U.S. AGRICULTURAL POLICY: FROM CHANGES IN WASHINGTON TO CHANGES ON THE FARM

Report of Seminar
College of Agriculture, Food
and Natural Resources
University of Missouri-Columbia
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For the 20th successive year, a seminar held on the University of Missouri-Columbia campus addressed a topic relating to economic policy for agriculture and rural America. This year's topic was chosen because the seminar (November 19-20) was to be held less than three weeks after a Presidential election.

Also timely, though, were issues and debates about the future for the University of Missouri including, notably, its College of Agriculture, Food and Natural Resources and its Extension Division.

The seminar program was therefore divided into a review of national policies for agriculture, which included attention to possible reorganization of the USDA and its local agencies; and a look into what may lie ahead for the University and its rural-service arms.

The Breimyer Seminar is funded from the University of Missouri-Columbia Development Fund. Contributions are appreciated. They may be sent to Office of Development, 306 Reynolds Alumni Center, University of Missouri, Columbia, MO 65211.

John Ikerd
Chairman, Seminar Committee

Contents

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CURRENT U.S. AGRICULTURAL POLICY IN HISTORICAL PERSPECTIVE

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Economist Emeritus

The historical perspective for current agricultural policy can be set forth in so many ways. I will confine myself to two of those ways. First, I will sketch the sequence of events beginning with the early 1920s. Seventy years of history will be telescoped into three pages! Then I will turn more philosophical, offering a few ideas as to the forces at work, even national mores, that carry no statute number but underlie all that has gone on in the past and may predetermine what lies ahead for the future. These basic attitudes, objectives, and even dreams can be more influential than any act of Congress or decision of the Secretary of Agriculture.

I may be better qualified to present the first than the second. I became conscious of farm issues during the mid-1920s when my father was president of our local Farmers' Institute and I joined him in attending meetings of the local Farm Bureau. That was the time when George Peek, a manufacturer of farm machinery that he could not sell to money-short farmers, borrowed the idea of parity from Professor George Warren of Cornell University and publicized both it and himself.

Agriculture stayed in the doldrums during the 1920s. President Coolidge twice vetoed the McNary-Haugen bill, noted for introducing a principle that in one form or other is still with us today. Essentially McNary-Haugenism called for separating a protected domestic market from the foreign one -- the latter to serve as a sponge or maybe a sink into which to dispose of surpluses.

Not long afterward, a couple of professors and other "brains" came on the scene. They sold Franklin Roosevelt as presidential candidate on a scheme they called the domestic allotment plan. He adopted it. A new Congress hurried to enact it. Although those of us in academic circles could say that for once the scholars had their say, that is only half correct. The plain fact of the matter is that Congress leaped to enact the Agricultural Adjustment Act of 1933 not because the professors were so persuasive but because Milo Reno had a wildfire going with his Farm Holiday movement. Congressmen were scared. The Triple-A Act of 1933 was a law enacted in fright.

As it eventually took form, the new program put a floor under prices of specified farm commodities (mainly grains, cotton, and tobacco) by means of commodity loans, for which a farmer could qualify by reducing acreage. A small Treasury payment, called parity payment, was added as inducement and supplement to a participating farmer's income.

In 1936 the Supreme Court invalidated the whole shootin' match on grounds that the processing tax for financing it was unconstitutional. For two years the program centered on putting cropland into grass. Almost no one was satisfied, and in 1938 Congress enacted a new law, much of which was written by my chief, Oris Wells. In a brief word it set commodity management in motion. Except for one major change made during the 1960s, the law remains the prototype for the farm laws of today

That change was to discontinue the authority by which producers of a basic crop could vote mandatory acreage allotments upon themselves. Instead, all programs except those for a few types of tobacco were converted to voluntary form. At about the same time, commodity price support levels were lowered. From that day to this, direct Treasury payments, now called deficiency payments, have been relied on heavily to induce acreage reduction and bolster farmers' income.

As a veteran I can remind, with a chuckle, that during all the years from 1933 until the export boom of the 1970s, programs were called "emergency." Few persons could visualize government acreage and price support programs as belonging in an ideal agriculture. The first emergency had been the Great Depression and the Milo Reno threat. Recovery from the Depression, it was said, would bring farm programs to an end.

After the war, programs were retained so as to help farmers adjust to slackening of the wartime demand. During the 1950s and even 1960s, one purpose of programs was to bail out, not farmers, but the overstocked Commodity Credit Corporation. That's what the Soil Bank was about.

Quiet in the 1970s, Revival in the 1980s

The pressure of surpluses eased a bit in the 1960s, when acreage programs were converted to voluntary. Then came the export boom years of the 1970s. Programs pretty much went into abeyance, as indeed they were designed to do under those circumstances (designed by my boss of the 1930s). In the 1980s they were reactivated, mainly as a consequence of a sharp cutback in exports. But meanwhile the acreage control feature had diminished in importance and programs became much more a vehicle for what economists call transfer payments -- direct dollar payments by the U.S. Treasury. In some years deficiency payments became a truly major portion of farmers' net income.

It might seem that Treasury financing of farm programs by direct payment is now firmly accepted, and a mainstay of program design. My response is, "Don't you believe it." The early qualms of successive presidents of the American Farm Bureau Federation and Senator Arthur Ellender have not really been quieted. The original program design of putting a floor under the price of a commodity has antecedents as far back as St. Thomas Aquinas and his fair

price. By contrast, Treasury checks are not only modern but have a pay-off flavor to them. Also, they are highly subject to the changing temper of a President and Congress. And as we find it ever more convenient to hang environmental considerations on them, we may in fact be igniting a tinder box.

Each new farm law adds more environmental features and programs. Although old-time farm partisans would like to wipe the slate clean of them, that cannot possibly happen. But a little more discrimination might be in order. For my part, I have regretted hooking wetlands into commodity programs. I do not disparage the wetlands issue; my reasoning is that the issue is incompatible with commodity programs.

As I end this panoramic sketch of program design I must enter one other note, a judgment that weighs on my mind these days. It is that programs have become so all-encompassing and so complicated as to be unwieldy. The 1938 law that I helped write probably was no longer than 30 or 40 pages even in draft form. The 1990 Food, Agriculture, Conservation and Trade Act, as drafted, comprised 2,000 pages. It is so complicated and legalistic as to frustrate effective administration. It invites accidental as well as intentional violation, even fraud.

Just about everyone is now jumping on the Secretary of Agriculture, telling him to clean up his shop. Two reporters for the Kansas City Star wrote a series of scurrilous articles alleging all sorts of administrative misconduct. They even got a Pulitzer Prize for their diatribe. They should instead have been disbarred.

Many of the charges are simply untrue. But bureaucracy always presents some problems and the basic one in USDA's case is not the number of USDA offices or whether their computers are of the latest fashion. Instead, in my opinion, it is a matter of the complexity of the laws the staff persons are expected to administer.[1]

Ancient Concerns for Food and Land

I turn now to more philosophical observations about agricultural policy. Everyone involved in policy gets all tied up in the here-and-now. Farmers, administrators, Congressmen -- everyone is preoccupied with today's program rules, this year's appropriations, the make-up of the current session of Congress, and so on. Yet underlying all the hubbub and goings-on of today or any day are certain basic citizen attitudes and social forces that largely account for what policy has been in the past and what will follow in the future.

I suggest that agricultural policy as we know it today has three deep roots. One is almost Biblical. It arises in the

[1]In my weekly newspaper column "on the Economy" I wrote in strong language that we cannot expect those persons to serve us well if we accuse them falsely of not doing so.

indisputable fact that human beings depend for their very survival on the thin coating of soil atop the hard core of rock that makes up Planet Earth. When I teach farm policy to undergraduates I tell them that the first instinct of the tribe is for its own survival. This translates first into defending against enemies, and secondly into protecting the soil resource. Concern to preserve the soil and the agriculture it sustains is built into the human psyche. The economist-philosopher John Brewster used to say that it's in the bones.

Today, the tribal unit is the nation-state. For us, it's our United States of America.

This primordial awareness carries a double whammy. The first is positive. It explains why citizens generally support national programs of soil conservation, and are willing to pay out tax dollars to help farmers carry them out. The second whammy is that they also expect holders and tillers of land to act responsibly on their own -- to understand that they are stewards of a resource that is vital to human survival, and to conduct themselves accordingly.

The policy issue of how much help society should give, versus farmers' accepting an obligation on their own, is literally as old as the hills. It will last until all hill dirt erodes into the ocean or the sun burns itself out, whichever comes first.

A dogma held in the farming community is that farmers know and accept a stewardship obligation. In a Missouri opinion poll taken nine years ago, 96 percent of respondents said soil conservation is a matter of public concern; only 4 percent declared it is not.

Whether farmers generally live up to their own beliefs is another matter, and the focus now is on performance in Conservation Compliance. This is not trivial.[2]

I hardly need add that ancient respect for land and a wish to protect it is now being extended into various environmental concerns, especially clean and safe water. Here too the balancing of society's and the landholder's responsibilities is a touchy political issue.

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[2]Not everyone is convinced that farmers are doing as good a conservation job as they should. A team composed of a political scientist, a sociologist, a philosopher, and two agricultural economists recently debunked the "myth" that farmers "place great value on stewardship of the land and thus follow sound environmental practices." They admit, though, that in an "ever-expanding middle ground...the link between farm interests and environmental quality is unsettled." William P. Browne et al, "Stewardship Values: Still Valid for the 21st Century?" Choices, Third Quarter 1992.

Implicit in the public versus private relationship is the legal issue of definition of property rights. Ours is a system of private property for which society sets the terms. Our tradition is to make the terms as liberal as possible, while attaching a built-in moral or, sometimes, legal obligation for socially responsible property management.[3]

A Focus on Food. Society wants to be protective of agriculture and friendly to farmers but expects high performance also in production and delivery of food. The manifestation of long standing is public support for research and extension in food production and processing technology, which dates from more than a century ago. Among policy issues of today I only note that concerns for food safety won't go away; that the food reserve portion of commodity price programs is politically necessary; and that likewise farmers who want commodity programs must support food programs. I have long thought it sound political strategy to retain National School Lunch, Food Stamps, and other food programs in the U.S. Department of Agriculture.

A Modern Concern: Income Stability for Farmers

A theme of this paper is that society -- that is, citizen-taxpayers -- have been supportive of farmers and agriculture and even reasonably generous. They also attach some demands.

In a sense the most dramatic expression of this attitude has been a willingness to underpin farmers' prices and incomes. In how many parts of the economy is similar action taken?

I account for this action on grounds that people generally hold an image of agriculture -- farming -- as made up of millions of doughty, self-reliant farmers, all of modest size, who valiantly contest with variable weather and uncertain markets.

They also have some appreciation of risk. I have always told my students that technology developed by research and promulgated by extension, which added so much to farm productivity, also monetized risk. Thus it is that for six decades the instrument of government has been used to provide a degree of income protection for farmers, and indirectly also for their communities and for the farm supply part of agribusiness.

Two hazards are emerging in our day. One is that if and when citizens decide that most of the income-supplement dollars no longer go to genuine farmers but to big, rich ones and to corporate investors, current farm programs can be kissed goodbye. This stage has not been reached yet but current trends point to nothing less than a reconstitution of U.S. agriculture.

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[3]These issues were addressed in the 1988 Breimyer Seminar. See Water Quality and Soil Conservation: Conflicts of Rights Issues. Agricultural Experiment Station, University of Missouri-Columbia Special Report 394.

I have already alluded to the second hazard. It is that so many environmental requirements will be hung onto a farmer's eligibility for Treasury payments as to undercut the program structure of the last two farm laws. As I have written often, three features of the 1985 and 1990 farm laws are exceptional in that they use the denial-of-benefits instrument to attract farmers into complying. They are Conservation Compliance, sodbusting, and swampbusting. Deficiency payments are of course the most conspicuous bait dangled before farmers who are subject to one or more of the rules.

I have written often that the denial-of-benefits device allows no parsimony in funding acreage programs. Unless deficiency payments are funded well enough to be attractive, farmers farming highly erodible land will stay out of programs.

Summary, and A Collage of Public Concerns

The theme of this paper is that the history of farm policy can be told in two different contexts. One is the log of events. The other is the aspirations and even moral values that underlie all farm policy.

I have suggested that broad social attitudes held by citizens sweep like ocean waves over the entire process and have the greater explanatory and predictive meaning. Among these is citizens' protective concern for the land and the people who farm it. I have reminded of expectations for soil conservation, a good food supply, and, recently, for a bagful of environmental protections including clean water and even wildlife habitat.

Everyone knows that my list is incomplete. Moreover, it keeps changing. I believe a great many people are sympathetic to the whole sustainability theme. One version of that theme is sustainable farming practices, with their environmental promise. The sustainability theme applies to rural communities too, where acceptable standards of education, rural health care, and transportation access are in jeopardy. Also capturing attention these days is biomass, which is the using of materials of biological origin to substitute for depletable minerals -- ethanol and vegetable oils for motor fuels, for example.

I close on one futuristic note. Almost no one says, as I do, that the whole man-and-land balance will change within 25 years as biomass expands and industrial nations find it necessary to draw on organic raw materials to replace disappearing inorganic ones, petroleum above all others. Pressure on our land resource will be intense. Agricultural policies premised on chronic oversupply will disappear from the scene. But that's 25 years ahead and only a handful of us are now giving much thought to it.

A PERSPECTIVE ON CHANGING ROLES FOR GOVERNMENT AGENCIES: THE AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Keith Bjerke
Administrator
U.S. Agricultural Stabilization and Conservation Service

Bill Richards, Chief of the Soil Conservation Service (SCS), and I share this session devoted to changing roles for USDA agencies. Bill and I have been friends since 1967 and in recent years have enjoyed the opportunity to banter and to discuss some of the opportunities that we see ahead for our agencies. Once in a while we are charged by the bureaucracy with behaving too much like farmers. I take that seriously, and I hope that whoever comes in to head either the ASCS or SCS in the new Administration will remember that one of our jobs is to think a little bit as a farmer does.

Some people have wondered if maybe we are a little jaundiced. So I hope that whatever we have done to help steer the course a little more toward the farmer hasn't wrecked the aircraft carrier, hasn't set a course that can't be readjusted. However, as we end our term of office we would like to leave a legacy pointing the way toward structural improvements in delivering the services that come out of ASCS and SCS. Not long after I took office I met with career staff persons in ASCS and asked them to bring me up to date on a career perspective of structural change in ASCS. They told me there had been major studies, major work done, by several Administrations going back to the 1970s, on structural change for USDA.

I thought that 1992, an obvious political year, would not be the time when we would want to get the issue too high up on the skillet, but rather that we ought to be preparing documentation to enable future leaders to make sound judgments on the structure of ASCS. We are doing that, but publicity in the media has forced more attention to the subject than I had expected.

It doesn't take a rocket scientist to know that the farm community has changed in the last 20 or 30 years. I am a farmer from North Dakota. The number of farmers in my state increased each year from 1930 to 1933. But as though by magic, ever since 1933 the number of operating farmers in North Dakota has been on a straight-line decline, through 60 years. Farm programs started in 1933, and the cost of farm program benefits has been on a straight-line increase. Irrespective of all the good will and good work and good programs, and all the good ideas, North Dakota has gone from 90,000 farmers to 30,000 farmers and the cost of farm programs has gone from nothing to a lot. So somehow we have not accomplished all we set out to do in those 60 years.

That declining number of farmers causes us to confront the structure, the delivery structure, for the services provided by the

ASCS. Senator Leahy has a bill that he has planned to introduce early in the next session of Congress. It would combine five agencies into one: ASCS, SCS, Federal Crop Insurance, Extension Service, and the Farmers Home Administration. It may not be introduced in the first month, but I submit that it will be at least discussed and looked at.

The first point I make is that it doesn't matter what we call the county office serving farmers. It does not matter whether it is ASCS, SCS, or XYZ. The fact is that the farmers of America deserve and will have a delivery system to deliver price support, production adjustment, conservation, operating loans, and some type of insurance or disaster protection for managing risk. If that is all done by some super agency, so be it! If that is all done by individual agencies that are specialized as we are today, so be that! The fact is that somehow we need to look together at the best way to structure that organization so that it works for the farmers. We sometimes forget that our whole purpose is to serve that customer base.

ASCS has been the lightning rod in the press since February of 1992. We had an ASCS employee say, on the front page of the Wall Street Journal, that the goal for 1992 was to find one farmer to sign up in the program. In the Midwest it makes sense, because of the sizable customer base -- the many farmers who are participating in farm programs -- for each of the agencies I have named to have an office conveniently available. Does that mean there has to be an office in every single county? Not necessarily. But it does mean that those services have to be available in a kind of location that makes sense for that customer base. And it also means that there is a practical limit to the number of customers whom we can serve successfully at the local level.

