POLICIES TO PROMOTE BASIC ADJUSTMENT IN LAND USE

by M. L. Upchurch

The year 1962 will long be remembered as a most significant period in the affairs of agriculture in the United States. It has been the Centennial Year of the U. S. Department of Agriculture and the Land-Grant College system. More importantly for our present topic, it has been a year in which more people have given more thought and discussion to problems of land use than ever before.

In January 1962, The Secretary of Agriculture called a National Conference on Land and People. In the fall of 1962 regional "Land and People" conferences were held at St. Louis, Portland, Denver, New Orleans and Philadelphia. More than 10,000 thoughtful people participated in these conferences, heard the discussions, and expressed their views about land policy and related matters. During 1962 dozens of conferences and workshops have been conducted by extension and research people on land use problems. And thousands of local meetings of citizens' groups have focused attention on many aspects of land use and development. Now in December of 1962 we are participating in the Third Annual Farm Policy Review Conference, where we are again addressing ourselves to policies to promote basic adjustments in land use.

Moreover, 1962 saw the passage of the Food and Agriculture Act, which has some unique and significant features with respect to land use adjustment. These features were often overlooked in the heat of debate on the more controversial commodity programs in the bill. But they have given some new directions to land use policy and programs.

I deem it my task here today to review briefly the needs for basic land use adjustments in this country, to describe the policies now being followed and to point out problem areas that call for further and continuing consideration. In doing this, I shall try to avoid unnecessary overlapping with other topics on our agenda. However, consideration of land use and land use adjustments necessarily must take people and their opportunities for employment and income into account. It must take into account also our needs for the products and services of land and the prices these bring in the markets. And it must take into account the cultural and institutional environment that is the climate within which we work and play.

A couple of definitions may be in order before we go further. I shall use the word "policy" to mean a general course of action as distinct from "program," which means a more specific course of action designed to carry out a policy. Actually, I shall talk about both policies and programs.

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The phrase "basic adjustment in land use" that appears in the title of this paper connotes something of the quality of change in land use and some element of time. I take it that "basic" means a change in major uses of land, as from crop farming to grazing or forestry rather than from wheat to barley. To me it means also a long-term shift in use resulting in major changes in the type of product or service produced by land and in the relative combinations of land with other resources.

I use "land" to mean "water" too, for any consideration of land is only half done until consideration is given to water resources used with land. They are different, yet inseparable.

Needs for Basic Land Use Adjustment

Cropland. The outstanding fact that must underlie any thoughtful consideration of land policy is the tremendous present and potential capacity of our land and associated resources to produce the ordinary farm crops. Stories of the technological innovations that shrink our needs for cropland and farm labor have become commonplace. We need not dwell on these facts here because Dr. Fox gave the essential elements of the land use situation in his paper, "The Major Problem of Rural Society." However, three important points need to be recalled.

Our best projections at the moment indicate that by 1980 we will need only about the same acreage in harvested crops as we had in 1961 and 1962 despite an expected increase of approximately 45% in population from 1960 to 1980. Let us remember, too, that our 1961 acreage of harvested crops was the lowest since 1910. In 1961 -- and again this year -- we have had large acreages shifted out of crops by the Conservation Reserve, the Feed Grain and Wheat programs and acreage allotments on such major land users as wheat and cotton. Policies and programs to keep the acreage of harvested crops down to about 300 million acres will continue to be a necessary tool in the achievement of supply and price objectives.

The Conservation Needs Inventory, recently completed for the entire country, shows that we have about 640 million acres of Class I, II, and III land. This is land, by definition, that is suitable for continuous cropping with appropriate conservation practices. Only about three-fifths of this land is now considered as cropland; the rest is in pasture, forests and other uses. Only about three-fourths of even the cropland part of this is now in harvested crops. This means that we are now using for harvested crops less than half of the Class I, II, and III land in the United States. We could not use all of this land for crops under any conceivable circumstances. Moreover we need some of it for pasture and woods. But the potential capacity for crops that exists in our abundance of good land far exceeds the most pessimistic projections.
The third point to bear in mind is that of our present cropland, only about 75 million acres is in Class IV or poorer land; less than half of this is actually cropped at present. We are using for crops now a lot less poor land than we used 30 years ago. These lands, by definition, require intensive conservation practices or major shifts in use. Extensive programs for shifts in use and protection of such land probably cannot be justified on the basis of future need for the land for crops. Yet such shifts can be justified on the grounds of reducing the off-site damages caused by erosion and of providing better opportunities for people on poor land. An important point at present, however, is that if all of our Class IV and poorer land now in crops could suddenly be shifted to noncrop uses, we would not solve our problems of overproduction because the acreage of such land is limited and the production from it is too small.

