



*An article from
Catholic Rural Life Magazine
Fall 2001 volume 44 number 1*

NORTHEAST REGIONAL AGRICULTURE AND CONSERVATION TRENDS

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Preface

When I was asked by Catholic Rural Life to write an article about Northeast Regional Agriculture and Conservation Trends, I asked myself, "Where does one start?" Brian Henehan, Senior Extension Associate with Cornell Cooperative Extension was visiting his brother (and our fellow community member) in Chile, Maryknoll Father Tom Henehan, in 1995 just when I was handing out copies of a book I had written about a diocesan supported small family farm organization. These were gift copies to a handful of the campesinos of the 2,000 members of "Esperanza Campesina" who had been interviewed for the book. Brian jumped right in; as interested in these Chilean farmers' reality as the farm members of cooperatives he has been working with throughout the Northeast for the majority of his career. Brian was my first contact to Cornell University and Northeastern agriculture more generally.

So I decided to start by consulting Brian. He directed me to an article he had written for the Agway Cooperator. Its title, "Production Agriculture in the Northeast Has Been Changing Since its Birth," said a lot in few words, as did a couple of his points and analogies:

"I think we tend to focus on a rather narrow band of time as we discuss today's agricultural landscape in the Northeast. If one could develop a speeded-up, time-lapse film that pictured the agricultural landscape across the whole region and types of farm enterprises occurring over the last 200 years, we would see dramatic changes. Cows, sheep and other livestock would move into and out of completely different geographic areas. We would see orchards coming and going, grain production shifting in and out of areas, horticultural crop production decreasing and increasing as population centers grew and spread out... My point is, the patchwork quilt of farm enterprises which make up the agriculture of the Northeast is an ever changing pattern."

I will attempt to profile the main aspects of the Northeast regional agriculture reality, then look at how conservation trends are affecting that ever changing patchwork pattern of agriculture. The "global economy" is affecting every local community, so the article will incorporate how global forces are affecting both

conservation and production trends. The National Catholic Rural Life Conference seeks to support a living community in which people and the natural world are given the respect deserving of their creation by a loving God. In such a society, every person is valued, the Earth is carefully stewarded, the poor are fed and community life is nourished by public and private deeds. Given our mission, I will attempt to analyze what components of the northeast agricultural and conservation reality are moving towards such a vision.

Finally, the crossroads of agricultural policy, environmental conservation, and global vision of what rural areas in the northeast may look like in the future will come together in the form of concluding reflections.

Crisis: Threats and Opportunities

Crisis usually implies both opportunities and threats amidst significant change. These are times of crisis for agriculture in the Northeastern United States. Threats are myriad, yet opportunities emerge amidst the difficulties. Henehan focuses on the opportunities in concluding the Agway article with another effective analogy, "As waves of change continue to wash over agriculture in the Northeast, there will be agricultural entrepreneurs who manage to successfully ride the crest of those waves – and have the vision to seize opportunities out of what look like insurmountable situations."

Consider the New York State Apple Industry. A worldwide glut of apples, combined with flat apple consumption have produced record low farm gate prices.ⁱ This has meant economic hardship for many of the state's 674 commercial apple growers.

The apple processing industry has not fared much better: stagnant consumption of apple products, closure of major apple processors in the Northeast, competition with low priced imports of apple juice concentrate, retailer demands for increased services from suppliers, high costs of developing new products, and increased costs of environmental regulations. These pressures are all requiring the industry's growers and processors to respond with strategies that will help them to adapt to new market conditions and provide for future profitability.ⁱⁱ

In the midst of this crisis within one particular product and industry, a project entitled, "Development of an Environmentally Sound, More Profitable System for Production and Marketing of Value Added Processing Apple Products in the Northeastern United States", points to key components of the interaction between conservation trends and the Northeast's agricultural reality; not only in apples, but more generally along the broader agricultural and landscape spectrum. It is in these realms that I see opportunity amidst the crisis.

