



WSDA Future of Farming Project

Discussion Paper on the Impact of Environmental Regulation on Washington Agriculture: Challenges and Opportunities

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1. Background:

Among the issues confronting the future of Washington farmers and ranchers is the ever-intensifying pressure for increased environmental performance on agricultural lands. This concern was recognized by the original 1988 Washington Department of Agriculture (WSDA) AG 2000 study which, at that time, recommended that the agriculture industry should:

- a. Establish multi-interest coalitions on natural resource use policies,
- b. Develop increased efficiency in natural resource use, and
- c. Increase public and industry education about agriculture and the environment.

In recent meetings with the current WSDA “Future of Farming” project, the original AG 2000 team recognized the progress that has been made, but also acknowledged that “this area needs more effort.” This sentiment is mirrored by input that has already been received from today’s farmers by the Future of Farming project. There are strong concerns within agriculture about the future of environmental regulation. Producers feel that they are increasingly carrying the cost of environmental conservation to the detriment to their business.

To aid the discussion of these issues, this paper attempts to describe the nature and causes of the challenges we face. At the same time, it also hopes to identify real opportunities to address environmental issues in ways that will ensure and hopefully enhance the future economic viability of agriculture.

2. The social framework and the challenges of environmental regulation:

The Pacific Northwest is a modern American economic miracle driven by a flourishing international marketplace – in which agriculture is a critical component part. The population here is expected to grow by perhaps 5 times over the next century.¹ Yet our region is also laced with a vulnerable network of streams and rivers – especially in those parts of Western Washington where we expect the most rapid growth. Many of these waters are already listed as polluted under section 303(d) of the Clean Water Act.² And the environmental sensitivity of our region is also highlighted by several local endangered species listings, including several species of Pacific Salmon.

As the Northwest’s dramatic growth continues, the environmental impacts of our increasing population will inevitably worsen. It seems likely that it will be impossible to fully address them in the urban centers themselves. For the most part, urban-designated areas are not friendly to the environment and the cost of making serious environmental improvements there is comparatively prohibitive. Conversely, there is little more to gain on our public lands – these lands are already

¹ Robert T. Lackey, *A salmon-centric view of the 21st century in the western United States*, Renewable Resources Journal, Autumn 2003, at p. 14.

² Section 303(d) of the Clean Water Act, <http://www.epa.gov/waterscience/standards/rules/303.htm>

managed mostly in their natural state. In both cases, some improvements are probably possible, but overall, we will need to look elsewhere if we are to make up for our anticipated losses in the years to come.³

Roughly half of the private land base in Washington is currently in active agriculture.⁴ And that percentage is much larger, if we ignore those lands already in urban or suburban development. In large part, therefore, our State's environmental future seems inextricably linked to the future of our private rural lands. Add to this the likelihood that the vast majority of those expected millions of new residents (and voters) will doubtless reside in urban areas, and will probably have little understanding of the needs of agriculture. In the years to come, our farms will clearly experience intensifying pressure as the rest of society must increasingly mitigate for the impacts of urban expansion, economic prosperity, a rising standard of living, population growth, and urban development.

Some of this pressure will, of course, focus on compliance with existing law. But much of it – perhaps most – will also reflect efforts by a growing society to make up for its own increasing impacts in what society is likely to see as the least costly and least troublesome way. For some, this seems likely to translate into calls for increased regulation of agriculture. There is the very real possibility that such regulation, by visiting higher costs on an already struggling industry, may accelerate driving farmers off the land and land out of agriculture. That this may seem unfair may not be an adequate defense.

Solving a growing urban society's environmental problems, however, is not so simple as merely intensifying regulation of agriculture or driving farmers off the land. The environmental enhancements we will need if we are to fix the environment step well beyond what can be done with prohibitory regulation. Voluntary financial conservation incentives, on the other hand, can enlist the willing, even enthusiastic participation of landowners in making the needed positive improvements to the environment. In contrast, regulation is usually limited to preventing further damage.

Moreover, it is in nobody's interest to drive farmers off the land. The official NOAA Fisheries Puget Sound Salmon Recovery Plan completed by Shared Strategy for Puget Sound specifically concluded that saving our region's farms (and keeping them economically viable) is essential to maintaining the open undeveloped landscapes necessary for salmon recovery.⁵ Similarly, the recent 50-year Cascade Agenda for Puget Sound found the same thing – that we must save our farms if we are to save the environment.⁶ So, it would appear that we must save our farms and improve the environmental qualities they provide. Both are vital to the survival of countless species as well as to the health, economy, and quality of life in the Pacific Northwest.

