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Crisis on the family farm: ethics or economics?

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Farmers and the market

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It is my contention that agriculture, and more especially, family farmers, have never been quite at home with democratic capitalism and the so-called 'market economy'. They depend on markets and have enjoyed markets, but markets so regulated as to allow satisfactory participation. I do not mean to their particular advantage, but where interests are balanced with a reasonable degree of equity, and also with freedom, where the fruits of freedom and resourcefulness on the credit side are not strangled by the weeds of greed and self interest, on the debit side.

Let me begin with something of Adam Smith, who spoke of the affection with which a small proprietor views his property, displaying his industry in adorning it as well as improving it, in which he surpasses the larger proprietor. He describes the social customs and regulations which keep land out of the market "so that what is sold always sells at a monopoly price", and which make the purchase of land in Europe a "most unprofitable employment of a small capital ... but it is attractive for various reasons to the wealthy" (Smith, 1776).

Again, on farming Adam Smith spoke of the charms of security, independence and beauty and with shades of the original Adam: "as to cultivate the ground was the original destination of man, so in every stage of his existence he seems to retain a predilection for this primitive employment" (Smith, 1776). He reflected on the reason why the natural order of wealth production seems to be reversed: agriculture being prior should take the lead, but in fact the political economy of the nations of Western Europe has been more favourable to manufacturers and foreign trade, the industry of the towns, than to

agriculture, the industry of the country. He also discussed systems (eg in China) which had favoured agriculture (Smith, 1776).

Adam Smith made a distinction between country and town. Their interests have diverged increasingly with the industrial revolution, with the rural position steadily weakening, for, at least in Western Europe, it is only since the time of Adam Smith that the interests of town and country have diverged.

Smith's observations stand today as they did in the 18th century. For example, the following words were written about present-day Alberta:

> "As the local economy becomes part of the global economy, the family farm becomes less competitive because many of the social and ecological services it provides are given no dollar value. Such services include: practical early education, maintaining a fabric of home life which enhances the land and all living creatures, care and nurture of youth and elderly, and personal and family recreation. Particular farms are more competitive because they do not need to provide these services. They make less local capital investment and are less concerned about supporting the local culture and economy; they are more geared to the export of products, land ownership, and local talent" (Earthkeeping Alberta, 1992).

This touches on a real cause for complaint. The contemporary political economy only recognises what can be quantified in cash terms. There are, however, many products of the family farmer which do not get into the market and cannot be so quantified. They may be termed 'spiritual' rather than 'material' values. Of them, money never can be the sole means of exchange nor the only calculus of value.

Returning to England, at a conference held jointly by the Small Farmers' Association (SFA) and the Rural Theology Association (RTA) in March 1991, there was much feeling expressed against agribusiness: it felt almost as if the 1960s had opened a doorway to the devil - a view not confined to Christian participants. The overriding feeling which emerged through the papers and conversations, was a deep malaise about the rural scene, a growing conviction that the relentless drive for agricultural efficiency has overridden the welfare of both land and people. The report on the conference stated:

> "Agribusiness tends to follow urban models. Farming (now) is less fun, harder work and causes more anxiety. Farming is a way of life. Farmers contribute something very valuable to local communities: they contribute more than food to the welfare of the nation, in terms of ability, character, morality, work habits, experience of the natural world" (Weiss & Wilson, 1991).

Again, how do you quantify such values in a market whose sole means of exchange is money, or how can you regulate the market in such a way as to recognise such values?

An agricultural economist present at the SFA/RTA conference dated the trouble from the 1960s when it was a policy to replace agriculture

with agribusiness. The warning of such writers as H J Massingham had been pushed aside as nostalgia:

> "There are two very good reasons why a living countryside can never be mechanised except at the expense in the end both of the landscape and the life. Apart from the contradiction in terms between life and mechanism, an industrialised countryside no longer depends upon itself, but upon a financial system whose node is the city... If it breaks down, the country reverts and ceases to be the landscape patiently modelled by millenia of husbandry" (Massingham, 1939).

More recently Wendell Berry, a working farmer as well as poet and writer, stated:

> "The word agriculture, after all, does not mean agriscience, much less agribusiness. It means cultivation of land. And cultivation is at the root of the sense both of culture and of cult. The ideas of tillage and worship are thus joined in culture. And these words all come from an Indo-European root meaning both to revolve and to dwell. To live, to survive on the Earth, to care for the soil, and to worship, are all bound at the root to the idea of a cycle. It is only by understanding the cultural complexity and largeness of the concept of agriculture that we can see the threatening diminishments implied by the term agribusiness" (Berry, 1973).

I turn now to the European scene, because all this is a problem for the CAP.

