The primary justification for these casinos was to foster economic development in an attempt to resuscitate dying communities. These four jurisdictions were late 19th Century mining towns which had languished throughout the 20th Century.

There was also a wave of riverboat casinos introduced beginning in the late 1980s. This venue of gaming began in Iowa in 1989 and followed in Illinois, Mississippi, Louisiana, Missouri and Indiana. The general belief that developed for riverboats was that the casinos in Nevada and New Jersey had the reputation of being mob-infested and sinful. If you made casinos leave land and sail, you would protect your citizens from vice.

Gaming on Indian lands came as a result of a 1987 Supreme Court decision and the enactment of the Indian Gaming Regulatory Act of 1988. The location, size and type of gaming allowed in Indian casinos are strongly influenced by the state in which the tribe resides. Indian casinos have been influenced by various court interpretations, negotiated compacts between state officials and tribal members and the proximity of the casinos to population centers. For example, one Indian casino in Connecticut, Foxwood's, is the largest and most profitable casino in the world. It has gross gaming revenues approaching $1 billion/year. This is primarily due to its local monopoly status and its proximity to Boston and New York City.

One Indian casino in Connecticut, Foxwood's, is the largest and most profitable casino in the world. It has gross gaming revenues approaching $1 billion/year.

It is likely that the pressures which exist in the United States to expand gaming to additional venues will continue. Whether casino-style gambling is a good idea for economic development remains to be seen. Most of the justification for the legalization of gambling has come from the attempt to exploit economic rewards. As the drive continues to build more gambling franchises—a highly competitive industry failing to constrain supply—the ultimate winners may be the consumers, not the casinos.

Tadd Johnson, National Indian Gaming Commission—The National Indian Gaming Commission (NIGC) regulates 186 tribes in 28 states and about 300 gaming facilities. There is a tripartite approach to regulation of Indian gaming depending on the type of activity. The regulation is handled in the following manner:

- The tribes regulate Class I gaming. Class I gaming is mainly games of tradition that went along with tribal ceremonies.
- NIGC regulates Class II gaming which is primarily bingo and pull tabs.
- For Class III gaming (which includes every thing else—mainly casino gambling), the states may create a gambling commission. The states also have the right to enter the reservation and, under certain circumstances, look at appropriate books and examine the tribes' internal controls. NIGC may also have some regulatory responsibilities.

For the most part, Indian gaming is regulated by the tribes at the reservation level. As chairman of the NIGC, I believe that the best way to preserve and protect this industry is to regulate it well. It is an important aspect of economic development for tribes. The hope for tribes, as time goes by, is for gaming to be a cornerstone for economic development on reservations, and to have other industries develop around that cornerstone.

Jacob Coin, National Indian Gaming Association—The National Indian Gaming Association (NIGA) is an association of tribal governments that has an interest, directly or indirectly, in the issue of tribal governmental gaming. NIGA has a number of goals which it aspires to achieve:

- To protect and preserve the rights of tribal governments to engage in gaming for the purpose of economic development.
- To protect and enhance the integrity of tribal governmental gaming through the institution of sound policies and operating procedures.
- To encourage tribal governmental units to use their revenue resources to increase or upgrade their capabilities so that they become better, more useful and responsive governments. This is not just for their own citizenries but, more importantly, it is also for the surrounding non-Indian communities, governments, municipalities, counties and even state governments. Cooperation is necessary for economic development.

NIGA seeks to improve the quality and quantity of services to which tribal people have access.

Land Use Conflicts on the Rural-Urban Interface

Robert Burchell, Rutgers University—Sprawl is the spread-out, skipped-over development that characterizes the non-central city metropolitan areas and non-metropolitan areas of the United States. Sprawl occurs on a micro basis in almost every county of the United States (although it occurs in significant amounts in only about one-quarter of the nation's 3,000 counties). Most United States counties that contain sprawl have it in its residential form, i.e., low-density residential development in rural and undeveloped areas.

If sprawl is so desirable, why should the citizens of the United States accept anything else? The answer is that they no longer can pay for the infrastructure necessary to develop farther and farther out in metropolitan areas.

Sprawl occurs, in part, because local governments in the United States encourage this form of development via zoning and subdivision ordinances which, in turn, reflect the desires of the citizens. This type of development is favored by the general public for the following reasons:

- It dilutes congestion while accommodating unlimited use of the automobile.
- It distances new development from the fiscal and social problems of older core areas.
- It provides a heterogeneous economic mix.
- It fosters neighborhoods in which housing values will appreciate.
- It fosters neighborhoods in which schools provide both education and appropriate socialization for youth.
- Finally, it requires lower property taxes to pay for local and school district operating expenses than for locations closer in.

If sprawl is so desirable, why should the citizens of the United States accept anything else? The answer is that they no longer can pay for the infrastructure necessary to develop farther and farther out in metropolitan areas. In the state of South Carolina—if sprawl continues unchecked—statewide infrastructure costs for the period 1995 to 2015 are projected to be more than $56 billion, or $750 per citizen per year for the next 20 years.

The big-ticket item in all infrastructure projections is roads. In South Carolina, roads are expected to cost $25 billion—almost half of the total $56 billion infrastructure budget. These roads will cost 2.5 times what will be spent on primary, secondary and higher education infrastructure; 3 times what will be spent on health infrastructure, including all hospitals, institutions and all water-sewer treatment systems; 10 times what will be spent on public safety, administration and justice infrastructure; 15 times what will be spent on environmental protection infrastructure; and 25 times what will be spent on all cultural and recreational infrastructure.

Due to the inefficiency involved in developing public infrastructure such as roads, schools, and sewer and water lines, sprawl development leads to high public expenditures by local governments. These expenditures include not only the *capital* costs of providing facilities but also the *operational* costs. Although operating costs are affected by a variety of factors, including the demography of development, size of the unit developed and income of the residents, where and how development takes place relative to other development is also very important. Inefficient development location or multiple small units to be serviced increase the recurring costs of providing operating services.

Janie Hipp, University of Arkansas—Right-to-farm laws were originally designed to protect existing agricultural operations within a state or within a given area of the state by allowing owners or operators of farms, who meet the legal requirements of the right-to-farm law, a defense to nuisance suits which might be brought against the farming operation.