In the past year we have tried to analyze how many customers there are. It is difficult to get accurate data. The agency can go to the computer and ask how many individuals have actually received a check of some kind in the last five years, be it a disaster payment, a deficiency payment, maybe a tobacco allotment. At least we have something on our records; we have actually done some business. But we have a lot of names of owners of farm ground that can distort the records. Everyone knows about the intergeneration transfer that goes on throughout rural America. Because of our tax structure the farmer can't afford to give land to his kids, so he sets up a trust and instead of having one father who owns the farm, 10 kids own it. They may live in 10 different states; and they are in our computer record because we have dealings with them. But they don't operate that land; someone else does.

We have tried to sort the data out and find out who actually sits down with the local ASCS office staff. How far apart are the offices? What really makes sense in terms of travel distance? This last summer Deputy Secretary Ann Venneman, at the Secretary's direction, put together a listening group that went around to several different areas of the country. Charlie Stenholm from Texas, Pat Roberts from Kansas, Ann Venneman, and others held hearings with producers and with employees of the USDA and talked with them about what they think is

right, with regard to distances, services, and such. We would often get a story illustrated by a farmer who complained that it was 15 miles from his door to the ASCS office and that was about as far as he should be expected to go. Asked how often he comes to the ASCS office for service, he replied that he did so at least three or four times a year. That afternoon Pat Roberts was down the road about 50 miles at Sam's Club, where he ran into the same farmer. He couldn't contain himself and asked the farmer how many times a year he came to Sam's Club. At least once a month for himself, he replied, and a couple of times for his wife. So he made about 36 trips a year to Sam's Club and three or four to the ASCS office. We came to an answer easily. We will locate an ASCS office at every Sam's Club in America and will have no more problems.

Nevertheless, we do have to take a serious look at distances, number of customers -- and the mission to be accomplished. We need to ask how we can carry out that mission in the best way.

In some parts of the country -- not the Midwest -- agriculture has vacated the premises. Urban encroachment has taken over. A small pick-your-own vegetable operation may be found just outside suburbia. It gets no farm program benefits -- until the next disaster, and disaster bill, comes along. Then that farmer becomes a participant. There may be 150 two-acre vegetable operations in a county, and they too have a right to access, to service. They can't be written off, ignored; they are a part of the process. That is where we begin to run into problems.

Moreover, it is impossible to know what may materialize in the future. In the most recent disaster situation, after the Florida hurricane, aquaculture was added as determining eligibility. So ASCS got new customers. We have to be cognizant of a changing customer base.

The Soil Conservation Service has many needs and activities beyond the farm gate, and therefore a customer base of its own. Likewise, the Extension Service has big projects for rural youth, urban youth, and other activities unrelated to who is running the farm on the north 40. So Extension has its own customer base. Farmers Home Administration, I had once supposed, is a farmer group. It is not; the major part of its work is now housing. So FmHA has a customer base that is far from wholly related to ASCS. We have in our office a chart of circles representing five USDA agencies with which customers are in touch. The circle enclosing all five is very small. Very few persons have occasion to visit offices of ASCS, SCS, Federal Crop Insurance, FmHA, and Extension Service -- all five. There is no great overlap these days.

So I have some doubt about the potential for a super agency that somehow will solve all the problems of program distribution. There may not be fewer offices; there may be more.

Four years ago the General Accounting Office (GAO) started looking at the issue that has received so many headlines, the ASCS

data base. The GAO went to our computer data in Kansas City and started adding up what were called benefits going out to farmers. The agency started looking, county by county, at how many checks were written and the administrative cost of the operation. It calculated cost per dollar distributed. In reality the operation was not as straightforward as the GAO supposed; and we know that it is possible to get a variety of readings from the data base.

So from February 1992 to mid-November we have been engaged in scrutinizing, analyzing, and even manipulating data bases in the USDA. Secretary Madigan scheduled a meeting November 30 of state executive directors of ASCS, the state conservationists of SCS, the state directors of FmHA, quite a few Extension specialists, and some crop insurance people, to assemble data on how every county in America looks in that data base. Some of the situations we have discovered, especially in the Southeast with its peanut and tobacco programs, do appear strange. The programs are complicated and a great deal of work goes into the allotments and bases and measurements, yet very little money goes out the door from ASCS. Making the picture seem even worse is that although the money comes from different routes, it all goes to a tobacco cooperative or at least a processing center, an auction market, and all the receipts from that tobacco is recorded to the county in which that market is located. Some of the high ratios of administrative costs/dollar dispensed change dramatically when comparisons are made between the data as reported and the counties to which the money eventually goes. So some numbers are blown out of all proportion. We have seen much misinterpretation, sometimes on purpose as in the Kansas City Star. So now we have employees in ASCS running scared, knowing that they are being unjustly accused and ridiculed in public.

That does not mean that there are no problems. We have found some problems. The next step in the process relative to office structure is to get the state groups together, give them the data, and analyze county by county the strengths and the weaknesses of each agency. The picture will not be uniform county by county. A weak ASCS county may be a strong FmHA county, or SCS county; and there has to be a blending of this knowledge in order to find out what really makes sense in terms of a unified delivery system. Our plan was to be able by the end of the year (1992) to begin to submit recommendations to the Secretary of Agriculture.

There will be change in the future. I don't know how much, or where it will take place; after all, the changes will occur on a different watch. But the work that has been done to cleanse the data has been outstanding. People have worked their hearts out to give the managers of USDA an opportunity to analyze and to initiate change.

What I have said might seem to imply that all the focus should be at the county office level. That is not correct. It should not be only at the county level; it should also be at the state office level, and more than that it should be at the Washington level.

Do you know that the only direct line contact I have with the Chief of the SCS is at the Secretary's office? Bill Richards reports to an Assistant Secretary for Natural Resources and Environment and then on up to the Secretary. I report to an Under Secretary for International Affairs and Commodity Programs, and then on up to the Secretary. FmHA reports to an Under Secretary for Small Community.... There are so many layers -- it kills you! So if Bill Richards and I and a few others were not good friends, getting together informally occasionally, we would have no occasion to get together. We do not share staff meetings. The system gives us no vehicle by which to communicate, other than through the Secretary. So I think we should take a look at all the avenues for communication in Washington, and make the arrangement a lot more horizontal than it now is, getting rid of a few layers. Maybe then we will not be looking for extra space for housing the Washington staff of USDA.

A lot has to happen, right now. The analysis necessary to make things happen has been completed. Meetings are about to begin. My plea is that there be involvement from the bottom to the top -- the community, the Congress, the farmer, some administrators, some Assistant and Under Secretaries, and the Secretary himself.

We may as well admit that the current mentality makes closing a USDA office something like closing a military base. A Congressman is sensitive to closing one in his district. We have been there before! We have run into disasters in the past when plans had not been sold properly. I could tell you horror stories about some instances, such as when a call from an influential Congressman stopped the closing of an ASCS office that was already underway.

It would be naive to believe that reorganization can take place without salesmanship and struggle. But we cannot afford the status quo. We cannot allow our farm delivery system to fall prey to political winds, or turf between agencies. The farmers deserve the best delivery system that can be devised.

In order for that to really click, we need another level of automation. In the early 1980s ASCS installed main frame computers in every county office in America. It was a system 36 IBM. Anyone who can remember the original IBM PC that was turned on in the morning, and when you asked it a question, then went out to breakfast, you still had to wait for an answer -- will understand what's in the system 36. That's what our people are struggling with at the county office. We have been directed to stop planning any future automation, because the Congress is not sure the Secretary is serious about structure. That is a bad mistake, a mistake that will cost the farmers of America at least a year of technology enhancement.

The contracting system under which we operate does not allow us to go out to bargain-hunt and make a purchase. The bureaucratic rules require years of documentation and paper work before such a purchase can be made. To think that we should not now be planning for the next acquisition is just plain wrong. For if we went full speed ahead from

today forward, the best we could do is complete the process in 1996. Each year we delay makes it 1997, and so on.

The technology is out there to make it possible to streamline sign-up in ASCS; to streamline SCS and ASCS compatibility through mapping technology, through sharing of information; to make it possible for the crop insurance adjuster to draw on a map that makes sense -- right scale, right fields. All that is out there but we can't utilize it because we don't have the authority to install the technology. We need to get the right offices, and then we need to give our staff the right tools.

We've got the right people, people at the county, state, and national level who work their hearts out to handle complicated programs -- using antiquated, Model-T equipment. It's wrong, for agriculture, for those employees, and most of all for the farmer who needs better service. Our dream is that after the analysis we begin an evolutionary change to get the right offices at the right places with the right services for the clientele of each area, and press on with a little streamlining at the top and a delivery system that can clearly be so far superior to what we are limping along with today that everybody will win.

I repeat, changes should be evolutionary. They won't bring big benefits instantly. If people start quoting numbers such as, "If you, Mr. ASCS Administrator, would close 200 offices you would save $2 billion," or $200 million, or whatever number is dreamed up -- it's all baloney, because we don't save a nickel. Our best analysis is that only after three or four years would we begin to save anything because we have real offices that have real people to be moved and leases to be closed out -- and none of this comes free. So we need to evolve; when it makes sense to do counties A, B, C, we do A, B, C; later, we take on D, E, F; and so on. And we do it in a planned, structured way so as to minimize the disruption and cost, and maximize the service potential. We will then end up with less cost, better service, and everybody accepting it along the way. Don't use a meat ax!

The analysis is right, the mood is right, and I am anxious to get about it.

A PERSPECTIVE ON CHANGING ROLES FOR GOVERNMENT AGENCIES: THE SOIL CONSERVATION SERVICE

William Richards
Chief
U.S. Soil Conservation Service

Back in 1981, I had the honor to speak at a national meeting of agricultural economists with Dr. Breimyer and his colleagues in attendance. I was participating as a farmer on their program.

At the time, we were debating the pros and cons of cross compliance. I have to say as a farmer that I was in favor of such a requirement. I had no idea that 10 years later I would head up one of the key agencies responsible for compliance and participating in a great change in farm policy direction.

With the Soil Conservation Service (SCS) I've had two of the most exciting and challenging years of my life and a real opportunity to serve my industry.

I have been a student of farm policy all of my career, and I came to my job with an appreciation of what SCS does in concert with its district partners, Extension, and the land grant system. So I came to the job convinced -- and I might say dedicated to the premise -- that we must preserve this free and efficient flow of information and technical assistance, which has made the American family farm the envy of the world.

I also brought to my job the awareness that we do badly in telling our story to our customers and to the public at large. SCS is still one of the best kept secrets in government. We're like the agricultural industry we serve -- working quietly all these years, putting conservation and technology on the ground and really solving problems, but not taking credit very effectively. We're not good at articulating what we are *for* and what we are accomplishing.

And I came to my job fully aware that the role of SCS and the districts was expanding and changing under the 1985 and 1990 farm laws, which brought conservation compliance, swampbuster, and growing responsibilities in water quality.

The USDA-SCS-district partnership has made tremendous inroads in helping agriculture meet its environmental responsibilities. This is critical, and we have to be successful because the future of the whole voluntary approach is at stake.

I believe that when history looks back, it will say that SCS and its partners helped bring about a revolution on the land with crop residue management and all the other good science and technology that is helping our industry reconcile environmental and economic values.

A revolution also is taking place *within* SCS and within USDA. It's a revolution in customer service. And that's what we're here to focus on at this seminar.

Never has there been greater need for the professional technical services of the Soil Conservation Service. Likewise, never has there been a greater need for government agencies to have as many people and resources as possible at the customer level and to work together at all levels. In SCS we have more customer demand than we can handle. There's tremendous demand in urban conservation areas and in range country and the irrigated West, where we simply haven't been able to give enough emphasis because of our overwhelming workload under conservation compliance.

With all the needs and pressures we face in the countryside, we've done a lot of strategic thinking and planning to really help us step back, study our roles and functions, and make sure that SCS is doing everything it can to deliver services to the customer in the best way possible. We see ourselves becoming more of a broadbased agency, especially after the pace of conservation compliance slows down.

SCS is unique. It's unique as a federal agency in that it provides technical assistance directly to landusers. It's unique in its grassroots delivery system -- the conservation-district partnership.

SCS is doing what most people really expect from government. It is responding to local needs and is actually helping people solve problems and prevent problems. So I believe that SCS's identity and mission are right for agriculture and for the rest of society.

But we know we have to continue improving and continue adapting as the makeup of agriculture changes, as technology advances, as the focus on total resource management grows, and as our society works for more efficient government. So, SCS's strategic plan *is* a plan. It's an effort that really fits in with the Secretary's "Easy Access" initiative and positions SCS for future responsibilities.

We're confident of the basic kinds of improvements and changes we need to make. But let me add that they do not include combining SCS with other agencies at the field level.

A fundamental change we foresee is a restructuring of the 3,000 SCS area- and county-level field offices into fewer multi-county offices -- referred to as "core" offices -- which would have state-of-the-art technology. Of course, use of a multi-county office would depend on the size of the counties and the demand for services.

Each core office would be staffed by an interdisciplinary team to deal with increasingly complex natural resource problems. And, of course, we would be co-located with the Agricultural Stabilization and Conservation Service (ASCS) and Farmers Home Administration, sharing all communications services and administrative operations.

With the kind of structure that we envision, we can better serve individual districts and counties. And although we see our high technology as centered in those core offices, we still intend to keep personnel located at the district level. They might be in conservation district offices, in other agency offices, and, yes, maybe working out of the employee's home at the local level. The principle is to keep our people as close to the customer as possible.

Whatever model or strategy we ultimately use for restructuring -- and believe me, there will be restructuring -- we're listening to our partners. We will get input from state and local government and from our customers.

We need to articulate to our customers and to the public at large that it's *people*, not offices, that deliver services. And whatever the outcome of this restructuring may prove to be, as we set the stage for tomorrow, our objective will be to deliver more sophisticated technical expertise and tools; to hasten technology transfer; to make our planning services more complete; to maximize the efficiency of our administrative operations; and to stretch our technology and upgrade our operations with the kind of technical support and computer systems, data bases, and software that is impractical with small offices.

Frankly, we already have technology we can't afford to put in every county. GIS (Geographic Information System) technology is a good example. And for me this is one of the most exciting technologies. When our customers really learn its potential, they're going to generate tremendous demand.

We've been jointly testing a field office GIS operation with ASCS in Harrisonburg, Virginia. We had the opportunity recently to show Orion Samuelson and his cameraman our map room and really tell the story.

What GIS and computers allow us to do -- and what environmental pressures compel us to do -- is to take such a total resource management approach.

Total resource management will be the centerpiece of our strategy for helping agriculture remain environmentally and economically sound. SCS is committed to helping individual producers develop total resource management plans that enable them to meet any demands imposed by federal, state, and local rules and regulations.

This ties back to our field office of the future. To get there we're promoting digital orthophotography, which we'll share with ASCS. We're promoting data sharing and common standards. We're mapping and digitizing hydrologic unit boundaries -- badly needed in our work with the Environmental Protection Agency and the state agencies. We're also developing farm- and watershed-scale tools for water management; promoting interdisciplinary planning; and incorporating social, cultural, and economic information in our planning.

I realize that to make this kind of change we really need several things. We need a society that is better informed as to how important the whole SCS-Extension-land grant system is to environmentally safe and affordable production of food and fiber. And we need a society that is well informed as to how agriculture bears not only environmental responsibility but also the responsibility of feeding a global population, and at the same time keeping America's agricultural industry strong and profitable.

We need everyone working together -- at the district and federal agency level and at the university level. SCS people, whose job is technology transfer, need better access to, and better coordination with, the research arms of the Cooperative State Research Service and the Agricultural Research Service. We really need the research community in tune with the environmental responsibilities of our customers.

Let me say, finally, that SCS sees a lot of challenges ahead as we participate in this new age of agriculture -- this revolution on our farms and ranches. Environmental issues are becoming increasingly important and complex. Fewer and fewer people are sympathetic toward agriculture; again, we're not doing a good enough job of telling our story. Our operations are scrutinized ever more closely as Congress and society assess the agricultural support system. And we all must work within very conservative budgets.

But I only have to look at what SCS people -- and I might say all of USDA -- have accomplished, under high-pressure circumstances, to know that we can and will do the job. No matter who's at the helm in SCS, our agency has a dedicated and professional workforce that will continue to work toward our vision of "A Productive Nation in Harmony with a Quality Environment."

GOVERNMENT FARM PROGRAMS UNDER A NEW CONGRESS

Chuck Conner
Staff Director
U.S. Senate Committee on Agriculture,
Nutrition, and Forestry

The farming community has not been particularly noted for the attention it pays to political affairs. It's hard to get farmers off the tractor and to a session such as this seminar where important issues are discussed.

Another political trait in the agricultural community that I have noticed in Washington is a tendency to haggle over small matters such as the last penny in the support price for corn or soybeans, and to give too little attention to fundamental debates that truly affect the direction of agriculture in this country. The latter sometimes go almost unnoticed.