Apples are one of many products in the Northeast. The dairy industry is the largest sector of the Northeast agricultural reality, and shares common elements of crisis with the apple industry, although prices have been higher for milk this year for Northeastern dairies, due to several factors, including health concerns in Europe over hoof and mouth disease and the mad cow scare. But these positive short term prices run contrary to many dairy farmers' concern for their medium and long run prospects. The issues of competition and concentration are very real for many Northeastern dairy farmers. Gerald Carlin, a dairy farmer from Meshoppen, Pennsylvania who owns ninety Holsteins and milks approximately fifty cows, warns, "If Suiza's proposed merger goes through, they will effectively control 34% of the fluid milk market. Such concentration in the milk processing industry will ultimately hurt us in terms of the prices we will be offered for our milk."

When asked if he supports the Northeast Interstate Dairy Compact, Carlin responds, "I support the Compact as a start, but it is not the complete answer. A compact which does not limit imports for us will fail. Most consumers do not realize that a 1% increase in supply due to allowing imported cheeses or infant formulas into our markets can cause up to a 30-40% change in prices for our regional producers."

Gerald's perspectives, as a dairy farmer in the Northeast, highlight issues which are at the heart of differences in vision around local, regional, and global food production policy. There is a tension between the trend towards global economic openness and the implications of such openness for local and regional producers.

The Northeastern Dairy Compact has been a hotly contested program that may well be subject to change within the parameters of the 2002 Farm Bill. These policies have been debated in the House of Representative's legislative process around the farm bill as this article is being written. A U.S. General Accounting Office (GAO) report has evaluated the Northeast Dairy Compact, concluding that both at the farm gate and retail levels it is difficult to determine how much price increases since 1997 are attributable to the Compact or other economic forces. The Compact's own evaluation identifies a larger role that their organization and price supports have played in providing improved prices to dairy farmers.

We cannot look at the Northeast agricultural and conservation trends without including reference to the farm bill debate and how incorporation into the "global economy" gets played out in the 2002 Farm Bill. It is generally recognized that the Northeast has been previously under represented at the table of Farm Bill negotiations, but debate around the 2002 Farm Bill has seen a marked increase in the participation of both Northeast farm-consumer organizations and state & national legislators interested in an environmentally friendly farm bill that responds to the needs of family farmers in the region and around the country. Within this context, the National Catholic Rural Life Conference has been present, through it's collaboration with the New York based National Campaign for Sustainable Agriculture, the National Family Farm Coalition, and the Northeast Sustainable Agriculture Working Group.

A Regional Agricultural and Landscape Profile

The Northeast, as the most populous region of the United States, contains 9% of U.S. cropland, 15% of all U.S. farms, and 15% of the value of all national agricultural production. One quarter of the U.S. population (58 million) lives in the Northeast. More than 85% of a total of 132 million acres of land in the Northeast is privately owned. Of these 132 million acres, approximately 28 million acres are farmland, with nearly 16 million acres of cropland and 7 million acres of pasture. Approximately 80 million acres (65%) are forested, and about 7 million acres are wetlands and deep-water habitats. Developed land currently totals 16 million acres and growing.ⁱⁱⁱ

When European settlers first arrived in the Northeast, approximately 80% of the land was forested. By the late 1800s, nearly 60% of the region was being farmed. By 1900, less than 30% of the Northeast's forests remained. In 1864 George Perkins Marsh, a lawyer, self-trained scientist, and keen observer of soil erosion and hillside destruction due to overgrazing and timber cutting in the Green Mountains of Vermont published a book entitled *Man and Nature*. Marsh explored "the fragile balance of interrelationships between plants

and animals” and argued that “whenever man domesticates plants or clears a forest, or diverts streams, or interferes with some aspect of natural activity, the effects extend to a far wider sphere of the natural environment.”^{iv} Many point to Marsh’s work as the beginning of the science of ecology.^v Though forest acreage has increased from the low of 30% to 65% today, old growth forests are nearly gone, while second and third growth forests dominate the landscape.

