

Farm Policy Perspectives: Past, Present, and Futureⁱ

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Surprisingly, I was asked by the Food and Agricultural Organization (FAO) of the United Nations to write the North American policy paper, in recognition of the International Year of the Family Farm in 2014.¹ I questioned whether the FAO actually wanted me to write the paper because of my non-conventional views of American agriculture. In the process of writing the paper, however, I discovered that much of the rest of the world is awakening to the failure of so-called modern agriculture. They see the values of the “traditional family farm” as being essential for the sustainability of agriculture. The United States, Canada, and Australia have found few allies in their efforts to promote industrial agriculture as the only means of avoiding massive global starvation.

Some time ago, I came to the conclusion that revolutionary changes in US farm policies will be absolutely essential if there is to be a future for family farms in the US. The only logical justification for government policies unique to farming is to ensure domestic “food security.” Foreign trade and renewable energy policies are not unique to agriculture. In addition, policies that benefit specific constituencies, including farmers, to the detriment of society are not legitimate “public” policies. In addition, we are in the process of discovering that long-run “food security” ultimately depends on “food sovereignty,” which defines food security as a basic human right. The future of family farming in the US depends on returning farm policy to its fundamental purpose of serving the common good.

Farm policies of both the past and today are routinely defended politically as being necessary to ensure that everyone has access to *enough good food to support a healthy, active lifestyle*: the official definition of “food security.” As most people around the world have always known, or are learning, market economies simply will not ensure food security. Markets will only provide enough good food for those who have enough money to buy enough good food. Food security means that all have enough good food, regardless of whether they have enough money. That is why virtually every nation in the world has some kind of farm policy, and that must be the priority of US farm policy.

The historic strategy for food security in the US was to keep enough farm families on the land to produce enough food for everyone in the nation. Family farmers historically were committed to caring for their land and their communities. Government farm programs in the US were established during the Great Depression of the 1920s and 1930s – while the US was still an agrarian nation. These early farm programs were but one aspect of the so-called New Deal of the 1930s, instituted by President Franklin Roosevelt. The New Deal included a wide range of government programs to address growing economic and social inequities. Government subsidies for farm families at that time also provided badly needed income to people in rural areas, helping to preserve a way of life for farm families, as well as providing economic stability and food security for the nation.

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The focus of US farm policy shifted over time, particularly during the 1960s and early 1970s, from preserving family farms to promoting agricultural productivity. Mechanical and chemical technologies emerging from World War II fundamentally changed American agriculture. Farms powered by horses and solar energy gave way to farms powered by tractors and fossil energy. Cheap nitrogen fertilizers and pesticides encouraged farmers to abandon crop rotations and diversified crop and livestock farming as the means of managing pests and maintaining soil fertility. Farms were being transformed into factories without roofs and fields and feedlots into biological assembly lines.

A more efficient agriculture would allow lower food prices, making adequate quantities of wholesome and nutritious food affordable for everyone. We no longer had to depend on the social and ethical values of farm families for domestic food security; we could rely on impersonal markets instead. The farm policies chosen for achieving this objective were designed specifically to facilitate and promote the industrialization of American agriculture. Agricultural research and education at Land Grant Universities was also shifting from a pre-war focus on empowering farm families with education and information to developing and promoting industrial agricultural technologies.

Many people associate industrialization with the transition from an agrarian to manufacturing economy. However, industrialization is more accurately defined as a mental model or paradigm for organizing and managing resources – land, labor, and capital. The rural to urban migration of the 1900s was simply a consequence of economic industrialization. The fundamental strategies of industrial organizations, including industrial farming operations, are specialization, standardization, and consolidation of control. Specialization facilitates division of labor – allowing each person to do fewer things better. Specialized functions then must be standardized so that each contributes its part to a coherent production process. The standardized functions can then be simplified, routinized, and mechanized, allowing consolidation of control into larger, more efficient production units. In market economies, profits provide the motivation for industrialization, which greatly facilitates the process.

