Freedom to Farm vs. the Environment: The Ecological Implications

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A VOICE FOR ECO-AGRICULTURE
JUNE 1996

"With a mix of luck, work and unusual organization, the lobby for big grain companies, railroads, meat companies, millers and shippers scored a big win in the Senate-passed overhaul of farm programs." — Associated Press, February 18, 1996

Congress and the president have agreed on a new farm bill, euphemistically called the 1996 Federal Agricultural Improvement and Reform Act. The FAIR legislation, also called Freedom to Farm, was based on the original decoupling proposal first made in 1985 by former Minnesota Senator Rudy Boschwitz (R-Minnesota). "Decoupling" refers to removing the link between direct payments to farmers and production.

The good news is that this bill contains a number of important programs to protect nature in some fragile eco-systems, and to promote sustainable farming practices in a number of ways. However, the overall impact of the bill is to accelerate the drive towards industrial-type, chemical and energy intensive agriculture while devastating the financial structure of many small and medium-sized family farmers. Overall, it makes farming in the United States less sustainable from both an environmental and an economic perspective. The environmental devastation that will come from this farm bill can be grouped into nine major areas:

1. Increase in land under cultivation. Recent farm legislation has allowed farmers to fallow over 75 million acres over the past few years. With a 34 million-acre limit on the Conservation Reserve Program (CRP) and the abolishing of all other set-asides, this will bring 40 million acres of land back into production. In addition, an early-out provision for the CRP will most likely result in highly erodible land coming into production and being cash rented to take advantage of the current higher prices.

2. The land that is farmed will be farmed much more intensively, using more chemicals and fertilizer. Gary Meyers of the Fertilizer Institute was one of the earliest and strongest supporters of "decoupling," because he knew it would lead to sales of chemicals and fertilizer. First of all, there will be more land farmed. Second, there are incentives to intensify production at both the current higher price levels, and in the future after the current supply shortage is overcome and farm prices fall again to very low levels.

3. Farm prices will eventually fall, probably at the same time that government payments will be eliminated, leaving farmers with less income. As farm payments are phased out and as prices return to low levels, farm families will end up with less income, especially since the "floor prices" provided by the Commodity Credit Corporation loan rates will have been severely reduced or eliminated. This will make it difficult to maintain soil and water conservation programs or to take the "risk" that conversion to more sustainable practices often entails. At the same time, when farm income falls, farmers are less able to invest in vital soil and water conservation improvements.

4. Some conservation programs are weakened or eliminated. A number of important programs, including conservation compliance and swampbuster provisions are weakened. At the same time, many provisions are made discretionary and are moved to a farm-to-farm basis instead of an operation-to-operation basis. Most programs do not include herd size or acreage limitations.

The Conservation Reserve Program has been capped at a maximum of 36.4 million acres. It now has provisions for farmers to withdraw from the program prior to the end of their ten-year contract, which will result in a great deal of fragile land being put back into corn and wheat production. Some analysts estimate that up to 22 million acres (out of 34 million) of currently enrolled land could be put back into production. Much of this could end up becoming cash-rented for continuous corn production. In addition, the secretary of agriculture is prohibited from imposing any higher standard for environmental protection on the lands that are coming out of the CRP than on other land in conservation compliance plans, even though the land in CRP may be much more fragile and highly erodible.

5. Families on the land will be replaced by corporate and/or absentee owners. In the past few years we have seen an explosion of corporate-owned and operated factory hog farms, cattle feedlots, and poultry operations. All of these have had the effect of pushing farm families out of business. As the Freedom to Farm Act moves forward, many other family farms will go out of business. Smaller producers will be replaced by lenders, absentee owners, and much larger, capital-rich producers — all with the economic means to increase fertilizer and chemical use enough to survive under "decoupling" policies. The level of farm bankruptcies and foreclosures will rise dramatically under Freedom to Farm.

6. Diversified livestock producers will be replaced by large-scale feedlots. Higher feed prices are putting severe financial strain on all livestock operators. However, it appears that the larger, corporate feedlots have the financial resources to hold on, while small producers will be forced out. Under normal circumstances, livestock prices would eventually rise. Unfortunately, with the elimination or weakening of import controls under NAFTA and GATT, cheaper meat imports have kept livestock prices down. Large-scale corporate operators with deep pockets will be able to survive, but smaller producers will be pushed out. When feed prices fall to lower levels again in the near future, these corporate operations will be able to complete their domination over the livestock sector. The ecological consequences of consolidation of our livestock and poultry sectors into a handful of gigantic operations will be dramatic.

In addition to the on-site environmental hazards, the concentration of livestock into large-scale units brings additional problems with diseases. Already this has fostered an increased reliance on antibiotics and the use of nuclear irradiation to control threats to human health. These large-scale producers are also the major advocates of legalizing growth hormones and stimulants.

7. Federal government budget costs will continue at very high levels, reducing funds for sustainable agriculture and conservation programs and creating ill-will among the public toward farmers and farm programs. The highest payments under Freedom to Farm will come in the first years, precisely when grain farmers will have record high prices. This high level of government outlays over the next couple years will both limit the funds available for spending on other agriculture programs and look terrible to the public. Farmers will receive a large check from the government on top of the highest prices in recorded history. There will be little or no effort to link either the payments or the prices to increased environmental protection. In fact, it is likely that the opposite will be true, that the higher prices and the fact that the payments have no requirements and will be gone after seven years may even lead to more degradation as farmers scramble to maximize income before retiring or selling out at the end of the seven years.

8. Existing small- and medium-sized producers of non-program and specialty crops, who are often better stewards of the land, will be subjected to intense pressure by the shifting of land now in set-asides or other crops into their crops. Freedom to Farm, by providing a guaranteed payment to producers of traditional commodities, such as corn, wheat, and soybeans, will enable farmers to divert some or all of their land to growing "non-program" crops. Many of the small farmers who now rely on the income they receive from "non-program" crops fear that the shifting of acres into these crops will create surpluses and ruin prices. Fortunately, there are some restrictions on shifts to some fruit and vegetable crops depending on the history of the farm and the region.

9. Conversion of agricultural lands to industrial and commercial uses. The displacement of family farmers that will occur under Freedom to Farm could mean an acceleration in the pace of conversion of greenbelts and farmland to shopping centers, suburban housing developments, and industrial facilities. Agriculture land owners will receive the payments, whether or not they or their tenants plant crops. When payments drop off, or farmers cease to farm, there is no incentive to keep the land for agriculture purposes. — *Mark Ritchie*

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