The cropland situation summarizes about like this:

1. We will need no more land in harvested crops in 1980 than we have now.

2. We have a tremendous potential for production from good land.

3. The acreage of poor land now in crops is so small that we would not solve the overproduction problem even if we could shift all of it to other uses.

Grazing land. Grazing is the largest user of land in the United States. Projections suggest that we will need a somewhat larger acreage for livestock grazing in 1980 than we had in 1959. More people with better incomes will want more red meat. Potential needs for pasture land are harder to project than for crops. This is because our data on yields of grazing land are much less precise and the possibility of substituting one source of feed for another is great.

Nevertheless, within the framework of present projections, about 22 million acres added to our 1959 acreage would meet the needs by 1980. Such needs could be met easily by permitting grazing on land shifted out of crop use under the Conservation Reserve or future land use programs.

Actually the acreage used for pasture might very well be increased substantially more than 22 million acres because livestock grazing is something of a residual use of land not needed for more intensive purposes. Furthermore, a change in use of land from grain crops to grazing generally reduces the total livestock feed available and tends to shift production relatively toward feeders rather than fat animals. A greater supply of feeders in relation to grain might be healthy for both the livestock and the farming business.

Forest land. Forestry is the second largest user of land and present indications are that we will need to increase timber production somewhat to meet our needs beyond 1980. The outlook indicates a special need for an increase in soft wood saw logs relative to other major forest products. Better management of present timber lands, especially those in small private holdings, will have a far more important bearing on future supplies of timber than modest shifts in acreage to forest uses.
Recreation. Much has been said in recent years about the expanding needs for outdoor recreation. We now have something like 62 million acres devoted primarily to recreation and wildlife. And we use many millions of acres of farm, forest and range land for recreation of different types. Recreation is one of the multiple uses on much public and private land. Farms furnish much recreation for nonfarm people and could supply much more, even without a shift in land use.

Outdoor recreation is many things in terms of land use. It is wilderness areas, the apogee of extensive land use. And it is highly intensive parks, playgrounds and resorts. It is most difficult to generalize about the needs for land for outdoor recreation except to say that we need more and the recreation land we do have is very unevenly distributed in relation to population.

A projected increase of 23 million acres in land devoted to recreation by 1980 is shown in "Land and Water Resources--A Policy Guide." About one-fifth of this is estimated to come from cropland while most of the remainder comes from forest and pasture land.

Special uses of land. To round out the picture on future needs for land a word needs to be said on special nonagricultural uses. We have now about 147 million acres of land in urban uses, public recreation areas, public installations and miscellaneous uses. Our best projections are that we will need about 21 million additional acres in urban uses and about 5 million additional acres in public facilities in the next two decades. It is estimated that about one-fourth of this increase will come from present cropland. The remainder will come from pasture, forest and miscellaneous land uses.

Summary of projected land adjustments. In summary, our needs for basic adjustments in land use suggest shifts from cropland to more extensive grazing, forestry and recreation uses. In the interest of achieving and maintaining a balance of crop production with demand, we must strive to keep the total acreage of harvested crops at about present levels. Bear in mind that this year we have about 25 million acres of cropland in the Conservation Reserve and another 40 million acres diverted under the Wheat and Feed Grain programs.

Remember also that shifts in land use from crops to grazing or forestry changes the basic relationships between land and labor and capital. Herein lies one of the major problems in land policy. How do you make basic adjustments toward more extensive land uses without significant disruption of people on the land and how you help people make concomitant adjustments?

