Virginia's Rural Economic Analysis Program



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Conversation and Common Ground Between Virginia's Agricultural and Environmental Groups

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Let us all understand that if we are to make headway in reconciling environmental and economic values..., then we need to treat each other as part of the solution, not part of the problem. --Galen Bridge, U.S. Soil Conservation Service (retired), writing in Journal of Soil and Water Conservation (July-August 1993).

A former colleague of mine at Virginia Tech has received much attention in past years by arguing that the political power base supporting agriculture has shrunk and that agricultural production will be governed increasingly by laws and regulations dictated by environmental groups. I understand the straightforward political analysis behind this argument, but I believe the argument can easily be overstated and can be counterproductive.

While it may be intriguing to talk about agricultural and environmental policy in terms of who has power over whom, limiting the discussion in that way is an example of what economists call a "zero-sum game": that is, a game where every winner must be matched by a loser. What people in the agricultural and environmental communities need instead is a positive-sum game, a game where all participants stand to gain.

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I believe such a game is possible between agricultural and environmental groups. Compatible interests exist within the two groups, making it possible to achieve policy agreements with which both groups can be pleased. The basis for such agreements will be clearer, however, if we abandon the confrontational discourse and begin a new and civil conversation—"conversation" is a carefully chosen word—so that common interests can be discovered.

What Will Be the Topic of This Conversation?

In their 1981 best-seller Getting to Yes: Negotiating Agreement Without Giving In, Roger Fisher and William Ury encourage people to bargain over interests rather than over positions. They offer an example to illustrate the difference between "positional" bargaining and "interest" bargaining.

Consider the story of two men quarreling in a library. One wants the window open and the other wants it closed. They bicker back and forth about how much to leave it open: a crack, halfway, three quarters of the way. No solution satisfies them both.

Enter the Librarian. She asks one why he wants the window open: "To get some fresh air." She asks the other why he wants the window closed: "To avoid the draft." After thinking a minute, she opens wide the window in the next room, bringing in fresh air without a draft.

This story illustrates that understanding why people are disagreeing is the first step toward reaching

agreement. Of course, like all stories used to illustrate a point quickly, this story is too simple. For example, if one person were cold and the other warm, then the solution of opening the window in the other room would not have settled the disagreement. Nevertheless, by focusing on interests rather than on their positions, our imaginary library-users at least had a better opportunity for agreement.

In my view, there is currently too much positional bargaining between agricultural and environmental groups. An excellent example is the so-called private property rights debate. The position taken by some in agriculture is that individuals have the right to do as they wish with the land they own. Such a position stands in opposition to that of some environmentalists, that the public's interest in environmental protection overrides land-use rights. A debate over such positions could keep lawyers busy for many years. But if we wish to make progress, we must get beyond disputes over legal doctrine and find out what interests motivate people to take the positions they do. In those interests we may discover enough common ground to allow for successful, progressive policies.

How To Start a Conversation About Interests

The conversation that I envision between agricultural and environmental groups would attempt to get behind positions and search for common interests. Before the conversation can begin, however, some barriers to communication need to be overcome. Here are a few suggestions for overcoming these barriers and getting the conversation going.

First, many of the property-rights arguments against environmental regulations are made to preserve the speculative opportunity to convert land from agriculture, not to preserve long-term farming opportunities. Many landowners, whether renting land for farming or farming their own land, are using agriculture as a way to reduce the cost of holding land in the path of sprawling development. Agricultural groups would be far more effective if they expressed their concerns about the real effects of regulation on the continued ability to farm, not about the potential effects on land-development opportunities.

Second, many Virginia farmers are part-time farmers who earn most of their household income off the farm. For most of these part-time farmers, their agricultural activity is *not* a hobby, but rather is serious business, even though it is a part-time business. The part-time nature of the business does,

however, limit these farmers' willingness and ability to invest capital and management time. By recognizing the time and capital limitations of part-time farmers, environmental groups could be more realistic in their expectations of the adjustments many farmers can make to comply with environmental regulations.

Third, agricultural practices such as land clearing, drainage, tillage, and fertilization--practices that are needed in order to take advantage of the technology and crop varieties called for by the national and international markets--can and do contribute to water quality problems and to habitat degradation. Agricultural groups should admit this reality and, in so doing, set the stage for finding cost-effective production alternatives compatible with environmental goals.

Fourth, some agricultural activities that are less environmentally disruptive (for example, pasturing) have lower returns per acre, and some production practices that reduce environmental impacts (for example, planting cover crops) may raise production costs or lower per acre income. Environmental groups should admit this reality-that usually there is no "free bunch."

Fifth, agricultural and environmental groups need to become more sophisticated users of the current models being used to design public policy. Models-whether a tangible replica of something, a computer program, or simply a set of concepts--are like poetry: They are created by artists to help us understand reality, but they are not reality. Models help us see relationships that are too complex to be intuitively grasped. But models are only aids to decision making, and one must use them with a skeptical eye.

Take, for example, the recently completed modeling studies for the Chesapeake Bay. These studies form the basis for much of the asserted contribution of agriculture to water-quality problems, and for targeting agriculture as the most cost-effective means to achieve desired nutrient reductions. A further look, however, finds that estimates of agricultural runoff and water-quality impacts have been based on highly simplified assumptions about costs and effectiveness (for example, fixed nutrient loadings throughout a watershed, highly aggregated enterprises, and no allowance for uncertain loadings). Such assumptions can only be used for making highly generalized conclusions on a large geographic scale. Remarkably, the same model results can be used to claim--with equal validity--both that stopping agricultural runoff is the best way to address the

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Chesapeake Bay's problems and, conversely, that Virginia agriculture does not contribute to water-quality degradation!