³ One possible exception may be wetland replacement where banking or other replacement activities may be possible on public lands.

⁴ USDA Farms and Land in Farms and Livestock Operations 2007 (February 2008), p.9-13, http://usda.mannlib.cornell.edu/usda/current/FarmLandIn/FarmLandIn-02-01-2008_revision.pdf

⁵ Puget Sound Salmon Recovery Plan, adopted by NOAA Fisheries January 19, 2007, Proposal for Prosperity of Farming and Salmon, p.411. http://www.nwr.noaa.gov/Salmon-Recovery-Planning/Recovery-Domains/Puget-Sound/upload/Ch6_Hab_Farm.pdf

⁶ Cascade Land Conservancy's Cascade Agenda, Ch. 3, pp. 1-14, The Communities that Define Us: Our Agricultural Lands. <http://www.cascadeagenda.com/picturing-the-cascade-agenda/the-cascade-agenda/the-report>

There seems to be little hope that Washington's Growth Management Law⁷ can prevent the fragmentation of our land base. The current average Washington farm is 458 acres.⁸ Yet the largest current agricultural zoning in our State is only 40 acres. Much of that acreage is already grandfathered in at parcel sizes of 20, 10, or even 5 acres. There is no (and is not likely to be any) requirement that farm zoned land actually be owned or operated by farmers. And much of our current 15.1 million acres of Washington agriculture is actually conducted on lands that are not zoned explicitly for agriculture. Moreover, some 75% of the land now in active agriculture in Washington has a current fair market value that exceeds its value as a productive asset for an agriculture business. So, should these farms go out of business, the land they sell is, in most cases, likely to sell to a non-farmer, will probably be fragmented up to whatever parcel sizes current zoning will allow, and is almost certain to be put to more intensive, less environmentally friendly uses.

Clearly, if the public comes to think about it, they should understand the counter-productive impact of over-regulation of agriculture. But will they? Creating that public understanding should, therefore, be a major agricultural public policy objective in the years to come.

3. Opportunities for the future:

Fortunately, agricultural lands offer a huge opportunity to improve the environment and correct for societal environmental degradation – without diminishing their economic viability for traditional farming. In fact much, perhaps most of what farmers already do and can do by way of environmental conservation actually also increases the productivity of the farm/ranch business.⁹ Whether it is planting and growing trees or other native vegetation, managing for the protection of water quality, minimizing floods, recharging aquifers, assuring the survival of animals, sequestering carbon, or simply preserving a productive open landscape, our farmers are the ultimate skilled professionals. Much of this is already done by farmers every day – for free. Our best opportunities arise in our taking advantage of that fact. The following are a few, selected opportunities to do that.

A. Improving the credibility and fundability of conservation incentives:

The current best alternative to environmental regulation is a suite of voluntary financial conservation incentives programs funded mostly by governments at various levels. While there are many discrete programs, the overall level of funding has been typically quite limited – especially given the magnitude of the problem. Because these programs are publicly funded out of scarce taxpayer resources, their level of funding depends heavily upon their credibility with policymakers and their effectiveness in addressing important, identifiable social problems.

In a setting where the problems are massive and the funding is minimal, credibly and seriously dealing with those problems clearly depends upon being able to target the limited funds to specific physical locations or to particular areas of need. To do that with voluntary incentive programs requires that a substantial percentage of the landowners in that target location or who can address that particular need will wish to participate. This can only occur if the program is in a position to offer sufficient funding to make participation truly attractive to most of them. So, until funding increases to a level that makes this possible, incentives programs face a “Catch 22:”

⁷ Washington Growth Management Act, RCW Ch. 36.70A, <http://apps.leg.wa.gov/Rcw/default.aspx?Cite=36.70A>.

⁸ USDA Farms and Land in Farms and Livestock Operations 2007 (February 2008), p.5, http://usda.mannlib.cornell.edu/usda/current/FarmLandIn/FarmLandIn-02-01-2008_revision.pdf

⁹ The NRCS Electronic Field Office Technical Guide describes several hundred Best Management Practices. <http://www.nrcs.usda.gov/Technical/efotg/>. Most of these provide benefits BOTH to the farm and for conservation.

If they are to receive more funding, they must be credible with policymakers and the public. To be credible, they must have more funding.

