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Are Farmer and the Environment Natural Enemies Like the Sheep and the Coyote?

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I bring an economist's, agricultural policy specialist's perspective to the subject. That needs to be understood at the beginning.

Agricultural policy historically has been price and income policy for commercial farmers. Price supports, land retirement, stored reserves and deficiency payments have been the backbone of farm bills since Roosevelt's AAA (Agriculture Adjustment Act). Preservation of the family farm was the goal, along with an abundant supply of high quality food at reasonable prices, to convince the consumer that commercial agriculture policy was in their "best interests."

Each administration took the same old program massaged and renamed it (especially if we changed parties), but the basic rudiments remained the same. And so, we have lived through:

1. F.D.R. and Henry Wallace, the AAA and the Ever Normal Grainery,
2. Harry S. Truman and the Brannan Plan,
3. Ike and the Bensen Soil Bank,
4. Kennedy/LBJ and diverted acres,
5. Nixon/Ford and the set aside,
6. Carter and the Farmer Owned Reserve (similar to the Ever Normal Grainery)
7. Reagan/Bush and PIK, CRP (similar to Soil Bank) and flex acres.

What about Bill and Hillary? That remains to be seen.

Under Eisenhower, we passed the Food for Peace program which was, in reality, the Surplus Dumping Act of 1953. But, we didn't call it that. The names of these programs are important. How can one oppose Food for Peace? With Eisenhower, we began to take on a foreign dimension in agricultural policy. And, then came the Kennedy wheat sale to the U.S.S.R. Remember the infamous Carter embargo. Currently, one of every three kernels of U.S. grain must find a home overseas.

Your thinking what does this have to do with the environment and farmers and sheep and coyotes? Well, I'm building the case. The point is the "stuff" of traditional agricultural policy didn't include the environment, at least that's the conventional historical wisdom. Is it accurate? No. Are farmers and today's environmentalists natural enemies like the sheep and the coyote? No. Do both have a place in the political spectrum? My friend and colleague, whom I hold in highest respect, Bob Henderson, explains to me that there is a balance in nature and that the sheep and the coyote can co-exist under proper management and practices. The same is true for a sustainable profitable agriculture and a sustainable healthy environment.

Notice I said sustainable profitable agriculture. The debate over sustainable agriculture can best be described by a straight-forward declaration. If it isn't
profitable, it isn't sustainable, unless the public is willing to subsidize it.

Let us regress into history for a moment. Interwoven throughout the history of agricultural policy has been soil and water conservation. The list of practices is lengthy beginning with contour farming, tile drainage, watershed development, etc. Have the conservation efforts been successful? The cynic and the yuppie activists would say no. They would argue farm programs were disguised as conservation programs in order to raid the Treasury for large corporate farmers. I would argue, as my grandfather taught me, each generation has an obligation to leave the soil in better shape than they found it. The vast majority of commercial farmers I know practice that stewardship within the confines of the resources available to them.

It is fashionable today to believe that the emphasis on the environment in agricultural policy is something new. History doesn't cooperate with that interpretation! In 1985, we did, however, overhaul this nation's agricultural policy rather quietly and the stage was set for environmental issues to be front and center (1985 Food Security Act). Basically, we abandoned supporting prices in the marketplace and in turn, we supported farm income directly out of the federal treasury through deficiency payments. At the same time, we re-invented the Benson Soil Bank (CRP), introduced sod and swambuster provisions and required compliance with a litany of environmental practices for eligibility.

A new word entered the agricultural policy jargon - decoupling. Pure decoupling simply means program payments are decoupled from market prices and planting requirements. Setting price supports at world market-clearing levels and introducing 0-92 began the move towards gradual decoupling. It was proposed that we means test farm programs, i.e. anyone with an income above a certain level e.g. $100,000 be declared ineligible for farm programs. It was defeated.

All of this was accomplished with the support of "moderate" environmental groups. They understand the carrot and stick approach. They understand if farm programs are uneconomical for those 100,000 farm operations that produce half of the commodities and they don't participate, the stick is also gone to force compliance with environmental regulations.

Another new term was introduced in 1985 Farm Bill - LISA. Low input sustainable agriculture was a misleading term that created misunderstanding. It is not low input that's the issue. If we lower inputs, we will eat less. The issue is the mix. Chemicals versus other inputs is the real problem. We will use less chemicals in the nineties and the next century. What will we substitute? Biotech, superior management, ridge till, etc.

The 1990 Farm Bill decoupled further with the introduction of flex acres. It removed 15 of base from eligibility for payment. Farmers can plant anything on their flex acres with minor exceptions.

We are learning to farm the marketplace anew rather than government programs. We have become quite proficient at farming the government. Farmers can now respond to market conditions on up to 25% of base. They don't have to plant a program crop in order to maintain base. They can put grasses, legumes in the rotation. Again, environmentalists supported this approach.

Target prices were maintained and part of the base was flexed. It met budget guidelines. It had the support of farm
organizations and environmental groups. Farm programs were further decoupled from planting requirements.

What about the future? Agricultural policy will be driven by budget constraints and environmental concerns. The U.S. government spent $26 billion in 1986 on commodity programs. Approximately $10-$12 billion per year will be available in the remainder of this decade.

My advice to farmers - quit apologizing for their environmental record, get off the defensive and quit bad mouthing environmentalists. As Henderson says about sheep and coyotes - it is manageable. Unlike Bosnia and Serbia, ethnic cleansing won't be tolerated in the political spectrum.

Farmers/farm organizations must go on the offensive, stand-up for their environmental record and build coalitions with the "reasonable" environmental groups.

What does the term reasonable mean? Interesting question. Some of these groups are in the business of raising hell in order to raise money. It is not in their best interest to settle these issues or build coalitions. That doesn't help fund raising, bankrolling or employment for the professional issue mongers. But, reason can prevail. The environment, can be sustained and commercial agriculture can be profitable. Society, therefore, can benefit, but society will also have to pay.

I envision an agricultural policy of the future fashioned by farmers who believe in a healthy environment and legitimate environmental groups. What to call it? Based on history, current trends and budget limitations - a decoupled environmental payment. A payment to farmers not tied to market prices or planting requirements, but based on compliance with a set of practical, functional and environmentally sound practices. A compromise on the political spectrum. The answers to environmental issues surrounding commercial agriculture, like all political issues, approach the center of the spectrum. Answers are rarely, if ever, found on the fringes.

Are farmers and the environment natural enemies like the sheep and the coyote? I think not. But, even if they are, just like with the sheep and the coyote, man must find a way for them to co-exist.