

A New Agriculture for the New Millennium

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Keynote Speech

Approaching the New Millennium in America means honoring the past and embracing the future. We must recognize the diversity of farms in America and the diversity of contributions made to agriculture. Secretary of Agriculture Dan Glickman recently renamed the biggest new research building on the USDA Beltsville, Maryland campus the George Washington Carver Building in celebration of Dr. George Washington Carver's life. This African-American scientist was close to the land. He listened to the plants and learned from them. He had sympathy for the flowers.

Look around at your small farm neighbors. If you know a family who has lived on and farmed on the land for a century, making at least \$1,000 in income from on-farm production, the USDA is now counting and celebrating these Century Farms. Having a farm in the family for a century or more comes with a lot of hard work. USDA wants to compile a list of them.

Two prominent African Americans inspired me as I grew up. Booker T. Washington, who built the educational institution Tuskegee University, was one. He applied science to the rejuvenation of farms. George Washington Carver was the other who inspired me. To have George Washington Carver's name on a prominent USDA research building is especially appropriate on the eve of the New Millennium. Carver is a metaphor as USDA embraces the contribution of all known and unsung contributors to the American agricultural enterprise. George Washington Carver is a metaphor for all those unsung thousands of heroes who have contributed to American agriculture in our century.

We have strayed from the moral philosophy that founded this nation. We have modeled agricultural economics after the field of physics as if laws of economics are unchangeable laws. Because of this misconception, we have lost control as human beings.

A remarkable diversity of competence from America's small farmers and ranchers shows me that America has the ability to reinvigorate our democracy. It will take the coordinated efforts of many - not only farmers and

ranchers, but representatives from federal, state, and local governments, state land-grant universities and colleges, and community-based organizations - to make this happen. That is what this conference is about.

This conference is happening through the determination, the energy, the vision, and the hard work of Denis Ebodaghe, USDA/CSREES National Program Leader for Small Farms. Throughout the last year I talked on many occasions day and night to Denis. Many times when I had to call him back late at night, he told me to call him at his office. Sometimes he spent the night there. I was flabbergasted by that kind of dedication!

Today, as this conference of 700 people is a reality, the fellowship, networking, and energy happening here are incredible!

We must recognize here and it is rewarding to see - with such enormous potential within the small farm and ranch community - that we must celebrate, learn about, and rededicate ourselves to the great pillar of democracy on which this nation was founded. It gives me great joy to contemplate the potential that can trickle down to all aspects of the American economy from just that one act.

You are here by virtue of Denis Ebodaghe. He networked with a lot of USDA agencies and people in Missouri to make this conference an accomplished fact. I have seen the fruits of his quiet, self-effacing work. Denis Ebodaghe is a quiet, humble man. He works behind the scenes and he is totally supportive of what we are trying to do for small farmers and ranchers in this conference. He is very persistent. He is trying to empower us. In 1996, the first National Small Farm Conference was an outcome of Denis' vision. He told me that for this - the 2nd Conference - he wanted to bring in community-based organizations. The next one, he said, "We bring in farmers." We are here by virtue of Denis' hard work and he would be the first to say that the conference is happening because of many people's hard work.

It is appropriate that we consider what a sustainable

society is on the eve of the Millennium. We must revisit the values of the Founding Fathers. A bill of rights, a constitution, and a democratic form of government are all pillars of a sustainable society. Is it still definable that the notion of sustainability is consistent with small farms and ranches?

Thomas Jefferson envisioned a democracy as grounded on the foundation of small farms. This seems paradoxical, as he lived as landed gentry. He had slaves. This was a contradiction of the ideals he envisioned in a democracy as he lived off his slaves' work. He knew that the system was not sustainable. He agonized in America from this anti-democratic institution - slavery - which he knew was not consistent with democratic ideals, for some residents in America - slaves and others - were disenfranchised. He withheld, in addition to the Constitution and the Bill of Rights, the notion of small family farms and ranches and that these were needed in this country in order to reinvigorate democracy.

For a democracy to function, farmers and ranchers needed to have the right of ownership of their land. The small family farm would give them the kind of freedom that would give them an economic franchise. Education was needed. The existence of slavery in America was a contradiction to the nation's basic articulated values. Yet while Jefferson lived a life in contradiction to the truth, he understood and articulated that this economic franchise - this freedom to own and farm land - was the underpinning of the Homestead Act. This Act allowed 160 acres to be allotted to families for farming. The Jeffersonian notion of democracy founded the Morrill Act, bringing science to the sons and daughters of the Revolution through the land-grant university system. Jeffersonian policy informed the Smith-Lever Act where the fruits of technology and science could assist the average family farm through the Extension Service.

What have we discovered that would overcome our democratic franchise? Economy of scale. The Republic If You Can Keep It was a treatise he authored. A Democracy If You Can Defend It, another treatise of his, examined the sustainability of a democracy. Within the Jeffersonian notion of society is the franchise still defensible? How do you allow people to have a franchise?