Bob Young can attest to the fact that when the Senate Agriculture Committee debates target prices or loan rates, people line the halls, waiting to get into the committee room. They are willing to debate over a couple of cents a bushel. But when the Committee is to debate environmental issues, significant trade matters, or other issues that over the long term have far more dramatic impact on farmers, lots of chairs remain empty in the committee room. Sometimes there is virtually no interest at all.

I feel this has got to change. It should change following the November election. Agriculture's involvement is critical. I think we have a president-elect who is not unsympathetic toward agriculture. He is a moderate Democrat. He is probably nearly stay-the-course on agricultural policy. However, the Vice President-elect is a different kind of person. If you look at his writings, you will find some frightening stuff. Some of his ideas would have an impact on agriculture, if enacted. So a question is what Vice President Gore's role will be in shaping the future of environment, farm, and trade policy.

It is significant that great numbers of environmentalists supported the Clinton-Gore ticket. Some political debt now remains to be paid.

Confirming data from exit polls are not available but I believe that, by a small majority, farmers supported the Bush-Quayle ticket, as they did four years ago.

How much voice the environmentalists will have relative to farm policy will depend on whether the farming community lets some of their proposals take hold or whether it will fight to make sure that Governor Clinton's moderate policies prevail.

My own prediction is that the Vice President's role will follow the historical pattern, and his place in shaping broad policy will be limited. But it is a fact that his environmental backers will be pushing hard. If we in agriculture do not push just as hard on the other side of the door, the door will burst open. I don't believe we would like the consequences -- in crop agriculture, and certainly not in animal agriculture where the potential downside would be greater if some of the more radical proposals were to prevail. So agricultural leaders need to be involved -- to be informed, and to be actively communicating with members of Congress as well as with farmers.

On the Congressional side, more than 100 members of the House of Representatives -- perhaps 123, give or take one or two -- will not be returning. Some retired, but more lost their seat. The number is more than a fourth the total House. Usually, only about five percent do not return. There will be about 11 new members of the Senate, the exact number depending on the outcome of the runoff in Georgia.

Pundits in Washington have been noting that many of those who ran for reelection were defeated in the primaries. Only 23 members of the House were defeated in the November election. So the reelection rate on November 3 was pretty high. Some persons conclude that the mandate for change may not be as great as sometimes supposed. Maybe the voters are sending a mixed message, or no message at all, they say. I do not myself believe that. In my judgment there are two big reasons for a significant reelection of incumbents. One, most of the problems, particularly most of those in the House, arose too late for strong opponents to decide to be candidates. So we had many weak opponents of incumbents.

Secondly, campaign funds were imbalanced between incumbents and challengers. The incumbents had by far the greater amount of money available to them. Many had huge campaign war chests remaining from past elections.

I think there was a message from the public: "Let's 'get to' these old hands in Congress and move some of them out of there." And some were removed.

The new members of the House, a fourth of the total, represent a challenge to agriculture, because apparently about 95 of the newcomers have no agricultural background whatever. They know little about target prices and other terms in farm policy. It will be a case of education, of getting information to them.

Members of Congress like to establish and hold to consistent voting records. Accordingly, much is to be gained by getting the new members on the right track. It's likely that, in most cases, the stand the new members take on farm issues during their first six months will become their stand throughout their career.

Why is there so much dissatisfaction in the country? Certainly the state of the economy is a critical factor, but I believe that in addition people are "fed up" with government in general, and with the

status quo. I offer one example. It is narrow and selective but one that I have worked on and am familiar with. It relates to the restructuring of the U.S. Department of Agriculture. More than a year ago the General Accounting Office (GAO), a watchdog agency, issued a report about the USDA that was scathing. It cited inefficiencies, especially a high count of offices located in counties that had little activity. The report caught the attention of the Chairman of the Senate Agriculture committee, Senator Leahy, and my chief, Senator Lugar. No Senator wants to deal with such matters on his watch. The committee has jurisdiction over the USDA, and a report critical of the Department gets its attention.

About a year ago the committee looked into the data and, with some exceptions, found them to be factual. The committee asked the USDA for basic information, especially, "Where are your employees and how many are there?" "How much are you spending for those employees in the local offices?" And, "Give us some kind of measure as to how you measure their performance."

Last February we began to rattle the Department's cages. The memorandum that came back to us essentially said, "We don't know." The committee was annoyed; the agency spends $60 billion of taxpayer money, yet could not tell us just how it was being spent.

Mr. Bjerke soon came forward, though, assuring the committee that his agency (the ASCS) had a lot of data. To his credit, that was correct. The data were made available fairly quickly. Meanwhile, the committee made further analysis of the GAO data and determined that in ASCS there were 53 county field offices where the cost of maintaining the office exceeded the benefits paid out to farmers -- deficiency payments, loans, and so on. We called on the Secretary to close those offices. A lot of dialog followed. Even though other agencies were slower to respond, I admit that in the SCS, for example, the federal-state sharing of funds and other complexities made it difficult to provide data readily.

We found too, though, that the count of offices that spent more for administration than pay-out to farmers was 170 -- 170 out of 2770 counties. A few of the 170 were terrible. The Wall Street Journal made a splash about Fairfield county, Connecticut. The county once was agricultural but is now a bedroom county for New York City. The county maintains an ASCS office. Administrative costs were three times the money dispensed; the latter was mainly conservation grants. The biggest grant was to a hunt club, that had $20,000 yearly membership dues. The purpose of the grant was to help provide a means of handling the manure from the horses. The Journal made quite a point of this instance.

Another example is the fabled Bell county, Kentucky. Senator Madigan had sent the committee a letter in which he said that often the dollars paid out in a county office may not be great but a sizable number of farmers are being reached. He cited Bell county, Kentucky, which had about an 8:1 administrative cost/pay-out ratio. Even so, the Secretary said the small office served over 2100 producers.

We went to work on this interesting question. We learned from the census data that the county has little farming, with about 80 farms. We raised a question with the Secretary. Eventually Mr. Bjerke came to the committee, bringing data showing that the ASCS office in the county shows 56 farms. Apparently the local office had never cleaned out names of persons who had once been in farming.

I review these instances in order to help answer the question of why voters voted out the President and many members of Congress, and why term limits were enacted into law in 10 or 12 states. I think the answer is found in situations such as those I have described in the Department of Agriculture. Such situations are not, however, confined to the USDA. They prevail throughout government. Voters feel the efficiency factor in government is too low -- that government is not prepared and able to make tough choices. As long as they feel that way they will be antagonistic toward the current system. They will think that somehow officials in government are getting fat off the system -- that money is being hemorrhaged out of control.

All of which is part of a broader problem that begins with recognizing that we have a $400 billion budget deficit. I do not mean to say that it is possible to get so efficient in government as to cut the deficit to zero. The structural changes I have been reviewing, even if brought about to perfection, might not reduce the deficit by more than, let us say, an eighth or less. But it is illustrative of an endemic problem that the Clinton Administration will have to face. I expect the new Administration to propose an economic program very much like the one about which Governor Clinton was clear in his campaign, and that is one of higher taxes -- mainly (a debatable thesis, I would say) on wealthier individuals. There will be huge opposition. The Administration will say such a program is necessary in order to reduce the deficit. But the opposition will reply that the object is not to reduce the deficit but to sustain situations such as the one I have just described in USDA, where money is being wasted. So long as present inefficiencies remain, there will be strong opposition to higher taxes for ostensibly budget-reduction purposes.

That is to say, the government has to rebuild confidence among Americans, and especially among those who will be asked to pay more taxes. That is a challenge, to the Department of Agriculture and everyone involved in agricultural programs, and to the entire government.

GOVERNMENT FARM PROGRAMS UNDER THE NEW ADMINISTRATION

Gene Moos
Moos and Associates, Washington, D.C.

My assignment is to join in speculating as to what the outlook may be for farm programs and farm policy under the new Clinton Administration. However, before I start my forecaster role, I would like to offer my view on what the recent election was all about.

First of all, and despite the talk about whether President-elect Clinton has a mandate to do this or that, it is my view that the election was not so much about electing Bill Clinton, the so-called centrist candidate, as it was about conducting a referendum on President Bush's performance during his term of office.

I am convinced that the 62 percent of the voters who did not vote for President Bush were indicating they were dissatisfied with his performance as President; that, given the domestic circumstances, they were looking for a change of direction and leadership.

Clinton won because he not only identified with what people were concerned about, but also gave them a vision of what he would like to do about addressing those concerns. Ross Perot, while gaining the electorate's attention with his slashing attack on all politicians, including the President, never was a serious contender after his mid-campaign drop-out. Perot's inability to paint a very clear picture of what he would do to change the status quo was also a factor in his third-place finish.

The point I make is that I believe President Bush lost the election because he represented the status quo, when the majority of the people were seeking something else.

It was no great surprise that most farmers and ranchers supported President Bush's reelection bid. A strong majority of the nation's farmers and ranchers have traditionally supported the Republican presidential candidate. However, this time around, I expect the number of them voting for the Republican presidential candidate was higher than usual, since most farmers were scared to death that a new President meant further changes in agriculture. I want to return to this point later.

I do not imply that most farmers and ranchers vote a straight Republican ticket when they go to the polls. Quite the contrary: when it comes time to elect members of Congress, farmers and ranchers usually are completely bipartisan. It does not matter, normally, whether the congressional candidate is Democratic or Republican; he will receive the farmers' and ranchers' support as long as he votes right on agricultural issues.

That brings me to my next point.

The development of farm policy and farm programs really is now a function of the Legislative Branch, not the Executive Branch. Congress considers and adopts the laws that establish farm policy. However, that is not to say that the White House does not exert some influence on the shape and direction of agricultural policy.

In that regard, I remember what happened when the Carter Administration sent Bob Bergland, the new Secretary of Agriculture, up to the Hill with the Carter farm policy recommendations. Tom Foley and Herman Talmadge told their former colleague Bob Bergland, in a very courteous way, how much they appreciated the Carter Administration's farm policy recommendations, and that of course they would give them some consideration when the Committees developed new farm legislation.

Reaching back even farther to illustrate the frustration a new Administration often encounters when it tries to dictate farm policy, I remember a time in the late 1960s when an omnibus farm bill was up for consideration. The Undersecretary of Agriculture, Clarence Palmby, called me at my farm in Eastern Washington, informing me that if Tom Foley did not change his position and support the Nixon Administration's farm policy recommendations, he personally would come out to Eastern Washington and campaign against Foley in the next election. Needless to say, Foley only laughed when I told him about Clarence's call.

Given that, it is my opinion that the new Clinton Administration will have a very limited impact on the direction of farm policy, unless the Congress is supportive of the changes the new Administration may be seeking. I know that many persons in agriculture are deeply concerned that agricultural policy will be radically changed under the new President. I, for one, do not agree with that analysis.

The fact that President-elect Clinton comes from a key rural state where he established a solid record of agricultural achievements during his 12 years as governor signals that U.S. agriculture will have a sympathetic friend in the White House. Furthermore, judging from his campaign comments, it is also clear that the new President is comfortable with today's market-oriented farm policy, including the current levels of government price and income support. What is more, it is also evident that the President-elect plans to be aggressive in using the federal government to expand U.S. agricultural exports.

Clinton stated repeatedly during the campaign that he planned to be more active than his predecessor in seeking ways to assure a more fair and open world market. In addition, he indicated he expects to use the powers at his disposal to make certain that U.S. exports have fair access to all markets on a reciprocal basis.

Where agriculture's interest and concern really ought to be focused, in my judgment, is on the new 103rd Congress. I believe the Legislative Branch threatens to be a much more troublesome factor than

the Executive Branch, when one considers what changes may be made in agricultural policy.

The 103rd Congress will have 110 new members in the House and eight in the Senate, all with little or no agricultural background. This means that agriculture's support in the next Congress will be further eroded. When one considers how the 101st and the 102nd Congress imposed their conservation and environmental demands on federal farm policy, no one should be confused about where the real threat to agriculture lies. If anyone thinks that the adding of 118 new members to the Congress will in any way reverse the legislative trend of imposing environmental demands on American farmers, he has not been paying very close attention to what has been going on. To me, the make-up of the new Congress suggests that agriculture had better start preparing for a future that includes ever more stringent regulatory laws regarding conservation, environment, food safety, pesticide, and other agriculturally related activities.

Having said that, I certainly do not intend to minimize the problems farmers are already facing regarding the current conservation and environmental conditions they are required to meet if they choose to be eligible for federal farm benefits.

I got some first-hand exposure to the farmer's frustration and anger about these issues when I traveled around Representative Tom Foley's 5th Congressional District, prior to the recent election. No other farm issue came close to being as important to those Eastern Washington farmers as the new conservation residue and wetlands requirements that they have to meet in order to qualify for price and income support. Those farmers not only were furious over being told by the Soil Conservation Service officials how they must farm with regard to handling residues; they were threatening radical action, if not outright rebellion, over the fact that U.S. Army Corps of Engineers and Fish and Wildlife Service officials have been given the authority to mandate what constitutes wetlands on their farms, and what they can or cannot do with those wetland acres. I keep hoping they were not serious about taking up arms to protect their property rights, but many were threatening to do just that.

It is obvious that the effort to implement these new environmentally oriented production conditions is still a part of an on-the-job learning experience for both the government officials and the farmers involved. Given that, it would be disastrous for either the environmental community or the Congress to consider adding to the confusion which already exists in that area until some of the present problems are worked out.

The political significance of this greening of agricultural programs was also evident in the 5th District election results. Tom Foley, the Speaker of the House, who did quite well in the population centers of the District, barely survived in many of the farm counties that, previously, had always given him large pluralities.

Foley's loss of farmer support in one of the country's key agriculture districts was really surprising, especially in view of the fact that most people thought farmers would certainly understand that they were putting their government income support programs in real jeopardy if they did not help reelect incumbents such as Foley, who is considered by many to be Mr. Agriculture in the House of Representatives. The lack of agriculture-based support for Foley and the other agriculturally-oriented House members, coming at a time when the House most likely will be focusing on ways to lower the budget deficit, is not only difficult to understand; it could prove disastrous for all the agricultural interests that are dependent on federal income or export assistance. Sometimes it seems that members of the agriculture community just do not get it when it comes to knowing what they should do in order to protect their own long term legislative interests.

A further burden agriculture faces is that although many of the agricultural commodity and livestock organizations recognize the difficult task that they face in gaining the interest and support of the new Congress, they may not be very successful, given their lack of unity or common purpose.

For instance, the export-oriented commodities, having a different agenda than their domestic-oriented colleagues, will press for more export assistance, claiming that increased exports are the primary goal. Their domestic-market focused counterparts, on the other hand, will probably seek to save as much of the agriculture budget as they can for the domestic support programs. They are most likely to focus on protecting producer incomes, claiming that a stable agricultural economy is needed to maintain food price stability.

Another potential problem facing agriculture's export industry is that the new, more urban-oriented Congress may not be as willing as previous ones to spend scarce federal dollars on subsidizing U.S. food exports to foreign consumers. The new Congress may well take a trade view opposite to that being espoused by the new president, looking more inward than outward when it comes to spending federal monies on agricultural programs. The mixed signals being sent by the agriculture community, as regards the NAFTA and GATT Uruguay Round negotiations, are not likely to encourage the 103rd Congress to budget more taxpayer monies for agricultural export purposes.

Now let me be a little more specific as to what impact I think the new Administration, and the new Congress, may have on U.S. agriculture over the next couple of years.

Looking first at agricultural trade policy, I am still optimistic that the United States and the European Community will achieve a breakthrough on their oilseeds policy dispute, clearing the way for a GATT Uruguay Round agricultural agreement.

If the U.S./EC oilseeds issue proves to be settled quickly, I think it likely that an agreement on the Uruguay Round agricultural provisions will follow within a month or so. And looking even farther

ahead, once the agricultural issues have been settled, an agreement on the other Uruguay Round sectors should fall into place quickly, perhaps even in time for the trade ministers to initial a new GATT agreement before the March 1 fast-track authority deadline.

Part of my optimism about GATT is based on my conviction that President Bush wants to resolve these trade issues on his watch. Should he achieve significant progress in the GATT negotiations while he is still in office, he would gain a degree of international respect that could easily overshadow the international acclaim he won for his leadership in the Gulf War.

As to the timing and implementation of the NAFTA and GATT agreements, I am somewhat less optimistic.

I expect it will take at least through 1993 for President-elect Clinton and the new Congress to reach agreement on the NAFTA enabling language, and the supplemental labor and environmental treaties that he wants. Given that, it seems unlikely that the NAFTA will clear all of the many hurdles it faces here in the United States before the 1994 crop year.

As to the implementation of the Uruguay Round agreement, it could easily take an additional year, meaning it may not become effective in time to cover the 1995 crop year. In that case, the adoption of new GATT rules could coincide with the implementation of the next Omnibus Farm Bill, a timing that might make a certain amount of political sense.

While I expect that these two trade agreements will have little positive impact on U.S. agriculture over the next few years, the GATT agreement could have some negative impact on those commodities that are dependent on export assistance, should Congress pursue deficit reduction. While our agricultural export subsidy levels would be frozen until after the GATT treaty comes into effect, budget pressures could limit the amount of federal funds available for maintaining those levels.

