

Leveraging Farm Policy for Conservation: Passage of the 1985 Farm Bill

J. Douglas Helms, Historian
Natural Resources Conservation Service
Washington, D.C.

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Introduction

I will open this discussion with an anecdote. Douglas Lawrence, my division director, who, like Otto Doering, is trained in agricultural economics and has an interest in history, brought me a quote from a New York Times article about competition between Microsoft and Google. When asked who would win, Richard S. Tedlow of the Harvard Business School said, "I'm a historian. Ask me in 10 years and I'll tell you why what happened was inevitable."¹ I compliment Dr. Tedlow on his sense of humor and humility. I have similar reservations about creating a narrative which portrays the passage of the conservation provisions in the Food Security Act of 1985 as inevitable. Looking back at the events leading up to passage of the 1985 farm bill, patterns become clear. Plausible cause-effect relationships emerge. I was the historian of the Soil Conservation Service when the law was passed. I was not privy to discussions among the leadership of the agency and of USDA, or the discussions at the Office of Management and Budget and in Congress. But the on-going status of the farm bill negotiations was certainly a much discussed topic, and information filtered down to us. The exact nature of the final conservation provisions remained uncertain.

Rather than presenting a chronological narrative I will try to provide some analysis of why an environment favorable for passage existed or had been created. Then I

will try to draw a few lessons from the experience.

The Department of Agriculture expanded its responsibilities during the years since its creation in 1862. At first it collected statistics and disseminated information to farmers. In the 1890s it became a research institution with a cadre of scientists protected by civil service laws. The Smith-Lever Act of 1914 added the extension functions carried out in cooperation with the land grant colleges. The Department added assistance on grading, marketing, cooperatives, economics, and business methods to assist farmers. But the New Deal brought a dramatic shift. Since the passage of the Agricultural Adjustment Act of 1933, USDA has been involved with programs that provided direct financial assistance to farmers. The commodity programs attempted to boost farm incomes by a combination of programs to adjust production and support the price of basic commodities. Other programs were added later such as crop insurance. Through the years this financial assistance has become capitalized into the agricultural structure, especially land prices. Agribusinesses, local businesses and banks have a stake in the continuation of price supports. Congress also added soil conservation program in the 1930s. The Soil Conservation Service provided technical assistance and knowledge of conservation practices to farmers and the Agricultural Conservation Program provided financial assistance to install them.

Increasingly, however, analysts pointed out that some of the programs might be at

¹ Steve Lohr, "Microsoft and Google Grapple for Supremacy," New York Times, May 10, 2006 page number etc.

odds, that for instance price support and commodity program led to actions that were not good for soil and water conservation. By the 1980s a movement was afoot to correct this disjuncture.

The Food Security Act of 1985 included a conservation title, the first time a farm bill had included such a title. The three provisions "highly erodible land conservation, "wetland conservation" and "conservation reserve" collectively constituted a major revision in Federal conservation policies for agricultural lands.

The law stipulated that some types of assistance from USDA would be denied to farmers who did not comply with the first two provisions. This process became known as conservation compliance. For many farmers the key element of assistance from USDA was the price support program. For other farmers, crop insurance and loans were also critical. Under highly erodible land conservation, farmers had to be "actively applying a conservation plan based on the local Soil Conservation Service technical guide and approved by the local soil conservation district, ..." Farmers should be in full compliance by January 1, 1995. Under wetland conservation farmers could not convert wetlands and produce an agricultural crop thereon after the passage of the act, December 23, 1985. Under the Conservation Reserve Program the Secretary of Agriculture could sign "contracts to assist owners and operators of highly erodible cropland in conserving and improving the soil and water resources of their farms or ranches."

SCS staff worked with farmers to write compliance plans. There were strong critics of implementation and the fact that few program benefits were denied. That could be the topic of another presentation. For the moment we will concentrate on passage of the law. We do know at this point some of the progress. From an NRCS press release of September 10, 1998, we learn that "Total erosion on American cropland decreased by 42 percent from 1982 to 1995, dropping from 3.4 billion tons in 1982 to 2 billion tons

in 1995, but has remained unchanged since then,...." Please refer to the charts handed out for this information, plus the reduction in wetland loss.

Now let's turn to the environment that made passage of the conservation legislation possible and the lessons we have learned.

Organization and persistence count

For the first time non-agricultural organizations played a significant role in farm bill formulation. Representatives of non-agricultural conservation groups such as the National Audubon Society, Natural Resources Defense Council, Sierra Club, and American Forestry Association joined other agricultural organizations such as the National Association of Conservation Districts, Soil and Water Conservation Society, and American Farmland Trust to form the conservation coalition. The coalition met regularly, formulated strategy, educated congressional staff, testified, and lobbied Congress. Some of the organizations such as American Farmland Trust published policy documents as in the case of *Soil Conservation in America: What Do We Have to Lose?* Most of these groups have remained players during subsequent farm bills. If they have not always prevailed in their desires, they have maintained the farm bill provisions when other forces argued for retreat.

Recognize the opportunity that serendipity presents

The weakness of the farm economy made farmers anxious to maintain price supports at a time when the Gramm-Rudman-Hollings Act of 1985 sought to restrain spending. The economic conditions of the early 1980s were a decade in the making and can only be touched upon. In the early 1970's changes in the gold reserve rules made possible large foreign purchases of commodities. When drought reduced world food supplies and foreigners, especially the Russians, bought U. S. grain, the domestic prices of commodities skyrocketed. Sensing a new, permanent order of agricultural prices, farmers bid up the price of land and

bought equipment. Add the inflation at the turn of the decade and soon farmers were priced out of the world market and were scrambling to service the debt on equipment and overpriced farmland. In this climate agricultural organizations accepted the conservation provisions so long as they continued to receive crop support payments. Some people in the administration even thought, or hoped that ruling farmers out of compliance would reduce price support payments.