For three centuries, small family farms carved out an otherwise forested landscape, practicing rotational cropping, resulting in idle acres dominated by dense vegetation attractive to many native animal species. This reality changed dramatically as small, diversified farming gave way to more intensive agriculture and land use. The number of farms in the Northeast has declined by 50% since 1950. Pasture acreage has declined by more than 70% in the same time period; some pastures converted to row crops and forest, and much to development. These trends have contributed towards increased pressure on both land and water resources around those acres remaining in agricultural production.

The dairy industry provides an illustrative example. More milk is being produced with fewer cows on less land in the Northeast. This phenomenon has led to the elimination of riparian habitat in dairy pastures so that sedimentation, as well as nitrogen and phosphorus pollution, are major and increasing degraders of waterways in the Northeast. In the Chesapeake Bay Watershed alone, New York, Pennsylvania, Delaware, and Virginia have set a goal of establishing 2,010 miles of riparian buffers by 2010. An estimated 20,000 miles of stream corridors are impacted by agriculture in the region. As dairy operations grow in size and concentration, confined animal feeding operations have also exacerbated environmental problems related to manure runoff into waterways.

Since 1950, there has been a massive movement to the suburbs. In the mid to late 1980s, suburbanites further expanded into the countryside. As a result, farmland is rapidly being lost to low-density rural development. Pennsylvania alone lost more than 1 million acres of farmland and forestland in the last five years. All states in the Northeast have experienced this urban sprawl/rural development, accounting for 19% of the nation’s total conversion to development. Over the past decade, as the general economy in the Northeast grew substantially, the farming economy stagnated with low prices at the same time that farmland values significantly increased for housing and commercial development. This development pressure affects and strains both farm economies and environmental resources. For farmers financial pressures increase to sell their increasingly valuable land while commercial development further threatens the environment.

Two general trends can be delineated in the agricultural reality of the Northeast. On one hand a continued concentration of productive activities in fewer farm hands is a regional reality which affirms a national trend within mainstream agriculture. On the other hand, numbers of agricultural producers are increasing on the fringes of that mainstream, primarily corresponding to the growth in organic and community supported agricultural production (referred to in the Spring 2001 *Catholic Rural Life* as “Civic Agriculture” by Tom Lyson, see “A Promise of a More Civic Agriculture”). I will attempt to survey how these trends relate to the interface between agriculture and conservation objectives in the Northeast. First we should summarize the conservation reality in relation to agri-environmental programs presently in existence.

Conservation Reality in the Northeast

The Soil and Water Conservation Society conducted five regional workshops in 2000 to seek grassroots input around agricultural conservation policy. Their overriding conclusion serves as a fitting introduction to this section:

“Workshop participants agreed, almost unanimously, that expanding the reach of existing USDA conservation programs was the first priority to overcome the conservation assistance gap and should be the minimum expected from legislative action in the next farm bill. A combination of increased funding and programmatic reforms were recommended to achieve this objective.”^{vi} These objectives were detailed by SWCS in the form of twenty two specific recommendations.

In another section of this “Seeking Common Ground” report, SWCS details, “Reform of conservation programs is not enough to realize the new vision American agriculture workshop participants created. Room should be made in farm policy itself for a program that supports farmers and ranchers based upon their unique role as caretakers of most of the land in this nation, rather than upon the kind or amount of selected commodities they produce.”^{vii}

Consistent with these quotes, to date, conservation objectives in the Northeast have met with mixed results. On some fronts significant progress has been made, while on other fronts the region lags behind other parts of the country. Wetlands provide one example where progress has been noteworthy. Historically, more than 12 million acres of wetlands and open-water habitats existed in the Northeast. Wetland losses since pre-settlement range from 9% in New Hampshire to 74 % in Maryland and Connecticut. More than 50% of the original wetlands have been lost in the Northeast, due primarily to agriculture and development. To give an idea of the affects of both, between 1980 and 1989, about 14% of the wetland lost in the Chesapeake Bay watershed was due to agricultural conversion and 23% was due to development. But wetland losses have been slowing. Pennsylvania has actually seen a net gain of 2,800 acres of wetlands in the past five years. Such progress can be attributed to enforcement of wetland regulations, enactment of the Wetlands Reserve Program (WRP) and state initiatives.