When the EEC, as it then was, was established by the Treaty of Rome, protection of the small farmer was written into the agreement, and has remained there. The 'unique concept' of the CAP is still the family farm. By concept is meant an ideological tool which can be used to determine policy. The administrator at Brussels has a certain model in his mind: an abstraction of the peasant proprietor of the original six countries. All aid is directed to his support, but the chosen form of support has been headage and tonnage payments in some form. Where farm structure was different, particularly in the UK, but also in Holland, unsatisfactory results followed. The point of fixing on certain acreages of cereal or sizes of flock was to increase the size of holding in the countries where they were uneconomically small; this effect has also been to favour the enlarging farmer in the UK. The landowner who takes 2000 acres in hand, or the Oliver Walston who farms 3000 acres of cereals in Norfolk, are treated as family farmers, just as is the peasant farmer in Portugal or France.

This seems odd to one concerned with justice, and particularly if that sense of justice is formed by a tradition going back to the Old Testament and Imperial Rome, which also informed the Napoleonic resettlements on the continent and the Irish Land Acts in the 1920s: a tradition of seeing land as an asset to support people - no longer tribes, certainly, but still families, with something of the mystique of possession as felt by Naboth (1 Kings: 21).

A further point requiring definition is the term 'efficiency' referred to above. Government and the large farming organisations use it in a way which is criticised by the SFA. The former use criteria such as capital/labour employed/product. Very often the return to the farmer is not specified since the aim of agricultural policy has been cheap and plentiful food. If fewer people and more capital are employed in production over a given area, then more food will be put into the market.

However, the smaller farmer argues that large farms are only judged efficient by eliminating other factors, such as number of people employed and a total management policy which looks after the farm and ensures quality of life. He, in contrast, starts from the point of view of a farmer who loves his land and wants to make the best of it and the life it supports (cf Adam Smith). He also requires freedom to work out his own set of objectives within the constraints of the market. And he wants to pass his land on. "Farm today as if you will farm for ever, live today as if you will die tomorrow" is a tag quoted by many a family farmer.

Moreover, into this efficiency equation needs to be taken the agricultural method. The family farmer, as we have said, has more mouths to feed. He is also more likely to practise a management plan of 'interdependency' - a way of saying that he grows cereals to feed his beasts and uses their muck to manure his pasture and arable.

And one further factor must be taken into account in the efficiency equation: the environment - sustainability - cooperation with nature. These demands are increasing. The response from CAP of environmental payments as a form of income support is a further interference with the free market. Such schemes indicate that existing mainline market arrangements not only work to the family farmer's disadvantage, but are driving him out of existence.

Further, present-day marketing encourages a lowering of food quality. The old local market kept it up. I use here a religious definition of quality:

> "Quality is born where the careful producer meets the discriminating purchaser. Striving after quality brings a man face to face with God as well as his neighbour, as well as providing good food for bodily taste and need" (Weiss & Wilson, 1991).

Currently under economic pressure, farmers' wives have gone out to work, bringing to an end the long period of a family, together with hired workers accepted within it, running the enterprises. Now we have the solitary farmer. This, it can be claimed is the inevitable consequence of the acceptance of urban values and an unregulated market. The resultant stress is indicated by the often quoted figures of farmers committing suicide.

With regard to the environment Adam Smith (1776) observed that farmers love their fields, not only for profit and possession, but for

beauty and familiarity. All the life that the farms support is a sort of extended family.

But those who remain on their land are pressed by the system to exploit it for growth. Apart from the effects of this pressure on farm structures, this causes a split in the farmer's soul. The need to earn a living has become opposed to the love of the place and its life. Of course, there always will be such tensions in a fallen world, but they have become now for many very hard to resolve. It is too early to tell what will be the effects of new subsidies to maintain the environment, nor in whose interest they will work out, what balance for urban taxpayer and recreationist, what for the natural world and the family farmer.

But one thing is universally acknowledged. It now takes more tons of wheat, more head of sheep to buy a car, or what have you, than it did even 10 years ago. This is itself sufficient argument for adjusting the terms of trade in favour of the farmer. Otherwise we shall continue to drive off the land those who, by following their own economic method, have made of it a *desideratum* for the urbanite. It is important to accept, as Adam Smith observed, that there are different interests, different systems operative in town and country. These two stand as polar opposites and most life is a resolution at some point between them.

Christian values, spiritual values, constantly point beyond the financially quantifiable. Here I only ask the question: what sort of market, free or regulated in whatever way, what sort of economic system will encourage such values to flourish, and what length of time-scale are we working with?

It appears that the interests of the nation, the landscape, and those who work with the land are not served by a political system which has become single sighted with an urban eye. But what is the remedy?

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