Given current funding levels, NRCS and other incentive agencies have fallen back on heavy reliance upon the good will and contributions of public-spirited landowners willing to invest their own money and for whom only a small cost-share from the public is needed. This does extend scarce public money, but it also tends to spread the environmental benefits of current spending very broadly across the landscape and only rarely does it produce the targeted outcomes so needed to clearly demonstrate credibility and effectiveness.¹⁰

Conservation incentives do, however, have clear strengths for environmental improvement, if we are willing to take advantage of them. Examples taken from AFT's Report¹¹ on the recent "Conservation Incentives Project" include:

- Cost: Incentives offer significant cost advantages:
 - Incentives have the advantage that we know how much they cost (with regulation, for example, social costs may often be hidden). So, when we use incentives, we are actually in a position to attempt a measure of public cost effectiveness and to look for ways to improve it.¹²
 - Because they are administered on a case-by-case basis, incentives result in costs being incurred at only those sites where improvements are actually needed and have been deemed beneficial (rather than throughout a community, activity, area, or regulated industry). Unwarranted public and social costs can be avoided simply by approving only those specific projects where the public benefits are worth the social cost.
 - Disruption of private economic activity is minimized with incentives. Because they are only used when the landowner is a willing and active participant, the actions resulting from incentives are usually well-adapted to the site-specific needs of the particular property involved and tend to avoid unnecessary economic side-effects.
 - Incentives can save expense. Because the landowner is an active participant, often projects can be done in a way that provides environmental value to society, while at the same time often producing site improvements that are economically beneficial to the landowner.¹³ Landowners then share the cost of such projects thus reducing the expense for the public.
- Individual and community synergy and support: Incentives have the capacity to enlist willing, even enthusiastic landowner participation in achieving social objectives rather than tending to incite potential opposition. They can generate positive interactive social pressure in a community and strengthen shared community values thus creating synergy that will

¹⁰ Report of Evergreen Funding Consultants to Washington Biodiversity Council on "Conservation Incentive Programs in Washington State: Trends, Gaps, and Opportunities:"

http://www.biodiversitypartners.org/state/wa/biodiversity_report.pdf

¹¹ "Washington Conservation Incentives Project: Report to the Puget Sound Action Team," American Farmland Trust, May 2007. <http://www.farmland.org/programs/states/wa/CreatingStrongerIncentives.asp>.

¹² *Incentives for Biodiversity Conservation: An Ecological and Economic Assessment*, Casey, Vickerman, Hummon, Taylor (Defenders of Wildlife, 2006) p. 8.

¹³ This is the specific mission of the Pioneers in Conservation salmon recovery grants program initially developed for Shared Strategy for Puget Sound and currently funded through the Washington State Conservation Commission and the National Fish and Wildlife Foundation.

enhance participation in and the effectiveness of the programs. Some of the most striking examples of successful environmental restoration on private lands are in situations where the availability of incentives brought about a broad shift in local community consensus and resulted in the active, positive participation of many local landowners.

- Opportunities for affirmative restoration: Many of our society's environmental goals require complex, positive activities and physical improvements in conditions on the land. Incentives have the advantage that they can bring such changes about. Such positive environmental restoration would be difficult or impossible to achieve solely with prohibitory regulation. Because the landowner is an active, willing participant, these improvements can be accomplished in a site-specific way that is not only consistent with the landowner's own needs for the property, but is also more likely to achieve the desired social result.¹⁴
- Encouraging socially-beneficial landscapes: Strong incentive programs can have the positive effect of helping farm and forest landowners remain in business and helping them keep their land in well-managed natural resource uses and out of landscape-fragmenting development. This can help society preserve the large-parcel, open, mostly natural and undeveloped private landscapes that are so necessary for the environment and for wildlife habitat.¹⁵ One unintended consequence of the use of regulation can be to heighten costs of doing business to a point where these lands fall to development and to other more intensive and less environmentally friendly uses.
- Fairness: Of course there are social responsibilities that everyone should comply with. But there are also circumstances when public compensation should be paid. For example, many people feel that expensive environmental restoration on private lands for mostly public purposes should be mostly paid for by the public.¹⁶ Incentives are a tool that allows us to find the appropriate balance of fairness as a minority of pressured private owners of a diminishing resource of open lands is increasingly expected to help mitigate for impacts potentially caused elsewhere in a rapidly growing society.