We are worried about the loss of the family farm franchise. And we are worried about loss of other franchises that have been the key of a democratic America. Today the St. Louis newspaper headlines address the loss of accreditation for St. Louis City schools. We need to look more broadly on how people systematically lose their educational opportunity so they

can earn a decent living. This is disenfranchising people.

There is a logic I see undermining our democracy that revolves around two key factors. I intend to analyze how these factors that undermine our democracy play out in our country. They revolve around risk and debt. A dialectic means an inherent contradiction. The solution often becomes the problem when you think deeply about a problem. Risk is one of the problems in our modern society. This is one of our riskiest periods in our American history. This belies the folk wisdom we hear on television - that economic indicators look good and that our economy is robust.

I, Desmond Jolly, a trained economist, am telling you that I risk my professional reputation to tell you that the technology that drives the political, financial, and economic arenas in this country is behind the loss of many of our franchises - economic, political, and financial - and the demise of the small family farm and ranch in America.

New developments in technology can undermine the security of a business firm. While technology creates new opportunities, it causes a threat to a firm producing a certain line of products. Technological change can cause firms to adopt this new technology with many chain reactions stemming from incorporating that new technology.

Financial risks are another key problem in today's world. There are unprecedented pools of capital located strategically around the world. Some of these pools are accumulated through traditional means. Some come from the underground illegal drug trade. These pools can be mobilized quickly against a company, a currency, or a government. These pools of mobile capital threaten to do strategic things. This kind of capability poses threats to our democratic, economic, and financial franchises.

Policy developments can impose unforeseen threats on stockholders of companies. They can upset the whole paradigm under which a company operates - witness tobacco company lawsuits today. New policies posed a threat to the bottom line of tobacco companies. Consumer behavior can be manipulated, and this constitutes the fourth source of risk. Our per-capita consumption of beef is going down. Consider what this means to beef producers. We have a risk-laden society.

Consolidations of large companies to control more and more of a product pose great threats to our economic independence. Consider the latest merger of MCI and Sprint. One of the key ways to annihilate the competition is to simply remove it. The fewer players in the game,

the less energy it takes to monitor the game. If you have only one player, controlling and monitoring any future competition becomes easy. Mergers can get big enough to compete against any competition. All firms that produce a particular product can merge and create one company. Three or four airline companies just raised leisure airfares by 17%. These mergers and acquisitions are not just happening in telecommunications. It has to do with playing a defensive alliance against technology. So we can gradually extract the maximum value in selling a product to cover costs of mergers in the marketplace. The most prevalent practice to deal with policy is to take over the competition. You can purchase a government or a government representative. Does this diminish political franchise?

What is gridlock? They purchase both sides. You have a checkmate. It benefits the status quo so no policy threatens the bottom line. At whose expense? Yours. When the status quo is ensured, capacity is protected.

You now have business firms as powerful as a government. What I see us moving into next is what I call a corporate state.

We are unhappy with our dysfunctional state. Will a corporate state invest as much in a people and the environment? Will it care enough to extend the franchise of democracy to us? Corporate debt is unimaginably large. It poses another threat to the corporate world. Stockholder values go down. How do companies manage that debt - that decline in customer spending? Customers must be coerced to spend more so that companies can service the debt. Consumers are pressured to take on more and more debt. Debt is incredibly high in America.

Debt is at all-time frighteningly high levels. The Secretary of the Federal Reserve Bank, Alan Greenspan, exudes a kind of confidence. But Greenspan is nervous. This has been called the bubble economy in America - pressuring consumers to spend more and more. Information about consumer spending habits is used by marketers to manage consumer risk, so technology is being refined to trap people's decisions, profile their households, and target their spending habits. Risk and debt are driving and undermining our democracy by the structuring corporations take to manage risk. They jeopardize their own security but also that of the larger democracy.

The same thing has happened in agriculture. Consider the effects of the company Monsanto and biotechnology. They are in so much debt that they must ensure farmers come back to buy from them, so they came up with the

terminator to storehouse seeds. This franchise hooks farmers into biotechnology firms. The company tries to undermine decision making of farmers. By degrees, farmer's decision making has been reduced. Our ability to make informed judgments about our policies in a democracy has thereby been undermined.

Today at the 2nd National Small Farm Conference, I visited two family farms and a winery during the tours. It was a very high experience. Getting to be on a farm that has been in a family since 1840 - six generations - and being driven on a tractor by a gentleman in his 60's while he enthusiastically talked about the agricultural innovations he has used on his 100 acres, how he ships 10,000 boxes of apple butter a year, were wonderful. Seeing this successful picture of a thriving family farm was a high for me!

Farms have different possibilities due to location, assets, skill of the people running them, and economic factors. It reaffirms to me the notion that Thomas Jefferson brought to us - the notion of the family farm as a bulwark of democracy. This reaffirms my faith in the need for strong family farms to continue to thrive in America. I will go further in my own work - and I hope all of you in the audience will also make this pledge - to support family farms as an institution not of the past, but also a very viable part of the future.