These statutes were originally developed in the 1970s as state lawmakers were becoming more aware of, and concerned about, the loss of agricultural land. Losses of agricultural land were occurring from the rising tide of urban encroachment into traditional agricultural areas. Persons not involved in farming were beginning to move into traditional agricultural areas and bring complaints concerning agricultural odor, flies, dust, noise from field work, spraying of farm chemicals, slow moving farm machinery and other necessary by-products of farming operations.

If neighboring landowners brought a lawsuit against an agricultural operation and it was found to be a nuisance, courts had the option of closing the operation, altering the way it conducted its business or assessing penalties to compensate the neighboring landowner for the nuisance. Sometimes, even if a lawsuit failed, the cost of defending against the suit could threaten or even close the farming operation.

These laws, from state to state, are strikingly similar. Most of the laws have defined the purpose behind passage of the protection. Most states make some mention of the need to conserve and protect agricultural land and the encouragement, development and improvement of agricultural land for food production. Most states make mention of the fact that as nonagricultural land uses have extended into agricultural areas, an increase in nuisance suits has occurred. In addition to citing the potential loss of agricultural operations, some states also mention the potential for problems in investments being made in farm improvements with exposure to nuisance litigation. The state statutes, therefore, attempt to limit the circumstances under which agricultural operations can be deemed a nuisance.

There have been relatively few test cases interpreting right-to-farm laws. Of the reported cases, the courts have found that the right-to-farm protection will not apply if:

- the activity in question was not covered specifically by the right-to-farm statute,
- the nuisance resulted from changes in the farm,
- the neighbors were already present during and before the complained of activity,
- the activity in question was not an agricultural activity,
- generally accepted agricultural management practices were not being followed,
- the operation was being conducted in an improper manner.

Recently, a provision of a right-to-farm law in Iowa was declared unconstitutional.

Tom Daniels, State University of New York-Albany—The protection of farmland from development is emerging as a major policy initiative in several states and dozens of counties and municipalities. From a national perspective, the loss of farmland—estimated at about one million acres a year—does not appear to be a threat to America's food supply or food prices. But from a local and regional perspective, farmland loss to suburban and ex-urban development can have a major negative impact on the local agricultural industry, drive up the cost of public services and clutter the appearance of the countryside.

Lancaster County covers 603,000 acres of Southeast Pennsylvania and contains some of the most productive farmland in the United States. About 54 percent of the county has Class I and II soils considered "prime" farmland. In 1992, according to the U.S. Agricultural Census, almost two-thirds of the county, or 388,000 acres, were in farm use. The 4,700 farms in the county averaged 86 acres, but this small farm size is deceptive. In 1993, the county generated over $750 million in farm gate sales—ranking it first among counties in Pennsylvania and in the entire northeastern United States, and 18th among all counties in the nation. Dairy, cattle and poultry are the leading enterprises. Crops grown include hay, corn, wheat, tobacco and vegetables.

> Farmland loss to suburban and ex-urban development can have a major negative impact on the local agricultural industry, drive up the cost of public services, and clutter the appearance of the countryside.

Lancaster County has employed a complementary set of farmland protection techniques to help channel growth away from productive farmland. These techniques include: agricultural zoning, agricultural districts, purchase of development rights and urban growth boundaries.

Between 1982 and 1987, Lancaster County experienced a reduction of 14,000 acres of farmland. Meanwhile, the number of acres involved in subdivisions topped 50,000 in the 1980s, compared to just under 6,000 acres placed under easement. From 1987 to 1992, the county lost another 15,000 acres of farmland. But since 1991, an average of 2,500 acres of farmland a year have been preserved through conservation easements—slightly ahead of the rate of farmland loss.

There are three main shortcomings to the Lancaster farmland protection effort. First, only a relatively few landowners will receive easement payments because of limited funds. Moreover, the payments benefit primarily the current generation, not future landowners.

A second shortcoming is that in Pennsylvania there are as yet no property tax advantages to landowners for joining a security area or selling an easement. All Pennsylvania farmers may qualify for use-value assessment, which means that farmland is taxed at its use-value rather than fair market value as potential development property. While this generally keeps farm property taxes low, it does not hold down the property tax rate. There are some cases in which taxes are becoming a determining factor on whether or not a landowner will stay in farming.

A third shortcoming is the voluntary nature of the security area and easement program. There may be key properties that will not be protected or preserved because the landowners do not want to participate, or they wish to hold out for eventual development.

Lancaster County is making good progress toward the protection of a critical mass of farmland to enable support businesses to survive. Land prices for farmland, however, continue to be high—averaging $5,000 to $6,000 an acre. These prices make it difficult for existing farms to expand and for the entry of new (young) farmers. So far, the integrated package of agricultural zoning, agricultural security areas, easement purchases and urban growth boundaries has been a reliable landscape protection program. The real test will come in the next 20 years when an additional 150,000 people are expected to live in Lancaster County.

The cost of farmland protection has been reasonable. Zoning and urban growth boundaries are low cost techniques and even easement purchases averaging $2,000 an acre appear to be good long-term investments—especially compared to easement costs in suburban Philadelphia counties which average over $5,000 an acre.

> The real test will come in the next 20 years when an additional 150,000 people are expected to live in Lancaster County.

The Lancaster County farmland protection program is noteworthy for two reasons. First, the county is a leading agricultural area, unlike other counties with farmland protection programs such as King County, Washington or states such as Massachusetts, Rhode Island and Connecticut. Thus, open space protection is not the primary concern in Lancaster County; the purpose of protecting farmland is to maintain a strong agricultural economy while accommodating growth.

Second, Lancaster County is employing a complementary set of farmland protection tools. The county comprehensive plan identified lands that should remain in agricultural use; nearly all of the townships have placed important farmland in agricultural zones with one small building lot allowed per 25 acres; landowners in conjunction with the townships have placed over 127,000 acres in agricultural security areas; and the purchase and donation of conservation easements have preserved nearly 28,000 acres of farmland. Moreover, the use of easement purchases to create large blocks of preserved farmland and to help create growth boundaries has strengthened the overall effort to channel growth to appropriate locations.

