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Abstract

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*Who Makes Agriculture's Decisions?**

DON PAARLBERG

I HAVE LEARNED from my teaching experience the importance of asking the right question. I find it is very difficult to get the right answer if you ask the wrong question. I think that in terms of agricultural policy the right question is: **Who is making the decisions in agriculture?**

There have been many years when it would have been idle to ask such a question because the answer to it was almost automatically evident. It was the farmer who made the decisions: What to plant. How many animals to produce. When, how to sell. How to use his resources. These were his decisions.

And in the farm policy field there also was an easy answer to this question. The decisions were made by the farm bloc in the Congress with the aid of the farm organizations and the Department of Agriculture and the land-grant colleges. These were the people who made the decisions in agricultural policy. And it would have been in those days idle to ask the question about who is making the decisions in agriculture.

True, there were some disagreements, differences. On the whole, however, the decision making process was rather well specified. But agriculture has been going through some enormous changes. We have been experiencing an agricultural revolution. The farms are bigger. They are fewer. They require vastly more capital. They use much more technology. New managerial forms are emerging. There are new ways of managing agricultural resources. And the locus of decision making has been in the process of change. There are contracts. There is vertical integration. And

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* Remarks by Dr. Paarlberg at 1970 annual AAACE meeting at Ithaca, N.Y.

the farmer finds some of the decisions now being made by people off the farm.

Agriculture is losing its uniqueness. Now there was a day when agriculture was unique, different, distinct, distinguished in a marked fashion, and in a preferential way from other sorts of activity. The farmer was the cornerstone of democracy. Agriculture was not just a way of producing crops and livestock; it was a way of producing people. A good way. It was a way of life. And every thing in agriculture was different, meritoriously so. But this has been changing, and agriculture is entering the main stream of economic and political life in this country. The things that distinguished agriculture from the rest of the society are gradually being blurred.

I can remember when it was a matter of pride with farmers that they could distinguish themselves from other people by dress and manner. But now I hear farm people saying pridefully that you can't distinguish a farmer from anybody else. They look and talk and behave in the same fashion.

Agriculture's Uniqueness Changing

This means that some of the things that were unique about agriculture are in the process of change. Historically, the economist would say that the farm operator provided, himself, in his own person, all the productive resources that were used on the farm. He provided the capital, the land, the labor, the management.

The modern farm is very large and requires an enormous amount of capital, and a great deal of managerial skill, and much labor. It is harder for the average person to find in himself all these resources bound up together, associated.

And so what is happening is that the factors of production which formerly were all supplied by the farmer are now being supplied in some degree separately by different people. And the one thing that is very precious to the farmer – the decision making prerogative – is to some extent also up for grabs. And that is a very precious thing. What farmers are trying to do is to hold on to that very special thing. They may have to borrow their money, and they don't like to do that, but they will do it. They may have to rent their land – maybe they can't own enough land. They may have to hire their labor, but they don't want to give up that decision making prerogative – that input into agriculture.

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Of course, there are some exceptions to this. We've seen the broiler industry transformed, with the operator becoming a sort of a piece worker, or a wage worker. And there are questions whether this style of operation is going to move into other sectors of agriculture. And whether agriculture is going to turn out to be like bricklaying, or like taxi-driving, or who can tell.

Struggle Over Decision Making

What I'm saying is that this is a thing about which farmers are very much concerned, and you know it from your close association with them. There is a struggle in the new form of agriculture that is emerging to see who it is that will be making the decisions. Who will be making how many of what kind of decisions? There is a long list of contenders. The farmers themselves are trying to develop new techniques for retaining the decision making function. They do this with bargaining associations, new kinds of commodity associations. They are restructuring their cooperatives, and trying to learn how to retain for themselves the decision making prerogatives.

Agri-business firms are trying to take over the decision making function. Nonfarm corporations venture into agriculture, financial interests supply the capital and try to supply the decision making function with the capital. Food processors and retailers try to restructure agriculture so as to have control of the time of delivery and the quality and the grade and the volume so as to adapt the inflow of agricultural products into the new merchandizing institutions that are arising. Labor is trying to take over a larger role in the decision making format within agriculture. Those of you who are from the far West will be particularly aware of this. There is an effort to unionize farm labor and to convey to labor some of the decision making as to the manner in which agricultural production is to occur, and the manner in which the harvest is to be undertaken.