Specialization in farming led to simplification and mechanization of many production processes, allowing farms to become larger and thereby achieve the “economies of scale” associated with industrial production. A more efficient agriculture, with larger farms and fewer farmers, *freed* unneeded farmers from the “drudgery of farming” to work in the factories and offices of the growing industrial economy. This transition from small family farms to large commercial farming enterprises was generally accepted as a logical consequence of farm policy, even if not its explicit objective. Larger farms would make the nation both more food secure and economically secure.

Supported by new industrial agricultural policies and technologies, US agricultural production eventually expand to well beyond needs for domestic food consumption. The focus of farm policy then shifted from production for domestic markets to producing for export markets. The justification for export policies then was to provide domestic food security by maintaining an agricultural trade surplus in global markets. The US could import cheap foodstuffs from other countries while exporting agricultural commodities. US farm policy became closely linked with US trade policy. The official US position on agricultural trade has since been to push for “free markets” – through the General Agreement on Tariff and Trade (GATT), the World Trade Organization (WTO), the North American Free Trade Agreement (NAFTA), and other bilateral and regional trade agreements.

US farmers were told, and continue to be told, they have a moral obligation to expand production in order to help “feed the world.” They are told that growing global food demand will challenge their ability to produce enough food to avoid massive starvation in the future. However, the US biofuels policies² of 2005 has begun to cause many people to seriously question the proclaimed commitment

of US agriculture to providing food for the world's poor and hungry. The biofuels mandate has resulted in 40 percent of the US corn crop in recent years being devoted to ethanol production.³ How can agriculture be committed to production food for world's poor when a significant portion of total production potential is diverted to producing fuel for the world's affluent. The biofuels program has only served to accentuate the fact that the emphasis of farm policy is now on agricultural productivity and economic efficiency rather than either domestic or global food security.

By focusing on productivity and economic efficiency, policy makers have lost sight of their public mandate to ensure domestic food security. Every major farm program in the US since the New Deal era, in one way or another, has facilitated, supported, and promoted specialization, standardization, mechanization, and consolidation in American agriculture. Price supports, deficiency payments, crop insurance, and disaster payments, all reduce the risks associated with specializing in producing one or a few basic commodities. Without such programs, a diversity of crops and livestock enterprises would be essential to manage production and market risks, which would also help maintain the ecological health and natural productivity of the soil. Grades and standards facilitate standardization and routinization of production for mass markets. Subsidized credit, investment tax credits, and accelerated depreciation of buildings and equipment encourage mechanization and consolidation into larger production units.

Even the antitrust laws specifically intended to maintain competitive markets for agricultural commodities have been abandoned to allow agribusiness corporations to achieve "economies of scale." Increasingly control of agriculture is now being consolidated into a handful of giant, multinational, agribusiness corporations, with so-called independent farmers left as little more than contract workers or corporate "hired hands" on their own farms. US farmers are now told they must either "get still bigger, give into corporate control, or get out of farming."

However, there is growing public skepticism regarding US farm policies in general, particularly regarding large government payments to large farms and wealthy landowners. More than 60 percent of US farmers receive no government subsidies, while the top ten percent of subsidy recipients receive 75 percent of total payments.⁴ The recent shift in funding from direct payments to crop insurance subsidies only makes this situation worse, as there are no effective limits to crop insurance subsidies. In addition, the ability to ensure both yields and prices allows large operations to minimize the risks of indefinite expansion with taxpayers paying more than half of the insurance costs.

There is also growing skepticism concerning biofuels programs, particularly those subsidizing the use of corn for ethanol. In addition to the accusation of indifference to global hunger, inefficient energy conversion and falling fossil energy prices have left the corn-based ethanol program vulnerable to significant reduction if not elimination. The only logical explanation for the continuation of current government programs promoting industrial agriculture is the political power of the industrial agricultural establishment in Washington DC. Apparently, the only force capable of bringing about significant change in U.S. agricultural policies is a consumer and taxpayer revolt.