Our first opportunity, therefore, would seem to lie in our own recognition, within agriculture, of the power of incentives to change the world. Since incentives, at least over the long-term, would often seem to be a highly desirable alternative to future regulation, this would seem to be a "slam-dunk." Strong, faithful, committed support, by the mainstream Washington agriculture industry, for increases in public funding for incentives at all levels of government is essential. Without it, incentives seem likely to continue to limp along at current inadequate levels, while environmental need and public pressure builds and the regulatory threat grows.

B. Enlisting the power of agriculture and a new marketplace:

Even with strong agriculture industry support, even if the public and policy community come to appreciate their advantages, and even if their credibility builds, government-funded conservation incentives will always be limited by the eternal struggle over public money. Where else might money be found to provide farmers fair value for the environmental services they provide and thus help make farming a more profitable enterprise?

¹⁴ Ibid note 11, p. 13-15.

¹⁵ See Puget Sound Salmon Recovery Plan adopted by NOAA Fisheries, Chapter 6, Habitat, p. 413.
<http://www.sharedsalmonstrategy.org/plan/docs/ch6/CHAPTER6habitat.pdf>

¹⁶ Ibid note 11, at. p. 14.

Ironically, the answer lies in a problem shared by both farmers and environmentalists, namely: Environmental services seem to have no “value.”

From the environmentalist perspective, a key reason our society is destroying the environment is that we can get away with it. If, in the course of its activities, a business enterprise destroys wildlife habitat, pollutes the water, or fouls the air, there may be no economic consequence for that – or, conversely, no economic benefit to either preventing it or to actually improving conditions to enhance the environment. When their products or services sell, the price of those products do not include the cost, to all of society or to our future, of the environmental impacts resulting from their production. Simply put, environmental services have no “price.” So they are not produced in the market system. Thus, for environmentalist, regulation may be seen as the only fallback.

From a farmer’s perspective, facing fierce global competition in the farm products marketplace is challenge enough. Also providing environmental services that no-one will pay for is clearly icing on the cake. Certainly all farmers need to be socially responsible. But farmers resist when society looks to our farms to bear the cost of solutions to environmental problems that seem to be created by the broader public – not by farmers themselves. So the problem for farmers is much like the problem for environmentalists, namely: Environmental services seem to have no established, commonly understood dollar value. Not only is there no price to be paid for ignoring them, there is also no clear value to providing them. If there were, farmers might be a good deal happier to produce them.

What both farmers and environmentalists need is for environmental services to acquire a recognized, undeniable price or value. Academic studies of cost impacts or of people’s hypothetical willingness to pay will not suffice.¹⁷ What we need are economic institutions that establish that price the way other prices are established – through supply and demand. What we need are “conservation,” “environmental,” or “ecosystem” services markets through which suppliers of these services (like farmers) can sell them to those who need them (like developers). Once everyone recognizes and accepts that environmental services have a set value or price, two things will necessarily result:

- 1) It will be much more difficult for regular markets for products or services to ignore or “externalize” them (as economists say). They will, hence, be more likely to be protected.
- 2) It will be much more difficult for society to shift the costs of making up for society-wide environmental impacts onto the shoulders of farm and ranch operators through regulation since the real economic impact of doing that will be clear and the inherent unfairness patently obvious. Society will, instead, increasingly rely upon a stronger and stronger marketplace to address its environmental issues.

There are several financial “drivers” that seem quite capable of making such a marketplace happen. Among them:

- ***Environmental mitigation:*** Some \$350 million is spent annually on environmental mitigation for Public Transportation projects in Western Washington alone – mostly on replacing wetlands. But the studies indicate that we are, at the very best, only achieving perhaps 50% replacement of lost environmental values. There is obviously huge room for improvement, and considerable funding. It seems likely that, for at least some of this need, farmers could do a better job.

¹⁷ See generally: “Natures Services: Societal Dependence on Natural Ecosystems,” Ed. by Gretchen Daily (Island Press, 1997).