Turning to price and income support programs, I believe the Congress will ratchet down the current levels of support. I am convinced that Congress will have to scale back entitlement programs, including agricultural ones, if they undertake serious action to reduce the budget deficit. I am guessing that the Agriculture Committees will be given budget instructions to reduce program outlays, including CCC activities, by at least 5 percent annually. Most likely, the House and Senate Agriculture Committees will be given the responsibility to decide how those savings may be accomplished.

As regards reducing deficiency payment outlays, I doubt it is possible to cut the present level of payment acres much deeper without undermining producer participation in the production control programs. That means that deficiency payment savings may have to be targeted either through some form of assessment program or, heaven forbid, some form of means test.

It is also likely that all of the other price support programs will be subject to some form of assessment-type requirement in order to apportion fairly the amount of savings required.

I also believe that as a result of this year's large feed grain crop, production control programs will continue to be one of the mainstays of our farm policy. Protecting domestic price levels will take on an even higher budget priority as income support levels are reduced. That may even cause the oilseed producers to show some interest in accepting production controls, if that is what it takes to get under the income support umbrella.

The Farmer Reserve program is also likely to take on new significance if the dumping of excess production into the world market is curtailed by the new GATT treaty. Moreover, the urban-oriented Congress is likely to demand that a certain level of carryover stocks be maintained in order to assure stable food prices. Adoption of some type of consumer food security plan may be the price agriculture will have to pay in order to assure urban support for the continuation of our present income support programs.

Since I touched on the greening of farm programs earlier, there is not much more to be said in that regard, other than to repeat that everyone should hope no further conservation and/or environmental requirements are adopted until the present requirements have been properly developed and implemented. Proper implementation means that the regulations must be practical in terms of farmer compliance.

That leads me to my last issue, USDA reorganization.

After being told by my local county ASCS office that it had no FAX equipment to receive the information I had requested, I certainly feel there is a need for some USDA county office reorganization. All of the various USDA county offices need to be brought up to speed as regards state-of-the-art office equipment. Modern office equipment should lead to better office coordination and improved farmer services.

Some people have also suggested that the various local farmer advisory groups should be eliminated, or at the very least consolidated. Although there may be some effort at consolidation in those states with very small counties, my guess is that consolidation will go slowly.

My Eastern Washington exposure suggests to me that there is an urgent need for better farmer understanding of the existing programs, to say nothing of what may be needed if new programs are initiated. And since I expect that the government's involvement in farming will increase in the future, it is extremely important to continue the existing lines of communication between the farmers and their government.

IMPLICATIONS FOR MISSOURI AGRICULTURE -- I

Russ Mills
Missouri State Conservationist
Soil Conservation Service

If one word typifies what is taking place among county, state, and federal agencies and society in general, that word is change. The question is not whether there will be change. The question is, in what direction will change take place, and how can it be directed so there will be the greatest individual and societal rewards with the least financial costs?

The public's desire for a cleaner environment is bringing about change within agencies at all levels, and within agriculture in general. We are hardly able to define environment, let alone determine what environment is best or the price we must pay for it.

As Mr. Richards commented in his seminar remarks, "Just look at what we're going through with wetlands!" And, "Think about the water quality issues on the table now!" The role of the Soil Conservation Service is changing in such a way that we are being asked to appeal to a broader range of individuals, groups, and organizations than we previously did. The challenge lies in our developing a capacity to help farmers combine their responsibilities for getting an economic return and functioning as natural resource managers.

We learned a lot as a result of the 1985 and 1990 farm laws. It was proven once again what we suspected all along -- that it's difficult to superimpose new ideas on the preexisting program structure and have them accepted gratefully, no matter how fine we think they are. As a reminder for emphasis, Mr. Richards told us, "Folks, environmental responsibility is the agricultural issue of the 1990s."

As an agency the Soil Conservation Service provides technical assistance on a voluntary basis through local soil and water conservation districts. This partnership has been unique for more than 50 years, and is matched nowhere within federal or state government. I am concerned, however, about the frequent changes in policies and programs for agriculture and the impact they can have on our already heavy workload, and about over-committing what the agency can realistically provide.

As Henry Kissinger once stated, "There cannot be a crisis next week. My schedule is already full." But as legislation and demands on our customers change, and as our agency is asked to address a wider range of environmental issues, we know we must adapt. This is true because changes at the national level have an impact on our ability to function efficiently and effectively through soil and water conservation districts to Missouri agriculture.

One major challenge for the Soil Conservation Service in Missouri is to determine whether current offices can administer programs in a

cost-effective manner, and yet optimize service irrespective of county boundary limitations. Consideration needs to be given to customer location, travel time, trade centers, and the geographical location of the resources that will optimize our technical assistance.

We must create a system where soil and water conservation districts and Soil Conservation Service business can be accomplished efficiently at one location. To accomplish this task, we must set aside what would be nice, and focus on what makes good business sense, especially under a declining budget.

I do not see the role of our agency as changing. We will still be looked to for technical assistance. However, in addition to rethinking office location, we must determine the best staffing mix for the resource concerns that need to be addressed. I see offices of the future as being staffed by an interdisciplinary team that will deal with complex natural resource problems. Such a team, for example, will help pork producers look at the relationship between soil, water, air, plants and animals as well as their economics.

As Mr. Richards indicated, a team of that kind will be "committed to assisting individual producers to develop total resource plans that should enable them to meet demands imposed by federal, state and local rules and regulations. Producers looking at their total resources will be able to compare alternatives and what they mean to them environmentally and economically."

This is the type of team planning effort we are developing in northcentral Missouri as a partnership with local, state, and federal agencies and organizations to address water quality concerns regarding six city reservoirs. I believe we all have a responsibility to look continually for better ways to improve our delivery system, regardless of the agency. We simply cannot afford to keep doing the same thing year after year merely because that's the way it was done in the past. As an agency and state, we are at a crossroads for change. It is a good place to be, but also a good place to get run over if we stand still too long.

The Chinese word for "crisis" is comprised of two characters, one meaning "danger" and the other meaning "opportunity."

Instead of focusing on only the implications that changes in Washington have for Missouri agriculture, let's become proactive. Make this an opportunity to strengthen existing partnerships, and develop new partnerships between local, state, and federal agencies and organizations. Partnerships that are in tune with the environmental and economic needs. Partnerships whereby we can provide the most and best human resources possible at the local level when they are needed. We need to build alliances with groups that have a common environmental interest.

One such partnership was started in January 1990 with the establishment of the Missouri Agricultural Land Management Resources Institute (MALMRI). It was recognized that several state and federal

agencies have various responsibilities related to improving the management and conservation of Missouri's natural resources. The directors of these agencies recognize that improved communications and cooperation between their organizations will improve their combined services to the citizens of Missouri.

As a method of achieving that objective, the following agencies participate in MALMRI: Missouri Department of Agriculture; Missouri Department of Conservation; Missouri Department of Natural Resources; U.S. Agricultural Stabilization and Conservation Service; U.S. Soil Conservation Service; University of Missouri College of Agriculture, Food and Natural Resources; and University Extension. The directors of these respective agencies serve as the MALMRI Board of Directors.

Each agency director has named an agency representative to serve on the MALMRI Coordinating Committee. The Coordinating Committee meets periodically to identify and discuss projects and activities that are of mutual interest to their agencies. Proposed projects and activities are presented to the MALMRI Board of Directors for approval. The Coordinating Committee then has responsibility to implement those projects and activities agreed to by the Board of Directors.

Some ideas being addressed by MALMRI include:

- Conservation provisions of the 1985 and 1990 farm laws
- Water quantity and quality
- Waste disposal (animal and human)
- Forage production and utilization
- Forestry (urban and rural)

IMPLICATIONS FOR MISSOURI AGRICULTURE -- II

Morris Westfall
Missouri State Executive Director
Agricultural Stabilization and Conservation Service

I am glad for the opportunity to offer observations about the administrative structure for ASCS programs in Missouri and what some of the proposed changes might mean. I will present my personal judgments, for the most part. Where I state an official USDA position I will make that clear but I will essentially present my own ideas.

We hear a lot about county office structure. What is meant? Put plainly, it means closing some county offices. Personnel in ASCS sometimes find the topic a little scary. Our staff in county offices that might be closed are concerned. I should think that farmers too could be concerned, with regard to access to services.

Before I take up that subject, I want to respond to a couple of program comments that have been made at this seminar. One relates to flexibility in acreage programs. Along the lines of the discussion here, and without meaning to be critical, I suggest to the commodity groups of Missouri that they would do well to review their position. When flexibility was being considered during the writing of the law, Senator Bond asked some of us what we thought the most important issue for Missouri agriculture was. I honestly answered that the number one issue was complete flexibility. Later I heard that the commodity groups took the opposite stand. They had some reasons, and I hope they can get those worked out. Those groups have wanted to stay with crop-specific bases, and I really suggest that they reconsider their position because I believe that the best design for Missouri farmers as a whole is flexibility.

Secondly, the impression seems to be that participation in commodity programs is low. The data do not bear that out. I had expected that the increasing complexity of rules would lead to a reduction in participation. According to state-wide data, that is not happening. It's not happening in terms of percentage of base, to any substantial degree.

But analysis of the figures suggests that there is a significant trend toward lower participation in terms of number of farms -- a smaller percentage of farms participate. In other words, we are losing the smaller farms. Someone in a policy position may determine whether that is important. We hear a lot of talk about helping small farmers. Evidently we are getting less participation from them.

As to county office structure, Mr. Conner told us some horror stories. But to me sensationalism and a broad brush do not help much. With regard to the program in Connecticut, I assume it is part of the waste management cost-share program that we have in Missouri, which I believe to be excellent. In Missouri we cost-share with livestock producers in handling waste and manure. The program has been popular in the state and not enough funds are available to meet all the demand. We think it is a good program for meeting environmental issues.

The Bell county, Kentucky, situation has given rise to various stories.

In talking about county office structure we get into three areas. We get into the area of cooperation between agencies -- what we can do administratively within the Department of Agriculture. We get into the area of office consolidation -- of closing some offices and moving into more of a regional concept. And we get into the area of legislation, which could call for combining ASCS, SCS, Farmers Home, and possibly other agencies, and revamping them all.

<u>Cooperation</u>. A great deal of inter-agency cooperation is already taking place in Missouri. I list several avenues of interaction:

- Food Agriculture Committee (FAC)
- Administration Activities
- 1985 and 1990 Farm Bills
- Environmental Practices
- Sharing Information and Resources
- Joint Efforts from Elected Committee
- Advisory Committees

Office Location. Missouri is the only state of any size with 100 percent co-location. That means that all our county USDA offices are located at the same place when we are in the same town.

In considering office location for the future we are compiling statistics such as distance to the nearest office. With regard to number of producers served, our data do not agree with the census because not every farmer comes into our office, or because an owner may live outside the county yet have two or more individuals operating his farm. Absentee landholding complicates our data.

Overall, we say that in Missouri about 80,000 farmers come through our doors. Missouri has about 108,000 farms.

Administrative Cost. We have data for Missouri on the ratios between county office cost and producer benefits. In a number of counties the ratio is as low as one, two, three, or four cents per dollar of benefits. I was concerned by a county figure reported as 70 cents but I know how that happened. We had some personnel costs in the office, such as extended sick leave, that added to the cost of operation. The ratio in that county is now running at about 25 cents.

For the state as a whole we average a little under five cents of administrative costs per dollar generated as economic benefit to farmers. The range is from one cent to 91 cents.

Potential cost savings from combining of ASCS county offices could easily be overstated. We have 12 rather small counties, yet they average over 300 farms per county. In those counties we spend $89,000 to $150,000 annually as administrative cost. The cost benefit ratio averages 0.25 -- 25 cents cost per dollar paid out.

Let me make clear, though, that our data apply to 100 offices. Missouri leads the nation in number of counties combined for management purposes. We have 28 counties with 14 county directors. We have an office in every county but in the 28 counties we have 14 directors. Our arrangement contributes to efficiency yet does not represent a big saving -- perhaps $15,000 a year in each situation.

That leads me to point out that as we move toward further consolidation, we are not going to get major savings for some time, particularly when we consider employee benefits.

A few data on number of actual work days help describe the picture. We have eight counties doing under 164 work days a year. We call 260 days one full-time person. We have only 15 counties under 300.

We should not overstate savings from consolidation. The saving the first year -- because the paper work for the farmers is unchanged, and personnel adjustments are not made instantly -- is mainly in rent. A little rent money is saved but rental charges in small offices are not great.

Legislation. The other area we are looking at relates to legislation, including possibilities of combining our activities with another agency's. This is a matter of what Congress chooses to do. My own opinion is that we function very well, organized as we are. The only place where I see a fairly clear need relates to Federal Crop Insurance and ASCS. I do not see a need to combine responsibilities in other areas.

IMPLICATIONS FOR MISSOURI AGRICULTURE -- III

Don Wolf
Staff Director
Department of Natural Resources

Harold Breimyer made the point in his paper that environmentalism is here to stay. Mr. Bjerke and Mr. Richards told us that their agencies are putting more emphasis on environmental concerns by advocating total resource management systems and encouraging solutions to natural resource problems. I will suggest a few ideas as to what the environmental emphasis may mean to Missouri agriculture.

The basis of Missouri agriculture is its soil and its water. Proper management of these resources -- protecting them adequately -- can only aid the long term sustainability of Missouri agriculture. Again to paraphrase Harold Breimyer, the enhanced emphasis will help us keep the thin layer of topsoil out of the bottom of the ocean before the sun sets permanently.

I will touch on implications in three different areas. First, any review of increased government involvement in natural resource management brings many governmental agencies into the picture -- many in addition to the traditional USDA agencies. The several different agencies bring a wide variety of support groups into the policymaking process. Some of the groups are not very responsive to interest groups in agriculture, such as commodity and general farm organizations.

Secondly, I will stress the importance of dialogue with those groups. I will conclude with a few remarks about implications of any USDA reorganization.

Total resource management, or natural resource management, is not now, nor will it be, the exclusive domain of USDA agencies. As the focus shifts to include water quality or pesticide management, as examples, USDA agencies will find other agencies alongside them, and some of the latter will operate in ways unfamiliar to many of us. The count of outside-USDA agencies is amazingly large. Many are very well funded. I name first the EPA, and Fish and Wildlife Service, Corps of Engineers, U.S. Geological Survey, Health and Human Services, NOAH -- and on and on. These agencies are involved in natural resource management, and they will have more of a place in legislation of the future than of the past.

In the past, the USDA has had a direct link with producers, through citizens' committees -- their delivery system. Most other agencies do not have a direct link to the producers in Missouri agriculture. The EPA works primarily through our Department of Natural Resources via a series of grants and work programs. The Department has what is called primacy in certain areas and carries out federal requirements that are delegated to a state agency.

The federal agency has a set of constituents, and sometimes the state agency has a set of constituents. The many agencies have their own support groups and we need to recognize that they are present and active in the field.

We have learned that when we discuss agricultural policy and environmental concerns, a number of people become involved very quickly. Many of those who do so have a direct link to some of the non-USDA agencies I have referred to. Those agencies bring interested constituents into the policy development process -- the agricultural policy development process.

This sense of reality about who is involved leads to my next statement about the importance of dialogue with the various activist organizations. I suggest that it may be more important to work with the support groups for the non-USDA agencies, than with the agencies themselves. Among other reasons for getting in touch, for communicating, the positions of unfamiliar groups are sometimes misrepresented -- they become rumors or anonymous "they say..." allegations that are not really factual. At times the consequence runs in these terms: "If 'they' are way over there, we have to position ourselves way over here." So we find ourselves talking from polarized positions that may not help us arrive at judgments that represent sound resource management. On the other hand, sometimes a workable political compromise materializes.

The eventual enactment of a law is only the first step. Later, the time comes for setting rules and regulations. Interest groups try to get their input into writing the rules, and fairly often the output is a set of rules that no one understands. The idea of complexity has been brought up several times at this seminar. I suggest that complexity can arise from an attempt to accommodate various interest pressures in drafting a law and in writing rules and regulations for carrying it out. I dare to believe that when we engage in dialogue

with various groups, we often can agree that we have common goals; and when we find a common ground we can educate and inform one another on the issues and improve the legislative and administrative processes.

We need to look for common ground because natural resource management is important to Missouri agriculture and it behooves us to get involved with other organizations -- ones we do not ordinarily work with. We will usually find that they are reasonable and that it is possible to find a common ground, and to arrive at rules and regulations that can be administered and complied with. Even more important, the appropriations process will then be supported by both sides, to the benefit of Missouri agriculture.

Now for my third point about implications for USDA reorganization. USDA traditionally has had a delivery system for natural resource management. It is involved with county committees. Agencies outside the USDA do not function in that way. I offer a suggestion that as non-USDA agencies take on a greater role, the USDA delivery system could well be expanded. Perhaps the non-USDA agencies can focus through the local committees to provide service to local landowners and avoid some of the complications of a farmer's one-stop shopping and getting right with one government agency only to be wrong with another one.