There are indications that such a revolt may be eminent if not already underway. A recent *Fortune Magazine* "Special Report: The war on big food" begins, "Major packaged-food companies lost \$4 billion in market share alone last year, as shoppers swerved to fresh and organic alternatives. Can the supermarket giants win you back?"⁵ The *Fortune* article describes how a wide range of consumer concerns is eroding the market domination of the large corporate food companies. The report names artificial colors and flavors, pesticides, preservatives, high-

fructose corn syrup, growth hormones, antibiotics, gluten, and genetically modified organisms (GMOs). All of these concerns are related directly to the industrial approach to food production in the U.S., including our chemically-dependent, profit-driven industrial agriculture.

The “agricultural establishment” is trying to stem the tide of growing public concern by mounting a multimillion-dollar public relations campaign. A stated purpose of the campaign is to “increase confidence and trust in today’s agriculture.”⁶ Funders and board members of the *U.S. Farmers and Ranchers Alliance*, include the American Farm Bureau Federation, John Deere, and several major commodity organizations. Monsanto and DuPont, corporate board members, have each pledged \$500,000 per year to a \$7 million annual budget. A study by *Friends of the Earth* documents a dozen similar “front groups” that have been spending more than \$25 million per year to defend industrial agriculture.⁷ Corporations don’t spend millions of dollars on public relations unless they risk losing more millions by failing to do so.

The public relations campaign obviously is designed to obscure or gloss over the growing environmental and social concerns associated with today’s industrial agriculture. The campaign also focuses American farmers being committed to “feeding the world,” perhaps to obscure the fact that industrial agriculture has failed to provide *enough good food* even for people in the US. More people in the US are currently classified as “food insecure” than in the 1960s.⁸ More than 15% of all Americans and 20% of American children live in food-insecure homes.⁹ Furthermore, US agricultural exports are not feeding the hungry people of the world but the increasingly affluent classes in countries such as China and India.

In addition, the US healthcare system is burdened with an epidemic of diet related illnesses, such as obesity, diabetes, hypertension, heart disease, and various forms of cancer. While the percentage of consumers’ income spent for food was reduced by one-half, the percentage of GDP required for healthcare more than doubled.¹⁰ Today’s industrial agriculture is not about producing good food for hungry people, it’s about producing profits for corporate investors.

In spite of growing opposition, rural people are told they must continue to support the so-called modern technologies of industrial agriculture because it is the only logical option for rural economic development. To the contrary, it has had a devastating effect on rural economies. Industrialization inevitably replaces independent family farmers with far smaller numbers of farm workers, most of whom are paid little more than minimum wages. Between 1980 and 2008, as corporately controlled concentrated animal feeding operations replaced independent livestock farmers, the number of independent beef cattle operations fell by 41%, hog farms declined by 90%, and dairy farms fell by 80%.¹¹ Rural communities have suffered both economically and socially from this loss of traditional farm families.

A 2008 Pew Commission report concluded: “Economically speaking, studies over the past 50 years demonstrate that industrialized agriculture... has resulted in greater income inequality and poverty, a less active ‘Main Street,’ decreased retail trade, and fewer stores in the community.”¹² A 2006 study commissioned by the State of North Dakota Attorney General’s Office reviewed 56 studies documenting the economic impacts of industrial agriculture on rural communities “found detrimental effects of industrialized farming on many indicators of community quality of life, particularly those involving the social fabric of communities.”¹³

Agricultural industrialization was a well-intended experiment. I even spent half of my 30-year academic career promoting it – but it failed! It’s time for a fundamental change in farm policy.

In response to this failure, a new “multifunctional” approach to farm policy has emerged. It is multifunctional in that it gives priority to long-run food security by addressing the multiple ecological, social, and economic challenges of agricultural sustainability. The farmers involved in this movement may call their farms organic, ecological, biological, holistic, or biodynamic. Internationally, agroecology, nature farming, and permaculture are popular systems. However, these all fit under the conceptual umbrella of “sustainable agriculture.” They are committed to meeting the basic food needs of all in current generations without diminishing opportunities for generations of the future. These alternative approaches to agriculture together account for less than 10% of US food production. However, their numbers are growing and farmers are joining together in collaborative arrangements that eventually will be able to replace the industrial food system with national and global networks of sustainable, community-based food systems.