- **Water quality credit trading**: As local public utilities and private industries gear up to live within tightly limited Federally-required Total Maximum Daily Loads (TMDL's) on local waters, they are increasingly seeking less expensive alternatives to costly investments in complex water-quality infrastructure. Using standard best management practices, local farms could often do the job much less expensively and with a much better result.
- **Salmon recovery**: As implementation proceeds on the region's many federally required salmon recovery plans now in place or coming to completion, there is intense pressure to find places where significant positive improvements in habitat might be secured. This necessarily requires a new look at conservation incentives for buffers, riparian restoration, and surface and ground water quality protection. Some of these might be expected to take land out of agriculture, but most need not – if we create markets that seek efficiencies by targeting changes that respect the economic value of existing agriculture. A market for environmental services provided by the agriculture community will create this.
- **Other conservation incentives**: As indicated above, government already spends significant sums on conservation incentives for private landowners. But the system is poorly designed to assure either guaranteed and measurable results or strategic, cost-effective spending. If we create markets for environmental services, funding for incentives programs will increase and necessarily become more strategic. These programs will clearly demonstrate their worth. And their enhanced credibility should lead to greater public spending.

The agriculture community is understandably reticent to welcome new environmental initiatives – their experience with these issues has generally been regulatory and often costly for them. But there are many examples that decisively illustrate the willingness, creativity, and enthusiasm of farmers to help if they are properly approached, given a voice in developing programs, treated with fairness, and reasonably compensated for their efforts. Working with farmers and tapping into that creative capacity is, thus, a critical keystone for saving the Northwest environment and for saving agriculture.

Creating such a market system will require changes in our current regulatory structures. But there is motivation to make those changes since the current system is working rather poorly.¹⁸ The general concept of ecosystem services markets is not particularly new – but actually designing institutions and regulations that make them work is. These discussions are occurring now.¹⁹ Active, thoughtful participation by the mainstream agriculture industry will be critical to success. Many of the technical problems to creating these markets have already been overcome. But there remain legitimate concerns and barriers to participation by agriculture – we need to identify those barriers and brainstorm solutions that will make it possible for farmers to participate successfully. We also will need to address potential threats (such as potential for loss of farmland from agriculture) if the agriculture industry is to support such markets.

The Conservation Markets bill (SB 6805), that passed the 2008 Legislative Session, provides an opportunity to study and explore the possibilities for environmental services markets. The study portion of the work is targeted for completion by December 1, 2008, with one or more potential pilot

¹⁸ Recent studies, for example, of wetland mitigation indicate that, at best, we may be replacing only perhaps 50% of the lost values – falling far short of “no net loss” of wetlands.

¹⁹ In the fall-winter of 2008, American Farmland Trust will be conducting an Agriculture Industry Workshop and Listening Session to take input from leaders in Agriculture. Additional input will be taken through a study funded through SB 6805 adopted in the 2008 Washington Legislative Session.

projects to follow. This legislation provides an immediate and specific opportunity for agriculture leaders to become involved and to help guide the future of such a marketplace.

C. Educating the public about agriculture and the environment

The need, expressed during the 1988 AG 2000 study, to educate the broad public about agriculture and the environment is yet greater today and will clearly increase in the years ahead. The irony is that, of all our major industries, agriculture is unquestionably the most environmentally friendly. Yet an ever-expanding urban public is increasingly ignorant about us and about what we do.

Agriculture is roughly tied for first with aerospace as the top industry in the State of Washington. But, unlike the large, monolithic companies found in most major industries, agriculture is highly fragmented, composed instead of many small, independent producers and with little access to the large sums of money needed for broad public information campaigns. The current television advertisements for the Boeing Company are a good example of how most other industries go about shaping public opinion. And the recent (past 8-10 years) public information campaign by the Washington Forest Protection Association (which represents the large corporate timber industry) demonstrates how such campaigns can dramatically and favorably shift public opinion about a natural resource industry. Agriculture does, of course, engage in outreach – some of it very effective. Ag in the classroom is an example. As is the Heart of Washington effort. And as is the daily work of many direct market farmers. But these kinds of efforts do not reach the scale of the massive problem of public apathy we truly face and they do not target public ignorance about agriculture and the environment in particular.

One of the tools already available to agriculture is the commodity commission.²⁰ Among the legally legitimate purposes for such commissions is marketing – which is not so far different from public education. For several years there has been a proposal that Washington agriculture should form a statewide commodity commission that would represent ALL our farms and ranches in educating the public about agriculture and the environment. It could, perhaps, be called something like the “Washington Agricultural Products Commission.” It could be funded by a tiny percentage of farm revenues (measured in different ways for different commodities). Just for scale, 0.5% of Washington’s \$5.3 billion in agricultural sales (2002 numbers)²¹ would produce over \$2.5 million in revenue annually for such a commodity commission.

