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SIGNIFICANT DEVELOPMENTS IN SOUTHERN AGRICULTURE IN THE DECADE OF THE 1970s AND EMERGING POLICY ISSUES IN THE 1980s

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There is considerable overlap between events of lasting significance in the 1970s and policy issues of the 1980s, perhaps because of an implicit requirement (in my own mind at least) that policy implications are a prerequisite to significance. At any rate, past developments in their full dimensions seem closely interwoven with future events.

Repeated invitations to Harold Breimyer to "look ahead" are evidence of our profession's view of his ranking in the trade of seers. Because, at best, we can only "see through a glass darkly," it may be a futile effort to forecast developments beyond a two- or three-year horizon. Yet several of the unexpected events within our individual spheres of existence might have been spotted on the more distant horizon if we had really strained a bit to peer through the fog. Even knowing that the forecasting balance is tilted heavily on the side of events that cannot be foreseen, we feel it beneficial to keep peering ahead. I believe that is why, in spite of records that do not sparkle with accuracy, Breimyer continues to prophesy and we continue to listen.

My own expectations for significant future events in agriculture are extensions of ongoing developments during the 1970s. Rudd's comments on the significant happenings in southern agriculture within the past decade center on changes in the economic environment. He discusses four major areas of impact which he identifies as international trade, inflation, energy, and environmental regulation. I agree that these are important issues, and he has done a good job of outlining their impacts.

I would quibble a bit with Rudd's early dismissal of any regional uniqueness or dissimilarity of southern agriculture. The presence of several farm enterprises that, if not uniquely southern, are disproportionately large in the South makes the topic worthy of more consideration. Not only tobacco but cotton, peanuts, rice, oranges, sugarcane, vegetables, and broiler production occupy positions of much greater importance in the southern region (including Texas and Oklahoma) than nationally. Although no single one of the enterprises is large enough, areawide, to warrant

top ranking in dollar value, the presence of all within the same region in relatively concentrated areas of production lends uniqueness to southern agriculture. Separate governmental policies have been directed toward the individual needs of most of these enterprises, and significant changes in those policies can have a disproportionate influence on the South's agricultural economy in comparison with the nation's.

One significant development I would add to Rudd's list is the agricultural program changes in the past decade that have greatly affected producers of cotton, rice, and sugarcane. Similar changes in programs for tobacco, peanuts, and perhaps fruits and vegetables remain an ominous possibility. I would label the specific thrust of the development a restructuring of policies to include goals and objectives of groups in addition to agricultural producers. The participation of new groups in policy formulation has already resulted in drastic restructuring or dismantling of some policies that were formerly the exclusive domain of producer groups, and it appears certain to me that there is more such action to come.

These developments can be attributed to the erosion of the base of agriculture's political support and the exercise of political clout by groups outside agriculture. A shift in political power is not a development exclusive to the decade of the 1970s; it certainly has been accentuated during the past decade by the continued departure of population from the agricultural sector. The population shift is significant. We have not always been cognizant of the fact that governmental policies in the ultimate are intended to serve the needs of people and are not necessarily for the benefit of commodities or geographic areas.

The rapid escalation of wage rates in agriculture during the 1970s has hastened the substitution of capital and new technology for labor. Part of the inflationary spiral for land and machinery has undoubtedly reflected the natural effort to reestablish equilibrium between prices of the factors of production.

Idled laborers have continued to migrate in response to opportunities for better lifestyles in urban areas. Close behind them have been the remaining members of the community infrastructure who depended upon rural residents as customers or clientele for stores, filling stations, schools, churches, post offices, and governmental services of various sorts. The result has been a dwindling rural population that calls into question the justification of subsidy programs that are revealed to be serving relatively sparse numbers of people.