Goals for a Land Policy

A general goal of land policy is to encourage the uses of land and related resources that provide maximum benefits to people--all people, both on farms and off and over time. This means that we strive for economical production of
foods and fiber. We want assured supplies of high quality products now and in the future to meet both domestic and export needs. This means that we must continue to seek adjustments in land and water uses as relative needs for different products change and as technological innovations give us the opportunity to meet our needs more economically.

A second general goal is to achieve and maintain adequate incomes for rural people. Price policy and many other aspects of federal programs are involved here. Suffice it to say at this point that land policy and programs must be consistent with other programs in the achievement of this goal. Adequate incomes for farmers means reasonable prices for the ordinary farm crops. It means development of opportunities for use of land and labor in enterprises other than the usual crops. And it means development of farm and nonfarm enterprises on a scale that will provide acceptable levels of income for farm families.

Conservation of land and water resources is a continuing goal. Even though at present it appears that our supply of farm land is excessive in relation to effective demand for farm products, it does not follow that we can ignore the need for conservation. Our best projections of future supply and demand extend only a few short decades into the future. Even if these projections prove to be highly accurate, the time span is short in the life of a nation. We can ill afford the risk of unnecessary loss of soil resources simply because we have at present more wheat and corn on hand than we can sell. Protection of our land and property against the ravages of floods, the damages of dust storms, the siltation of water supplies, and the devastation of fire in forests is as urgent now as ever. The chief burden of conservation falls on individual land owners and operators. But society must stand ready to help achieve those conservation practices the land owner cannot afford to do because of his limited resources and his relatively higher time preference.

A third major goal of land policy is to achieve widespread distribution of income and opportunities for technical progress for rural people. The family farm is a basic institution in American agriculture and shows every indication that it will remain so. Price policies and land policies geared to the family farm are so much a part of our thinking that it rarely occurs to us to consider any other. We can afford to feel a bit smug about the achievements of our family farm system of agriculture, but we can ill afford to be complacent about the needs for continuing opportunities for family farm and nonfarm enterprises in rural areas. Development of the maximum number of economic opportunities consistent with efficient farms and nonfarm rural businesses is a continuing goal.

Programs for Achievement of Land Policy Objectives

Many programs of the Department of Agriculture have long been directed at improving the welfare of people in rural America through adjustments in land use. The long established programs of research and extension have had an important bearing on land use. The New Deal Programs of conservation and production adjustment affected land use directly through acreage allotments on some crops,
cost-sharing inducements for conservation practices, land purchase projects, flood control projects, education and many other devices. Many of these programs and techniques for land use adjustments are still important tools in the kit of agricultural policy.

Rather than to spend much time now on these familiar programs of agriculture, let us look at the new directions in land use policy that seem to be emerging. This has been a most significant year with respect to land use policy in this country.

**Cropland use adjustment.** The Food and Agriculture Act of 1962 provides some major new tools to help achieve basic changes in land use. Perhaps the most important of these, in the long run, is the cropland use adjustment program authorized by Section 101 of the act. This Section provides for long term agreements with land operators to shift use of cropland for the purpose of conserving and developing soil, water, forest, wildlife and recreation resources. At present the scope of a land use program under this authority is limited to not more than $10 million in any calendar year. Plans are now being developed to put this authority into effect.

Several features of the emerging land use program under Sec. 101 are worthy of special note. One is that the program intends to promote conservation and economic use of land, not to idle it. When land is forced to non-use, as it was under the Conservation Reserve program, there is strong likelihood that it will return to crop production at the end of the contract period. Indications are that about half of the Conservation Reserve lands are returning to crop use, mostly feed grains, in the first year after contracts end. However, if new uses are developed on land under a long-term agreement, there is a much greater likelihood that the new use will persist after the agreement period.

A second noteworthy feature is that efforts will be made to get a permanent shift in use of cropland that is not suitable for continuous cropping, and to get at least a temporary shift in use of cropland that is suitable for cropping. In effect, we will say this to the man who has land suited to cropping:

"We will offer you an inducement or an adjustment payment if you will shift the use of your land from crops to another approved use for 5 or 10 years. We will provide cost-share practice payments to help you put your land in shape for the intended use. But we will expect you to use this land in a conserving manner and not to increase your acreage of crops on other land."