Education and public awareness over a sustained period help create the climate for legislation

I referred to a period of high prices in the early 1970s that resulted in planting crops on some pasture and range, and conversion of timberland to cropland. Some of this planting was done with minimal use of conservation methods. Conservationists seized upon it to publicize the need for conservation. Incrementally in the 1970s conservationists added legislative authorities. Cumulatively these programs contributed to the climate for the passage of the 1985 farm bill. Congress authorized a natural resources inventory to continually assess the status of the erosion on cropland and other resource indicators. The Soil and Water Resources Conservation Act of 1977 directed USDA to formulate periodic Departmental plans for conservation. This process resulted in recommendations to Congress for new legislation, some of which was included in the 1981 farm bill. The inventories and the RCA studies and planning brought press coverage and further educated the public and Congress. (Maybe add RCWP)

Get out of the box early and set the agenda.

During the ramp up to Congressional hearings on the 1985 and subsequent farm bills, the conservation interest groups published policy papers with their recommendations for the conservation title of the farm bill. Some of the commodities groups, such as the National Corn Growers Association, have also started to publish policy papers. In the agriculture committees

of the House and the Senate, commodity groups and general farm groups command more votes than conservation groups, but the latter have typically placed the policy options before the committees, and thereby influenced the discussions and the law. I might also mention that a number of the agricultural economists at universities, such as Otto, have had a role in policy development. Unlike historians, they are trained to participate in the legislative process. Otto has been on the [Secretary of Agriculture's](#) policy staff during consideration of the 1977 Farm Bill and was a member of the environmental policy group at the Economic Research Service during the 1990 farm bill conservation debate. He had a sabbatical with NRCS during 1997 and work on the rulemaking for the conservation title of the 1996 farm bill.

"It's not over until it's over."

The next lesson comes from Yogi Berra. "It's not over until it's over." Securing passage of law is not the end of the process for those advocating conservation policies in legislation. Rules for implementation must be written. Advocates during the legislative process much also advocate during the rulemaking process. In the case of the 1985 farm bill, a critical item was the rule for identifying highly erodible land. The legislation stated that highly erodible land

"...would have an excessive average annual rate of erosion in relation to the soil loss tolerance level, as established by the Secretary, and as determined by the Secretary through application of factors from the universal soil loss equation and the wind erosion equation, including factors for climate, soil erodibility, and field slope."

Soil Conservation Service staff developed an erodibility index based on factors from the universal soil loss equation and based on "t", the soil loss tolerance level. After development of the index, the index value that would denominate highly erodible land had to be selected. And on that fine point, shall we say, the fun began. The value selected would identify highly erodible land for both the Conservation Reserve Program

and the so-called conservation compliance provision. Environmental groups wanted to tightly target the Conservation Reserve Program to the most erodible land. Their criticism of the Soil Bank of the late 1950s had been that it was not targeted to environmentally sensitive land. SCS and USDA were able to run computer models and determine roughly how many acres would be designated highly erodible under different erodibility index values. One consideration would be how many acres should be allowed to be taken out of production and enrolled into the CRP. How much production would be lost thereby? Another consideration was workload on the SCS staff. SCS staff would need to help farmers install conservation practices on highly erodible land. The rules concerning wetland definition have even more complicated history. **But in the interest of time we will need to leave that for another day.**

Corollary: Objectivity of Science. The foregoing discussion bring us to the another lesson which is that we cannot expect science and technology to be the sole arbiter of implementation. Qualitative decisions will still need to be made by humans.

Feasibility of implementation—or art of the possible.

USDA abhorred applying the term “regulation” to the conservation provisions of the 1985 farm bill. The reasoning was that farmers voluntarily participated in USDA programs. Therefore compliance with the law was also voluntary and could not be construed as regulation.

Nonetheless compliance with the conservation provisions or regulations must be technologically feasible. Effectiveness of legislation is related to the state of technology. In my view the fairly recent development in conservation tillage technology made conservation compliance feasible. In the 1960s and to a much greater extent in the 1970s and early 1980s, herbicides and equipment became available which allowed reduced tillage.

Crop residues on the soil surface buffered the impact of the raindrop and interrupted overland flow. Farmers utilized conservation or reduced tillage as a means of complying with the highly erodible lands provision. Conservation tillage was not free to the farmer, as many had to buy equipment. Overall however, conservation tillage was probably cheaper than alternatives. Other conservation measures available were terraces and strip-cropping. Cover crops and crop rotations improved soil tilth and improved infiltration. Terraces had to accommodate the farm equipment. Specialization in agriculture and commodity programs militated against greater use of hay and grass in rotations. Overall conservation tillage was a more effective and efficient alternative for many. The availability of conservation tillage meant less opposition to the law than might have been the case otherwise.

KNOWLEDGE, ABILITY TO MEASURE PROGRESS AND CHECK ON PROGRESS

Even before Soil Conservation Service was established, the Federal soil conservation experiment stations had been studying erosion and the effectiveness of conservation practices. Some 50 plus years later they were able both to quantify the forces of erosion and to rate the effectiveness of conservation practices. SCS was also able to recommend the combination of practices that would satisfy compliance with the law. SCS had field staff in most counties to work with the farmers to write conservation plans that met the objectives of the law. Without the availability of the technology and the staff nationwide in the countryside, implementation of the work has been virtually impossible. That the law allowed five years for planning and another five to achieve full implementation seems wise and contributory to success.

In conclusion, a climate existed that made possible not only passage of the act, but offered a reasonable expectation for successful implementation.

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