Other observers might offer other suggestions, but I believe the five points I have mentioned here would do much to establish a framework for a meaningful conversation between agricultural and environmental groups in Virginia. When these groups do come together to talk, as they did last October at the Virginia Agricultural Economic Summit, what mutual interests do they find?

Some Common Ground for Virginia's Agricultural and Environmental Groups

Development Patterns. Agricultural and environmental groups both have an interest in the control of sprawl development. Agriculture, whether as a full or supplemental income source, is integral to the vitality of rural communities and economies, but farming needs distance from "urban" populations to be a viable land use. Environmental groups, on the other hand, know that a rural landscape of forests, farms, and small, compact towns is far better for Virginia's rivers and for the Chesapeake Bay than are sprawling and scattered patterns of development. Scattered subdivisions and developments are not conducive to agricultural viability, nor are thousands of septic systems and road miles conducive to environmental integrity.

Together, these groups should describe a vision of a rural landscape that supports agriculture and forestry while the environment remains protected. The challenges to achieving this landscape may seem far removed from the immediate concerns of both these groups, but here are three examples of where a conversation can begin.

- •With most Virginia farmers being part-time, rural areas need continued job creation. Mutual support for rural area job creation serves both groups' interests.
- •Facing much sprawl in now-undeveloped areas as people run away from the cities and inner suburbs, both groups have a stake in assuring the quality of life in those cities and inner suburbs. This means support for those policies and programs that will advance urban educational opportunities, more stable race relations, and crime control.
- •With land prices bidding land out of agriculture, both groups can support local land-preservation tools, such as the authority for transfer and purchase of development rights.

Economic Viability. Both groups have a stake in agriculture's ability to survive as an industry, but the future economic viability of agriculture in the Commonwealth is in question. One response of environmental groups could be "So what?", because they may perceive agriculture as a problem that might be solved by the industry's demise. As just noted, however, environmental groups have a stake in a rural landscape that includes agriculture and forestry, so such a response would not be in their interest.

Together, agricultural and environmental groups could start a conversation about the following:

- •helping assure that the research agenda of the land-grant universities includes development of new production systems that are economically viable, environmentally sound, and suited to the particular circumstances of Virginia's agriculture (this would include mutual support for Cooperative Extension's capability to deliver the research findings through whole-farm financial planning, including advice on cost-sharing funds and tax benefits for certain conservation practices);
- •demanding that water-quality and habitat models used for policy and program development be reliable, realistic, and up to date;
- •supporting creative incentive programs to facilitate the transition to new production systems (for example, transition insurance for new production practices or market-development loans for an animal-waste utilization industry).

Regulation. Related to economic viability is the need to review openly local and state approaches to regulation. I believe that Virginia's agriculture is a socially responsible industry that quarrels less with environmental policy goals than with the ambiguity, duplication, inconsistency, and delays that characterize environmental regulation. But let me avoid specific illustrations of regulatory reform needs and instead stress a theme: Agriculture wants recognition that individual entrepreneurs can make the decisions that best fit the circumstances of their business. This is why farm operators and food- and fiber-processing firms resist regulation that narrowly dictates not only what environmental standards they must meet, but also how they must meet those standards. Of course, the interest of environmental groups also is in having the standards met. The common ground between the groups, then, is the interest in performance--protection or improvement of the environment--not in the technical means to achieve that performance.

With that common ground, the two groups could begin a conversation about *performance-based*

regulation. In performance-based regulation, individuals or groups are expected to meet an environmental goal, but how they do it is their decision to make in the context of their own business situation. At the level of the farm operator, this decision is made as part of a whole-farm plan.

Conclusion

There are many more opportunities, besides those I have mentioned, for agricultural and environmental groups to begin a new and civil conversation. These opportunities can be discovered through mutual exploration; however, if both sides don't begin down this path, we will have business as usual. And, given the diminished power of agricultural groups, agriculture will win some battles here and there, but most likely lose more than it wins.

The stakes for agricultural groups are clear: higher costs, rigid regulations, and perhaps lost financial capacity. But with such results environmental groups also would lose. For, when the farms are gone, what will be on the former farmland? I would guess some sprawl, mostly open and abandoned fields, and poorer rural communities. Equally clear, then, is environmental groups' interest in preserving agriculture's vitality and its contribution to maintaining a desirable rural landscape. Maybe with this simple point as a start the search for common ground can begin.

NOTICES

*According to the Journal of Soil and Water Conservation (November/December 1993, p. 507), an American Farmland Trust study has included Virginia's Shenandoah Valley as one of the 12 "most threatened agricultural areas" in the United States. The areas were selected based on "their importance as food-producing areas and because of population growth and urban sprawl."

*The November/December 1993 issue of *Horizons* included a list of local leadership-development programs. An addition to that list is "Leadership New River Valley." The contact for that program is Harvey Shepherd, Blacksburg Chamber of Commerce, (703) 552-4061.

*REAP Policy Paper #4, The Changing Society of Southern Appalachia by James Hite of Clemson University, has been published and sent to all Horizons recipients. If you did not receive a copy, or would like additional copies, please contact Extension Distribution, 112 Landsdowne Street, Blacksburg, VA 24061-0512; phone (703) 231-6192. Please request Publication 448-304/REAP P004.

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