To the man who has land not suited to continuous cropping we will say:

"If you agree to devote this land (which should not be cropped in the first place) to an approved use for a period of 10 years, we stand ready to assist you with cost-share practice payments for the entire period, if necessary. We will help you establish this new use and to put your land in condition for it."
This feature differs markedly from the Conservation Reserve. In that program, land was rented by the government to assure idleness. In many instances whole farms came into the program and farm operators retired or moved away. No special effort was made to put into the program cropland that was most in need of conservation practices or that contributed most to surplus production, although neither was excluded.

A third main feature of the cropland use adjustment program is that the changes in land use to be made and the conservation practices to be carried out on participating land must be consistent with conservation plans a farmer makes with his local soil conservation district. This helps to assure that conservation uses are made of the land and that technically adequate practices are followed.

The fiscal limitation now in Section 101 of the 1962 Act will permit the application of the cropland use adjustment program only to a few areas on a trial basis. Selection has been made of 41 counties in 13 states as places to start.

The Conservation Reserve. The Conservation Reserve took cropland out of production for periods of 3 to 10 years by agreement with land owners and operators. Approximately 28 million acres were in the reserve at its peak and contracts have already expired on about 3 million acres. This month contracts will be expiring on an additional 1.3 million acres.

Section 101 of the 1962 Act provides for a one-year extension of contracts expiring in December 1962. Offers have been made to land owners who are in this situation. This program for 1963 will give the land operator the choice of grazing his CR land, if he wishes, but with a payment of only 50 percent of what it would be without grazing. About 900,000 acres of the 1.3 million eligible are expected to be recommitted for next year.

Congress made the one-year provision for expiring Conservation Reserve land on the presumption that a policy to deal with such land as contracts expire could be developed soon. At present over 25 million acres remain in the reserve. Contracts will be expiring on about a fourth of this in December 1963. Some of the CR land will remain in grass or trees after contracts expire even without further programs on it. But some of it will return to cultivation, mostly to feed grains. Although the acreage that likely will return to production of surplus crops is not large in relation to total cropland, it is large enough to aggravate our problems of excessive production.

Present thinking is to provide opportunity for expiring Conservation Reserve land to come into the general cropland use program and to establish grazing, forestry, recreation or other uses that will (1) reduce crop production, (2) conserve the land and (3) keep it in an income producing use.

Resource conservation and development projects. The Food and Agriculture Act of 1962, among other things, amends the Bankhead-Jones Farm Tenant Act to
provide technical assistance and loans to state and local public agencies for a program of land conservation and land utilization. This section of the Act (Sec. 102) visualizes land use adjustments on a community or area basis, whereas the previous section provides for cropland adjustments on individual farms. This authority would make it possible for local units of government to make land improvements and to develop recreation and other economic uses of land. Loans for the purpose are to be made through the Farmers Home Administration and are authorized for 30 years with repayment to begin 5 years after they are made.

There is only one difficulty at the moment with Resource Conservation and Development Projects: Congress appropriated no money for them. There is authorization for rather far-reaching community land use and conservation work, but no way now to implement it. In the meantime, other programs are available to help achieve land use adjustment, conservation and economic developments.

**Income producing outdoor recreation.** There is strong interest in developing opportunities for outdoor recreation on farms to help meet the growing needs for recreation, to help provide employment and income to rural people and to provide an income producing use for some rural land not now needed for crops. Title IV of the Food and Agriculture Act now authorizes the Farmers Home Administration to make loans for a recreation enterprise in the same way it makes a loan for a dairy or a big enterprise.

The Soil Conservation Service has been directed to help rural people through technical assistance and planning to establish income producing recreation on farm land.

The Agricultural Conservation and Stabilization Service can help develop recreation on farm land through the old line ACP cost-sharing practices, at least to the extent of providing habitat for game and fish, and through the new cropland use adjustment program. Recreation is one of the approved uses for land shifted out of crops and cost-share payments for some recreation improvements will be provided.