In closing I repeat my central theme, that there will be more emphasis on environmental issues in the future, which should yield a long term benefit to Missouri agriculture. Many governmental agencies are involved and some are not ones farmers have traditionally worked with. But we should work with them, and establish a dialogue with their constituent groups. We can then develop a delivery system that will better serve Missouri agriculture and keep our topsoil out of the bottom of the ocean.

IMPLICATIONS FOR MISSOURI AGRICULTURE -- IV

Jim Russell
Executive Director
Missouri Agricultural Industries Council

Let me begin by saying that I have a happy farming program. It's the CRP. My land is in it. (I affectionately refer to it as the certified Republican program.)

It may be unfortunate, but I think that sometimes the viewpoint in the agricultural community is to set policy according to radio station WIFM, "What's in it for me?" Although we have many years of historical data, and we know which direction we should be going, somehow we get hooked on that radio station. Someway or other we in

Missouri need to ask ourselves, "Is this really a time for change? Is this a time to be bold, non-traditional?" I suggest that yes, it is. This is a time of opportunity that we ought to seize for meaningful change in the state of Missouri.

If in fact we have the desire and the will to do it, change will not impact every one fairly, as each of us may perceive of fairness. But I think that we sometimes find ourselves at war with ourselves. We say, "Be efficient, but reduce production." Yet data show, beyond any doubt, that acreage reduction programs in fact tend to reduce total farm net income.

I will read one paragraph from the November 9 Wall Street Journal just for something to chew on. It was an editorial written by Dennis T. Avery. Mr. Avery is director of global food issues for the Hudson Institute. He writes, "Since the United States has the only agriculture in the world that can cut its costs by expanding output, the set aside program is the second dumbest farm policy in history. Only Stalin's collective farms were more foolish."

How can we say that we are going to be an active, productive society and then limit our ability to do that which we do best? How can we say that the United States is in fact a 400-pound gorilla whenever it comes to world trade, and then not be willing to exercise that resource when the opportunity exists?

Additionally, we seem bent on not following up on world trade or some other possibility; we are bent on regulating individuals out of the ability really to produce competitively worldwide. What we need is a growth-friendly regulatory climate, and not one that is punitive or adversarial. We need the opportunity to work together with the environmentalists, but we cannot respond to the environmentalists if in fact we do not know what we are supposed to do.

In the state of Missouri we find ourselves at that particular crossroads, where the agribusiness community is faced with myriad rules and regulations without the proper technical assistance or the educational program that would allow agribusiness firms to go forth in a cost efficient, competitive manner to do those things that they most dearly want to do. We find, instead, the adversarial person coming along, trying to impose penalties to the extent that forces them out of business altogether.

That type of attitude needs to change. And I hope that whoever becomes the next director of the Missouri Department of Natural Resources will be, above all else, a good administrator. I do not believe it is important that the official be an engineer or world class scientist. What is needed most is someone who can administer the programs for which he has responsibility.

I could suggest that the state parks be removed from the Missouri Department of Natural Resources and put in the Missouri Department of Conservation. Perhaps we can look at the soil and water program,

moving it from the Department of Natural Resources to the Missouri Department of Agriculture.

And maybe we should consider other parts of the Missouri Department of Natural Resources that could best be run in other agencies of existing state government, downsizing the Department to a position that would allow an efficient, benevolent administrator to go forth with the programs that are there.

As I see the role of government, that is, to help its people, to help foster understanding, to help preserve the environment, I think that in many ways the Department of Natural Resources has failed to measure up to what we expect of it.

Finally, term limitations, which have been touched on briefly. They were approved overwhelmingly in Missouri in the November election. I feel compelled to respond because my business has not been so good lately -- even though it still exceeds my wildest expectations. If all these legislators who have been in office for eight years are kicked out and replaced, you will afford me the opportunity to charge more money because I am going to know where the bodies are located; I am going to know where the pitfalls are. As a lobbyist getting a few more dollars from each individual client I will guide each and every new politician through the maze that every one of them will face when he comes into office. And so, keep up the good work, Missouri voters; by voting in term limits you have certainly enhanced my employment opportunities.

This comment ought to wake up my listeners and readers!

With respect to lobbying, like it or not money is the mother's milk of politics. This has surely been true ever since I first ran for public office (1974). It is most assuredly true today. It's just one of those things! But when only 50 or 55 percent of voters participate in the process, the state gets just about what it deserves. What would happen if we had 90 or 95 percent voter participation? We could get a term limitation whenever voters wanted it. In fact, voters could have just about anything they wanted. Politicians would be apt to listen; they would hear you no matter how softly you spoke -- if in fact you had 90-95 percent voter turnout.

So, when you are point those fingers, remember where your thumb is. You will then be a little kinder to that elected official the next time you visit with him.

IMPLICATIONS FOR MISSOURI AGRICULTURE -- V

John Sanders
Farmer
Steele, Missouri

Earlier in this seminar the phrase was used, "government resources." I prefer to say, "Those are taxpayer resources." All the people who have been elected to Congress and are serving in USDA need to keep that in mind.

As we look at the changes that the recent election may bring about I reflect back a few years ago when I had the opportunity to host Jean Jacques Hervé on my farm. Dr. Hervé is the director of world wide research for a transnational chemical company. Dr. Hervé was a really talented person, speaking 27 languages. He and I had visited about projects we had going on. His comment regarding political affairs was, "In France, when we change governments, we really change. We go from democratic to socialist, or socialist back to democratic. You Americans never change. Your Democrats and your Republicans are all the same." I disagreed with him, but he did have a point. From an international perspective, that's the way our international counterparts see us. Someone was rejoicing the other day about the results of the November election and how elated he was to see that we were going to have new personalities -- new people -- in place. As his second comment, the downside is that we will have no more resources to work with next year than we had last year. That will be true unless we get an "enhancement of taxpayer resources."

As I review the change that has occurred and look back at the campaign and the issues that were discussed, I see nothing that suggests there will be major agricultural policy changes. In fact, agricultural policy was rarely debated during the campaign. The environmental issues, I am sure, had 10 times the press, or maybe 100 times, that agricultural issues did. That indicates to me that the Sierra Club, the Audubon Society, and the animal rights organizations are going to have an input into policy that affects me as well as all agricultural producers, agricultural suppliers, and even government agencies.

We need, desperately, to communicate. I have not in the past been involved in the Sierra Club but I truly feel that I should be, in order to represent a point of view that I do not believe its members are getting.

Let me relate one experience. I served recently on the Air Conservation Commission of Missouri, the commission that promulgates regulations relating to air quality. At a meeting in St. Louis an attorney gave us an evangelistic message, with a lot of fervor. Had I been chairman, I would have done my best to gavel him down. He was off the wall. Yet when he finished his presentation, the audience gave him a standing ovation. Those people were highly educated, well financed environmentalists. We in agriculture need to be involved with them, and to represent our point of view. If we as agricultural

producers are not communicating our point of view effectively, someone else is going to control agricul-tural policy. A seminar in the past addressed the subject, "Who is going to control agriculture?" I think that is an even greater issue today.

We need to communicate with the more than 100 new members of the U.S. Congress and the new members of the Agriculture committees of the Congress. It is crucial that we do so. Also, we need to communicate with USDA and the new leadership that will be there. One question that looms on the horizon is, "Will USDA be an agency for farmers?" Will we look at a USDA that will be an EPA tool, or EPA Junior? What in fact is going to happen to USDA?

As I said, I have not observed any mandate for change in agricultural policy as a result of the recent election. We must as producers accept the fact that less income will be generated out of government programs; that is inevitable. We need to work diligently toward our free market options, acquiring our income out of the market and not depending on government payments. The environmental issues are crucial. We are going to have to address clean water, clean air, soil conservation. I think we have made strides in the right direction on all three. But the urban people who are represented in Congress in much greater numbers than we are will be having input into issues that affect us -- that affect our income. We need to be putting some effort into presenting our case.

In regard to Senator Lugar's proposal on consolidation of USDA offices, those who live in counties where offices are fully staffed and nothing would change will be in favor. Those living in counties where ASCS or SCS offices will be lost and local people will lose jobs will be vehemently opposed. We had better recognize that fact to begin with. But, again, we are dealing with taxpayer resources.

Another issue that is certain to get attention is property rights. Rules on use of properties on which I am paying taxes are a matter of deep concern to me. We are dealing with additional regulations on a day by day basis. Also, we need to recognize that in commodity programs, with their carrot and stick approach, the provisions will not be any sweeter than is necessary to buy some degree of participation. We have found in the past, when working with ASCS on cotton policy, that an estimate is made of the break-even point for producers -- the point where producers can just be attracted into participation. In the new Administration that break-even point is as high as payment rates will go.

We do have some opportunities ahead of us. With the increased environmental regulations, with water problems and the shortage of water being observed in California and the Southwest today, some agriculture will be shifted back to the Midsouth and Midwest. Geographically, some cotton production will move out of the Southwest to Missouri and the Midsouth. When the issue comes up of whether we are to have water for people or water for crops we are going to have water for people.

THE LAND GRANT UNIVERSITY TOMORROW

C. Brice Ratchford
Professor and President Emeritus
University of Missouri

The first decision I had to make as I prepared this paper was whether to try to predict what the colleges would be or to state what I hope they will be. Since I do not have a crystal ball, I will do the latter. Hopefully, the reality will not be too different from what I would like to have.

The Land Grant universities have changed a great deal since their modest beginnings, as they should have. They will need to continue to change. I submit, however, that some basics should not change. Historians are forever reminding us that if we do not learn from history, we will have to relive it, including making the same mistakes. We want to avoid that.

We need to remember why the Land Grant universities were started more than a century ago. They were a revolt against the universities in the UK and European continent. In those universities admission was limited to the nobility of the state and church and their mission was to train leaders for those institu-tions. The first objective of the Land Grant university was to provide access to the common man, with ability and motivation being the sole entrance requirements. The second objective was to pre-pare people to perform better in everyday work. While agriculture and mechanic arts were mentioned, the legislative history of the Morrill Act clearly indicates the intent as providing practical training in a wide range of subjects. A major difference today between the Land Grant universities and the European universities is the greater emphasis in the United States on the professions. The difference is even more pronounced when the curricula are compared. The U.S. curriculum places greater emphasis on teaching the skills needed in a particular profession.

The Land Grant universities did attract young people who -- with a couple of exceptions -- represented a cross section of the cultures in the country. The early work of the Agricultural Experiment Station was dedicated to solving highly visible problems such as controlling insects and diseases. The Extension Service from its beginning used the problem-solving approach and demonstrated a flexibility to assist a broad spectrum of people solve their perceived problems. These characteristics caused the Land Grants to be recognized as the "people's" universities. This perception in turn generated the political support to enable them to become what they are today.

While access and practicality must be constantly reinterpreted in light of changing conditions, I feel that they should remain as cornerstones of the Land Grant university, for several reasons.

They have served the university and the country well. It is no accident that an increasing proportion of the professional and business leaders are graduates of a Land Grant university. In a time when diversity in education is strongly advocated, the Land Grants should not forsake in name or spirit the features that distinguish them from other institutions of higher education.

Access and practicality along with a concern for the disadvantaged were also the philosophical underpinnings of the subsequent Hatch and Smith-Lever Acts. The Hatch Act, passed at the dawn of the scientific age, recognized that farmers needed science if they were to compete successfully in the modern world. The act itself and its legislative history clearly indicate that the emphasis was and is on people and not on increasing food production. The same is true to an even greater extent for the Smith-Lever Act. The key phrase of that short act is "to disseminate useful and practical information to the people of the U.S. on agriculture, home economics and subjects related thereto."

Easy access to information has become more critical to success with each passing year, and the need will only intensify as we move through the information age.

The relevant questions are what these philosophical keystones mean today and tomorrow.

Let us look first at the academic or degree side of the Land Grants. Access to excellent higher education will continue to be important. The three aspects of access are admission standards, cost, and programs available.

We certainly should not have open admissions. It is absolute folly to admit anyone who from what we know has a poor chance of making it. Also, I like the new MU entrance requirements. The most likely effect will be to force the secondary schools to improve. I find it somewhat amusing that when I graduated from high school in 1937, still a depression year, I would have exceeded the proposed requirements for MU by having had four years of foreign language.

We should resist efforts to deny admission to those who meet minimum standards defined as those necessary to enable the student to pass university work. Denying admission to some who are qualified to attend would likely lead to elitism, which is contrary to the philosophy of a "people's" university. It is almost inevitable that if admissions are restricted, the best will be accepted after using the only measure available -- past academic records and standardized test scores.

If we must for some reason limit enrollment, I would prefer a lottery to select from a pool of those who meet the minimum requirements. Again I have observed and had experience with the English system. There the decision is made at the end of middle school as to who can go to college. It is carried even farther.

Those with the highest scores get the choice of professions. The top choices with most are medicine and law. Those with lower scores must take what is left. The two lowest choices are usually teaching and agriculture. The results of this system -- at least for agriculture -- are devastating.

This system of social stratification -- call it snobbery if you like -- that stratifies both students and their professions is undemocratic and unfair. It can lead to misfits in career choices that are damaging to both the individuals involved and the country.

Also, the English system relies too much on academic records and test scores, which beyond question are influenced by cultural -- economic and social -- status. Even a cursory study of the achievements of our own alumni shows that GPA at time of graduation is a poor predictor of subsequent achievements. Is there any reason not to expect the same situation to exist at other levels?

The second factor in access is cost to students. Current charges are a barrier to some and will become a higher one if fees continue to increase and average real incomes decline, as often predicted.

My views on student fees are well known. Persons who have been around a while will recall that on successive years I opposed fee increases as proposed by the Board of Curators, and after lengthy debate I won on five-to-four votes.

Almost all Land Grant schools have raised fees substantially in the last decade. In some cases the increases have been mandated by Boards and in other cases they have been imposed by state government. The sharp fee increases mandated in Ohio this year prompted the President of the University of Cincinnati to state in a recent issue of The Chronicle, "Public education is dead in Ohio."

Raising fees has been easy. It has been justified by saying, "We are only going up $200." This reminds me of the famous words of former Senator Dirksen who said a billion here and a billion there and soon you are talking real money. The increases have been justified -- or perhaps rationalized -- by the availability of more scholarship money and particularly loans. There are several problems with this approach. Scholarships go either to the top scholars or those who are labeled as disadvantaged. This leaves out the large average group. Also, I question the wisdom of a public policy that encourages the best of its youth to enter the world of work with a heavy debt. This is another part of the spend now-pay later philosophy of the last decade. It is also a factor in the economic situation. Many of the young are too deeply in debt to even consider buying houses, for example.

Increases in faculty salaries are a driving force behind fee increases. God knows they need to be improved. I am fully convinced, however, that neither reductions in programs nor fee

increases will really solve the problem. Faculty will have to help solve the problem through some combination of political action -- possibly collective action -- and working smarter. Both manufacturing and more recently the service sector have used automation and structural changes such as part-time employees to increase productivity. Higher education has not even addressed the faculty productivity issue.

Perhaps the most devastating long-term effect of continued fee increases is that they have provided the political leaders at all levels an alternative to making adequate appropriations.

The third aspect of access is the programs available and quality aspirations. The Land Grant universities should continue to stress undergraduate education in a wide range of disciplines and professions that prepare people for the world of work. This does not mean that nothing should be dropped or consolidated. Certainly a program for which there is no student demand or whose quality is hopelessly low should be dropped. At the same time we should recognize that the expanding body of knowledge will bring new disciplines and professions that need to be accommodated. Probably the best we can hope for is to hold the total count of programs about where it is.

What about quality? We should always aspire to high quality. The question is what standard we are to use. From time to time some Land Grant schools have stated that they aspired to be the Harvard of Podunk, an elite graduate/research institution, or a member of some list of top 25 universities. These schools have not achieved the goals and have lost creditability in the process. The vast majority of taxpayers and political leaders do not want their "people's universities" to become elitist institutions. It may be sad, but it is doubly true in Missouri. Missourians have supported, and will continue to support, a very good university that does "right" for the best of the young people, particularly at the undergraduate level.

I suggest that our standard for quality be to produce graduates at all levels who compete effectively with graduates of other major public schools for initial employment and subsequent advancement. In many fields we have that quality now. We must remember, however, that it is a moving standard that we aspire to.

Some of you may be surprised that I have discussed the total university and not the College of Agriculture or, as now named, the College of Agriculture, Food and Natural Resources. I do consider the Land Grant basics as applying to the total institution, the only exceptions being found at Cornell and a few New England schools that have established themselves as both Land Grant and private. The pillars may have some added significance for the agricultural colleges. Many of you have read Don Paarlberg's commentary in the recent issue of Choices. It is excellent but I came up with some different conclusions. The colleges of agriculture have adapted and will continue to adapt. I doubt that we will

see fewer colleges of agriculture in the Land Grant universities. The reason is simple. The colleges by being consistent with the Land Grant basics are providing excellent training to a very large number of people in fields where there are excellent employment opportunities. Also, I doubt that many agricultural disciplines will be absorbed by their parent disciplines. Indeed, we are likely to see more sub-disciplines as the body of knowledge expands, particularly if we stay faithful to the Land Grant original mission of practicality.

