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PROTECTION OF AGRICULTURAL LAND: AN INSTITUTIONALIST PERSPECTIVE

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INTRODUCTION

For a long time, the consensus of old farmers sitting around crossroads stores has been that, sooner or later, America is going to run out of agricultural land because of all the houses, shopping centers, and highways that are spreading out onto the nation's cropland. And for years, such observations have been summarily dismissed as the ravings of ignorant men with too much time on their hands. Yet in the last half of the 1970s, a significant part of the educated elite in the United States began to suspect that those old farmers just might be correct. The farm press began to run articles concerning the loss of prime agricultural land to urban sprawl (Johnson); some of the more prestigious national journals appealing to educated laymen began to publish articles on the subject (Blundell); and even general circulation newspapers that seldom deign to print anything other than stories on political corruption or murder and mayhem devoted space to feature-length articles warning of the loss of cropland to non-agricultural uses (Burnside).

The public stir has reached Congress, and in early 1980, the Agriculture Committee of the House of Representatives reported out H.R. 2551 (generally known as the Jeffords Bill), a piece of legislation that would have begun a modest federal program to aid in the retention of agricultural lands. Opposed by such important agricultural interest groups as Farm Bureau and the National Cattlemen's Association, the Jeffords Bill was defeated on the House floor by a vote of 210 to 177 (with 46 members not voting) (Little). The Carter Administration declined to support the Jeffords Bill, but under a joint agreement between USDA and the President's Council on Environmental Quality, a "National Agricultural Lands Study" was launched to "study . . . the availability of the Nation's agricultural lands, the extent and causes of their conversion to other uses, and the ways in which these lands might be retained for agricultural purposes" (Nat. Agric. Lands Study, p. 6). A final report from this study, together with recommendations, was to be delivered to the President in January, 1981.

Among agricultural economists, even among those who concentrate on the study of land economics, this surge of interest in agricultural lands protection has had a mixed reception. Many agricultural economists simply are unconvinced that there is a problem (Cotner; Luttrell; Gardner). Some doubt that there can ever be a problem so long as tolerably free markets are allowed to operate. Many, with perspectives shaped by the technical efficiency criteria of neoclassical theory, question, on efficiency grounds, the wisdom of interfering with land markets to provide special protection for agricultural lands. Undoubtedly, a large number of agricultural economists would agree with B. Delworth Gardner in asserting: ". . . the most apt way to sum up is that agricultural land retention legislation is the wrong thing at the wrong time and for the wrong reasons" (Gardner, p. 1035).

Yet there are others in the profession who are less certain than Gardner. Few in this latter group seem willing to endorse openly agricultural lands retention legislation, but they do see a need for a reexamination of land-use policy in the United States. They argue that a number of federal and state programs, ranging from highway construction and rural water systems development to social security and the income tax laws, have encouraged land-extensive settlement patterns in the United States. The land market as it presently exists in the United States is heavily influenced by governmental programs, and the outcomes of that market cannot necessarily be taken to be socially optimal. Typical of this latter school of thought is Professor Phillip W. Raup, who observes: "There is a growing conviction that the urban threat to rural lands will not be reduced until we shift the policy focus from land to people" (Raup, p. 378).

In addressing policy issues related to agricultural lands protection, agricultural economists must deal with a large number of both positive and normative questions. Whether or not the United States faces a potential shortage of good agricultural land is a positive question, but one which, because it requires forecasting, can be answered only if given various sets of assumptions. Whether or not the land market, influenced

as it is by related public policies, is capable of producing socially acceptable outcomes in allocating land between agricultural and non-agricultural uses is, at least in part, a normative question that hinges on one's perceptions about what is socially acceptable. The rigorous, quantitative analysis that is the dominant methodological approach of contemporary agricultural economics does not lend itself readily to dealing with questions of values, traditions, and national character, all of which are inextricably intermixed in the debate over agricultural lands protection policy. What is called for is a broader, even if less rigorous, approach. Our purpose in this paper is to examine questions related to agricultural lands retention policy from an institutional perspective, on the premise that it is ideology, not economics, that is at the root of the agricultural lands protection movement.