Some question whether organic or other sustainable farms can meet the food needs of a growing global population. A comprehensive review, in the journal *Nature*, compared organic and conventional crop yields in “developed” countries, concluding: “Under certain conditions—that is, with good management practices, particular crop types and growing conditions—organic systems can ... nearly match conventional yields.”¹⁴ In the United States and the so-called developed world, the primary challenge is ecological and social sustainability, not increased yields or productivity. “Nearly matching conventional yields” is enough to provide domestic food security in the US, and with continuing research and development, organic and sustainable yields will go higher.

Elsewhere in the world, industrial agriculture is not needed to “feed the world.” Small, diversified farms already provide food for least 70% of the global population and could double or triple yields without resorting to industrial production methods.¹⁵ Numerous global food studies sponsored by the United Nations have exposed the myths of industrial agriculture. They call for policies that support sustainable farming systems, such as organic farming, holistic management, and agroecology.^{16, 17} With appropriate public policies, the rest of the world will be quite capable of feeding itself: developing nations will achieve their own domestic food security.¹⁸

To ensure short-term food security and long-term sustainability we must be willing to rethink US agricultural policy – from the ground up. First, to ensure *long-run food security* the mission of farm policy must be expanded to include *food sovereignty*. Food sovereignty is a global movement that emerged in the 1990s as an explicit rejection of the industrial agriculture policies. Industrial agriculture was being forced upon lesser-developed nations under the guise of ensuring global food security.¹⁹ The “poster child” for this policy, the *Green Revolution*, is still heralded as a great success in the US, but it is despised by many in parts of the world most directly affected. A basic premise of the food sovereignty movement is that to achieve *food security*, people of the world must be ensured *food sovereignty*.

The food sovereignty movement recognizes the “right to food” as a basic human right – not something to be left to the indifference of markets or the vagaries of charity. Like other basic human rights, food sovereignty must be ensured through a broad consensus and the support of the people. As a corollary to the responsibility of society to ensure enough good food for everyone, everyone has a responsibility to contribute whatever he or she can to the greater good

of society. Those who are willing to contribute to the greater good of the community, to whatever extent they are capable of contributing, must be ensured enough wholesome, nutritious, culturally-appropriate food to meet their basic needs. In order for this approach to food security to be successful, the assessment of individual food needs and societal contributions must be made locally, where people know, care about, and accept responsibility for each other.

A priority in food sovereignty is placed on local food systems that allow consumers to control their own choices in foods that meet their physical and cultural needs, at least to the extent that food needs could be met locally. People in local communities would be afforded the right to protect local farmlands from degradation and development through local authority for land use planning. Local control also would give communities the ability to control water for irrigation and to maintain free access to crop and livestock genetics adapted to local growing conditions. Trade policies that threaten local agricultural economies would be dismantled and replaced with policies to protect local agricultural economies from corporate exploitation. People in local communities would need to accept the responsibility of removing corrupt and protecting local agencies from corporate corruption – restoring local democracy.

Finally, policies that support food sovereignty will require a new “social contract” among the people within the US as well as between the US and the rest of the world. Global food sovereignty will require freedom from economic oppression and inequality at all levels. A new, deeper sense of equality and respect between men and women, among racial and ethnic groups, social and economic classes, and across generations – including those of future generations will be essential. Policies that support food sovereignty will restore and empower a farmer-driven agriculture with a commitment to farming as a way of life as well as a way to make a living.