Now let us turn attention to the Experiment Station and Extension. We have been moving rapidly for several decades to two agricultures and we are now at the point where the distinction cannot be ignored. The commercial or industrialized sector produces most of the food but involves few producers, no more than 10,000 in Missouri at the maximum. An often missed feature of the industrialized sector has been shifting of control to the off-farm level through the tool of vertical integration, and this move will surely accelerate as we provide more product differentiation through genetic engineering.

The Land Grant university must work with this sector. I am strongly supportive of the Extension program with commercial agriculture. At the same time we must not be either its servant or its captive. Also, the opportunities whereby the Experiment Station and Extension can be of continued service to the nation fall largely outside the industrialized agriculture sector.

Let us look at the servant-captive issue. I vividly recall the weeks immediately following the release of Rachel Carson's Silent Spring. Dozens of meetings were called by the college with representatives of agribusiness for the expressed purpose of discrediting the book. While not as visible, the reaction to the book, Hard Tomatoes and Hard Times, written by Jim Hightower, one of Nader's raiders, was the same. Recent reactions to LISA tell me that there has been only a modest change in basic attitudes.

In the beginning the Land Grant university was clearly seen as a proponent of positive social change. Karl Stacher of the Northwest Area Foundation stated the issue as follows in a speech before a National Academy of Science group at Irvine, California, last spring. "It will be seen as either a benefactor of the poor, the disadvantaged rural America, or as the publicly supported R&D facility for a polluting, elite, economically advantaged class of private interests." He adds that in the latter role it has declining political support and is a very inefficient vehicle for accomplishing that end. This conclusion is substantiated by David Debertin in his commentary in the issue of Choices I referred to above, but Debertin gives different reasons. They are the old but obvious ones. Basically, the benefits of production technology go to the few early innovators in commercial agriculture, who are so few in number that the political support engendered is scarcely significant.

Obviously, there is a need for continuing positive change and I fell that the Experiment Station and Extension can be powerful change agents. I will not try to write a prescription for actions needed but will cite examples of what appear to me to be opportunities.

The recent political campaigns made it very clear that there is major and widespread concern about conservation and the environment, although considerable difference exists in how best to achieve our goals. Research and education should help find reasonable answers. If we try, we may even save the spotted owl and still utilize much of our forests. We do not even know what is harming our environment or by how much, not to mention costs and benefits of a change. It is widely assumed that reducing pollution will raise costs and create unemployment. Is this true? I cite one simple example of work by our Experiment Station. The Mid-America Dairymen cooperative thought that it faced a costly problem when it had to change its method of disposing of whey. Simple investigations revealed that the whey contained considerable plant nutrients and when spread on grass produced beneficial results. Now there is a line of farmers waiting for this product.

With good cause, the U.S. citizenry has little concern that there will be plenty of food at affordable prices. There is widespread concern about how it is produced, who produces it, and its nutritional and safety qualities. The driving vision of the Land Grant university has centered on increasing yields and maximizing per-unit output. Externalities such as market demand and economic and social costs such as increased government payments, reductions in the number of farmers, and deterioration of rural communities have received only passing attention. I am suggesting that additional criteria be used for evaluating new technologies. Some obvious ones include impact on the environment, on soil, water and energy conservation, on government programs, and on structure of agriculture. The last of these is the real concern of dairy farmers about BST.

Another area that should be of major concern to the Land Grant university is rural development. Large chunks of geography and millions of people have been left in the backwash of the agricultural revolution. I have no idea what the answers are. I do believe that if we tackle the goal with the same zeal we did for putting a man on the moon or even developing hybrid corn, some answers can be found. Probably good economic opportunities cannot be developed for every place but the institutions could be modified to provide good quality of life with resources that are available. The point I am making is that the Land Grant university needs to be concerned with the people left behind. It is quite clear that the problem will not be solved through trickle down from agricultural technology.

Increased attention to rural development is suggested in Debertin's commentary and an even stronger case is made in Lauren

Soth's commentary (in Choices) on agricultural policy. While reaching the same conclusion, they have different justifications.

Public policy will continue to be of concern to the entire population. The Land Grant university as an institution has not taken public policy seriously. In spite of institutional ambivalence, a handful of agricultural economists have continued to perform yeoman service in the vineyard. Harold Breimyer has for years been and continues as a leader of that group. There are some obvious reasons for the poor support. Public policy is controversial. There are always losers as well as winners and it is often after-the-fact before the winners and losers are known.

In spite of the risks, the University of Missouri has in recent years given much more attention to public policy issues, particularly through FAPRI (Food and Agricultural Policy Research Institute). I am proud of this decision and of what FAPRI is producing.

My only concern is that its work has been devoted largely to the commodity programs which are of interest primarily to the industrial sector of agriculture.

I am optimistic that the newer initiatives of RUPRI (Rural Policy Research Institute Coordinating Center) and the Center for Agricultural, Resource, and Environmental Systems will begin to broaden the agenda. There are many items that need attention. As one example, poverty continues to increase in rural areas. Who are these people, where are they, what are the solutions? It is likely that remedial courses differ from those in the inner cities that get the publicity. Also, health care and who pays for it is obviously a critical issue. Again, while the problem may be the same in rural and urban areas, the remedies may be far different. Local governmental units will face difficult choices in the rural areas with declining tax bases and a growing demand for services. What are the options?

I could name a long list of issues of more limited scope that need attention. As examples: What can zoning do and not do? What are the options for solid waste disposal? How effective is tax abatement in economic development?

I make one additional suggestion on public policy and add a caution. The suggestion is that the social scientists who have done most of the policy work add the production scientists and engineers to the team. Technology will likely be part of the answers. Also, the production scientists will find their effectiveness to be enhanced as they realize that their work has policy implications.

The caution is that we should expect more criticism as social and politically sensitive issues are addressed. There is still a strong philosophy of agricultural fundamentalism that translates into a feeling that rural life is better than life elsewhere. Any

information that questions this assertion will be met with hostility. The University should never back away from any issue because it may result in criticism. After all, a fundamental role of any university, and particularly a Land Grant university, is to serve as a critic of society.

I have deliberately put the most obvious opportunity at the end. The majority of what the Census labels farmers are not part of the industrial sector and will never become part of it. Most do not want to. What are the special needs and concerns of this larger group? It has generally been assumed that technology is size neutral. In many cases this is not true. Also, part-time and other smaller farmers have some special problems -- marketing is one. Further, many in this group are likely the most interested in alternative enterprises.

One of the almost universal concepts in modern marketing is segmentation. I am suggesting that the College of Agriculture and Extension use the concept and develop both different programs and approaches to the two major segments of agriculture.

In order to prevent your concentrating on my specific examples, many of which are subject to differences of opinion, I repeat in conclusion my main assertion. If the Experiment Station and Extension Service are to maintain the necessary political support, they must be perceived and in fact be working on matters that concern many people; and technology for the primary purpose of increasing production or even lowering costs, although certainly to be continued, will be an ever smaller share of the total effort.

THE NEW AGRICULTURAL AGENDA FOR THE UNIVERSITY OF MISSOURI

George A. Russell
President
University of Missouri

I am happy to know that, once again, this event has attracted many of Missouri's, and the nation's, leading agricultural experts to Columbia. We are honored.

I was born and raised in rural Missouri, so I know something about what agriculture used to be. And my knowledge isn't just academic: I've had firsthand experience chopping cotton, turning watermelon vines, picking watermelons, bucking wheat sacks at a thresher, milking cows, and doing all the other chores when I was a youngster. That's a claim that few other university presidents can make!

I also know that agriculture has undergone some remarkable changes since those days. The number of farmers has declined sharply but at the same time farm production has risen dramatically.

In large part that surge can be attributed to the efforts of land grant universities such as ours. We not only teach and do research, we work on real problems and make new knowledge available to the people who can use it.

And while we are constantly hearing talk about fostering economic growth by creating jobs in "high-tech" fields such as computing and robotics, the fact is that agriculture remains a prime economic engine for Missouri and the nation.

In Missouri, farm cash sales pump more than $4 billion into the economy. And with regard to employment, the total food system -- from farm field to dining table -- accounts for about 26 percent of Missouri's workforce.

As a nation, agricultural exports play a key role in helping maintain our balance of payments with countries such as Japan, something that I think the average person doesn't fully appreciate.

I believe that agriculture will change even more in the years ahead. Modern biological sciences, with the ability to alter genes, will have a greater impact on agriculture and medicine than anything we've seen in the past. Indeed, we are at a critical juncture. The North American Free Trade Agreement, the Uruguay GATT round, and the developments in Europe and the former Soviet Union will impact agribusiness for years to come. By the year 2000, four out of five consumers worldwide will reside in developing countries. Already more than 30 percent of U.S. exports go to developing countries, and the growth rate to these countries is more than four times the growth rate to developed countries. In 1990 developing countries bought $127 billion worth of U.S. products. Every $1 billion in new exports means 20,000 new U.S. jobs.

And U.S. agriculture may be affected by something else, namely, the changing environment for higher education. America's universities too are at a critical juncture, as more and more people are coming to realize.

To give you some perspective on the situation, let's examine what is happening to public higher education as a whole.

For example, for the first time in young peoples' memories (actually since 1933), overall state appropriations for higher education in the United States have declined for <u>two</u> years in a row. (Data are from <u>Chronicle of Higher Education</u>, October 21, 1992).

All the while, there are continuing calls for higher education to do more.

In the next decade we will be sued many times in three major areas: (1) hazardous waste disposal, (2) age discrimination, and (3) sexual harassment. Also, we continue to see a growing number of reports required by federal and state agencies concerning everything we do.

Couple that with what Robert Zemsky calls "the end of sanctuary," which is to say that the public no longer feels higher education deserves any special breaks, and we find ourselves between a rock and a hard place.

I am happy to say that, just as the University of Missouri has helped agriculture adapt to changing circumstances for more than a century, this institution is trying to be in the vanguard of recognizing and responding positively to this challenging new environment.

The Chinese say, "When a tiger enters the temple, make it part of the ceremony." So, to ensure that we not only survive, but thrive, in this less-friendly environment, the university has taken some steps -- and will take more -- that I want to call to your attention.

Universities that ignore "the tigers of change" and try to continue business as usual will suffer, are suffering. That is most unfortunate because America's universities, in particular research-oriented public institutions, are irreplaceable.

Jean-Jacques Servan-Schreiber, an author and a former French cabinet member, has said:

> America's great research universities are the last bastion of Western superiority. They are developing new sciences and innovations. They are attracting top students from around the world. They are cultivating all of these young minds, preparing them for excellence. Nothing could be more essential. (from Challenges, Council on Competitiveness, Vol. 2, No. 9, July 1989).

It may be an exaggeration to call our research universities "the last bastion of Western superiority," but the point is a good one.

Pick virtually any field -- economics, engineering, medicine -- and you'll find that many of the advances were made by America's research universities. And that goes double for agriculture.

Look at this campus. Since 1870, when a School of Agriculture was established, the university has been working to improve agriculture, for Missouri, the nation and the world.

- University researchers have devoted decades to developing improved corn, wheat, soybeans, and other crops to meet the needs of Missouri farmers.

- The country's first soil erosion experiment, begun here in 1917, has helped farmers across America conserve precious topsoil.

- On my desk are small bottles of soya diesel. Did you know that soya diesel is about half as expensive as ethanol to produce?

- Our researchers are working closely with other nations, such as Kenya, to improve agriculture and the quality of life.

The list goes on and on, as Dean Mitchell and others can attest.

Certainly, business, industry, and government have helped generate these advances. But there too, the individuals who made the breakthroughs were, in almost every instance, the product (graduates) of our universities.

That is why, in a world where international competitors are increasingly aggressive and successful in high- and low-tech industries, as well as in fields such as banking, we can't afford to fall behind educationally.

I certainly don't intend to let it happen here. We have a plan that I call "The Missouri Plan" to cope with these changing circumstances. By the way, the leaders of several other institutions are studying the Missouri Plan approach. Here is what we are trying to achieve.

Our goal is to attain, and maintain, the highest level of quality we can. To that end we are reshaping and redefining the university so we can meet Missouri's needs efficiently and effectively.

This process of matching needs with resources, which I call "right sizing and balancing," is being carried out in light of our primary missions:

- generating and preserving knowledge

- disseminating knowledge

- applying knowledge

This unique combination of missions has made American land grant universities such as this one the envy of the world. But if we are to remain such, we must constantly reevaluate everything we do, we must match our money with our missions, and we must strive to be the very best at all we do.

That is why we are asking serious questions where nothing is a sacred cow:

- How can we increase sponsored research, as well as raise the quality of our research?

- As Missouri's premier public university, should we be granting more doctorates?

- Are we overproducing graduates in some specialized fields?

- Is our undergraduate curriculum all that it should be to prepare students for the 21st century?

- Are we admitting some students who are ill-prepared for the university's academic rigors?

- How many undergraduate, graduate, and professional level students should we have on each campus, and in what fields?

Answers to these and other questions will involve reducing some programs and activities and eliminating others. But given the "tigers" out there -- today's new economic, social, and political realities -- we must make such sacrifices for the greater good of this fine institution.

This process is designed to free up resources. Then those resources will be redirected, to allow us to do exceedingly well absolutely essential things, such as world-class research, that define a great university.

For example, reductions I made in bureaucracy, particularly in central administration, my bailiwick, will free a few million dollars annually. That money is being redirected to research, with faculty members on all four campuses competing for a share.

And because a great university must have the proper human and physical resources, our governing body, the Board of Curators, has adopted my five-year financial plan.

Without any additional public funds, we will generate and re-allocate $125 million to help solve many human and physical problems. It will allow the university to:

- replace scientific equipment more frequently, and otherwise encourage top-quality research

- upgrade our libraries for the information age

- make faculty and staff compensation competitive because we must compete for the best young minds in the world

- provide additional financial aid to qualified students who couldn't afford to attend the university otherwise

- carry out overdue maintenance and repair work; we must be good stewards of the resources entrusted to us

Meeting the $125 million goal required and is requiring hard choices. Positions are being eliminated, people are taking early retirement, and some programs must be eliminated. But the hard choices had to be made, and we are just beginning.

The simple fact is that, today, no university, public or private, can be all things to all people or it will end up doing nothing well. Our new chancellor for the Columbia campus, Charles Kiesler, who recently came here from Vanderbilt, understands that. We must define what is absolutely essential for a modern public university and have the courage to discontinue that which is not essential so our best can thrive, not just survive.

We, and the Board, are agreed that we aren't going to let this campus, or the university, take an easy road; we will not make across-the-board cuts and take the downhill path that leads to mediocrity.

The university is far too important to Missouri, to the nation, to the world, to let that happen. There simply is no match, here or abroad, for America's great research universities.

Institutions such as ours are of critical importance to America and its future. They do make a difference. That is why those of us who love the university, and higher education, are working so hard and taking so much heat to make the best of these new circumstances.

And that is why America must continue to invest in its universities and in human capital. For

- Knowledge is power
- Research does give us a competitive edge
- Our youth are our future

The future of Missouri is tied to the future of agriculture, and agriculture is a vital component of this university's service to Missouri. I salute the faculty, staff, and students for what they have done in the past but even more for their efforts in building Missouri's agricultural future, and I salute those in the private and public sector who support our efforts.

Yes, although the times and circumstances may change, some things remain universally true. Poet John Masefield put it well in his "Ode to a University."

> There are few earthly things more splendid than a university. In these days of broken frontiers and collapsing values, when the dams are down and the floods are making misery, when every future looks somewhat grim and every ancient foothold has become something of a quagmire, wherever a university stands, it stands and shines; wherever it exists, the free minds of men, urged on to full and fair inquiry, may still bring wisdom into human affairs.

NEW DIRECTIONS IN EXTENSION PROGRAMS

Ron Powers
Interim Director
Cooperative Extension Service

The opportunity to stimulate thought about new directions in University Extension is one that I take seriously. I hope that what I say will be accepted in the spirit of the academy, which is to seek the truth as the basis for decision making even when that truth may be at odds with the views of others.

It has been said that the future is not what it used to be. That is enough in itself to cause us to look ahead and consider how Extension can adjust so as to be relevant in the next decade. At the same time we need to recognize continuities and the unfinished agenda of University Extension. Our programs arise out of continuous needs assessments made by the people of this state. We thereby learn what the citizens of Missouri want us to attend to. In that respect we are obliged to attend both to our heritage and to future concerns.

It is sometimes said that discontinuities between the way Extension is working at the present time and the way it might work in the future cannot be resolved readily in an organization that is owned and operated by the people of the state. My answer calls for what I call purposeful incrementalism, as we attend to the priority issues of people.