CROPLAND NEEDS AND AGRICULTURAL LANDS PROTECTION

It is perhaps to be expected that the foundation for discussion by agricultural economists of the agricultural lands retention question has been projections of the nation's future cropland needs. Several sets of such projections have been batted around in the literature (Crosson; Dideriksen et al.; Heady and Timmons; Plaut). It is acknowledged that all these projections rest on some rather shaky baseline data. In addition, any attempt to forecast future cropland needs is, necessarily, greatly affected by underlying sets of assumptions relative to future demand, productivity, and yields. One can fairly characterize the most commonly cited projections as ambiguous. However, the most recent contribution to the literature, a short note by Plaut, concludes that the United States is likely to need additional cropland by 2000 beyond that used in 1977 only if: (a) demand grows at rates in excess of 2 percent per year; (b) productivity grows at rates equal to, or less than, 1 percent per year; (c) yields stay level; and (d) the inflation rate is, by contemporary standards, relatively low (not much greater than 8 percent per year). Under the most pessimistic assumptions, Plaut concludes that the nation may require as much as a 37-percent increase over 1977 cropland acreage by 2000. Under more optimistic assumptions, he concludes that cropland requirements in 2000 will be somewhat less than in 1977.

While the ambiguity in the projections of future U.S. cropland needs exists, there is mounting evidence that the highest quality agricultural land is being converted to non-agricultural uses faster than all agricultural land. The Potential Cropland Study (Dideriksen, et al.) states that about 36 percent of the agricultural land lost to urban uses was so-called "prime" land (Class I

and II), whereas only 23 percent of the non-urban, non-federally owned land in the United States is prime land. A recently completed study of land conversion in the Greenville-Spartanburg (S.C.) SMSA found that urban land uses were not random with respect to the agricultural quality of the land, and that almost 23 percent of the prime lands had been converted to urban uses, while only about 13 percent of the non-prime lands had so been converted (Cousins, p. 66). Furthermore, after studying future land-use plans (some of which contained as an objective reductions in the rate of agricultural land conversion), Cousins found that there was a positive relationship between land targeted for future development and prime agricultural lands. A little more than 12 percent of the remaining 753 thousand acres of undeveloped land in Greenville and Pickens counties, South Carolina, is classified as prime land, whereas 18 percent of the 302 thousand acres marked for future development by the planning commissions of the two counties falls into the prime land category (Cousins, pp. 70-73).

The problem is not that there is any great likelihood of an absolute shortage of agricultural land in the foreseeable future. Rather, it is that some of the better land will be converted to non-agricultural uses, forcing up production costs and consumer prices, while increasing erosion and other environmental costs. Existing market institutions are adequate to handle the allocation of land between agricultural and non-agricultural uses, and the outcomes of those market decisions may be quite advantageous to agricultural landowners. But if outcomes of the existing markets involve significantly higher relative food prices, these outcomes could have serious undesirable social and political ramifications that it is not entirely irrational to seek to avoid.

But not all efforts being directed toward agricultural land preservation are motivated by concerns about the possibility of inadequate food supplies, high food prices, and associated social and political turmoil. The land protection issue is not of a single piece of cloth; some of the best and most universally felt reasons for protection have little to do with real food prices and production efficiency in the nation as a whole. Some concerns are wholly local, and attempts at rational analysis are thus confounded by differences in accounting stance (local, regional, national, and world). Finally, the supporters of extra-market control of land use are often strange bedfellows, ranging from commercial farmers and their supporters in government and the agribusiness sector, to urban consumers and recreationists, to those who long for a simpler, more "natural" way of life in subsistence farming.

After the most important of the diverse reasons for agricultural land preservation are presented, the issue will be cast in an institutional

framework incorporating a national identity based upon the yeoman farmer and his rural habitat. Some preliminary research results and suggestions for further institutional research are offered. This is followed by a discussion of some of the political forces thought to be operating, with some suggestions of possible consequences for the southern region.

REASONS FOR AGRICULTURAL LAND PRESERVATION

Any elaboration of the diverse motivations for agricultural land preservation in a few paragraphs must necessarily suffer from generalization and incompleteness, but perhaps some discussion will shed light on the incongruity of the issue. First of all, may we put aside the obvious concern for adequate food supplies for the United States and her trading partners? This, most of us can agree, is a legitimate question with an empirical answer. Other commonly encountered reasons for land retention programs are at least somewhat unrelated to the central issue and less consistently argued. The following is not an exhaustive list. Land retention (a) protects agriculture as an important local industry; (b) maintains local food supplies or self-sufficiency in the production of certain food items; (c) provides dispersion of food production, which can serve to prevent national food shortages resulting from localized weather conditions or insect or disease infestations; (d) protects and guarantees the production of one or more commodities of which the locality is an important supplier due to specialized soils or climate; (e) provides open space, recreation, wildlife habitat, air and water recharge capacity, and aesthetics; and (f) promotes orderly growth of urban areas.

Protecting Local Agricultural Industry

Some concern about prime land preservation gets its impetus from "areas of critical local concern." Some lands may be so classified even though the commodities they produce may be available in many localities; this is a result of fears that agriculture could be pushed out altogether, producing a negative net effect on local employment or a poor "industrial balance."

