

Farm Accounts 1982: A Very Bad Year

The problems facing America's farmers are serious and certain to become worse unless major changes are made in economic policy, particularly taxation, and agricultural practices. Current policies and practices aren't succeeding even on the simplest level of accounting for farm profit and loss, and as I show here, if an attempt is made to include a more realistic assessment of cost, farmers are failing tragically.

	<u>In Millions</u>	
	<u>Credit</u>	<u>Debit</u>
Farm Income	\$19,000	
Erosion from farmlands, 2 billion tons ¹		\$19,720
Nutrient loss		9,000
Value of topsoil		10,000
Siltation of dams and structures		200
Damage to fish and wildlife		20
Reduced production		500
Chemical Control		839 ²
Human poisoning		184
Animal poisoning and contaminated products		12
Reduced natural enemies and pest resistance		287
Honey bee poisoning and reduced pollination		135
Loss of crops and trees		70
Fish and wildlife loss		11
Government pesticide and pollution controls		140
Chemical Fertilizer		7,520
Human poisoning		5
Reduced organic matter and micro-organisms		5,000
Reduced water retention		2,000
Fish and wildlife loss		15
Aesthetic damage, eutrophication		500
Groundwater overdraft		300
Salinization		150
Land removed from production		50
Reduced Production		100
TOTAL	\$19,000	\$28,529
NET FARM LOSS		\$9,529

1. Soil Conservation Service.

2. David Pimental and John Perkins.

All other estimates by author.

The key to restoring America's farms to economic and environmental health will be emphasis on ecological agriculture that is sustainable forever. Farming today is mining, not farming, steadily destroying its resource base to achieve marginal profits from year to year. By including full accounting, we can ensure that we will have food for tomorrow.

Ecologically sound agriculture is already being practiced by some farmers, and they are doing better than the average farmer despite the economic penalties assessed against them. Yet for widespread use of sustainable farming which emphasizes little tillage, minimal use of chemical control and chemical fertilizers, and efficient use of water supplies, we should increase the cost of detrimental practices to more closely match real cost.

Taxing chemical controls, chemical fertilizers and groundwater overdraft would be relatively simple and very desirable. A tax on erosion would be more difficult to administer, but should be considered. The savings would far exceed the cost of monitoring and taxing this most serious problem.

At the same time, the tax system must be overhauled to discourage land speculation and land mining, which hurt farmers and cost society so much, and encourage ecological farming. Some possible solutions include: eliminating property taxes on farms of less than 500 acres, taking away capital gains provisions and other farm tax shelter incentives, and providing tax credits for land restoration expenses. The costs of this program would be more than offset by the new taxes proposed earlier.

At the same time, existing government subsidies and support program should be phased out over a five-year period. Virtually all of these federal and state programs: Crop Disaster Relief, Water Projects, Set-Asides, Marketing Orders, Farmers' Home Loans, etc., promote the worst kind of farming. We would all be better off without them, and the billions of dollars saved could be returned to the taxpayer or invested in land restoration projects on the much abused federal lands.

Developing a sustainable agriculture is probably the most important challenging of the next decade — and it will not be solved if we continue to ignore it. It is time to begin work on this most serious campaign for food for tomorrow.

Much of the efficiency of American agriculture is an illusion. All Americans will discover this as they continue to pay the cleanup bill.—*David Bainbridge.*



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"TO BE ECONOMICAL, AGRICULTURE HAS TO BE ECOLOGICAL"

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