If farmland in Lancaster County is to be protected and preserved through the purchase of conservation easements, continued public support and funding will be essential. The easement approach is rather slow, generally preserving 2,000 acres a year. Over the long run, however, the purchase of conservation easements can have the effect of stabilizing the land base for agriculture and discouraging the intrusion of nonfarm uses.

Ultimately, the success of farmland protection depends on the farmland owners. So far in Lancaster County, landowners have demonstrated a fairly strong commitment to remain in farming. This commitment comes partly from the Plain Sect community for whom farming is an integral part of their culture, and partly from the fact that farmers can make a reasonable living. But should the economics of farming become less attractive and the lure of development dollars rise, then greater development pressure could be brought to bear on agricultural zones and security areas. In such a scenario, public offers to purchase development rights may not be competitive with nonfarm offers. A crucial point is that local—and even state—policies directed at maintaining a landscape of working farms can attempt to restrict and channel development, but the economics of farming are greatly influenced by federal farm and interest rate policies.

John Fregonese, Urban Growth Consultant—In 1973, Oregon adopted a comprehensive statewide program for managing urban growth. This was done to contain sprawl and protect agricultural lands. Every city was required to adopt an urban growth boundary. Cities had to negotiate with their counties, forecast a 20-year growth plan, and then zone the land outside and inside the urban growth boundary to manage growth. The planning strategy is long term. As the 20-year period comes to an end, a new growth plan is enacted.

The Portland metro area consists of 24 cities in 3 counties. Since it would be very difficult to manage an urban growth boundary in the Portland metro area city by city, a regional government was adopted to manage the urban growth boundary. Portland has managed its growth by restricting development outside of the boundary and managing growth within the boundary.

Accountability of Extension in a Devolution Context

Bob Koopman, CSREES/USDA—Most people who work with the extension service agree that it does good work. It even appears that folks in Washington, including members of Congress, tend to feel that way, as well. So, why is there this constant call for increased and improved accountability by extension? The current environment in Washington—when you combine the National Research Council report on the land grant universities, the tight budget atmosphere, and the changes in political representation shifting toward urban and suburban interests—leads to greater pressure for extension to not only document the good work it does, but to demonstrate that it is the best work that can be done using federal dollars.

For those in the field or living in the local community, the activities and benefits of extension activities are far more visible. But, in Washington, it is very hard to describe exactly what programs and outcomes federal contributions to extension are accomplishing. The inability to say with some precision exactly how extension funds are being used is only one side of the issue. The other side is evaluating how effective the programs are at meeting society's needs. It must be demonstrated to the Congress, which provides the funding, that extension funds are highly effective compared to other uses for the money.

> The current environment in Washington leads to greater pressure for extension to not only document the good work it does, but to demonstrate that it is the best work that can be done using federal dollars.

Henry Wadsworth, Purdue University—Extensive debate occurred within the land grant community over language proposed for inclusion in the rewrite of the Research Title of the 1996 Farm Bill. The debate reflected the strong difference of opinion between the community and critics as to whether federal funds allocated to agricultural research and extension appropriately address high priority national concerns. The final bill (The Agricultural Research, Extension and Education Reform Act) requires documented evidence of stakeholder input in priority setting and greater accountability.

Since the new legislation currently lacks definition, meeting its requirements could be problematical for some states . For extension, stakeholder input in priority setting should be a given. However, mandates that require a doubling of current efforts up to 25 percent of federal formula funds to be spent on multi-state educational programming and integrate research/extension efforts could be difficult to meet. Merit review procedures must be in place to receive competitively awarded federal funds and for reported multi-state activities. Protocols to evaluate success are still undeveloped.

My personal view is that the plan of work process is the most important element in establishing credibility with stakeholders. Once the plan is in place, we should be accountable regarding the work described. Only selected projects should be fully evaluated.

Adell Brown, Southern University—The 1890 system has been required to respond to congressional inquiries concerning programmatic relevancy, similar to the larger land-grant system. Though it is a part of the bigger system and enjoys those privileges, it still has its own line in the federal budget that must be defended and protected. Many of these inquiries, based on the types of questions asked, tend to focus more on relevancy and justification for existence. To a lesser degree, questions deal with the appropriate structural level (federal, state or local) for effective program delivery.

A constant challenge for 1890 institutions is explaining to policy makers and appropriators that working with socially and economically challenged audiences requires methodologies and short-term outcomes which are more difficult to document.

The 1890 system defines its clientele as socially-economically challenged and diverse audiences (small part-time and minority farmers, and limited resource families and communities). It is often suggested that working with these audiences constitutes a social program. A constant challenge for the 1890 institutions is explaining to policy makers and appropriators that working with socially and economically challenged audiences requires methodologies and short-term outcomes which are more difficult to document. The 1890 Association of Extension Administrators (1890 AEA) believes that education is still the great equalizer to help this clientele move up the social and economic ladder. Survival, measured by level of funding, still depends on the 1890s ability to develop instruments and strategies to measure the clientele's progress. Additionally, the 1890s must be able to prove that they are the best at doing the "important work" they do.

Though the level of state funds varies by institution, 1890 institutions generally receive limited state funds for research and extension programs. Most states are under increased pressure to provide additional funds for education, welfare-to-work programs and other required programs resulting from devolution. Thus, the difficulty is increased for 1890s to secure additional state matching funding, as required by the Section 226 of the Agricultural Research, Extension and Education Reform Act. Several states are undergoing, or coming out of, legal discussions about desegregation and defining the roles of various types of institutions in higher education. The 1890s have used strategic planning, increased collaboration with 1862 and other institutions and impact assessments to increase their accountability.

Dan Dooley, Dooley & Herr—As a producer, the institutional distinctions that are so important to land grant universities are not nearly as important to me. I do not believe that the production community cares whether the answer comes from an extension agent, a researcher or some professor on campus. Producers just want the answers to their questions. It is time to give some serious thought in the land grant system to developing a seamless agricultural research and extension system that does not draw such distinct lines between the components.