While the loss of some farmland to urban development is not a critical local issue, the loss of a large part of the agricultural industry of an area may be important. In some communities, farming, together with the agricultural supply and processing industries that support farmers, may account for sizable percentages of local employment and income. A critical mass of farm production is required to sustain this agricultural infrastructure. Economies of size are important in the operation of feed mills, fertilizer blending plants,

supply stores, machinery dealerships, and for other firms providing marketing and processing services. The average cost of serving farmers decreases as the volume of goods and services produced by these firms increases creating spillovers of benefits to farmers (Derr, et al.). If the average costs of services increase or if the service industries begin to go out of business, negative externalities are created; that is, community employment and income are affected, and the remaining farmers find themselves facing higher average costs and less able to maintain their levels of production. As such external effects are set in motion, there is no reason to assume that land and other inputs will move into socially higher uses, even though they are bid away from agriculture. It is argued then that market failure may exist, and it may be in the interest of the local community to preserve agricultural land without concern for national food supply.

Maintaining Local Supply

Undoubtedly it has been efficient to produce some food items near metropolitan areas: milk, eggs, and fresh vegetables are examples. Since the time of Von Thunen, and perhaps before, it has been recognized that producers of such items are more able to pay the higher rents associated with proximity to markets than are producers of grains and livestock, who choose more distant locations with lower land rents. This is not to say that these items must be produced nearby, however, and as land values increase, they are pushed to more distant areas unless consumers are able to identify the local products and are willing to pay higher prices to insure their continued supply.

Perhaps the real fear is that unless food is produced locally, it may not be available at all in an emergency, such as a generalized food shortage or an extended transport strike (Corty, p. 128). Even if such events were to occur in some localities of the United States, it seems unlikely that the varieties and quantities of foods demanded could be produced in all localities. Indeed, locally produced foods already may have been consumed or exported before the emergency. Perhaps it would be more efficient for areas at the end of the distribution lines to stockpile food supplies against such emergencies than to disrupt markets and redistribute property rights in the name of self-sufficiency.

With the exception of milk production, which is operated very much like a state or regional public utility, there is no guarantee that locally produced food will be consumed locally. It is easy to underestimate the national nature of the markets for food in the United States. So far as the cost to consumers is concerned, with the exception of Alaska and Hawaii, there is no clear relationship between dependence on out-of-state

production and retail food price levels for a wide variety of farm products (Peterson and Yampolsky, p. 10).

Dispersion of Food Production

A better argument for continuance of food production in many localities relates to a strategy of dispersion (Mundy; Peterson and Yampolsky). Dispersion can prevent national food shortages caused by localized freeze-outs, droughts, disease and insect infestations, and other natural hazards. But, the logic of this argument depends upon a national accounting stance; that is while it may be profitable for Texas farmers to produce wheat when Nebraska farmers lose their wheat to grasshoppers, it is hardly Texas' responsibility to cover such a shortage. It is unrealistic to expect particular localities to incur substantial costs for the benefit of national consumers. The benefits of dispersion, however great, are national and international in scope and can be expected to get but scant support at the local level unless compensation is forthcoming.

Specialized Soil or Climate

Often farmlands are presumed to be of critical local concern because they compose a large part of the national production capability of certain commodities and also happen to be in areas of concentrated population pressure. If the commodities they produce are important to domestic consumers or in export competition, the loss of the farmlands to non-farm uses might bring about shortages at home and abroad. Some examples are farmlands of the coastal and Great Lakes areas that produce citrus, berries, tree fruits, truck crops, and so forth.

Peterson and Yampolsky state that soil and climatic advantages normally could be expected "to be reflected in the price offered for farmland (for example, highly specialized California vineyards have been able to withstand competition from urban expansion because of the greater profitability of the land from agricultural use)." (p. 11) But this example by no means represents the general case. The national interest in sustaining a variety of agricultural products may not always be reflected in the local land market. Again, we have the question of accounting stance; the nation's consumers would certainly appreciate subsidization of the citrus industry by taxpayers of California, Texas, and Florida, but our appreciation may have to be accompanied by higher prices for oranges. While citrus belt taxpayers may be willing to support critical local jobs and local economic base, it would be understandable if they are reluctant to support consumption in the rest of the nation.

Open Space, Recreation, Aesthetics, Etc.