If WRP can be deemed a success in many parts of the Northeast, low inscription into the much larger Conservation Reserve Program (CRP) must be concluded a disappointment. More than 10% (3.9 million acres) of the U.S. cropland with an erodibility index of 15 or greater is located in the Northeast. Despite this, only 1% (200,000 acres) of that cropland is enrolled in CRP, the lowest participation rate in the country. The Wildlife Management Institute has asserted that “basing annual rental rates on dry land cash rental rates favors states where land values are associated closely with the cost of renting land. It favors states with low land values and large farms. The Northeast has small farms and high land values. Basing CRP rental payments on the agricultural value of the land, rather than dry land cash rental rates would improve participation in the Northeast. In addition, allowing some use of CRP land, such as removing a hay crop after the nesting season, would greatly increase participation.”^{viii}

The Conservation Reserve Enhancement Program (CREP) differs from variations of the CRP in that greater financial benefits are offered to participants and both state and federal governments share the cost of the program. Maryland, New York, and Pennsylvania were amongst the first states to incorporate the

Conservation Reserve Enhancement Program into their portfolio of conservation programs. By combining both state and federal funds and lines of authority, programs such as CREP have provided greater flexibility and more successful conservation unique to particular locations.

SWCS workshop participants are not the only ones calling for increased funding of conservation programs. It is generally recognized that technical support is insufficient, administrative efficiency could be increased dramatically between programs, and that these programs are severely under funded and oversubscribed.

Evaluating Trends in a Globalized Context

If New York apple producers are having difficulty surviving financially due to relatively new imports of apple products from China and northeastern dairy producers see eroding profitability due to increased imports of milk products from other parts of the world; how do such forms of globalization benefit the Northeast? The easy answer, which is normally given by free trade proponents is that , in the aggregate, prices will be cheaper for consumers, who make up the large majority of the Northeast population. This agricultural production, the food that we all eat, is defined as a commodity that should be acquired at the cheapest possible price. If apple juice can be produced and shipped from China at a lower price than production and shipping costs in the region, then apple juice and any other apple products that can be price competitive, should be sourced from Chin instead of New York, in this open global economy.

One of the main problems with this line of argument has to do with an uneven playing field in agriculture, which has invariably made it the most complicated sector of the economy to negotiate within international trade agreements. When Brian Henehan toured the Chilean farmers' lands with me back in 1995 many were (and still are) dealing with very similar pressures as Northeast apple and dairy farmers. Most have traditionally grown wheat as a staple of their consumption and a primary crop to generate cash income. Chilean price support for generally declining wheat prices have been challenged (like the Northeast Dairy Compact) as unfair price supports; yet when they have been lowered, Argentinian, Canadian, and U.S. wheat have entered Chile at lower costs; due primarily to heavier government subsidies in each of these respective countries, and economies of scale which make large scale production more cost effective, in the short run.

This story brings us back to a relevant aspect of the current U.S. farm bill debate. The Bush Administration recognizes that the House of Representative's Farm Bill, HR 2646, which passed the House the first week of October "encourages overproduction while prices are low... and fails to help farmers most in need." Here the Administration is acknowledging that "H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8% of farms, usually very large producers, while more than half of all U.S. farmers share in only 13% of the payments HR 2646 would only increase this disparity."^{ix}

The Bush Administration seems to be willing to lower total farm bill budget numbers, primarily cutting back the commodity price support programs which have benefited the largest 8% of farms, while investing significantly larger amounts in conservation programs. Many in the farm bill debate have claimed that underlying this disposition is the Administration's desire to get fast track authority for trade negotiations. Regardless of the actual motivating rationale, the Bush Administration is not the only farm bill debate

participant saying that green box payments, instead of commodity price supports, should be a way to distribute supplemental governmental income to those farmers who are acting as the best environmental stewards in rural America. It will be interesting to see how the farm bill process moves forward in a senate where the Agriculture Committee has worked in a bi-partisan fashion to promote greater “green box” payments to farmers through the Conservation Security Act. This piece of legislation has developed with considerable support from the coalition of organizations which the National Catholic Rural Life has been member and helped form.

