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STATE FOOD COMMISSIONS - THE MASSACHUSETTS EXPERIENCE

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The Commission and Its Organization

In October of 1973, the Governor of Massachusetts appointed a Commission on Food that included citizens representing agriculture, labor, the food industry, education, government and consumers. The Commission was charged with the task of recommending programs and policies that would assure Massachusetts residents an adequate supply of food both now and in the future.

The appointment of the Commission was a response on the part of the governor to rapidly escalating food prices and growing alarm about the declining agricultural land base in the Commonwealth. One must also recognize the political implications of the food price issue for a governor about to run for re-election.

Professor Ray A. Goldberg, Moffett Professor of Agriculture and Business in the Graduate School of Business Administration at Harvard University was appointed by the governor to chair the Commission. I was asked by Ray Goldberg to serve as Executive Director of the Commission, a task that I accepted without considering the consequences, especially in view of the fact that no budget was appropriated to support the work of the Commission.

The Commission approached the task by organizing into task forces to deal with six functional areas;

- (1) food production and supply,
- (2) labor and economic incentives,
- (3) transportation, distribution, storage and logistics,
- (4) marketing,
- (5) government institutions and structures, and
- (6) food prices and consumer policies.

Each task force was headed by a chairman who was a member of the Commission, and a professional resource leader was appointed to each task force to provide technical assistance and assume responsibility for completing the task force report.

The Food Situation in 1973

We are all familiar with the scenario in 1973 - the United States had moved from a problem of chronic surpluses of agricultural commodities to temporary shortages and rapidly escalating food prices. Poor weather and harvests in parts of the world, general inflation, the increased purchasing power of other nations and the policy decision of our government to export large quantities of grain all contributed to the world and U.S. food problem.

The net effect of the world and domestic supply and demand conditions was an increase of 14.5 percent in retail food prices from 1972 to 1973, the largest annual increase in a quarter of a century.

The Approach

The Commission through its six task forces approached the assigned task by addressing several central questions:

1. Do Massachusetts consumers pay more for food?
2. If so, why does food costs more in Massachusetts?
3. In what other ways does our dependency upon outside sources for food affect Massachusetts consumers?
4. How can we ease the burden of higher food prices for disadvantaged consumers?
5. What are our food production resources in Massachusetts and how can we utilize them more effectively?
6. What is the role of state government in the food system and how can it be made more effective?

The Conclusions

I will attempt to summarize the conclusions and recommendations of the Commission relative to the six central questions.

First of all, based upon budget data furnished by the Bureau of Labor Statistics it appeared that food costs were from seven to ten percent higher in Boston than in the average U.S. metropolitan area. Since Boston is the market center for Massachusetts and includes the distribution headquarters for several firms operating statewide, it was concluded that Massachusetts consumers probably do pay more for food than most other consumers in the U.S.

In order to determine why consumers in Massachusetts pay more for food an analysis was made of the cost of marketing services which represents about 60 percent of the retail price of food. With the exception of transportation costs, marketing services did not appear to cost more in Massachusetts than elsewhere in the U.S. Transportation costs were found to be higher in Massachusetts for several reasons including the high degree of dependence upon other areas for our food supply, (the production of food in Massachusetts is equivalent to only about 16 percent of the total consumption) the distance from many major sources of supply, the continuing shift from rail to truck and the insufficient availability and use of special volume rail rates for feed and food shipped into the state. The bleak outlook for energy costs made it likely that transportation costs would place Massachusetts consumers at an increasing disadvantage in the future.

In addition to relatively higher transportation costs, the high degree of dependency on outside sources for food makes Massachusetts consumers highly vulnerable to disruptions in the transportation system as demonstrated by the independent truckers' strike in 1973.

It was concluded that the burden of rapidly increasing food prices in Massachusetts was especially serious among the young (under 25), the elderly (over 65), the Black and Spanish speaking residents. It was also concluded that the Food Stamp Program was the best means available for helping alleviate the effects of high food prices on the disadvantaged.

An analysis of food production resources in the state indicated that the number of farms and acreage in farms had declined rapidly since 1945. The analysis

also indicated that there are only about one million acres of land in the state that is well suited for food production and, of that, only 29 percent of it was in cropland.

Seafood is one of the most important food resources in Massachusetts. Due to overfishing the annual catch of Atlantic ground fish has been declining. The landings of fresh fish at the three major Massachusetts ports in 1972 was only about half of the 1961 landings.

Finally, the role of state government in the food system was reviewed. It was found that most of the 10 executive departments in Massachusetts had programs or responsibilities that were related in some way to food production, marketing or consumption. However, there appeared to be a lack of coordination among the state agencies and no well-defined food policy. In addition, there appeared to be a need for additional regulations or legislation in some instances as well as deregulation in others when existing regulations were no longer useful in maintaining a competitive food system.

The Recommendations

Based upon the findings of the Commission a series of recommendations was made to the Governor. These recommendations included programs and policies that could reduce the disadvantage of Massachusetts consumers with respect to the supply and price of food. The major recommendations dealt with transportation, food processing facilities, the Food Stamp and other food assistance programs, new food sources, consumer information and education, the protection of Atlantic fishing resources, incentives for expanding agricultural production and the role of state government in the food system.

The recommendations were mostly actionable at the state level but included some that involved national legislative or policy changes.

The Commission recognized that the food system in Massachusetts is part of an interrelated national and international system and that a single state has no direct control over what happens in the entire system. However, it was also apparent that the New England region shared some common problems and that a concerted and unified effort on the part of New England congressmen could influence national policies and programs vital to maintaining a sound food system in the region. The Commission report identified some of the issues that had important implications for the New England food system.

The Commission report was responsible, at least in part, for bringing about some tangible results, particularly with respect to food assistance programs, consumer education and food production policies. The report also led to feasibility studies for food processing the state and the development of a state food policy endorsed by the governor.

I believe that the most important results of the Governor's Commission on Food were to bring about improved communication and understanding among the various interest groups and a greater public awareness of the issues and their importance to the food system in Massachusetts. Meaningful and effective public and private action to improve the production and delivery of food will depend to an increasing extent upon a well informed population.