Evaluation and accountability is not just saying "Did you do what you said you were going to do?" There is a more important question: "Is the result of your effort meaningful? Has your effort delivered something that is really addressing an important problem and had a meaningful result?" Accountability is about clearly defining relevant priorities and designing programs to meet them.

I do not believe producers need a whole lot of help with how to grow crops effectively. What we need to know today is which crops to grow and how to market them effectively. Situations such as the crisis in Asia change our markets and we need to know how to respond by changing our cropping patterns appropriately.

Agricultural International Trade Policy

Parr Rosson, Texas A&M University—U.S. agriculture has undergone dramatic change in the 1990s. New trade policies under NAFTA and GATT opened markets previously closed to some U.S. producers, but created additional import competition for others. The 1996 farm bill removed the government safety net for some crops, leading to more downside price risk. Economic and political turmoil occurred in the former Soviet Union and parts of Central Europe, while China emerged as a major force in world trade, but some other Asian powerhouses faltered. These changes have had major impacts on U.S. producers—presenting new opportunities for some and new challenges for others.

Increasing globalization has meant that U.S. agriculture has become at least three times more dependent on international trade than the rest of the U.S. economy. In 1997, for example, U.S. exports of food and agricultural products accounted for 28 percent of farm cash receipts. For the overall U.S. economy, merchandise exports accounted for only eight percent of the gross domestic product (GDP). Greater access to international markets is considered essential to the continued growth and prosperity of the U.S. agricultural economy. In fact, trade growth is especially important as farm program support is lowered and producers become more dependent on commercial markets to maintain the size and scale of U.S. agriculture.

The international trade setting has changed markedly in recent years. First, agricultural markets have gone from relatively tight supply/demand conditions to weak demand and ample supplies in just three crop years. Second, U.S. trade partners have been actively pursuing the development of trade agreements, especially in the Western Hemisphere. Third, economic and political uncertainty have increased in the rest of the world, particularly in Asia and Central Europe—leading to market instability, falling currency values and weaker demand for many U.S. agricultural products.

High world prices and expanding foreign economies boosted U.S. agricultural exports to a record $60 billion in 1996. Since then, exports have declined eight percent to $55 billion in 1998 and are forecast to reach only $52 billion in 1999. The financial crisis in Asia, coupled with large domestic and world supplies of some grains and oilseeds, have resulted in lower world prices and slumping farm incomes. U.S. corn production is forecast to exceed last year's by 5 percent, making it the largest harvest since 1994/95. U.S. wheat output is expected to generate the largest domestic supply since 1987/88 while soybean production will lead to carry out stocks more than double the levels of 1986/87. With a relatively stable domestic demand and weak export demand, stocks are forecast to approach record levels for most major export crops. This dramatic shift in the fortunes for much of U.S. agriculture has occurred in less than two years and is, in part, due to increased dependence on international markets.

> Increasing globalization has meant that U.S. agriculture has become at least three times more dependent on international trade than the rest of the U.S. economy.

U.S. agricultural imports have increased by almost one-third during this same period and are forecast to approach $40 billion next year. Weaker foreign currencies, accompanied by relatively strong economic growth in the United States, have resulted in a surge of imports. The Canadian dollar declined 10 percent relative to the U.S. dollar from December 1997-October 1998 while the Mexican peso lost one-quarter of its value. The U.S. agricultural trade surplus has fallen by 60 percent over the last 3 years. For some U.S. producers, additional imports have caused lower product prices and declining incomes. Both are directly attributable to greater dependence on international forces.

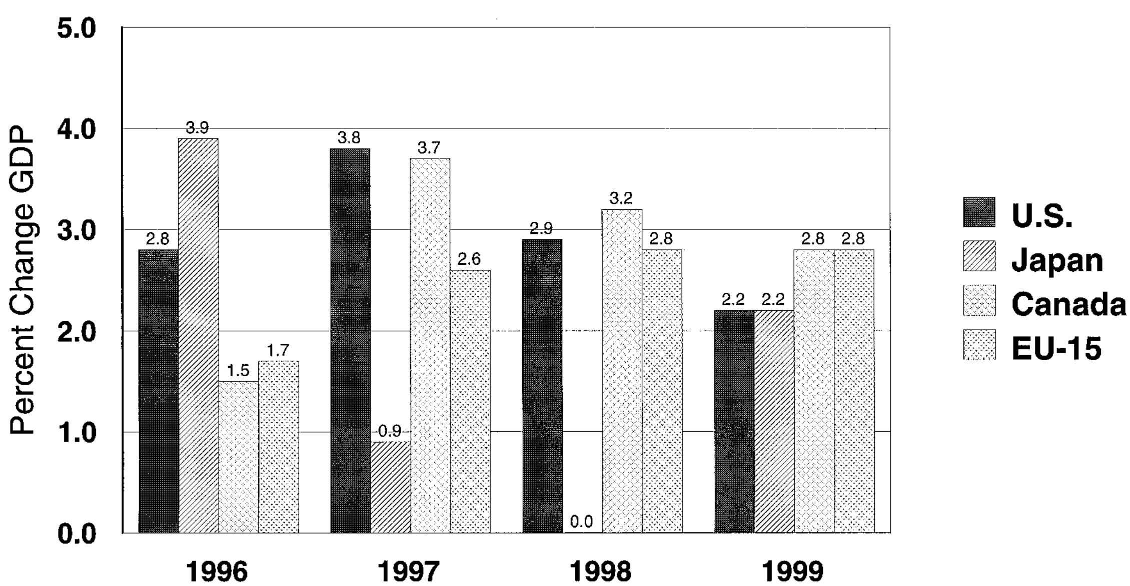
The formation of preferential trading arrangements, such as MERCOSUR (South American Common Market) in 1991 and NAFTA in 1994, has recently accelerated. Mexico has initiated trade talks with the European Union (EU), Central America and Indonesia. MERCOSUR and the EU are discussing freer trade, while Chile has become an associate member of MERCOSUR and has negotiated a free trade agreement with Mexico.

The United States initiated the forum to begin talks to form a Free Trade Area of the Americas (FTAA) in 1992. Trade liberalization efforts have since stalled, however, due to increasing public concern and uncertainty about the effects of import competition—including employment and income losses, environmental degradation and the safety of imported foods. Greater protectionism in the United States has been manifested by the failure of Congress to grant fast track authority to the president on two separate occasions, and the filing of numerous anti-dumping and import injury petitions with the U.S. International Trade Commission.