These environmental aspects of land-use preservation probably account for most of the emotional appeal of the subject. Open space, recreation, wildlife habitat, air and water recharge, and a host of aesthetic, nostalgic, and bucolic emotions may be more instrumental in selling land preservation than all economic-efficiency and legal-constitutional aspects of land use and concern for adequate food supplies combined. Agricultural economists have tended to give short shrift to these arguments because the emotional calculus is difficult to quantify, and the spokesmen for these concerns seem concerned neither with equity (in the property rights sense) nor with economic efficiency. For example, those who would not allow farmland owners to convert to any other use are sometimes the same as those who argue that monoculture, farm enlargement, pesticide use, and other scale-increasing cost-reducing practices should be curtailed.

The agricultural economist also finds other areas of inconsistency in the arguments of these groups. Farms usually are not available for recreational use. Farming does not always contribute to clean water, clean air, and an attractive environment; witness the regulations applied to soil runoff, pesticide use, manure disposal, and so on, which often are necessary and which sometimes contribute to a farmer's desire to discontinue production and sell out. Sometimes the coexistence of farm and non-farm neighbors takes on the nature of an uneasy truce that lasts only so long as the farmer confines his cattle and he does not create too much noise or dust, and his suburban neighbors refrain from unauthorized harvest of his berries and corn.

These environmental and related issues often relate to open space and woodland in general. Most such amenities can be provided as well, and perhaps better, by many kinds of non-prime farmland, forestland, rangeland, swamps, ridges, and parklands. It is not necessary to cloud the prime agricultural land debate with arguments that have little relationship to our continued ability to produce food and other farm goods.

Orderly Growth

It is often argued that preventing development of farmlands promotes orderly growth by stopping suburban sprawl and leapfrog development. So far as the restricted area is concerned, this must be correct. But the problem may be exacerbated if the sprawl simply skips over restricted parcels and then resumes. The cost of providing services (water, electricity, etc.) will be higher, and congested highways, commercial development, and all the ugly aspects of sprawl may be extended for even greater distances

around urban communities as a consequence of the existence of the land preservation areas. On the other hand, the zoning of preservation areas may prevent the "ripening" phase of speculative ownership change in which land is neither being farmed intensively nor being developed for long periods of time.

AGRICULTURAL LANDS AND NATIONAL IDENTITY

All of the preceding reasons for agricultural land preservation, though frequently voiced, may in fact be only poorly expressed or codified expressions of a larger overarching value. This relates to our perceptions of our nation and of ourselves as a part of a national identity having its roots in the soil.

Agricultural production costs and environmental concerns are familiar materials to agricultural and natural resource economists. Yet, even when interpreted in the most favorable light and examined both from the national and local perspectives, they are insufficient to explain the growing national interest in protecting agricultural lands. One must seek deeper, often overlooked, aspects of our national character and traditions to see how agricultural lands retention questions are tied to our basic social values and our national identity. In attempting such a search, one is forced to borrow extensively not only the methods, but also the materials of humanistic studies, when attempting to examine the role of myth and symbol in American culture.

Agricultural economists who pride themselves on being scientific positivists may look askance at the use of myths in their discipline. After all, most myths are false, and all are scientifically unverifiable. It is easy to relegate them to the province of ignorance. Yet other social scientists do not so quickly dismiss the importance of myths to the understanding of even advanced, rationalistic societies. Gotesky, an anthropologist, claims:

"Every culture will create and value its own myths, not because it may not be able to distinguish between truth and falsity, but because their function is to maintain and preserve a culture against disruption and destruction. They serve to keep men going against defeat, frustration, disappointment; and they preserve institutions and institutional processes." (Gotesky, p. 530).

Partly as a result of the work of John Brewster, agricultural economists who have worked in the policy area are aware of the importance of the Protestant work ethic and the Jeffersonian agrarian myth in shaping the national values toward which American farm policy is expected to con-

tribute (Madden and Brewster). The central character in the Jeffersonian agrarian myth is the hardy, independent yeoman farmer as the symbol of the archetypical American of a simpler, more secure time in our national history. The yeoman farmer is an important symbol in other national myths as well. Indeed, he is the bridge between a number of our myths, two of which we will discuss here.

The first of these other myths we shall call the Myth of the New Adam. It is the myth that America is outside the stream of history and free to work out her own peculiar destiny, unconstrained by the ancient traditions and institutions that guided society and culture in the Old World. Again, the yeoman farmer appears as the archetypical American. He is not a peasant of the European mold; he is an independent man, and if he is not wealthy, neither is he poor. He is God-fearing, patriotic, and self-reliant, and he has proven that when defending his homeland, he is more than the equal of the best-trained professional soldiers which the masters of the Old World can send against him (Ward). Nathaniel Hawthorne called him "the New Adam" and like his namesake before the fall, he is innocent and pure, with unlimited potential (Lewis, p. 28).