Much of the discussion currently going on about the future of University Extension has ignored the basic fact that Extension is a <u>function</u> of this institution, and not an organization per se. If we were to think of it as an organization, we could become preoccupied with the idea of structure. Form should follow function, not the other way around.

There is a danger in the politics associated with the outreach function that organizational structure will be the focus of differences of opinion and the basis for decision, rather than establishing a sound vision and mission and then exploring which organizational structure would best serve the people of the state.

The system we have had in the land grant university system and here in Missouri, created by the Smith-Lever Act, still provides, in my judgment, an effective way to get research knowledge into the hands of citizens. Clearly we have had a change in the economic base of this state over the years. The economy is less agrarian, and much more complex now than earlier. The issues are equally complex. My strong belief is that people in this state want to have access to expertise from across the entire university to help them solve their problems.

Outreach to stimulate economic well-being and to improve the quality of life for Missourians has been one of the University of Missouri's three primary missions since the late 1800s. Initially established to help Missouri farms be more profitable, the agricultural extension model proved so successful that it has been applied to other areas where the knowledge of the University can be applied to everyday life.

University Extension is a proven delivery system. In Missouri we serve over a million and a half people per year in a variety of programs. It is a unique partnership among federal, state, and local funding together with, recently, substantial funding from the private sector. Extension is a catalyst for individual and group adoption of new ideas, new practices. It is a system that has consistently demonstrated a high rate of return on public investment.

Issues

The issues that define our future direction have been identified by the people of the state through a variety of means including periodic needs assessments that involve many hundreds of people at the county level. Lists are summarized by region and eventually we try to put together a framework for what we do at the state level. We are currently involved in seven initiatives as our major thrusts in Extension. Those initiatives include agricultural profitability and viability; building family and individual strengths; building human resources (with a focus on leadership development); business, community, and economic development; enhancing health and nutrition; environmental quality and stewardship; and youth development. The programs that actually take place are determined primarily at the county level, by advisors or other program planning committees. It has been a kind of iterative process involving local people, regional specialists, and state specialists. We are a customer-driven organization. In another sense we are owner-operated. The people who pay the taxes to support the organization feel very much that they own it and are partners in operating it.

Several factors have impacted on our capacity during the last decade to carry out our programs. Some have enhanced our capacity; some have constrained it. I mention only a few. A constraint shared by all higher education is the failure of federal and state appropriations to keep pace with the higher cost of doing business. That has led to another constraint, one we do not always communicate well, a 29 percent reduction in the number of field-based professionals and a 21 percent shrinkage in Extension faculty positions. Unfortunately, expectations as to what we can deliver have not been reduced proportionately.

At the same time, we have had a substantial growth in continuing education, which is basically fee-supported. We have had a dramatic increase in the amount of grant and contract support for carrying out programs. Almost 20 percent of the work we are now doing in University Extension is supported by external funds received from federal and state agencies, private foundations, and other sources. We expect

the uptrend to continue and we will have to be aggressive in seeking outside funds if we are to sustain anything close to the current level of programming.

Another enhancing factor has been the acquisition and utilization of electronic technology. We have made rapid strides in computers, VCRs, satellite television systems, and the like. That is the good news. The bad is that in order to make that electronic system really work for us, we must not only continue to add hardware and software, but invest in people who know how to produce the information that goes into the various electronic forms. That is a costly task. We are attending to it as rapidly as we can reallocate funds.

Use of new communication media requires modifying the culture of not only customers, but also of the people who work with and for us. Few of us have an overwhelming desire to receive information by television or by computer. A certain number of people get excited and very much involved in electronic communication, but most of us hesitate to make that change as rapidly as we might. So we have to adapt the delivery system to make it more acceptable and user-friendly -- friendly to not only our customers but our own staff. That means high quality performance!

Currently, Congress is considering establishing a national industrial (manufacturing) extension program modeled after Cooperative Extension. University Extension is well-positioned in Missouri to organize the educational network for this proposed system of technology transfer for manufacturers -- a sector that makes up 22 percent of the Missouri economy.

Congress has also provided some funding for Urban Extension. The University of Missouri System, with its two urban campuses and experience in urban extension programming is well-positioned to utilize additional resources for educational programs in the urban areas.

Mission

The mission statement we have in Extension, approved by the Board of Curators in March 1992, has the following key language: "...the primary purpose of University Extension is to serve Missouri by extending the research-based knowledge and problem-solving resources of the Univer-sity of Missouri system to people throughout the state." That statement guides how we do a number of things, and it acknowledges the need to provide access to the whole university, all of the campuses, including Lincoln. The statement makes it clear that Extension is a market-driven, customer-oriented function, and that local people are to be involved in determining the scope of the program offered in local areas. Potential audiences cut across all segments of the population of the state. The statement affirms that we are a federal, state, and local partnership. The implication is that each partner has input, but no one partner totally controls what happens.

In the environment in which Extension finds itself, with its resource constraints and manifold issues to be dealt with, flexibility is needed, so as to redirect resources toward critical issues. Water quality, youth at risk, as examples, are issues requiring that we have access to knowledge wherever it may be found in the institution, and that we be able to put the tools together effectively. In my judgment, the flexibility we need will not be achieved well if we stay within the traditional structure of Extension. I know from experience that the fundamental units in any institution tend to resist change. We need to find ways to break out of old molds.

Extension must be capable of addressing problems of the day, whether they be rural or urban. We will need new organizational forms and management patterns. The review of the new unit form in the College of Agriculture, Food and Natural Resources, presented earlier in this seminar, refers to new centers, institutes, and other arrangements now being used, particularly in research. We need to follow a similar pattern in Extension -- it is one of the future directions we will take. It makes for a more fluid operational system; we have to have that flexibility.

In brief summary, what we want to see in the future is a University Extension that is perceived by the people of our state as a premier resource for enhancing and maintaining their social and economic well-being. We want to be on the front edge as to delivery system. In that regard, it is sometimes said that we can eliminate a lot of staff personnel because we have the electronic highways for delivering information. Those highways provide us an advantage, but I must add that I cannot conceive of an effective Extension Service as one in which offices are simply an installation for delivering information electronically. Our success has been in our ability to help people understand and apply the information they receive. That is the heart of education. Delivery as such is only a library; Extension is involved in something more, what we call education. We know we must update, and we also believe the issues we are working on hold meaning to the citizens of the state.

NEW DIRECTIONS IN RESEARCH PROGRAMS

Roger L. Mitchell
Dean
College of Agriculture, Food and Natural Resources

The Missouri Agricultural Experiment Station was established in January 1888, under the provisions of the Hatch Act passed by Congress March 1, 1887. Agricultural Experiment Station Bulletin No. 1, published in March 1888, included this purpose of the law:

> To aid in acquiring and diffusing among the people of the United States useful and practical information on subjects connected with agriculture, and to promote scientific investigation and experiment respecting the principles and application of Agricultural Science.

Today, less than three percent of the nation's population is involved in production agriculture. However, 90 percent of the land base is under the management control of farmers, and the rest is in the hands of closely allied natural resource managers. Finally, the entire population is concerned about maintaining abundant supplies of high quality and safe food.

Thus, the research programs of the State Agricultural Experiment Station System have evolved and expanded to reflect the changes in the structure of the U.S. economy and the U.S. farm sector, as well as the growing public awareness and concern about the quality of the environment.

The Missouri Agricultural Experiment Station currently operates under the following mission statement:

> The state agricultural experiment station is responsible for doing problem solving research that helps the state's citizens make the most effective use possible of the state's natural resource base, including its people resources, in competing in an increasingly global economy and meeting our obligations as global citizens.

Three major themes can be identified to suggest the scope of research responsibilities:

- Food system
- Natural resources
- Quality of life in rural America

To address those challenges that project the agricultural research agenda into the 21st Century, it is clear that the following new directions are needed:

- An accountability that leads to interdisciplinary efforts
- Increasingly diversified funding sources

- Intensified social responsibility
- Biotechnology
- Research/graduate education/outreach -- a new synthesis

Accountability Leading to Interdisciplinary Efforts

All signals emphasize that the breadth of our constituency is increasing. The public demands not only that we be effective and accountable in the use of the fiscal resources provided, but also that we develop research agendas based on a broad review of societal concerns.

The past two or three decades have seen the rise of a disciplinary, departmental focus within colleges of agriculture. Research that results in refereed journal papers has become the coin of the realm. The journal paper will continue to be an important dimension of scholarship. The "principles and application of Agricultural Science" can begin there. But there will be a requirement for more -- for activities such as a tourism center or a forage-livestock team -- that will address accountability beyond the discipline and become an absolute, not just a desirable, dimension of agricultural research.

Accountability will also include multistate cooperation in greater depth than ever before. Scarce resources will require sharing beyond state boundaries, not just as informal "spillover" effects that have always justified a federal investment in state based research, but a structured, cooperative venture.

A five state consortium (Arkansas, Kansas, Missouri, Nebraska, Oklahoma) where teaching, research, and extension would be shared (e.g., Arkansas broilers, Missouri turkeys) will become the necessary step in many areas of the research and related teaching and extension enterprises.

Funding Sources Diversified

From 1888 to 1940, the Missouri Agricultural Experiment Station was funded 50/50 by the federal and state governments. During and immediately following World War II there was a surge of state investments and the decade of the 1980s saw a further drive for state investments to push even farther past the federal partner. The federal partner is now less than 20 percent of the total annual station expenditures.

Cascading over these federal and state investments, competitive grants began in the 1960s, intensified in the 70s and 80s and now often represent 40 percent of the station budget. In addition, expenditures by industry have become a factor, but are usually less than 10 percent of the total budget.

Most recently, commodity checkoff funds have become a significant source of agricultural research funding; these funds are growing rapidly through recent referenda and will be a major source of research funding in the next two decades. This funding diversifica-

tion demands that our planning and interdisciplinary efforts be done with increasing creativity and skill. Outside forces will help set the agenda; agricultural scientists will need to address research needs carefully in order to maintain a balance and longevity for the knowledge generated. This diversified funding can be and is invigorating when properly managed. And with all this diversity of funding, I see no evidence that any one agency or interest group controls the research agenda.

Social Responsibility

Water quality, food safety, and animal welfare are current issues that readily describe the agenda generated by concerns for social responsibility. We can no longer assume that abundant food at a reasonable cost will be acceptable to our consuming public. We will be asked, "Should you be doing that research?" Past generations of scientists have dealt with these challenges, as noted by the vivisectionists in Darwin's time (mid 1850s) but the past several decades have been ones where the benefits of science were rarely called into question. That has changed; we will all be challenged to explain fully the costs, benefits, and potential drawbacks of the research we do.

At the same time, we realize that one need only look at the population growth in the world to recognize the need for new technology to match population growth against a finite natural resource base. Luther Tweeten (Ohio State University) recently cited the fact that without the new technology generated since the 1950s we would need twice the crop acreage to produce our present food supply. There is not twice the land available and the portion that is, is fragile and erodible. Sustainability will be well served by new technology. Our social contract will require that we explain carefully what we plan to do and benefits that will follow.

Biotechnology

Our new knowledge of recombinant DNA is a tool that promises to invigorate the research agenda in many ways. It will be an additional tool, not an exclusive or singular tool, to enrich our capacity to generate plant and animal material that is more tolerant of biostresses, resistant to disease and insect attacks, and makes possible the more rapid development of agricultural raw materials with unique feedstock traits.

Even as biotechnology can be of such a benefit to some of our challenges regarding environmental concerns, explaining it to our consuming public will be a major undertaking and will require the best and most imaginative efforts of the entire agricultural research community and colleagues in teaching and extension.

Quality of Life in Rural America

An agricultural research agenda, as noted above, includes consideration for the total food system, natural resource management,

and quality of life in rural America. Our agricultural research establishment has the capacity to address the policy issues and carry out the research and outreach that would serve to enhance that quality of life as change continues at a rapid pace across the rural landscape. The impact of individuals, families, and communities will necessarily be addressed in our research agenda. We need new models and new approaches, and issues such as health care delivery in rural settings, distance learning, and job generation are examples of the agenda we must address. Dr. Ratchford has noted his hopes for RUPRI. I too see it as a unique and promising contributor to developing policies to enhance the quality of life in rural America.

Research/Graduate Education/Extension -- A New Synthesis

Finally, the agricultural research agenda, most especially in a public research land-grant university, has the unique capacity for knowledge generation, human capital augmentation, and application through outreach. Thus, a research-graduate education-outreach paradigm, present in the past but essential in the future, will serve to package these three elements of the land-grant institution into a cohesive, efficient, and creative mode. By joining them together we will most effectively address the preceding agenda items and will constitute that unique feature of land-grant universities that can distinguish them from all others, continuing our commitment to provide our society with a service that can "aid in acquiring and diffusing among the people of the United States useful and practical information."

RESEARCH-EXTENSION PERSPECTIVES -- I

Brady Deaton
Social Science Unit Leader

Before the College of Agriculture, Food and Natural Resources was converted to the unit system, three and a half years ago, it had 17 departments. The 17 were collapsed into six academic units, plus Extension Information. I will confine my remarks to the Social Science Unit.

One objective in the reorganization was to achieve actual and potential savings in administrative costs. I would emphasize the potential. Savings were seen in the long run from streamlining the organization of the College. The change would also free up the faculty to some extent as there would be less contact time for each faculty member with his next-in-line administrator. On the other hand, the change left some departments feeling more distantly removed from the office of the Dean.

However, the major objective Dean Mitchell enunciated when he instituted the plan related more to cohesive development of research and extension programs, greater responsiveness to the public, and drawing on the resources of the university more broadly for addressing critical problems facing society. So the unit structure as a whole was designed to emphasize interdisciplinary research, to emphasize budget flexibility, to use resources across departmental lines more effectively, and in the long term to enhance the quality of education.

That is what we have been dedicated to the last three and a half years.

Our Unit includes the departments of agricultural economics, rural sociology, agricultural education, and community development. In recent years there has been interest in developing "centers," and we have the Food and Agricultural Policy Research Institute (FAPRI), the Rural Policy Research Institute (RUPRI), the Center for Sustainable Agriculture that John Ikerd heads, a center for International Trade Education under Maury Bredahl, the management systems in economic areas, and basically the water quality project.

The question of water quality has come up several times at this seminar and I want to explain that not only our unit is working on it but we are working collaboratively with essentially every other unit in the College. We are giving a lot of attention to that topic, and the work has been organized along with the Center for Sustainable Agriculture into a new Systems Analysis approach that cuts across most of the units in the College of Agriculture. We also have a farm dedicated to sustainable agriculture, the Ross Jones farm.

With regard to our Unit's becoming more integrated and doing its job more effectively, I have already mentioned budget flexibility across departments as a distinctive gain from the unit structure. We look at those characteristics of projects and initiatives where faculty within the unit, across disciplines, can work together. They can offer new courses; and, in the case of research methodology, three courses have been consolidated into one course. Some funds have been freed up for other purposes including some extramural funding and research-extension initiatives. Our unit has been very successful in generating extramural funding to support our research program, and a great deal of that has been made possible by the integration of several departments into a Social Science Unit.

One objective was not just to gain cohesion and focus within the disciplines in the Unit, but to work across unit lines within the College. For example, Dr. Vogt and I have been trying to create a center for tourism, working jointly with the Natural Resources Unit. We have had a major thrust in the international arena. We have comparative research going on, principally out of rural sociology, comparing our rural community structure and change and leadership with that in two republics of the former Soviet Union.

I have tried to highlight in these remarks several issues that have come up for discussion during this seminar which draw on the theoretical and analytical skills in our Social Science Unit and which will be in our plan of work for the future. Water quality, for example; value added processes; risk analysis; externalities or the non-market aspects of decisions of families and communities -- so important to public policy.

I have mainly cited examples of how we use our resources to achieve what Dean Mitchell had in mind when he reorganized the structure of the College. I think we can document successes in research and extension as well as in our classroom teaching.

RESEARCH-EXTENSION PERSPECTIVES -- II

Gary Allee
Animal Science Unit Leader

As we went into it the unit structure had little impact on animal science. Animal science had previously incorporated poultry. The curriculum had been combined with poultry science and dairy science. The biggest change was that dairy science was added to my administrative responsibilities.

Dr. Deaton has explained the objectives of unit structure. I add that we in animal sciences can document savings from going to unit structure. We do not have a department head for dairy. As we combined our personnel people we saved a position or a position and a half.

I think one of the big advantages has been that the unit structure allows us to coordinate activities, and to participate more in systems research and interdisciplinary research, both of which will become more important in the future. It allows us to discuss matters of common interest without worrying about department loyalties. I have found this to be true as I have interacted with Brady Deaton on several issues.

