

ALTHOUGH President Reagan signed the Farmland Protection Policy Act (1981), White House officials argue that it ought not to be implemented.

But failure to take administrative action could cost the United States dearly in the next 50 years.

The Act, as explained by Department of Agriculture (USDA) officials in Washington, is supposed to be anti-speculation. It is intended to stop the premature conversion of farmland by developers, by cutting back on the Federal funds that are used to make speculative projects financially viable.

Legally, only Federally-owned land is affected. Private landowners, however, ought to be directly affected through their applications for Federal assistance.

Criteria are being developed to halt the conversion of food-producing land. A new federal agency has been established, which is now defining a land-assessment and site-evaluation system.

Land which ought not to be converted into alternative uses will not, in theory, benefit from Federal cash. Some of the considerations that will affect assessments are zoning laws, distance from city limits, and the impact on the environment.

THE LOSS of agricultural land is now reaching crisis proportions.

Agricultural experts in Washington predict that, by the year 2020, food prices will have increased threefold, on the basis of present population and productivity trends.

The U.S. has 413m acres of land in agricultural use, about 95 per cent of which is in productive use in any one year. A further 60m acres could be brought into use through drainage and treating steep hillsides.

Against this, however, about 50m acres are steadily losing their output capacity.

Each year, 5m acres are lost to agriculture through erosion (2m), salinity, ground water, and the conversion of farmland to urban use – or disuse (3m). This represents a loss of over 1 per cent per annum of food production land.

Thus, the 1981 Act makes sense. Why spend Federal money on, say, new sewer works or highways, which open up prime agricultural land to speculators?

But while the law makes good economic sense, it is bad politics. The Act, in short, is not acceptable to the President's friends.

For although Federally-assisted programmes are a large proportion of the public money spent on helping

Reagan's inaction over farms crisis will cost U.S. dearly



● Pres. Reagan – warned

land conversion, some of the major beneficiaries are absentee owners who stand to gain most from the artificial increase in land values that are a direct result of such expenditure.

From a Special
Correspondent in
Washington

And yet the U.S., if it is to improve its food producing capacity, will have to confront the thorny question of land ownership. For the increase in the number of absentee owners has been associated with a decline in the long-term conservation of soil fertility.

● In 1969, a survey by the USDA revealed that 37 per cent of agricultural land was owned by U.S. absentee owners.

● By 1979, that figure had increased to 40 per cent. Most of the increase has occurred east of the Mississippi.

The result is that farmers are renting their land from an increasing number of landlords. In the past, the typical arrangement has been one in which a tenant farmed land that belonged to two or three landlords at the most. Today, it is more typical for a tenant to be renting land from six or seven landlords.

“The landlord is almost becoming a shareholder in a corporation,” says

Donald Baron, an USDA lawyer and economist. “So the opportunity for the landlord to contribute to the management of the land that he rents out is somewhat limited.

“The landlord doesn't have much to say about inputs and types of crops to be produced, when his land is combined into a single plan of operation that includes land from six or seven owners.”

One of the consequences, he says, is this: “Levels of soil erosion have increased substantially in recent years.”

WHAT OUGHT to be done about the soil crisis?

Over the past 20 years, the Federal government has limited its actions to the collection of data on trends in the ownership of land.

The consensus among policy-makers is that action to deal with the adverse effects of the developing structure in the land tenure system ought to be implemented at the local and state levels.

There is a clear abnegation by the Federal Government to define and implement a national land ownership and use plan.

This “head in the sand” approach will be challenged when it is too late – when the 1930s dust bowls return with a vengeance in the dying years of the 20th century.

Thus, the Reagan Administration will have a lot to answer for when people look back on what could have been a constructive turning point in the pattern of land use in the U.S.

White House officials do not like the 1981 Act because of the costs which, they say, would be imposed as a result of its implementation. What costs? The costs to the private sector of moving developments from one location to another.

This is a myopic calculation based on the desire to protect the interests of land speculators who wish to develop housing, say, near the fringe of an Arizona desert (made possible because the Federal Government spent money on building a highway through a wilderness where people would not normally wish to live) rather than on vacant land in or near an existing urban centre.

The Administration's calculations do not take into account the social and economic benefits of a more rational land use strategy.

A full cost-benefit analysis of U.S. land use policy would expose the many fallacies that bedevil policy making and which gold-line the bank accounts of speculators.