But how is that potential to be used? America is free from the rules of history and represents a new beginning for mankind, but a new beginning for what? The yeoman farmer as a symbol is also important in answering that question.

Crevecoeur, the French cartographer who, after the French and Indian War, settled on a farm in the Hudson Valley, probably best summarized the meaning behind the yeoman farmer symbol in a famous letter to a European correspondent significantly entitled, "What is an American?" He writes:

"Here are no aristocratic families . . . no kings . . . no ecclesiastical dominion, no invisible power giving to a few a very visible one The rich and the poor are not so far removed from each other as they are in Europe. Some few towns excepted, we are all tillers of the earth We are a people of cultivators We have no princes, for whom we toil, starve, and bleed; we are the most perfect society now existing in the world" (Crevecoeur).

If perfection defines the end, then it is clear that the end of America in the myth Crevecoeur articulates is an equalitarian society. That equality does not have to be exact, particularly regarding material possessions, for random inequalities in natural talents cause some to rise above the general level and some to fall below. But the old inequalities arising from circumstances of birth and the concentration of land in the hands of a powerful few are to be put into the past in

America; they belonged to Europe, not America. The distribution of natural talents being, in the aggregate, relatively narrow, so too, the eighteenth century dreamers believed that the resulting distance between the rich and the poor would not be great. More important, everyone would have equal power, equal respect in the society. The yeoman farmer as the New Adam became a symbol for the quest of America to build a society in which no privileged few would have the power over the many.

As we have noted, there is another myth, one referred to by Henry Nash Smith as "The Myth of the Garden" (Smith). It, too, is an agricultural myth for which the symbolism of the yeoman farmer as a New Adam has special significance. The myth surfaced in a variety of places. The Reverend James Smith, a Methodist minister from Virginia who settled at South Lebanon, Ohio, wrote in his journal in 1797:

"O, what a country will this be at a future day!
What a field of delights! What a garden of spices!" (Morrow, p. 396)

The beauty and wonder of the new continent colors the pages of the Leatherstocking novels of James Fenimore Cooper and is romantically idealized in the grandiloquent landscapes of the Hudson River School artists—Cole, Church, Moran, and Bierstadt—and of the American luminists—Lane, Heade, and Kennsett. It was a land both awesomely beautiful in its raw wildness and rich in its agricultural productivity, a new Garden of Eden to be a fit home for a New Adam. That agricultural richness, indeed, was part of the beauty. Crevecoeur again: "Here nature opens her broad lap to receive the perpetual accession of newcomers, and to supply them with food. . . . The spectacle afforded by these pleasing scenes must be more entertaining, and more philosophical than that which arises from beholding the misty ruins of Rome" (Crevecoeur). And in recounting his first thoughts upon seeing the Ohio River, he writes: "My imagination involuntarily leaped into futurity. . . . I saw those beautiful shores ornamented with decent houses, covered with harvest, and well cultivated fields" (Crevecoeur). In our cynical times, it may be easy to dismiss such outpourings as ravings of an unusually literate romantic. Yet one should do well to not dismiss them too hastily, because the myth finds a modern outlet in one of our most popular patriotic songs when we, rural and urban Americans alike, unselfconsciously sing:

O beautiful for spacious skies,
For amber waves of grain,
For purple mountain majesties
Above the fruited plain.

The Jeffersonian agrarian myth, the Myth of the New Adam, and the Myth of the Garden are not the only American myths. There are others, some of which are inconsistent with these. Yet these three define who we are and what we stand for as a people. They show up in our folk songs, in calendar art, and in political rhetoric. They are ahistorical in that the idealized yeoman farmer never existed as the myths depicted him. Yet the myths persist, as does the symbol of the yeoman farmer. He is the mythical emblem of the essential strength of our culture, as much as a symbol of the nation as is the flag or the bald eagle. Agricultural land is the habitat of the yeoman farmer, and to allow that land to be devoured by the urban-industrial nation we have become, would be analogous to allowing the bald eagle to become extinct through destruction of its habitat.

THE COSTS OF AGRICULTURAL LANDS PRESERVATION

If, as current data suggest, prime agricultural lands are preferred over non-prime lands for non-agricultural uses, we can assume that prime lands either are less costly to develop and/or better situated relative to markets than non-prime lands. Since any successful program to preserve prime agricultural lands must, necessarily, leave less such land available for residential, commercial, industrial, and transportation uses, it is likely to affect production costs of these non-agricultural uses. Ziemitz notes some additional costs to non-agricultural users: (a) higher site-preparation and construction costs associated with building on steeply sloping, poorly drained, or possibly heavily wooded sites; and (b) higher communication and transportation costs, including higher energy usage (Ziemitz, p. 47). While higher-density land use could be a result of protecting prime agricultural lands (including as a side effect less energy consumption) and longer lines of transportation could thus be avoided, increases in site-preparation and construction costs would be a likely result of any effective program to protect prime agricultural lands.

