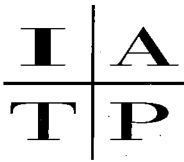

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Freedom to Farm vs. the Environment: The Ecological Implications

Mark Ritchie, Institute for Agriculture and Trade Policy
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"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 (FAIR). This new farm bill, also called Freedom to Farm, was based on the original decoupling proposal first made in 1985 by former Minnesota Senator Rudy Boschwitz (R-MN). "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. This article is a brief summary of the potential ecological implications.

The major provisions of this bill are as follows:

1) Farm price supports are frozen at current levels for crops, which is $2.58 for wheat and $1.89 for corn, minus the shipping basis. In dairy, the price supports will fall to only $9.90 by 1999. These so-called "loan rates" will set the prices that farmers will receive in the marketplace when current shortages are overcome.

2) Deficiency payments are replaced with "transition" payments that would be guaranteed, no matter what happens to crop prices or production, and would be phased out over the next seven years. These payments would be based strictly on past production history, and not tied to any environmental performance, set-aside or land use requirements.

3) Supply management programs would be eliminated.

4) A 34 million acre upper limit on the Conservation Reserve Programs, with provisions that enable the Ag Secretary to severely cut the program.

5) Marketing loan export subsidies are enacted for commodities with Commodity Credit Corporation (CCC) loans.

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