U.S. Agricultural Trade Overview

U.S. agriculture generates a trade surplus with most trading partners. The surplus with Japan, for instance, was $10.3 billion in 1997, compared to $1.5 billion with the European Union, $1.4 billion with North Africa, $1.0 billion with Russia, and $400 million with North America. The strength of U.S. agricultural export growth in recent years was due to relatively robust economic growth in 1996 and 1997 in most regions of the world (Figure 1). Japan's economy expanded at nearly 4 percent in real

Figure 1. Economic Growth, Industrial Countries, 1995-1998 and Projections for 1999



IMF, World Economic Outlook, 12/97 and OECD.

terms during 1996, compared to 1.5 percent for Canada and 1.7 percent for the EU. Developing economies in Asia were among the fastest growing, with GDP growth rates ranging from 5.5 percent in Korea and Thailand to 8.0 percent and 9.7 percent in Indonesia and China, respectively.

U.S. agricultural trade with countries in the Western Hemisphere posted a deficit of more than $3.0 billion in 1997. Since 1990, the trade deficit has ranged from $1.0-$2.0 billion annually. South America accounts for 70 percent of the agricultural trade deficit, while Central American trade accounts for the balance. MERCOSUR countries of Argentina, Brazil, Paraguay and Uruguay account for about one-half of the balance with South America. Major competitive imports from MERCOSUR, which represent about three-fourths of all imported agricultural products from that bloc of countries, are fruits, nuts, vegetables, animal products, sugar and tobacco. U.S. agricultural exports to MERCOSUR include grain and oilseeds, planting seeds, cotton, animal products, animal feeds, fruits and vegetables, and beverages.

The Asian Crisis

Asia has grown in importance as a market for U.S. agricultural exports. In 1997, 45 percent of all U.S. agricultural exports were shipped to Asia. Japan accounts for 41 percent of the Asian market and 18.4 percent of total U.S. agricultural exports. Countries experiencing the most severe economic decline—Indonesia, Philippines, Thailand and Malaysia—account for about 12 percent of U.S. agricultural exports to Asia and about 5 percent of total U.S. agricultural exports. Korea, Taiwan, Hong Kong and China together rival Japan as a market for agricultural products, purchasing $7 billion from the United States.

The Asian crisis began in Thailand in April 1997 when its 5 largest banks' credit ratings were downgraded by Moody's Investment Service. Following this, the crisis spread and resulted in depreciation of currencies in Asia by 40-80 percent over a 2-4 month period. The cost of capital to banks and business increased due to higher interest rates which were raised by affected countries in order to prevent capital flight. The crisis spread to Indonesia when it was discovered that major banks had provided unsecured loans to businesses, members of ruling family, and family friends and that graft and corruption were widespread.

> It is anticipated that the Asian crisis will last at least another two years, and possibly for a maximum of five years.

Forecast economic growth rates for 1999 for most Asian countries are negative. Indonesia is the most severely impacted, with the GDP expected to fall by 12-14 percent. Thailand, the Philippines and Korea anticipate negative growth.

The most likely impacts of the Asian crisis on U.S. agriculture are:

- A reduction in exports to the region by $2 billion/year for several years. USDA expects that $1.2 billion of the decline will be in high-value products, such as meats and processed food. These products tend to be price and income elastic. The balance will be about a $.8 billion forecast reduction in bulk products such as wheat, corn, soybeans and cotton.

- Lower prices for grains; especially feed grains.

- Increased U.S. imports of textile goods from Asia—possibly leading to reduced export earnings for some Caribbean and Latin American countries. This could be followed by lower exports of U.S. agricultural products by these countries.

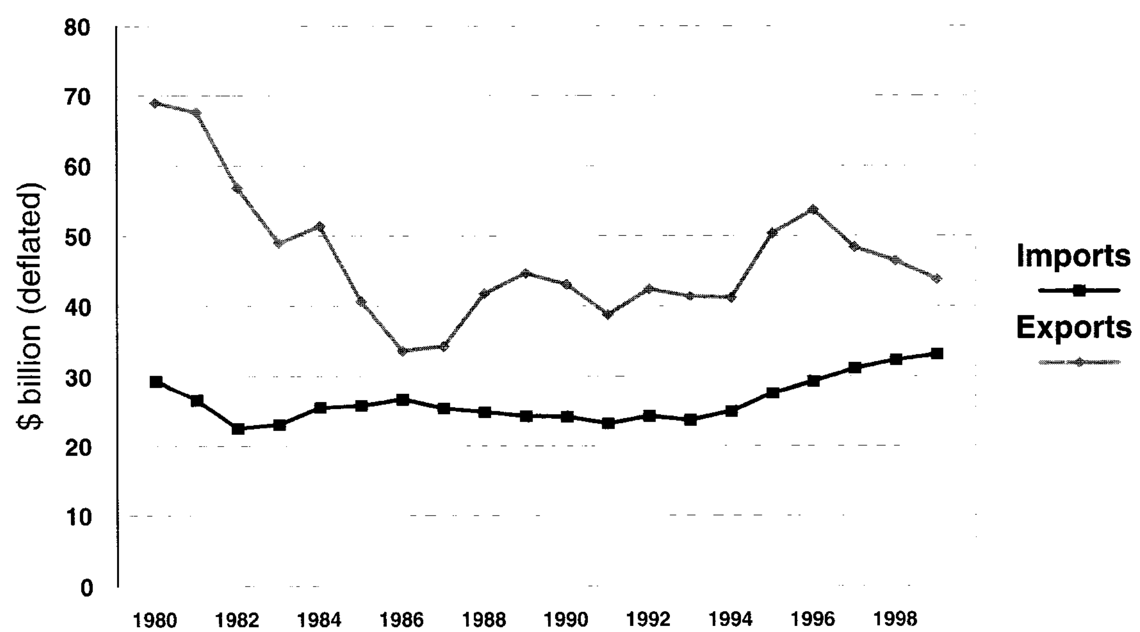
It is anticipated that the crisis will last at least another two years, and possibly for a maximum of five years. The length depends primarily upon the extent to which additional IMF support is available and the compliance of affected nations with economic reforms. The privatization of inefficient state-owned enterprises, market opening trade policy reform, and currency stabilization will all have an impact on the depth and length of economic recovery.