Government is venturing into the decision making forum for agriculture with pure food regulations, with environmental control and pesticides, and with commodity programs that prescribe how much and what kind of agricultural products are to be turned out. It is like Jimmy Durante says, "everybody is getting into the act."

The question of who makes the decisions in agriculture is an essential one.

Farmers ask themselves, where should we fight this battle? How much of this battle should we fight in the marketplace? How much of it should we fight in the legislative form? Obviously they have to make the fight both places. The question is of what mix and how much of which battle do you fight one place and how much of which battle do you fight somewhere else. I want to share with you some thoughts about the changing climate within which these decisions are made.

Farm Policy Format Changing

When you decide where you are going to fight your battles, you want to know something about the strength of the base from which you elect to make this fight. There is a change underway in the farm policy format.

I think the best way I can characterize this is to outline what I shall call the farm policy agenda committee. I mentioned before that farm policy is developed and decisions made within a group of institutions. One of these is the farm bloc in the Congress. Another is the Department of Agriculture, and another the farm organizations. Then another is the land-grant colleges. The land-grant colleges don't think of themselves as policy making institutions but they train the leaders, they are part of the thought process, they are the intellectual leaders, and they do have their role.

For long years the policy agenda committee had almost undisputed control of shaping up the farm policy agenda. It's true that they couldn't always get enacted the things that they wanted to see enacted, and they had their quarrels among themselves. But they were agreed on one thing, and that was that they were the agenda committee. They were pretty well able through the years to keep off the agenda those items they didn't want to see considered. They had at least that negative influence, and they had a very strong positive influence.

Now this is in the process of changing and I think I can illustrate it best from my own experience. I was in the Department of Agriculture during the 1950's, and at that time the agenda committee was pretty well in control of the farm policy agenda. They had put at the head of the list the commodity programs that dealt with price supports and production controls for the major crops. They had some trouble getting enacted the kind of legislation they wanted, and there was some disagreement as just what was

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wanted. Nevertheless, all were agreed that was the top farm policy item. I was then away from government during the 1960's, "the drought years," at Purdue University, and came back to government a little over a year ago. I anticipated that we would try to take up where we left off. But what have been the farm policy issues that have occupied the Secretary and his people now during the year and a half – at least the year and a half that I have had the opportunity to observe this? One item is payment limitations: How much money is going to be paid to any one person under these commodity programs? Now you can be sure the old agenda committee didn't put that on the agenda. That was put on the agenda by nonfarm people. Then there was use of DDT, the banning of DDT. How did that get on the agenda? Well the old agenda committee didn't put that one on either. That was put on by the conservationists. Unionizing farm labor is an issue. That was put on by Ceasar Chavez with help from the labor unions, the churchmen, and the academic community. Civil rights in the administration of agricultural programs, how did that get on the agenda? That was put on by the civil rights commission, with help from many interested people. Problems of the rural poor – did the agricultural committees put that on the agenda? Oh no, that was put on by the Rev. Ralph Abernathy with help from a variety of people. Food for the malnourished, how did that get on the agenda? Well, that got put on after a CBS documentary and a special study committee of private citizens and by a select committee of the United States Senate. There is no question but that this has been a top question of agricultural policy. Allegations about the high price of food, how did that get on the agenda? Again not by the old agenda committee. That came up because of the interests of private citizens, the consumers of food who find large numbers of people to express their views. Allegations about the unwholesomeness of food and allegations about the effect on human health of the use of tobacco. That last was put on by the medical profession.

Meanwhile the Secretary and the farm organizations have been trying to get before the Congress the old agenda items – price supports, production controls, income payments for the major commodities. And with all the other issues, they haven't got the job completed.

What comes through if you look at this objectively, and I am trying to tell it like it is, is that the old agenda committee no

longer has control of the agenda to the degree it once did. Farmers are losing control of the farm policy agenda. That is an important thing. To lose the initiative is an important thing. If I learned one thing from watching all those football games on television last fall, it is that you don't score points unless you have the ball. But there is one thing worse than losing the ball. That is to lose the ball and think you still have it. We have many problems in agriculture that call for the enlightened and sympathetic understanding and an intent of helpfulness by government. But we can't get these effectively before the people unless we have a considerable input into the shaping of the agenda. Another thing I learned by being in the college is that the most important committee on the faculty senate is the agenda committee. They decide what is going to be discussed and the terms under which it is to be discussed. One of the most important committees in the Congress is the rules committee. They decide what items are going to come up and under what rules they are going to be discussed.