The potential market for outdoor recreation opportunities on both public and private land is growing. Studies made by the Outdoor Recreation Resources Review Commission, projections by the Forest Service and National Park Service, and many other studies point to expanding demands for recreation. The Forest Service expects a three-fold increase by 2,000 in visits to forests for recreation. Other projections are comparable.

The extent to which demands for outdoor recreation will be met by farm people and on farms is a moot point at present. Examples of outstanding success can be cited--the Pennsylvania dairyman who traded his milk cows for a golf course, the New Hampshire farmer who developed a ski slope, and many farmers who provide hunting and fishing opportunities to paying guests. We do not know how much and what types of these activities and land uses will be successful as economic enterprises. Experience with the market and with the unique qualities of successful management is still too new to know.
While efforts are being made to expand recreational use of farm land, public recreation resources are expanding too. Careful thought needs to be given to the relationships between public and private sectors of the business. Public recreation can complement private ventures as well as the other way around. Public lands can provide extensive attractions for tourists while private venture provides the more intensive services tourists need. But public and private recreation resources can compete unnecessarily, if we don't watch out.

Recreation on flood control and watershed projects. Authority for federal participation in flood control and watershed protection projects has been broadened to include recreation as one of the authorized purposes of a project. The 1962 act permits federal cost sharing to acquire land needed for fish, wildlife and recreational development. Formerly local organizations had to bear all of the costs of rights-of-way. And the benefits from public recreation may now be included in cost-benefit calculations for justification of proposed projects.

The Department of Agriculture already has helped local agencies in the development of 425 small watershed projects. Another 366 projects are being planned and applications have been made for help on 969 more. Altogether these cover about 125 million acres.

Inclusion of recreation as part of the flood control and watershed protection work greatly broadens the scope of the Department activities in the land use adjustments.

Rural renewal projects. Closely related to rural land use adjustment is the adjustment, development and acceleration of economic activities in rural areas through Rural Area Development Committees and projects. Here again the Food and Agriculture Act of 1962 strengthened the tools to promote economic growth in rural communities.

Rural Renewal Projects are designed to meet the needs of rural communities that develop plans for economic growth including plans to increase employment and to improve, conserve and develop natural resources of the area. These things are to be done through technical aid and loans under the Farmers Home Administration. Authorized purposes for FHA loans now include such things as "shifts in land use and conservation," developing recreational uses and facilities, soil conservation practices and fish farming.

As with Conservation and Development Projects, funds are not yet available to implement Rural Renewal Projects even though the 1962 Act provides for them. But some help can be had from existing authorities and programs.

Conclusion. At the beginning of 1962, the Secretary of Agriculture asked the National Conference on Land and People: "First, how can we make better use of the land currently in farms which in the foreseeable future will not be needed for crop production? Second, how can we satisfy the rapidly growing demand for land for recreational, urban and other uses? Third, how can resources be used to generate new economic opportunities for the 1.4 million underemployed persons in rural areas?"
Now at the end of 1962 we have some partial answers in the form of established policies and ongoing programs. The 1962 act included more fundamental land use legislation than any act since the 1930's. It points new policy directions in several major fields.

The cropland use adjustment program establishes the principle of promoting proper use, including recreation, as contrasted to promoting idleness of land. A trial program within the fiscal limits provided is now underway.

The Small Watershed Program now includes recreation and wildlife as a purpose eligible for cost-sharing and for inclusion in project justification. This new principle has been incorporated in the ongoing program.

The idea of Conservation and Development Projects on a community basis has been established in law and will be applied in fact when resources are available.

The idea of Rural Renewal Projects strengthens the Rural Areas Development Program by providing a tool to organize and finance economic growth, including adjustments and development of land uses.

These and other developments mark 1962 as a banner year with respect to land policy and the achievement of basic land use adjustments. But the task is far from done.

We need to continue and strengthen our research on land and water utilization and our projections of future needs for land in different uses.

We need to implement on an effective scale the programs provided in the Food and Agriculture Act.

We need to continue to strive for improved administration of land use policies and programs.

And we need the continued scrutiny of land policy and of other aspects of policy that we get from this annual conference and from others having similar purposes.