In order to implement these revolutionary changes in US farm policy, I have suggested abolishing the Department of Agriculture and consolidating all food related programs – including food assistance, nutrition, and food safety – under a new Department of Domestic Food Sovereignty (DDFS). This is the only means I see of splintering the political power of the “agricultural establishment.” All regulatory authority over air and water pollution associated with agricultural chemicals and livestock wastes would be shifted to the Environmental Protection Agency. Rural development policy would be shifted to the Department of Housing and Urban Development. Farm export programs would be shifted to the Department of Commerce, and biofuels programs would be shifted to the Department of Energy.

To further reduce political influence of special interest groups, all farm subsidies would be converted to farm tax credits and administered through the Internal Revenue Service. Tax credits would be offered to any farmer willing to devote his or her production to domestic food sovereignty. The farmers’ tax credits would be similar to earned-income tax credits, in that credits would supplement farm incomes during the transition from an industrial/global to a sustainable/local food system. Farmers who commit to producing for local markets using sustainable farming methods would be ensured a “livable income,” with any year-to-year shortfall being offset by the income tax credit. Absentee landowners and off-farm investors would not be eligible for the credits. Tax credits would be limited to amounts needed to support an individual or family, regardless of the size of the farming operation, but the farm tax rate or taxes owed would apply to total farm income. Most large farms would opt-out of the program.

I have suggested something like a \$25,000 per year for a “full-time farmer” and perhaps \$35,000 for a “full-time farm family” with children. The credits would be prorated for part-time farm operators. The tax credit would essentially guaranty a minimum wage for sustainable farming. Sustainable farmers should also be provided with basic health care, paid sick leave, and such – like most other American workers. Net farm income would be taxed at a relatively high percentage rate resulting in tax-free farm income at something less than US average incomes for individual and household incomes. At somewhat higher than average levels, the higher farm income tax rate would offset the advantage of the farm tax advantage, meaning the farms could opt to pay ordinary tax rates and would only rely on farm tax credits during times currently covered by “farm disaster payments.” Other programs within the DDFS should be re-oriented to support multifunctional, family farms that produce for local or regional markets.

Those who choose to continue to produce basic commodities rather than sell direct to local customers could participate in a DDFS managed program that would operate much as a public utility. Producers would contract with the government to produce commodities at prices that would cover average production costs plus reasonable market rate of return on investment. The contract would be no larger than the amount needed to support an individual or family and the quantities contracted would be no larger than needed to cover domestic consumption and maintain strategic reserves. All production would go to local and regional processors that agree to commit their total production to domestic food markets.

I realize farmers pride themselves on their independence and while producing for local and regional market they would be free to make their own production and marketing decisions. Those producing farm commodities under government contracts would have at least as much freedom as farmers currently have under corporate contracts. In addition, they would have the freedom to negotiate terms with local government officials rather than take whatever corporations offer. Those farmers who choose not to participate in either food sovereignty program, but instead to compete in national and global markets, would not receive any form government support other than that available to other sectors of the economy. They would be regulated by the EPA to protect the environment from degradation and pollution, using the same basic approach as for other industrial operations. In general, such farms would be treated as industry, which they are...

Elimination of hunger ultimately will require *ensuring* enough good food for all as a “basic human right.” Once the right to food is accepted as a *constitutional* right, rather than a privilege, we will find the means of ensuring it – as we do for other basic human rights, including life, liberty, and the pursuit of happiness. Nothing is more essential to ensuring our right to life than clean air, clean water, and safe and healthful foods – all of which are included under the concept of food sovereignty. None of the changes I have suggested for the future of farm policy will be quick or easy, but radical revolutionary change is no longer an option; it is a necessity.

A nation’s only real food security is where it has always been and always will be, in the productivity of its farmland and in family farmers who are committed to caring for that land for the benefit of themselves, their communities, and the others in *their* nation. The only “long-term” food security of any nation is an agriculture that is capable of maintaining its productivity and

value to society indefinitely into the future. I believe the food sovereignty movement represents a logical approach to the revolutionary changes in US farm policy that are needed not only to fulfill the public policy mandate for food security but also to ensure a positive future for America's independent family farmers and for the whole of humanity.

End Notes:

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