What I am saying is that we in agriculture have got to consider how we get a bigger input than we have had in recent years into the agriculture policy agenda.

Now we might speculate a little as to how it is and why it is that we have been moving outward.

Political Power Loss Involved

Certainly the loss in political power is a big item. When I was a boy, 25 per cent of the people were living on farms. Now the number is 5 per cent. That is one-fifth relatively of what it was. The loss in political power may not have been exactly proportionate, but it has certainly been substantial.

There also has been a loss in image. I described earlier the fact that the farmer is losing his uniqueness. The early idea was that the farmer was especially meritorious. Now, he is just a citizen like everybody else. The city limits sign, once the line of demarcation between two cultures, has become increasingly just a line that divides two units of local government. The earlier notion that the farmer was the cornerstone of democracy, that he was uniquely productive of the truly worthwhile things, has been blurred, and with it there has been lost some of the favorable attitudes that once prevailed toward farm people.

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In addition, certain of the farm programs with the very heavy payments made to a limited number of individuals have created an adverse reaction toward farm people. I don't think it is going to be possible for you to turn out statements, publications, and radio speeches that are going to alter this in any fundamental sense. What we have to do is to represent the farmers favorably to the people of this country and to make it clearly known to the greatest degree possible that farmers are producing the most needed commodities, that they are doing this in an efficient manner, providing the public the best diet any people ever had at the smallest percentage of the consumer's income. This needs to be said again, and again, and again. You are saying it, and you are helping get it said. The Secretary works at this constantly. But I don't think this is going to be enough. I think people are going to expect to see some fundamental changes that are more than cosmetic in nature. I think they are going to insist on some program changes, insist on us doing things differently in agriculture from the way we have long done them.

Another thing, I think, that has made this change is that there is a growing interest in the people left behind. Here I want to talk plainly, perhaps more plainly than you are accustomed to hearing. I look over this audience. I don't see one black person. I looked at the programs of the Department of Agriculture and the land-grant colleges to see who the people are that are being benefited by these programs, and I find, and I think you will have to agree, that these are by and large the better farmers whose incomes are already above the average. That is the way it has long been. But there have been changes in the climate of public opinion in this country and I don't think our present approach is good enough. We are under criticism in agriculture and in our agricultural organizations on this point. This is making some difference in the attitude toward what to do.

People Tire of Old Problems

I think, furthermore, there is some weariness with the commodity problems for corn, wheat, and cotton – problems that are now 35 years old. There is some sort of attention span that people are capable of with reference to some public policy issue. I don't know what it is. I know that child psychologists study the attention span of children, and they can specify that duration under certain conditions.

How long can you keep a public policy issue before the American citizenry without it being resolved? We have been 35 years on this and we haven't got the answers. People are growing a little weary of this issue.

What I am saying is that the farm policy agenda is in my judgment in need of some reshaping, and that these changes are being forced on us.

Now what to do? I think we must take into account the legitimate interests of nonfarm people in agricultural affairs. We are now a minority – five per cent of the population. When you are a minority, you have to act like a minority. When we were numerous and powerful in the farm policy area, we could do certain things. We could decide what to do, and often we could do it. We got in the habit of thinking that way. But the situation has changed and we are now a minority. Earlier we could afford quarrels among ourselves – we could afford to disregard nonfarm interests. But those things are no longer true. What we have got to do is broaden the base of public support for agricultural programs, for agricultural issues, for agricultural people.

Rural Development Could Help

There are some things that would help in bringing this off. One is rural development.