Suppose half, or \$1.25 million of this sum was spent, annually, on assistance for farmers and ranchers to do best management practices on their land. And suppose the other \$1.25 million was spent annually on a continuing television and public outreach campaign that would, over the span of several years, educate the public about what farmers and ranchers actually do to help the environment.

Picture, for example, a 30-second television advertisement featuring a cattleman, sitting on a horse on a hillside above a stream far below. “My cattle,” he says, “used to water in that stream down there. But now we pump the water to various places across this hillside. The animals are spread out across the land, they stay away from the stream, they’re better fed, and that stream is fresh and clean.” The camera pans across the hillside and along the stream. “I’m proud my cattle are Grown in Washington with Respect for the Environment.”

²⁰ See the two Washington Agricultural Commodity Commission laws – RCW Ch 15.65 and 15.66.

²¹ 2002 Census of Agriculture – State highlights - <http://www.nass.usda.gov/census/census02/volume1/wa/index1.htm>.

Or picture a wheat farmer, standing in his fields on a hill in the Palouse. “Here in wheat country,” he says, “there are lots of places on steep hillsides, along field borders, and on rocky ground where planting a crop really doesn’t make sense. Instead, we grow native plants in those places to provide habitat for birds and wildlife that migrate through here. The birds eat rodents and pests, so it works for everyone.” The camera pans across the fields. “I’m proud my wheat is Grown in Washington with Respect for the Environment.”

Or picture a Western Washington row-crop farmer kneeling down to pull up and show the camera a beautiful carrot. “I love farming,” he says. Then he gestures with his hand out across his field to a row of suburban homes in the distance. “I guess I could make a lot of money if I sold out to a developer and let them build houses on this irreplaceable soil. But I’m not going to do that. As long as I can keep farming this land, it’s going to be better for me and for those folks over there as well. It makes me feel good that these carrots are Grown in Washington with Respect for the Environment.”

Imagine this kind of thing going on year after year. There could be spots dealing with IPM in the apple industry, with water conservation in irrigated row crops. We could touch on salmon recovery, large mammal migration, water quality, aquifer recharge, flood water detention, carbon sequestration, “open space,” and the full host of environmental contributions made by agriculture to society. Farmers and commodity groups would take pride in participating. The public would come to love the tidbits of educational content. The cost-share component of the Commission’s program could demonstrate how the agriculture industry is serious enough that it even taxes itself to protect the environment. But spending in the range of \$1+ million annually on public information in the Washington media market would be about the appropriate sum needed to have substantial impact over time.

Legally and technically, this would be “marketing” and would be perfectly legitimate for a commodity commission. But just as the Boeing Company has little expectation of actually selling airplanes to Seattleites with its current local Puget Sound area TV ads, the real purpose of our effort would be to build broad public support for Washington agriculture and to educate the public about the ways farmers and ranchers are good for the environment. When the Washington Forest Protection Association produced all its educational TV programs on how the large timber companies protect the environment, they were not trying to sell timber, either. The function of such an effort by us would not be to sell product, but to shift the public and political climate to one more favorable for the agriculture industry.

Such a campaign could, given a few years of work, have dramatic impact in shifting public perceptions of agriculture.

4. Conclusions:

The key concerns about farming and the environment raised 20 years ago in the AG 2000 study seem as grave today as they did then. Unless something is done, the future of environmental regulation does not look bright for our farmers and ranchers. And the three areas of work the AG 2000 team recommended to address the problem also seems as appropriate today as they did then:

- 1) Establishing multi-interest coalitions on natural resource use policies is still critically important. Just one clear and recent example of the power in such coalitions is the ease with which the Conservation Markets bill (SB 6805) passed the 2008 legislature. This happened,

almost certainly, because the bill had such a broad coalition of mainstream agriculture and environmental groups supporting it. Properly managed, each of the opportunities discussed above could enlist that kind of broad coalition in its support.

- 2) Developing increased efficiency in natural resource use, will require that we find ways to fund conservation incentives that will help our farmers do that. The above proposals are designed to target that opportunity, rather than leave it to regulators to compel farmer actions at agriculture's expense.
- 3) Increasing public and industry education about agriculture and the environment is still quite clearly essential. To make such an effort effective given our massive current and projected future population, we must, somehow, get over the hurdles created by our fragmented industry and undertake a well-funded, long-lasting, unified, professional, message-driven media and public education campaign.

The environmental regulatory threats we face are grave. But those challenges do translate into opportunities that, if seized, could produce a viable and successful agriculture industry in the years to come.

Respectfully submitted

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