

The Political Economy of the Emergent

Agri-environmental Transition in the US.

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Introduction

This paper is an assessment of the latest 20th Century American farm bill [*the Federal Agricultural Improvement and Reform (“FAIR”) Act of 1996*] in the context of the current agri-environmental transition.^[1] The “FAIR” Act breaks with the core of a sixty-year-old protective pattern: price support through supply control. It will not do away completely with the commodity programs, nor will it provoke a radical change in the current agricultural practices. But it does signify that the new mode of sector regulation will have to respond to increasing social pressure for environmental protection and healthier food. And the research system will have to bridge the “islands empires” of agriculture, environment, and health to explore a new pattern for agriculture.

The arguments are organized as answers to four basic questions: (1) What is the emergent agri-environmental transition? (2) How is it manifesting itself in the US.? (3) Why is the 1996 farm bill so important? (4) What are its key provisions ?

CONCLUSIONS

The legitimization of more sustainable agricultural proposals will occur in parallel with the oscillating decline of the protective pattern of U.S. farm policy. This transition involves very complex and varied processes.

Despite the advanced deterioration of commodity programs, nothing guaranteed that their end was near, or even that the new bill would begin the rupture. Even at the end of 1995 it seemed highly unlikely that price support would be substituted by direct income payments. It seemed unlikely that this kind of proposal would be accepted among those who would directly influence the preparation of the new bill. The environmental provisions of the 1996 “FAIR” Act could not have passed just a year before, when Republicans demonstrated almost no support for the issue.

Despite its vast defects, vagueness, and ambiguities, the new bill broke with the core of a sixty-year-old protective pattern: price support through supply control. By "freeing" farmers from planting restrictions, without an abrupt end to the income supplement offered by the commodity programs, Congress went beyond the most optimistic predictions about what would come out of the decision-making process of the new bill. The 1996 "FAIR" Act will not do away completely with the commodity programs, nor will it provoke a radical change in the current agricultural practices. But it does signify that the new mode of sector regulation will have to respond to the increasing social pressure for environmental protection and healthier food.

The long term impacts of the 1996 "FAIR" Act can be easily assessed:

In the future, farmers will have to commit to continue guaranteeing food abundance, but now with clean work. And society will have to commit to continue guaranteeing an acceptable standard of living for farmers, without the use of so many controls and so much public spending. The "islands empires" of agriculture, environment, and health will have to be bridged. A new pattern for agriculture will have to be explored.

On the other hand, the short term impacts of the 1996 "FAIR" Act are very difficult to predict:

It is obvious that producers will have to respond quickly to market changes. But it is simply impossible to say in advance if, in the next seven years, they will capitalize on opportunities and avoid barriers to trade. It is also obvious that producers will have to adapt to changes in how food is produced, processed, and handled until it reaches the consumer tables. However, it is impossible to say in advance if, in the next seven years, they will be able to ensure enhanced safety and health to consumers. Moreover, it is obvious that producers will have to better understand the relationship between agricultural trade, natural resource use, and environmental quality. Nevertheless, it is impossible to say in advance if, in the next seven years, they will really use more cost-effective, environmentally friendly production practices and systems.

The fundamental strength of the U.S. farm economy provides ample grounds for optimism. American agriculture is the most competitive in the world. Its competitiveness is attributable to the ability of U.S. agricultural research system to enhance agricultural productivity. Moving away from planting restrictions linked to price supports was an unintentional, but crucial, initiative to foster further agri-environmental innovations.

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