Rural development is concerned not only with the problems of the large scale farm operators, it is concerned also with the well-being of the smaller farm operators. It is concerned with the well-being of nonfarm people who live in rural areas, with the well-being of those people engaged in farm service of one sort or another who may not themselves be producing farm products, with the well-being of people in the small towns and the villages in rural areas. It is a broad base. I have been surprised at one thing the last year and a half in my second tour in Washington: That the city people appear more concerned about rural development than rural people. That may surprise you. The city people are beginning to say to themselves: Look, we have these enormous urban problems; what has caused them and what is causing them? They realize in part that they are caused by people who leave the rural areas where there is no employment opportunity. They move to the cities in enormous numbers, with poor education, without vocational skills, ill suited for the urban environ-

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ment. They arrive in large numbers unassimilated and there are all sorts of problems. Now city people are beginning to say it might make more sense to try to solve this problem in the rural area, to develop some job opportunities for these people out where they want to live among their friends and neighbors. So if you add up what is being done by what we call the urban departments of government to create jobs in rural areas and to provide better living conditions, better housing, better sewers, better water supply, better roads, better services, better health, you get more dollars than if you add up what is being done by the Agriculture Department. When you add up what is being done by the Department of Health, Education and Welfare, by Housing and Urban Development, by the Office of Economic Opportunity, by Commerce, and all these others, you find they are making a bigger input in rural development than are the Department of Agriculture and the institutions that we think of as being rural oriented. Now that is something to think about. It is symptomatic of the fact that there is a broad interest in these problems, albeit there is not yet a very broad interest on the part of the old farm policy agenda committee.

Environmental Concern Important

Environmental improvement is another thing we could adjust ourselves to in an effort to broaden the base of public support for the things that need being done in agriculture. There are some legitimate concerns that the public has in respect to the environment. In rural areas, we have more acres of environment than anybody else, and this is a thing of major importance. Those who have been thinking of environmental issues as a fad are, I believe, mistaken. There are at this stage of development some unfounded emotional outbursts. But these are symptomatic of a deep and legitimate concern. With the passage of time these will settle down and focus on things of real substance where intelligent efforts can be made. Don't write that one off.

I was talking about broadening the base of public concern in the farm policy area. This will have two merits, as I see it. First, it will refocus our efforts in areas of real need. Secondly, if we do refocus our efforts in areas of real need, we will win public support we need to attack the parochial problems of agriculture – the historic problems of price supports, production control, and in-

come payments for the commercial end of agriculture. We need to broaden our base for two reasons. First by so doing we address a set of real needs; secondly, we earn the public support with which to attack the commodity problems.

Nonfarm Interests Deserve Attention

We need to take account of the legitimate interests of nonfarm people in the farm policy area. We need to try to broaden the bases of support, and to work at private efforts to retain decision making outside of government. We need to improve our cooperatives, so that we will be able to retain on the part of farm people decisions about how to use this resource, so that the decision making function will not be rustled away from us by agri-business firms, or by integrators, or by the financial community, or for that matter by government. We need to work with bargaining associations. We need to try to develop innovations in contract bargaining and integration to help keep decision making in the farmers' hands. I don't think that any integrator, or agri-business firm is going to develop a contract that preserves for the farmer the decision making prerogatives that the farmer wants to have. I think if this is going to be done the farmers themselves have to make this input through their own bargaining associations, or through the help of their land-grant college, or in whatever way may be possible.

Editors Can Help

Now a word that hopefully is directed more specifically to your responsibility. There is a need, I believe, that the agricultural college editors can help fill and that is to facilitate and accommodate the changing farm policy agenda that I have tried to describe. There is the danger in any kind of public policy work, in effectuating or writing about it, of perpetuating the old issues, because these have become deeply felt, they are historic, and everybody knows about them. So you write about the same old issues. I think this would be a mistake. There is a responsibility or opportunity lodged with this group of enormous potential. You can accommodate the new and I think, constructive, mood of America to reshape the farm policy agenda, to deescalate commodity programs now 35 years old, and to try to accommodate a growing

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public interest in problems that have not hitherto had as much attention as perhaps they should have. You can help shift the focus of public policy into the new avenues into which it is reaching.

I think that in large measure the broadening of the base of farm policy issues that I have tried to describe is, itself, evidence that you have already been redirecting attention into these areas. Or at least you have been articulating the changes in the farm policy agenda that I have tried to describe, because these things would not have occurred in the absence of such articulation. I would say especially that you have an opportunity to give support to the sincere efforts of our farm people to try to hold onto the most precious of all their possessions – that is their decision making power. Conditions are in a state of change and there is the opportunity for us not only to witness this change, but to help articulate new emphases that are developing. It would be unfortunate for those of us who have had special awareness of the important evolving pattern in agriculture, to forego the opportunity to comprehend this change and to participate in what I think is the first major reshaping in agricultural policy within a generation.