In the Greenville-Spartanburg, S.C. SMSA study mentioned earlier, Cousins attempts to estimate the costs of resorting to second-best industrial sites. Using estimates provided by consulting engineering firms, Cousins concludes that the added site-preparation costs for industrial plants would run between \$9,600 and \$16,000 per acre in the Carolina Piedmont. If the industries in Greenville County, S.C., presently located on prime agricultural lands had been forced to locate on non-prime lands, the added costs in 1980 dollars would have been between 4.6 and 7.7 million dollars (Cousins).

Cousins' estimates are average, not marginal, costs, and he does not purport to tell us how the

marginal site-preparation costs would change as the amount of prime land protected varies. In addition, his numbers are site specific. Average site-preparation costs would likely differ throughout the country as terrain and construction labor costs differ. Cousins did not estimate added site-preparation costs associated with residential, commercial, and transportation uses of prime versus non-prime lands. However, to our knowledge, his are the only figures we have on what the opportunity costs of preserving prime agricultural lands might be, and if they are at all indicative of such costs, they suggest to us that the price tag on protecting prime lands will not be low. Indeed, the agricultural use-value, estimated by discounting present net farm income, in perpetuity, of all the prime lands in Greenville County now occupied by industrial plants is only about 8 percent of the minimum added site-preparation costs that would have been forced upon the industries if they had been required to resort to non-prime sites. Before the nation or any locality embarks upon an extensive agricultural lands preservation program, agricultural economists would seem to have an obligation to determine what the opportunity costs are likely to be and make certain that the decision makers can gauge just how much prime land they can afford to protect.

THE POLITICS OF DISTRIBUTION

Of course, it is one thing to estimate the costs of prime agricultural lands preservation and note that they are likely to be relatively high; it is another to deal with who will pay and who will gain from preservation programs. Curiously, the growing body of literature on agricultural lands preservation virtually ignores the effects of public policy to protect prime lands on income or wealth distribution. Yet distributional ramifications are extremely important in understanding the politics of the movement, and, in the end, will dictate the type of policy that emerges. If we may be allowed to borrow a methodological stratagem from orthodox economics and drastically simplify reality, however, we may be able to construct an institutional model of the politics of distribution relative to the prime lands retention question, remaining conscious of the dangers of "conservative reinforcement" endemic to economic analysis generally (Randall, pp. 150, 151).

First, we might ask who stands to benefit from continuation of the status quo, that is, from continued reliance upon existing market institutions for the allocation of land between agricultural and non-agricultural uses. The most obvious beneficiaries are landowners, especially the owners of prime agricultural lands. Such prime land being highly desirable for non-agricultural uses, its owners stand to receive relatively high prices

in selling it off to developers. If the more optimistic forecasts of future cropland needs prove correct, holders of non-prime lands may not experience much appreciation in the value of their holdings. But if the more pessimistic forecasts are correct, continued removal of prime land from agricultural uses would perhaps serve to cause the agricultural value of non-prime lands to increase. In either event, the holders of non-prime lands have little or nothing to gain from prime lands protection, and, possibly, quite a bit to lose. On balance, therefore, it would seem that landowners, and especially owners of prime lands, have important potential opportunities for major gains in wealth if the status quo in the land market is maintained, and important potential opportunities that would be lost, or at least put at risk, if that status quo is altered.

On the other hand, one asks: Who stands to benefit from effective prime lands retention programs? That question is harder to answer because most of the benefits are non-pecuniary in nature and therefore non-quantifiable. If the pessimistic forecasts of future cropland needs are correct, failure to establish an effective prime lands preservation program probably will lead to significantly higher prices for at least some agricultural products. If preservation programs can forestall higher food prices, consumers could benefit. Yet, as we have noted, prime agricultural lands protection must be bought at a price in higher costs for residential housing, manufactured goods, and so on, not to mention costs to the taxpayers for retention program operations. Low-income families who spend more for food and less for housing and manufactured goods than middle- and upper-income families likely would receive net benefits, because an effective agricultural lands retention program would be a subsidy on food. Yet if the optimistic forecasts of national cropland needs are correct, the net effect on consumers of all socioeconomic levels is likely to be negative, and the only positive benefits would be visual amenities—open space, heritage preservation, and so forth.

