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LESS FEDERAL GOVERNMENT INVOLVEMENT IN SOIL AND WATER CONSERVATION

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The purpose of this presentation is to stimulate your discussion of soil conservation policy issues. In this presentation arguments are presented for less federal government activity in soil conservation. John Miranowski argues the case for more federal government activity so you will be stimulated to join in a debate on this issue.

In the following discussion, two arguments are presented for less federal activity. One argument involves the proposal that no government activity is needed because government policy prescriptions are incorrect, farmers adopt certain practices without a government program, and soil conservation results in lower aggregate incomes which contradicts income support programs for agriculture. Another argument involves the assertion that government programs are needed, but at the local level rather than at the federal level. These arguments are mutually exclusive.

Prior to developing these two arguments, it is useful to access the reason why such strong support exists for soil conservation activities. Three groups of people who support these activities are those concerned with world population growth, those interested in inexpensive food supplies, and those with particular interest in future generations. Many people share a concern for maintaining the productivity of the soil because they know for every two people on the earth today projections suggest there will be three by the year 2000. This prospect appears so serious that this group argues for maintaining the productive capacity for food at nearly any cost.

Another group argues for maintaining food prices at a level so all people can afford an adequate diet. A greater production of food in the future by maintenance of soil productivity will contribute to relatively lower food prices for consumers. A third group plans to provide their land for their children and grandchildren. These people feel they should maintain the productive capacity of the land because they want these future generations to earn a reasonable level of living from this land. Other groups could be identified, but these three groups present a rationale for the interest in soil conservation today.

No Government Involvement

The first argument for less federal activity is an argument that no government policy is satisfactory for maintaining soil productivity. This argument must abstract from the externalities generated when the soil moves to an offsite location and concentrates on the productivity issue alone.

One part of this argument involves the adoption of soil conservation practices by farmers. Since many soil conservation practices are not profitable for an individual farm to adopt, we have developed subsidy programs (cost sharing by the Agricultural Stabilization and Conservation Service) to encourage their adoption. But some conservation practices have been rapidly adopted because they are profitable for a variety of reasons. Two examples are, the replacement of moldboard plowing with a chisel plow and the adoption of ecofallow.

The chisel plow, in addition to reducing soil erosion has positive economic characteristics related to speed of operation and fuel use that makes it attractive to farmers. Dryland agriculture ecofallow systems which maintain undisturbed wheat stubble not only reduce erosion, but they conserve water to enhance crop production in alternate years. These examples illustrate situations where, for sound economic reasons, farmers adopt operating systems that happen to also enhance soil conservation.

Less government involvement in soil conservation can be supported by a close examination of the type of policy recommendations that result from present federal criteria. When the major focus of policy is directed toward criteria that measure initial soil movement but ignore the deposition of soil, policy conclusions may be in error. When some proportion of the soil initially moved is redeposited in a location where it can continue to be used for agricultural activities, the impact on total soil productivity, particularly in relation to nutrient loss, is less than when soil is deposited in other areas. Since redeposition is ignored in the discussion of a five ton per acre "soil loss," it is not possible to be certain how much productivity is enhanced by alternative policy prescriptions.

Another aspect of federal programs is the contradictory nature among programs. It has been argued that price support programs and insurance programs in the crop sector of agriculture reduce risk and shift land use from higher risk livestock operations to crop production. If this is correct, these programs shift land use from pasture or hay to cultivated acreage with higher erosion levels. At the same time, subsidies are being paid to farmers to adopt conservation practices to reduce erosion.

Perhaps an even more obvious contradiction occurs when comparing the soil conservation program with the income maintenance goal of

many farm programs. The objective of the soil conservation program is to maintain the productivity of agricultural soils so greater output can be produced in the future. A successful soil conservation program will increase the supply of agricultural products in the future and therefore, lower the price of these products. It seems paradoxical to support programs to both raise and lower commodity prices as occurs through simultaneously operating conservation and set aside programs. Rarely are these macroeconomic consequences of soil conservation programs addressed when considering policy issues.

Local Government Involvement

A second argument can be developed to suggest a reduction in federal activity in soil conservation. This argument involves the proposition that soil conservation policy can be developed and administered more effectively at the local level. The strongest case for local soil conservation activity leadership is a fiscal one. The local taxing unit has an extremely strong self-interest in maintaining the productivity of agricultural land because it is their tax base. The classical examples of the consequences of destruction of a tax base has occurred in those counties where strip mining has dramatically reduced the productive capacity of the land. Currently, local governments use property taxes to provide funds for public services, such as education, transportation, and welfare. However, none of these services directly maintain the source of their taxes, i.e. the land.

Local government has another advantage because it can access a larger number of alternative policies. As each local unit develops a policy neighboring units can examine it and adopt those policies which prove to be most successful. This same procedure has been used successfully by agronomists who have provided test demonstration plots for farmers to compare successful and unsuccessful farming practices. Having many people involved in policy development has the further advantage of providing the opportunity for the institution of unique and creative solutions to soil erosion problems.

There are alternative ways local governments might influence soil conservation. They might allocate part of their revenue to subsidize certain conservation practices. They might develop a differential property tax based upon the conservation practices utilized on the property. Alternatively, they might develop a non-financed regulatory program dealing with soil conservation. Local governments have the flexibility to develop conservation policy which deals directly with the specific climate and soil conditions that exist in their region.

It is possible to develop a range of arguments on the side of less federal activity in soil conservation programs. Some of them suggest less total government activity may be more appropriate. Others sug-

gest that the local level of government may be a more appropriate level for this activity. Hopefully, the ideas described above and those John Miranowski developed will generate a lively discussion of this issue.

TRADE POLICY