Some of the issues we address in the College are controversial, and I think it is acceptable for a university to be involved in controversial issues. Dr. Russell mentioned the environmental issue, and I regard it as one of the most important ones to agriculture generally, and to animal agriculture. I think there are misconceptions that some of the large operators in animal agriculture are the big violators of current rules. In my observation, at any place in the world where environmental rules are imposed, the more dramatic effect is on the smaller producer.

I think we need to set up experiments where we can look at how we can best manage agricultural production and utilization processes and how we can continue to operate in an environmentally safe manner. I am sure we gain in capability to look at some of these matters when we join our disciplinary resources together.

Do you know that waste management for dairy operations is not much different from waste management for a swine operation? If solid separators are put in a dairy operation, they will likely be put in a swine operation.

Forages are important to the state of Missouri. We can readily study their conversion to animal products in our Animal Science Unit, and we can also work together with plant science and agricultural economics.

Dr. Russell mentioned that our university should be devoted more to graduate education. He emphasized outside grant funding. In Animal Science we have increased outside grant support 400 percent in the last five years.

We are interested in issues that we regard as critical to all of society, including the impact on the environment, impact on adaptation of new technology, food safety, many others. If we think about those issues we can see how they cut across all units. Our unit structure has allowed us to interact better in addressing some of those social issues.

We have not accomplished all the interaction we had hoped for. I have gone through five budget years here at the University of Missouri and each year I have had less money to work with than the year before. If we could stop worrying one of these days about the alligator that is grabbing at our behind, we would be able to devote more effort to achieving the interactions and showing more accomplishments via our unit structure.

RESEARCH-EXTENSION PERSPECTIVES -- III

A. R. Vogt
Director, School of Natural Resources

My subject is the impact of the reorganization of the College of Agriculture, Food and Natural Resources on the School of Natural Resources (SNR). When the reorganization occurred, the School of Natural Resources existed as an academic unit within the College. Our budget was centralized through the Director to include Forestry, Fisheries and Wildlife and the Department of Parks, Recreation and Tourism (PRT). Much of what Plant Science, Social Sciences, and Food Science/Ag Engineering faced as major organizational changes was not perceived as changes by SNR.

At first blush it might therefore be concluded that the new organizational structure has had very little impact on the SNR. Not so! Reorganization has had a major impact on the School.

When the Dean loosened the traditional structures of the College, faculty in two disciplines asked to become part of the School of Natural Resources. They were Soil Science with nine faculty members and Atmospheric Science with five.

Eventually, these disciplines have coalesced to become a Department of Soil and Atmospheric Sciences in SNR.

The Cooperative State Research Service (CSRS) review report of a 1990 comprehensive review of SNR included the following:

> The potential of the newly-organized School of Natural Resources is truly remarkable. Within the land grant system there are no other units with the breadth of scientific capability in natural resources to be found in the School. The close association with the Department of Atmospheric Science is very unusual and the voluntary association of several soil scientists with the School creates a wonderful setting for moving ahead into the challenges of global to environmental issues that face Missouri and the Nation. There is great enthusiasm for the future of the School. However, this future depends directly on institutional support and the efforts of the faculty. Having interacted with both, the review team believes great results are to be expected.

Obviously, the reviewers envisioned new opportunities in the unique aggregation of natural resource disciplines in the School. Since the time of the review, we have been involved in intensive long-range planning. One goal included in the current draft plan will be supported strongly by the new composition of our School, associated with the realignment of the College.

The School's faculty has established a goal to increase integration among diverse specializations within natural resources and related fields, while maintaining strong disciplines. To address this goal faculty members have in process a complete revision of all curricula and broadening of project areas to include the biological, physical, and social sciences. Issues to be addressed include soil, water, forests, and atmospheric natural resources.

The School's involvement in an issue-orientation in Extension and research includes:

- Wetlands Management -- soils, wildlife, animal science
- Water Quality -- soils, limnology, fisheries, agronomy
- Agroforestry -- soils, agronomy, animal sciences, forestry (silviculture), wildlife
- Tourism -- social science, food science
- Global Environmental Change -- fisheries and wildlife, forestry, U.S. Fish and Wildlife Service, atmospheric science, National Park Service
- Landscape Management -- geography, forestry, National Park Service, Forest Service, soils, recreation, horticulture, social sciences
- Integrated Farm and Natural Resource Management -- forestry, wildlife, fisheries, entomology, and animal sciences

Most of the above interdisciplinary programs are underway.

Summary

Reorganization of the College into Units provided an opportunity for the shifting of two formerly agricultural disciplines into the School of Natural Resources. This infusion of expertise has given the School's faculty the opportunity to more efficiently and holistically develop interdisciplinary research, teaching, and extension to better address natural resource management issues.

RESEARCH-EXTENSION PERSPECTIVES -- IV

Bill Stringer
Food Science and Engineering Unit Leader

Let's admit that not everyone is happy with unit structure. Agricultural engineers say, "We aren't food scientists." That is true. But I want to assure everyone that agricultural engineering is still a department. We have not reduced the number of curriculum majors in our combined Unit.

About the time of the reorganization of the College two Deans approached me with the proposal to merge the department of human nutrition and foods with the department of food science and nutrition. I'm not sure what may lie ahead but we continue to grow. However, I not only have Roger Mitchell as a Dean but Bea Smith in the College of Human Environmental Sciences.

With regard to research and extension perspectives, one of the consequences of unit structure is that it has caused us to focus more on extension and on research. In our Unit, it has been a thrill for me once again to be more active in extension. Food science and nutrition had never had many FTEs in extension and none in the field as such, and now it is exciting to work throughout the state in extension, with our food and nutrition specialists and our agricultural engineering specialists.

When the new unit assignment came, my first thought was, "Will I have to know how to run terraces and weld?" I want to make clear that the engineers on our faculty do not do those things. I do not know who actually runs terraces now. We do have a welding class for vocational agriculture students.

I can also report that in the area of food science and nutrition, and especially in extension in that field, we have moved out of the recipe mold and are dealing with how nutrition relates to health and welfare of citizens in our state.

Gary Allee observed that it was easy for the Dean to put dairy, poultry, and animal science together, and to make some of the other combinations into units. Some persons say that Dean Mitchell found he had food science and engineering left, so he just lumped them together. I do not believe that. In several areas food science and engineering were already working together. We have an area we call food processing and engineering. It involves the more traditional components of food science such as microbiology and chemistry and we combine them with electronics; what we do involves food, and involves engineering. Agricultural engineering is still engaged, of course, in traditional fields such as irrigation, crop handling, crop drying, electricity, electronics. I have to mention as a current topic, soy diesel. We are working with a couple of members of the Social Science

Unit to bring soy diesel to the forefront. A lot of interest has arisen in developing uses of agricultural products in ways that are non-traditional, particularly for food.

We are involved with natural resources and the environment from an engineering standpoint. We are active in the Commercial Agriculture program. In swine and dairy task forces. In waste management and structures. In water quality (our extension man working in water quality can get grants rather easily because everyone is concerned as to what we are going to do about water quality). In soil conservation. We can do a lot of work bearing on the engineering of soil conservation.

Relative to the area of nutrition, in the forefront today is the cellular area, where we have three FTEs working. Two or three FTEs are in minerals and fibers, and in endocrine regulation as it relates to nutrition. These are examples of research. Our nutrition extension is a little more traditional.

CONFERENCE SUMMARY AND ISSUES UNRAISED

Harold Harris
Interim Program Leader, Agricultural Policy
Extension Service, U.S. Department of Agriculture

This was a great seminar. It presented a lot of food for thought. I will not say a lot about the second day's discussions -- about changes going on in land grant universities, including the University of Missouri, other than indicate my agreement with Brice Ratchford when he calls the situation a crisis. There's a similar crisis everywhere.

Each school will have to develop its own solutions, its strategic plan. We are engaged in doing that at my home university, Clemson. A few land grant universities will disappear. They may still be called land grant but will have departed from the land grant mission. Some probably have already done that, including some in neighboring states. I hope the University of Missouri and Clemson University are not among those that will lose their land grant character.

However, I will touch on two thoughts that came to my mind. One relates to the question about the fifth campus for the University of Missouri. I thought Ron Powers made an excellent response. Two schools in which agricultural extension was removed from the university are the University of Georgia and, apparently, the University of Maryland. By being viewed as separate from the university they became targets for budget-cutting by an aggressive Governor. In both cases, the reductions were the largest taken by agencies in the two states.

Another situation that I find ironic is that when, in Washington, I explain our land grant system to foreign visitors, the response I

get is, "Heavens! If we had a system such as that, how could we fail?" The irony is that others are trying to emulate our system even as the system in our own country finds itself in serious trouble.

I will summarize a couple of key points made by each speaker, then add some observations on what I sensed as common themes. Harold Breimyer told us that history is important, that we need to learn from history. Too often we don't learn the history of our farm policy. For example, some of the mistakes we made with the Conservation Reserve Program in its first years were the same ones we made with the Soil Bank. Breimyer gave us some philosophical pillars on which farm policy is based, such as that society will help landowners pay for protecting our resources and will help with financial risk. Those philosophical underpinnings are somewhat in question as the structure of agriculture changes and as the image of agriculture changes.

The question of the nature and the degree of sharing between society's and property owners' responsibility came up several times during the seminar.

Keith Bjerke talked about the need to adapt our delivery mechanism to the 21st century. He raised some questions about how government measures its efficiency. He talked about the fact that the technology base for delivery programs must be in place alongside the organizational efficiencies. Bill Richards from SCS also stressed delivery systems and the technology that is needed to deliver conservation programs in this day and time. He particularly stressed that the voluntary nature of conservation is at issue.

Before Chuck Conner rambled off into political discourse on the structure of the USDA and the example of Bell county, Kentucky, he offered a couple of important ideas such as that agriculture and the agricultural lobby often ignore the important issues and spend their time worrying about trivial matters, such as whether a target price should be two cents higher. He said too that agriculture will likely face a greater challenge with the new Congress than with the Executive Branch of the new Administration.

Gene Moos echoed that point of view. Moos concentrated on changes in the Congress, not changes in the White House and in the Executive departments. When I listened carefully I detected a pessimistic note in Moos's remarks. He is optimistic about getting a breakthrough on GATT. But he added that in the short and intermediate term export programs will be reduced, that agricultural prices are now down, that government support for agriculture is going to be reduced, that more land is likely to be taken out of production in ACR programs, and that there would be more government interference in agriculture. All this, taken together, seems to me to be rather pessimistic.

In the state-level panel, Russ Mills of SCS made the important point that we need to balance economic and natural resource management. Morris Westfall said we should apply at the local level the

principle recognized at the national level, namely, that we need efficiency in organization and efficiency in our operating programs. The statistics he presented on what it takes to deliver programs in Missouri were helpful. Don Wolf said farmer groups need to dialogue with other effective interest groups such as those interested in the environment. I think he is right on target. Jim Russell, the agribusiness representative on the panel, talked about some of our conflicting programs and goals. We know conflicts exist. For example, if price supports are too high, exports will be reduced. He said we need to unleash the productive potential of this country. John Sanders, the farmer representative, reminded us that the term government resources really amounts to taxpayer resources. He said the new faces in Washington would have the same or maybe fewer resources to work with. He is partially right.

A friend in Washington recently commented to me, "When the Republicans arrived 12 years ago, there were bright young faces among them; and whether we agree with their ideology or not, they were good people." She was talking about mid-level people who run the government. They stayed an average of a year and a half. "The ones who are here now have the ideology but pretty dull eyes. All the smart ones have gone off to make their millions." There may be some truth to that; maybe Administrations retrogress. I don't really know.

Sanders talked about the role of USDA and asked whether it is a farmer agency. I could question whether it has been that for the last 30 years. He talked about property rights and suggested that in commodity programs, government support is likely to be just enough to buy conservation compliance. He also referred to a subject that came up again later. Not agricultural (farm bill) policy but water policy will force regional shifts in production nationally. They could lead to some opportunities for Missouri, and for my region as well. They might not be in vegetable crops but in some medium-value crops such as cotton.

I now turn to the recurrent themes touched on by virtually every speaker. One is that things are going to be different. We are going to have change. This may be partly organizational.

I was amazed that every speaker focused on, and honed in on, environmental issues. Two other topics are somewhat related: the fact that agriculture and institutions representing and supporting agriculture need to lobby with a unified voice; and the need to market our programs better.

Another issue that came up several times was the complexity of programs and regulations that we deal with today. Many agencies are involved in drafting and implementing these regulations, and many constituencies are affected.

Much of what was brought up about the environment relates to the extent to which we are going to continue to rely on the carrot for environmental protection, versus the stick. I think this is a key issue.

Not until late in the session did the issue come up about how agriculture's relationship to environmental measures bears on the health of the farm economy. Farm commodity prices are lower than a year ago and farm income is in its third year of decline -- although the decline began, admittedly, from nominally record levels. Farm land values, and the underpinning of equity, have improved significantly from several years ago but are not as strong as bankers would like them to be. In the mid-1980s we had a combination of high interest rates and low commodity prices, which resulted in a farm financial crisis. I wonder if it is too far fetched to suggest that it is possible that we will have a combination of a regulatory situation with respect to the environment and conservation, and low prices, that could put us in a bind similar to the earlier ones. I am not fore-casting gloom and doom but I think the possibility is there. Farmland values do indeed help underpin equity in agriculture.

I now turn to lobbying and marketing. Effectiveness of lobbying: I could not agree more that that is the name of the game when it comes to getting what one wants from the government. When a group lobbies, it needs to remember to be honest, because if it is not, it loses credibility. The aides to Congressmen are perceptive and they know whom to listen to -- who shoots straight.

Harold Breimyer could have gone back farther in recounting the changing political representation in agriculture. The Grange with its concern for anti-trust was eventually followed by the Farm Bureau and other general farm organizations, which in turn were overshadowed, perhaps, by commodity groups. Now the commodity people may be losing some of their clout. The point was made at this seminar that we need a more unified focus for agriculture as a whole. Maybe it is time to move back and think about how to organize a lobbying effort to talk about the general self-interest of agriculture. For the commodity groups are always playing one off against the other. The only exception is the corn growers who are 150 percent for the sugar program.

Marketing of our programs: members of the panel at this seminar representing the University of Missouri were marketing their programs to funders and users. They did it well. We do need to tell people what we are doing that is good. But the question keeps coming up, how do we measure what we are doing well? ASCS got stuck with the measure of the administrative dollar spent relative to the dollars doled out. How foolish can we be? Because commodity prices are lower this year, deficiency payments will be perhaps 25 percent higher. By the ratio figure, every ASCS office is going to do 25 percent better. Congress sets what the deficiency payments are going to be.

The SCS is improving its efficiency measures: Russ Mills says the agency will measure something other than miles of terraces. The agency quotes data on tons of topsoil we are saving. The statistic is appropriate, yet I have serious question about where the numbers come from. How accurate can the published numbers be?

The University has similar problems. One statistic is how many students graduate in five years. Yet the biggest problem is how to measure the performance of Extension. Extension plants ideas that may lead to all sorts of actions, such as building terraces, or to a better environment or a better society. Yet Extension is stuck with measuring contact hours, which do not reveal effectiveness of educational effort. Extension probably has more trouble than any other public service to agriculture in presenting its case to Congress as to its worthwhileness and productivity. Really, only the users of Extension can attest to what Extension is accomplishing.

Another aspect of marketing relates not to the funders but to the users. This is especially applicable to SCS. Bill Richards brought it up. He talked about taking government money and hiring professional consulting firms, and developing slick publications, and involving the farm press. Also suggested is that private firms contribute toward publicizing the benefits of some programs. My reservation is whether we have solid data by which to back up what is said about economic and environmental trade-offs that are going on.

I turn to complexity, which is related to reorganizations: "let's simplify, let's put people together." Mr. Bjerke and Mr. Richards talked about problems of horizontal communication and coordination in the USDA. Other speakers touched on similar problems at the state level, including cooperation with the university. I believe what was said, but if I have learned one thing in the USDA it is that coordination is present at the <u>middle</u> level. The middle level bureaucrats put programs together. I serve on five or six work groups, some of which involve as many as 10 different agencies. We work together very well.

What was left out in this seminar? Not much. Some issues were only mentioned -- for example, I think farm labor is going to be an issue in terms not only of how migrant labor is treated but exposure to pesticides, and such. I was surprised that more was not said about structure of agriculture.

In January 1993 the Economic Research Service of USDA will release 75 two-page issue leaflets that involve agricultural policy. Almost all the topics covered in those leaflets were mentioned at this seminar.

I agree with what several speakers implied, that the key issues affecting the future of agriculture lie outside the 1990 farm law and traditional agricultural policy. In fact, the long-term impact of some of the traditional policy tools may have been negative or detrimental to the welfare of the agricultural sector, and to the environment. I think that the key with respect to the new Administration and new Congress -- where the heat may be put on -- should be on insuring a healthy domestic and world economy. I have enough faith in citizens and the political process to believe that it will be better to fund the investment part of our society -- human development, education, health -- rather than spending the money for prisons and police forces. Maybe my faith is misplaced but it is necessary to hope.