The speed of economic recovery in large Asian markets, such as Japan and Korea, and the ability and willingness of China to maintain its currency exchange rate will be critical for rapid recovery of the most severely affected countries. A devaluation by China would reduce demand for goods exported by developing Asian countries and reduce market potential for products from most severely affected economies, such as Indonesia, the Philippines and Thailand. So far, China has agreed to assist by keeping its market open and its currency strong.

Des O'Rourke, Washington State University—Conventional wisdom has been that the United States has set the pace for global trade liberalization for much of the last 50 years, and that since the mid-1960s, the agricultural sector has been strongly committed to such liberalization because of its belief in its superior competitiveness. However, both the actual and perceived impacts of trade liberalization have been disappointing and frustrating for agricultural producers. As a result, their commitment to trade liberalization and to specific initiatives such as presidential fast track authority, expansion of NAFTA, or extension of the GATT-WTO process is wavering.

The actual impacts of trade liberalization on U.S. agricultural producers have been unimpressive, to say the least. For example, when one adjusts U.S. agricultural exports and imports for inflation (Figure 2), U.S. exports in fiscal year 1999 are likely to be 36.5 percent below those for FY 1980, whereas U.S. agricultural imports are expected to be 13 percent higher. The net balance of trade in agricultural products will have

Figure 2. U.S. Agricultural Trade, 1980-1999F in deflated U.S. dollars



shrunk from almost $40 billion in FY 1980 to about $10.6 billion in FY 1999, a decline of 77 percent. This is not what U.S. agriculture expected from trade liberalization.

Producers have many reasons to believe that the agricultural trade liberalization process has not been beneficial to them. Not all of those reasons are valid. Many are based on deep-rooted biases or on a partial, selective analysis of events. However, producers perceive that agricultural trade liberalization has brought much pain and frustration and insufficient compensating gains. It is suspected that the U.S. is in danger of losing the slim majority among its producers that helped to promote the Uruguay Round of GATT, NAFTA and APEC.

In turn, if U.S. agriculture were to slip back into traditional subsidy programs and increased protectionism, it would lead many other countries to slip back into a protectionist mode. Policy makers need to be aware of the risk they are running if they do not address both the real and the perceived concerns of producers. It will be difficult to keep the support of producers and producer organizations for new initiatives under GATT-WTO, APEC or the Free Trade Area of the Americas unless those concerns are addressed.

Jean Kinsey, University of Minnesota—Trade liberalization benefits consumers because it gives them access to a larger number and a wider variety of products, at lower prices, than their home country could supply. The principals of comparative advantage and specialization are well known. They have been used extensively by economists to argue for free trade across international borders. When two countries export goods that they are more efficient in producing and import goods which they are less efficient at producing, the welfare (standard of living) of their consumers rises. This increase in welfare is typically illustrated by some measure of consumer surplus that results from lower prices and higher consumption. For example, a study of consumer benefits from the Canada-U.S. Free Trade Agreement (CFTA), found that consumers in each country gained nearly $1 billion. This improvement in welfare is prima facie evidence that trade liberalization is good for consumers.

The diminishing relative importance of trade in agricultural (bulk) commodities has the effect of changing the way we think about the benefits of international trade (Figure 3). The comparative advantage model works well for bulky, homogeneous commodities over which government policy has some control. It does not serve well to explain trade that is intra-industry as well as international. In the food processing sector, the same company often has locations in several countries and each country simultaneously imports and exports similar goods. Global competition depends not on the resource base of a country as much as on the competitive efficiencies of a particular company, regardless of its location. Alternative economic models involving imperfect competition, game theory and other hypotheses that deal with product differentiation, locational advantages and internationalization of gains are needed.

Global competition depends not on the resource base of a country as much as on the competitive efficiencies of a particular company, regardless of its location.

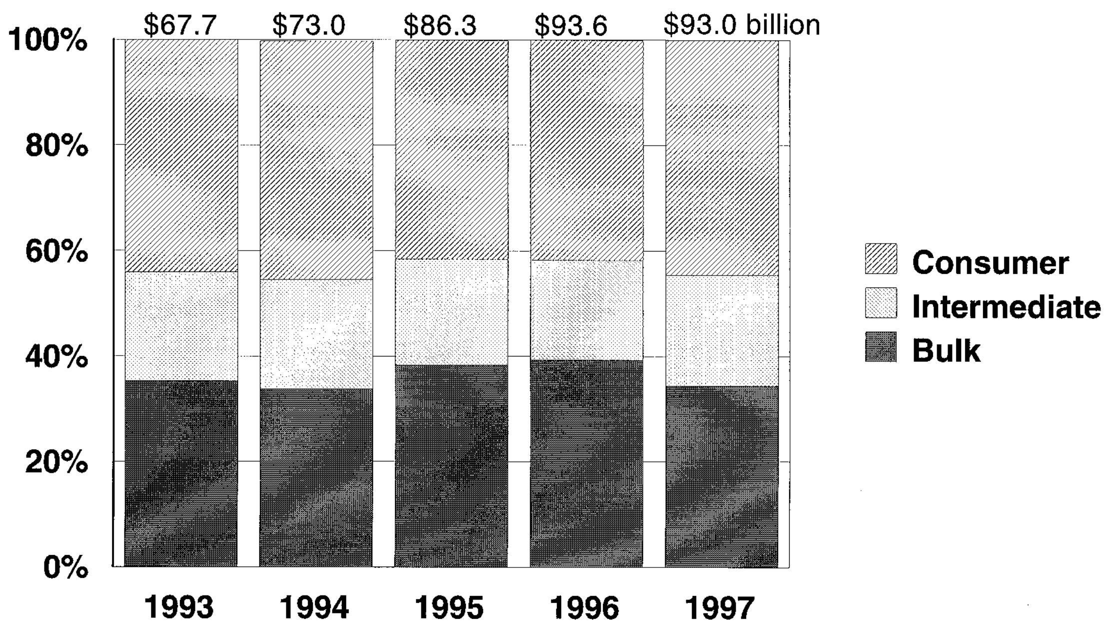
Globalization of the food industry goes beyond trade in processed food. Increasingly, U.S. food companies are locating processing plants or distribution centers in foreign countries, or buying out foreign companies in order to increase sales outside the United States. Likewise, foreign-owned food companies are buying up U.S. food companies at all levels of the food chain (farms to retail stores to restaurants) and selling products locally and around the world.

