

## ***Farm Strike Dramatizes Crisis in Agriculture***

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*Tilth*  
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*"The farm bill should be 89 percent of parity. Another fella recommends it should be 93. "But 80, 90, 5 percent—who cares about degree; it's parity that no one understands."*

-Marryin' Sam

The word parity means equality, so it's no wonder that you hear farmers talking about it so much these days.

The price farmers received for their products in 1977 dropped 1.6% to the lowest level in four years, while the cost of everything that farmers have to buy increased by another 5.2%. But that only reflects part of the economic crisis facing agriculture. In terms of farmers' buying power (and this is where the parity formula comes in), prices were the lowest in forty four years, since the depths of the Great Depression.

What this means is that it's costing farmers more and more for everything they buy while they're getting less and less for everything they have to sell. For example, a plow that cost \$850 in the mid '60s now sells for around \$3,000. Fertilizer prices have tripled since the Arab oil boycott. One result is that farm debt has more than doubled—led in the past five years, from \$56 billion in 1972 to a projected \$115 billion in 1978. For the average farmer this debt works out to the equivalent of over three years income, as compared to nine months in 1950. No wonder farmers are angry and scared.

### **DEFINING PARITY**

The idea behind parity is that a balance should be maintained between a farmer's income and costs. The idea seems simple enough (which is one reason why the word parity has become such a battle cry), but actually defining it is something else again. Darrell Hanavan, an economist with the Farmers Union, defines it this way:

"Parity" measures the percentage change in prices received by farmers for the products they sell in relation to the prices paid by farmers for goods and services used in production, interest on capital, taxes and wages, compared with the base period of 1910-1914. A ratio of 100 percent implies the same relationship that existed in the base period. A 75 percent parity ratio (which is about what farmers are getting these days) indicates that the farmers' purchasing power was down to 3/4 of what it would buy in the base period. Congress deemed the 1910-1914 base period as one in which there was a balanced relationship between farm and nonfarm prices.

The concept of parity was introduced into federal law in the '30s as a price index for economic planning, but a goal of 100 percent of parity has never been a part of government policy. There are several reasons for this.

One problem, pointed out by Albert Harrington and Desmond O'Rourke, two agricultural economists with Washington State University, is that index measuring farm production costs in 1910-1914 has been rendered obsolete by the vast changes in American agriculture since that time. Terrence Day, reporting on Harrington and O'Rourke's views in *The Sunday Oregonian* (Feb. 12, 1978), noted that "during the base period , most farms were highly diversified. They

grew most of the food that the farmer's family ate. They were small. Horses and mules provided most of the power, and farmers grew most of the feed required to power their animals. They used little commercial fertilizer and few agricultural chemicals were available. Enormous amounts of hand labor were necessary to plant, cultivate and harvest. Kerosene lit the house and barn; ice refrigerated the family's food.

"But today, most farms are highly specialized and are much larger than they were 60 years ago. Many produce only one commodity a year. Farmers pay enormous amounts of money for huge tractors, combines and other equipment. Gasoline bills are large. Electricity bills on many farms are staggering. Hand labor has been dramatically reduced. Most of the food for the farmer's table is bought at the supermarket. It is preserved by electric freezers and refrigerators."

Another problem is that parity price support programs only apply to major producers' primary commodities. Davis Straub raised the question of whether or not support for 100 percent of parity would only increase the windfall profits for agribusiness while continuing to force small farmers (who may not qualify for the programs) off the land. Perhaps the hardest one to deal with is the problem of abundance. When supply is low and demand is high (as occurred a few years ago at the time of the infamous Russian grain deal) prices skyrocket. But then comes the cry to plant "fence row to fence row" and soon there is a glut on the market and depressed prices. Farmers are competing in a boom and bust economy in which they take all of the risks but have no control over the market. It has been argued that, without strict production controls, pricing at 100 percent of parity would soon lead to an over-abundance which ultimately would destroy its producers.

#### **ARE THERE ALTERNATIVES?**

American farmers are caught in a trap that they have in large part created themselves (with the help of government and industry "experts"). Farmers, who once considered themselves an independent breed, have found themselves totally dependent on forces beyond their control. Human labor and animal power have been replaced by ever more sophisticated and expensive machines totally dependent on finite reserves of fossil fuels. Farmers, too, are dependent on large corporations for marketing major commodities that get used for animal feed or are exported to wealthy people overseas.

If there was any doubt that there is a severe crisis confronting American agriculture, the sight of striking farmers parading thousands of tractors down freeways and around state capitals is bringing the message home. Many farmers are going broke and they are desperate. 22 million family farmers have been forced off the land since 1936 and it is estimated that another 10 percent of the 2.8 million full-time farmers that remain will go bankrupt this year.

The response to this crisis is an urgent appeal for higher prices for farm products. While higher prices are necessary if farmers are to survive economically, the farm strike so far lacks an analysis of the fundamental problems facing modern agriculture, leaving many people confused over whether or not to support the strike. This has become a major question for people in the alternative agriculture movement.

In the accompanying article, Gene Kahn of Cascadian Farm makes the point that parity prices are not a problem for most organic growers. Yet he also states the importance of supporting striking farmers and the need to develop concrete marketing alternatives for all farmers.

I won't even attempt to provide an in-depth analysis of the causes that have led to the current crisis in agriculture. The issues are just too complex. But there are a few underlying factors that can be pointed to.

One is the myth that technological solutions are preferable to human and biological solutions. But perhaps the most fundamental issue may be a matter of attitude—a question of vision. One view, that's been widely promoted in the past few years, is that farmers are business people. According to this view, farming is a business, no more and no less; a business based on the values of competition and exploitation. The consequences of this attitude can be seen in the depopulation of the countryside as large producers have forced out smaller producers. It can also

be seen in the health of the land itself. For example, it is estimated that 4 billion tons of topsoil are lost to erosion in Washington's Whitman County every year (which is 1 billion tons per year greater than in the Dustbowl of 1934). This means that an average of 358 tons of some of the finest topsoil in world are lost per acre each year in the county. That figures out to 3/4 of a ton of topsoil per bushel of wheat produced. And the wheat itself is a low-protein white winter wheat, 90 percent of which is for the export market. And Whitman County is one of the hottest areas for support of the farm strike in the Northwest. Another view is that farming is a means by which workers can control their own labor and attain a measure of security and dignity for themselves and their families on the land. This view holds that permanence is the goal and that cooperation and nurture are the means of attaining that goal. The consequences of this view are a re-integration of people into agriculture and a recognition by farmers of their common cause with labor and with consumers in working together to build a just society. That such an approach to agriculture can not only succeed but thrive is demonstrated by the growth of Amish farming communities and the fact that many organic farmers can and do receive more than twice the market price for crops sold through the cooperative distribution network. Their problem is not price but expanding production to meet demand. There will be no simple solutions to the crisis in agriculture. The things we can do is continue to educate ourselves and our communities about the issues involved, and support all family farmers in their search for marketing alternatives. We can also continue to work toward regional self-reliance in both production and consumption, and continue to build an agriculture that is both biologically sound and socially equitable.