The Northeast has participated in this debate with far greater presence than in previous farm bill debates. The New York based National Campaign for Sustainable Agriculture has provided national leadership and supported the regional Northeast Sustainable Agriculture Working Group in active dialogue on such farm bill proposals. Strong co-sponsorship of the Conservation Security Act has emerged amongst Northeast Senators and Congressional representatives, due, in large part, to these efforts.

While it is difficult to predict the final configuration of Farm Bill 2002, the support for stronger conservation measures spans the political spectrum and will likely provide greater resources to the Northeast for conservation. This outcome is by no means inevitable, as vested interests promote the present form of globalization, which pulls towards greater concentration of market power and the environmental degradation that has gone with such concentration. This force runs contrary to the efforts of those who are promoting “greener” legislation and government programs that fit into international green box categories of international agreements.

Reconnecting Producers and Consumers in the Northeast – Some Concluding Reflections

Most consumers still pay little attention to what they eat and where it comes from, beyond the supermarket. “Catholic Rural Life” has outlined a growing group of consumers who are interested in where their food comes from in these pages, in previous editions, and throughout our work around the country.

I remain hopeful that improved agri-environmental policies and producer-consumer connections can lead to a dramatically more environmentally friendly food system than has predominated over the last 50 years in the United States. Tom Lyson’s article in the last “Catholic Rural Life”, “A Promise of a More Civic Agriculture” points to many of the elements that will be necessary. The NCRLC’s “Eating is a Moral Act” campaign contributes significantly in starting the process by getting people to begin thinking about where their food is produced. Fifty years ago that question was usually much easier to answer as most U.S. citizens had a closer connection to the land. The process of concentration has evolved to such an extreme that most have lost that connection, but to repeat one of Brian Henehan’s analogies, I believe there are a set of waves coming in which will make connectedness and relationship between consumers and producers a key to Northeast farmers’ profitability and generally healthier communities in the Northeast.



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Endnotes

ⁱ "Processed Apple Product Marketing Analysis: Apple Juice & Cider", by Kristin Rowles. Staff Paper, Department of Applied Economics and Management, Cornell University, January 2001.

ⁱⁱ "Thinking Afresh About Processing: An Exploration of New Market Opportunities for Apple Products", by Kristen Rowled, Brian Henahan, and Gerald White, Staff Paper 2001-03, Department of Applied Economics and Management, Cornell University, June, 2001.

ⁱⁱⁱ Statistics taken from "How Much is Enough for 2002? A Regional Wildlife Needs Assessment for the 2002 Farm Bill" by the Wildlife Management Institute, January 2001

^{iv} Quoted in Joseph M. Pitulla, *American Environmental History: The Exploitation and Conservation of Natural Resources* (San Francisco: Boyd and Fraser, 1977), p. 220.

^v Willard W. Cochrane, *The Development of American Agriculture, A Historical Analysis* (Minneapolis: University of Minnesota

^{vi} "Seeking Common Ground" by The Soil and Water Conservation Society, p. 15.

^{vii} Ibid., p.6.

^{viii} "How Much is Enough for 2002, A Regional Wildlife Habitat Needs Assessment for the 2002 Farm Bill", Wildlife Management Institute, January 2001.

^{ix} The White House, Office of Management and Budget, Statement on HR 2646. Oct. 3, 2001 See <http://www.whitehouse.gov/omb/legislative/sap/107-1/HR2646-h.html>