What difference has NAFTA made to consumers in the United States? An academic study estimated that imports were 14 percent higher in 1994 and 20 percent higher in 1995 than they would have been without NAFTA. NAFTA also helped prevent a 54 percent fall in exports that would have occurred in its absence after the 1994 devaluation of the peso. In contrast, the Economic Research Service of USDA estimated that only 3-5 percent of the increase in trade with Mexico and Canada is attributable to the provisions in NAFTA. Mexican trade had very little impact on jobs in America because their imports are not good substitutes of domestically-produced goods. Many of the imports from Mexico are manufactured versions of intermediate foods, formerly exported from the United States and sent back home ready-to-eat. In this way, demand for imports generated more demand for U.S. exports.

Part of the NAFTA agreements relate to food safety, labor laws and environmental protection. It is unclear whether Mexican produce contains more pesticides. Testing of final products has not shown this to be so. Also, some studies found that Mexican horticultural production under NAFTA used less chemical-intensive methods than production in Florida. With the heavy emphasis on manufactured food products, it is likely that food safety issues will be confined to fresh fruits and vegetables that can be readily contaminated by handlers and water supplies.

Studies have shown that having trade agreements on goods and services in place when a devaluation occurs cushions the fall in exports from the United States and other strong economies. In terms of U.S. consumers, low trade barriers facilitate a continued flow of cheaper imports than would have otherwise been the case. On the whole, consumers benefit from liberalized trade. They have access to a larger variety of goods and services, the prices are generally lower, and competition among sellers is more responsive to their preferences.

Figure 3. Share of Total U.S. Agricultural Trade, Consumer, Intermediate and Bulk, 1993-1997



Food Safety Policy and Issues

William Keene, Oregon Health Division—The Pacific Northwest is the home of the infamous *E. coli* OH157:H7 outbreak stemming from undercooked, contaminated meat served in a Jack in the Box restaurant six years ago. It was a large and spectacular outbreak—it killed 4 people and made over 500 people sick in the State of Washington, and made over 800 ill in the 4 states where the outbreak was centered.

It is difficult to over-emphasize how important the Jack in the Box outbreak has been in framing the debate about food-borne illness in this country. That outbreak changed the way we deal with food-borne illness. The peculiar timing of the outbreak coming on literally the day that Bill Clinton was inaugurated forced it to the top of the political agenda in a dramatic way. The vow that this would never happen again changed the mindset in some of the government agencies such as the U.S. Department of Agriculture (USDA) and the Centers for Disease Control (CDC). The Jack in the Box outbreak had an effect on a lot more than just governmental agencies. It got the attention of the entire fast food industry, the meat industry, the food processing industries, consumer groups and the media.

As a result of the Jack in the Box outbreak and many other outbreaks before and since then, there have been some behavioral changes in the way that people handle food and the way that industry deals with food processing. I believe that the net effect of that has been to save lives.

> The Center for Disease Control and Prevention estimates that between 6 million and 33 million people contract food-borne illnesses from microbial pathogens each year and of those, as many as 9,000 die.

Stephen Crutchfield, ERS/USDA—Americans have access to one of the most abundant, diverse and inexpensive food supplies. The economic privilege enjoyed by the people of America in comparison to those of other nations, however, has created higher expectations by consumers about the variety and quality of their food purchases. Access to information about large outbreaks of food-related illnesses and death has also heightened consumer concerns about the safety of their food. The Center for Disease Control and Prevention estimates that between 6 million and 33 million people contract food-borne illnesses from microbial pathogens each year and of those, as many as 9,000 die.

Currently, the market provides few incentives for producers to provide levels of food safety beyond those mandated by government regulations, or to offer the public other than the most rudimentary information about the safety of their food products. The cost of having products linked to outbreaks of food-borne illness, both to reputation and sales, does provide some incentive for producers to ensure the safety of their products. However, the complexity of the process whereby food travels from farm to table makes warranting food safety risky business for producers. The liability associated with claims of 100 percent safety, if proven false, is a significant disincentive for producers to advertise their food as "safe." Constrained from advertising "safe" food and thus reaping market rewards, producers have no vested interest in making information about the safety of their food products more available to consumers.

What Is Next for Food Safety Policy?

Currently, at the federal level, regulatory authority over food safety is divided among several agencies. The Department of Agriculture has responsibility for inspection of meat and poultry products, and egg products (such as pasteurized eggs). The Food and Drug Administration (FDA) has responsibility for other fresh and processed foods, including fresh produce and imported foods. The National Marine Fisheries Service (NMFS) and FDA share responsibility for inspection of seafood harvesters and producers, and a HACCP-based inspection system has been put in place for seafood products. The Environmental Protection Agency (EPA) has responsibility for regulating agricultural chemicals used in farm production.

On May 12, 1997, Vice President Gore announced the National Food Safety Initiative. This initiative is a multi-agency effort to strengthen and improve food safety in the U.S. This initiative:

- Improves inspections and expanded preventive safety measures. The initiative calls for increase funds for FDA inspection activities, implementation of HACCP-type systems for fruit and vegetable juice industries, and implementation of HACCP systems for egg products.

- Accelerates research to develop new tests to detect food-borne pathogens and to assess risks to the food supply.

- Establishes a new early-warning surveillance system to detect and respond to outbreaks of food-borne illnesses, and to gather the data necessary to prevent future outbreaks. This system is called "FoodNet," and it is administered by the Centers for Disease Control and Prevention (CDC).