It seems unlikely that consumers can be convinced on rationalistic arguments that the redistributive effects of prime lands protection programs benefit them sufficiently to justify political activism. On the other hand, the prime lands retention issue goes to the very heart of the historical concern of conservatives—protection of the status quo in property rights—and landowners have strong incentives to fight prime lands protection programs. Since landowners possess the influence that wealth can buy, a superficial examination suggests that any future prime lands preservation program is likely to be a nominal, rather ineffective effort.

But superficial examination ignores the growth of public interest in prime agricultural lands protection and the symbolic importance of the

yeoman farmer. There is a substantial corps of politically sophisticated activists who have the ability to manipulate the prime agricultural lands preservation movement for their own ends, and who also have strong incentives to form a coalition to support prime agricultural lands protection legislation. Among these are environmentalists concerned with the protection of open spaces, visual amenities, and so on, and the bureaucrats who have vested interests in the growth of government. A third group is made up of those who, in eighteenth-century terminology, might be called "levelers," and who, today, are usually grouped under the rubric of left-wing intellectuals. The members of this third group share in common a basic instinct toward seeking, either gradually or abruptly, a redistribution of wealth and power in favor of those groups in the society now lacking wealth and power. As noted earlier, the "leveler" instinct is strongly embedded in the American character, as manifested by the association between the symbolism of the yeoman farmer and equalitarianism. Aside from its appeal to their romantic natures and their idealist dreams of the New World Eden, and aside from a perverseness that causes them to ally themselves with almost anyone who supports something that conservatives oppose, the "levelers" seem to see in the prime agricultural lands preservation movement an opportunity to disperse power, if not pecuniary wealth, more equally throughout the society, thus a way to use the movement to move closer to an ideological objective. There is some evidence that a coalition embracing these three groups (environmentalists, bureaucrats, and levelers) is already in its embryonic stages.

Without a strong pocketbook appeal can such a coalition of voters facing determined, well-financed, conservative opposition succeed? If by success, one means protection of 100 percent of the nation's prime lands without compensatory payments to landowners for development rights, the answer is probably not. But the symbolic importance of agricultural lands to American identity and character is a strong emotional force that, if deftly managed, could enable the pro-retention coalition to compel the conservatives to compromise. There is an opportunity to divide the conservatives by a compromise that protects some, but not all, prime lands, allowing landowners whose land is free to be converted to non-agricultural uses to benefit from the artificially created scarcity of convertible prime lands. Neither should we underestimate the tenor of the times—confusion over national identity arising from the Vietnam War, challenges to the Myth of the New Adam and the Myth of the Garden from the objective evidence of industrial pollution and energy resource scarcity, and a nostalgic yearn-

ing for bygone conditions and simpler times. If the time is still early from an economic perspective to worry about urban encroachment upon agricultural lands, the time is ripe when one takes into account the recent tensions in the national psyche. If those who support national legislation to protect prime agricultural lands continue to display the subtle political skills that they have demonstrated to date, the potential for major federal initiatives before the mid 1980s appears to be rather great.

IMPLICATIONS FOR THE SOUTH

When one begins to look at the implications for the South of the agricultural lands preservation movement, a situation becomes evident that would seem to increase the likelihood of intense pressure for national legislation to protect prime lands. In short, that situation arises from the general shift of economic activities from the Northeast and Great Lakes states toward the so-called Sun Belt. Already there have been a number of attempts to place barriers in the way of this shift, including state and proposed federal legislation limiting the ability of industrial firms to move plants to new locations (McKenzie). Some argue that the anti-pollution legislation of the late 1960s and early 1970s received considerable support from groups with no special interests in the environment, because they saw an opportunity to manipulate the regulations so as to strengthen the comparative advantages of the old industrial areas at the expense of the Sun Belt (Hite, et al., pp. 53-67). That same possibility would seem to exist relative to national agricultural lands protection programs, providing an incentive for organized labor and Frost Belt politicians to enter the coalition supporting national legislation.