The earlier waves of migrants from farms to cities carried with them substantial sympathy for agricultural causes. I doubt that the same is true of the most recent wave of migrants and I think there has been considerable erosion of the support for farm causes among those who left the rural scene in decades prior to the 1970s. As a consequence, if the urban residents of the future are asked to decide whether to spend tax dollars for the support of programs in agriculture or for increased governmental services in urban areas, the votes for continued support of agriculture are likely to be in a minority. More specifically, if the population were to decide in the polling place whether it prefers to have public support for agriculture, including research, extension, and teaching, or reduced tax levels, the votes in favor of agriculture would be even more sparse.

Why does agriculture lack goodwill among recent migrants from rural areas? Perhaps most felt very little proprietary interest in, or pride of association with, agriculture. Those of us who have worked in teaching, research, and extension must accept a share of the blame. It has always been easier to work with people who were most receptive of our contributions, and it has been more gratifying, and probably more financially rewarding, to serve those who could utilize assistance on a large scale and produce maximum results from it. Relatively little concentrated effort has been spent in reaching or solving problems for the poor, the disadvantaged, or the more stand-offish members of the rural communities. I wonder how different the structure of rural areas might now be if the goals of policies and programs in agriculture had in practice struck a better balance between equity and efficiency.

A product of reductions in farm numbers and larger operations is organization of producers into larger cooperative or corporate associations. Vertical and horizontal integration is nothing new in itself. It's spread from poultry and vegetable production to other enterprises and some aspects of its consequences are new or not yet fully recongized.

These enlarged organizations of producers, whether cooperative, corporate, or just commodity associations, have an impact on the

competitive environment. In most cases they reduce competition among members while enabling the membership to bargain more effectively with opposing forces in the marketing system. Large farmer cooperatives become the marketplace for both farmers' products and farm inputs. They perform research and educational functions for the benefit of their members and they substitute for many of the services traditionally provided to individual farmers by the Land Grant College and the U. S. Department of Agriculture research and information systems. That role would not be assumed if it were a higher cost, less efficient alternative to the traditional offerings in the area.

Large farm units have large credit demands — demands so large, in fact, they often surpass the lending expertise if not the lending limits of local credit institutions. These large, complex operations defy understanding by persons who have not kept up with the rapid pace of technological advances that have occurred in nearly all phases of agriculture. Many lenders who have not specialized in agricultural finance find themselves ill-equipped to make and manage loans of the size and the complexity required by large farming operations. Farmers in the South have looked more and more to the specialized financial institutions for credit needs. If farmers are linked to other businesses through integration, credit needs are often supplied through large financial institutions in urban centers. The loans flow through corporate headquarters to the producer level and typically escape detection as agricultural credit altogether.

I contend that this phenomenon is an expression of the ongoing loss of identity that Breimyer characterizes as a diminishing of our place in the sun. Though he avoids saying how much identity loss has already occurred, his subsequent comments about a time for soul searching for agricultural economists and various other members of the Land Grant-USA complex seem to indicate a conviction that we may already be approaching the twilight zone.

Many people question whether there is a legitimate identity to preserve, and others are already convinced that there is not. One need only attend meetings of nonfarm groups or associate with people outside agriculture and listen to the comments made when the subject of agriculture arises to realize that we at least have a communications problem. The gross lack of understanding of our work can only mean that we have not paid enough attention to whether we are communicating in a language that the public can or will even want to understand.

If agriculture's identity is to be preserved, it cannot be done by citing either its income share in the national income accounts or the proportion of the national workforce it employs. Neither is there much hope that the nonfarm sector will spontaneously support the expenditure of public funds for agriculture programs in preference to other initiatives, in spite of the importance of a dependable food supply. The governmentally supported agricultural establishment has the job of dem-

onstrating to an increasingly skeptical populace that its work is worthy of public support. A lot of ground has been lost already through missed opportunities. Whether we will regain that ground depends upon our willingness to recognize failures and try new approaches. Ultimately, success depends upon whether agriculture's research and information output retains marketability to a sufficient proportion of an increasingly discriminating clientele.