- Initiates a national educational campaign that will improve food handling in homes and retail outlets. This reflects the fact that prevention at the farm and processing level will probably never eliminate food-borne risks—consumers and retailers, too, have a responsibility to prepare and handle foods properly to prevent disease.

- Strengthens and improves coordination among federal agencies responsible for food safety, including USDA, CDC, FDA and EPA.

In the past few years, there have been some highly-publicized cases of food-borne disease outbreaks linked to fruits and vegetables—in some cases linked to imported foods. Strawberries contaminated with the Hepatitis A virus were served in school lunches in several states. Raspberries contaminated with the *Cyclosopora* parasite thought to originate from Guatemala caused many illnesses in the Eastern U.S. and Canada. Unpasteurized apple cider contaminated with the *E. coli* O157:H7 bacterium caused several illnesses and at least one death.

In response, the Administration announced the Produce and Imported Food Safety Initiative on October 2, 1997. This initiative aims to upgrade domestic food safety standards and to ensure that fruits and vegetables coming from overseas are as safe as those produced in the United States.

Regulations and public programs to reduce the risk of food-borne disease are not the only answer to the food safety problem. Food safety is everyone's responsibility. Consumers and food handlers can help reduce risk by following recommended safe handling practices. Examples of those practices are:

- Washing cleaning surfaces and utensils.

- Limiting contact between raw meat and other food products.
- Cooking foods thoroughly.
- Following proper storage guidelines—for example, thawing meat in the refrigerator instead of on the countertop.

James Hodges, American Meat Institute—Today's meat and poultry inspection program has its origin in the Federal Meat Inspection Act of 1906. At that time, the primary public health concerns were diseased animals and unsanitary conditions in meat packing plants. The law requires that all cattle, sheep, swine, goats and equines and their carcasses and parts be inspected and passed as human food for distribution in interstate commerce. The 1957 Poultry Products Inspection Act extended to chickens, turkeys, ducks, geese and guineas many of the same requirements mandated for meat. The Wholesome Meat Act of 1967 further extended inspection programs to the state level by establishing a federal-state cooperative inspection program for plants that produce and distribute meat and poultry products within state boundaries.

The United States Department of Agriculture's (USDA) legal responsibilities are primarily focused on slaughter and processing facilities. It maintains jurisdiction over federally- inspected meat and poultry products during storage, distribution and sale, but the federal law exempts retail and restaurant operations from the type of food safety inspection required in federal-and-state inspected packing and processing plants. Moreover, current meat and poultry inspection statutes give USDA no food safety jurisdiction on farms, ranches, feedlots or other live animal production facilities. No inspection system can eliminate all food-borne illness risks from meat and poultry, but there is a growing consensus that food safety can best be ensured through oversight programs that are coordinated from production through consumption.

USDA's Food Safety and Inspection Service (FSIS) uses significant resources to carry out its responsibilities. FSIS has a total staff approaching 10,000 employees. More than 8,000 field inspectors and supervisors inspect approximately 6,500 plants. The estimated cost to operate this massive, labor-intensive program in Fiscal Year 1998 is $675 million, or approximately $100,000 per FSIS-inspected facility. In contrast, the Food Drug and Administration (FDA) has a budget of slightly over $200 million for food safety activities and approximately 900 employees to regulate an estimated 53,000 establishments that produce, process or store food. That translates to an expenditure of approximately $4,000 per FDA-inspected facility. These statistics demonstrate that meat and poultry manufacturers are the most intensely regulated segment of the U.S. food industry.

In 1996, the federal government and industry began a several-year process to dramatically change the way meat and poultry are inspected. This new regulatory program, commonly referred to as Hazard Analysis Critical Control Points, or HACCP, more clearly defines the responsibilities of the regulator and the regulated industry. Meat and poultry companies are required to have a plan for producing safe food. The government's regulatory role is to set food safety performance standards and to verify through its inspection activities that the company meets those performance standards. Federal inspectors maintain a continuous presence in plants. But, while inspectors previously looked for problems that had already occurred, under the new system, they monitor plant activities to be sure appropriate steps are being taken to prevent problems. It is a fundamental shift in the priorities of the federal government.

For more information...

Please see the forthcoming—

Increasing Understanding of Public Problems and Policies—1998.
(David P. Ernstes and Dawne M. Hicks, eds., Oak Brook IL:
Farm Foundation, February 1999).

The 1998 National Public Policy Education Conference Presenters—

Kevin Aguirre
Department of Human Resources
Salem, Oregon

Adell Brown, Jr.
Southern University
Baton Rouge, Louisiana

Robert W. Burchell
Rutgers University
Piscataway, New Jersey

Jacob Coin
National Indian Gaming Association
Washington, D.C.

Stephen R. Crutchfield
Economic Research Service
Washington, D.C.

Tom Daniels
State University of New York-Albany
Albany, New York

Daniel M. Dooley
Dooley, Herr & Williams, LLP
Visalia, California

William R. Eadington
University of Nevada
Reno, Nevada

Randy Franke
Marion County
Salem, Oregon

John Fregonese
Fregonese Calthorpe Associates
Portland, Oregon

Janie S. Hipp
University of Arkansas
Fayetteville, Arkansas

Jim Hodges
American Meat Institute
Washington, D.C.

Tadd Johnson
National Indian Gaming Commission
Washington, D.C.

William E. Keene
Oregon Health Division
Portland, Oregon

Jean D. Kinsey
University of Minnesota
St. Paul, Minnesota

Robert B. Koopman
CSREES/USDA
Washington, DC

Patricia K. Mohr
The Salvation Army
Portland, Oregon

Desmond O'Rourke
Washington State University
Pullman, Washington

Clara Pratt
Oregon State University
Corvallis, Oregon

Wendell Primus
Center on Budget and Policy Priorities
Washington, D.C.

Parr Rosson
Texas A&M University
College Station, TX

Patrick Stephens
Cascade Policy Institute
Portland, Oregon

Henry Wadsworth
Purdue University
West Lafayette, Indiana

The 1999 National Public Policy Education Conference will be held in St. Paul, Minnesota, September 19-22, 1999. Contact Farm Foundation if you wish to attend.

Farm Foundation

1211 West 22nd Street
Oak Brook, Illinois 60523-2197