To understand why national agricultural lands protection programs might have a negative effect on the future economic growth of the South, it is necessary to review some statistics. According to data compiled for the National Agricultural Lands Study, the South¹ contains about 34 percent of all non-federal lands in the United States available for agricultural uses and about 25 percent of all prime² agricultural lands in the country. Yet about half of all lands, and about 38 percent of all prime lands, in the U.S. that were converted from agricultural to non-agricultural uses in the period 1967 to 1977 were in the South (Hildebaugh). Consequently, the conversion rates for both all and prime agricultural lands are about 1.5 times greater in the South than in the nation as a whole. These higher conversion rates should come as no surprise, given the relatively more rapid rates of population and economic

¹ Defined to include the states of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

² Includes so-called "unique lands" in Florida.

growth in the South in recent years—growth that, to some extent, has been the result of a fairly abundant supply of relatively cheap land in the region.³ National programs that restrict industrial and other types of economic growth to non-prime sites would significantly increase site preparation costs and tend to offset some of the South's advantages relative to inexpensive land. Incomes continue to be lower in the South, particularly in rural areas, than in the remainder of the nation, and continued economic growth through industrialization appears to be the best hope for dealing with southern poverty. Consequently, anything that tends to offset, however marginally, some of the South's advantages in attracting new industrial investment may not be in the best interests of the region.

It would be a gross overstatement to say that the agricultural lands protection movement is anti-southern in its principle motivation or that national legislation to protect prime agricultural lands would be the death knell for continued economic growth. It is so difficult to generalize about the heterogeneous South that we are reluctant to declare national agricultural lands protection programs to be contrary to the interests of the entire region. Yet the prime lands protection movement offers some attractive opportunities for manipulation by organized labor and other groups that have a vested interest in retarding the movement of economic activities southward. For example, support for prime lands protection might be sold to rank and file union members as support for low-cost food without openly admitting that such support is also designed to help trade union officials maintain their power base. The prime lands protection movement also provides an opportunity for trade unions and environmentalists to work together, thus helping to close some of the breaches that have arisen in recent years between those two groups. All in all, the issue offers a number of opportunities for reassembling the old coalition that traditionally has been the political power base of liberal Democrats at a time when that coalition is in need of new issues that will reunite and re-invigorate it. Public choice theory suggests that few such opportunities remain long unexploited.

SUMMARY

The purpose of this paper has been to place in a broad institutional perspective the major policy issues related to protection of agricultural lands. The issues are far more complicated than they first appear, transcending the usual concerns with economic efficiency and touching such matters as environmental quality, regional and na-

tional identity, and the distribution of wealth and political power within American society. Moreover, unequivocal statements about many of these policy issues are risky because the policy analyst must work under a cloud of uncertainty regarding the nation's future cropland needs.

The transcendental values involved in the agricultural lands protection question and the factual uncertainty that clouds the issues explain why we have placed so much emphasis upon the role of myth and symbol. As Gregor Shebba notes:

"In the normal . . . course of events, the leader makes his decision as a technician and craftsman, with full command over available information. But how does he make decisions in situations of utmost uncertainty where rational calculation cannot produce a clear argument in favor of one course? . . . In this situation, reasoning may paralyze the decision-maker as it would paralyze a soldier in action who suddenly begins to wonder why he is fighting and why he should go on fighting. The eventual decision (or failure) to act may be the product of personal characteristics, of habit, or an inclination to gamble blindly, or of outside forces, or of chances; in all these cases it is fortuitous, not rational. If however, the decision is made out of deep, ultrarational commitment to an ultimate goal or value, its roots are in the mythical realm" (Shebba, p. 166).

If Shebba's scenario applies to the agricultural lands protection question, "conventional" economic analysis can play only a limited role in resolving the matter.

Yet it does not follow that agricultural economists should not approach the issue. There are a number of matters that have not been addressed in this paper, such as the impact of the new energy situation on human settlement patterns and upon the demand for agricultural land, and the effect of prime lands protection programs on the borrowing power of farmers. A great deal of research, involving all the subdisciplines within agricultural economics, needs to be done in identifying the various policy options relative to prime lands protection and in evaluating the impacts of these options, both on efficiency and distributional criteria. Given the relatively high rates of conversion of agricultural lands in the South and the potential negative impacts that national agricultural lands protection could have on the region's growth potential, the need for research with a "southern accent" is particularly pressing.

³It is interesting to note that the national trend, noted earlier in this paper, for prime lands to be converted at disproportionate rates relative to all agricultural lands does not appear to hold in the South. About 25 percent of all the non-federal lands in the South available for agricultural uses are prime lands, but only about 26 percent of the lands converted between 1967 and 1977 in the South were prime lands. Almost a quarter of all the land converted to non-agricultural uses and almost a third of all the prime lands so converted were in Florida, and well over half of all the lands converted in the South, and up to three-quarters of all the prime lands converted, were in the Atlantic coastal states from Virginia to Florida. It appears that the conversion rates are relatively low in those areas of the South known for high-quality agricultural land, possible because those areas for historical reasons, tend to have concentration of blacks in the population and industry has shown some tendency to avoid sites in areas with heavy black population.

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