

Bigge AEE 345

Utilization of Marginal Lands
in the Clearwater Valley

I have been asked to discuss the phenomenon of people moving back to small parcels of marginal land and to explore some of the potential uses for such lands. It can be observed that many people are moving or planning to move to five to fifteen acre tracts within commuting distance of employment in larger towns and cities. Discussion of some of the factors involved in the back to the land movement should be helpful in understanding some of the available land use options.

I believe that the back to the land movement that has been accelerating in recent years is not primarily an economic phenomenon. It is instead, I believe, a philosophical, political, social --almost a spiritual movement which is taking place in the United States today. I think part of this movement back to the land is in response to a continuing decline in confidence in our institutions, particularly the United States government. The news media tells us that the masses of people in this country are beginning to feel increasingly wary about the future. They read in various publications and newsletters and hear on television of the problems faced at home and abroad. They are bombarded daily with generally adverse news of the Middle East, a decline in detente with Russia and predictions of increasingly severe energy problems. They read of breakdowns in society (such as the riots, burning and looting during the blackout in New York City last year) and hear estimates of changing world climate with all sorts of adverse affects upon food production and upon the quality of life. Some experts and national publications are evaluating the possibility that the climate is going to become colder.

The last two hundred years have been unusually warm and thus quite favorable for the production of food. During that several hundred year period populations worldwide increased dramatically. With periods of increasing cold weather being projected, leading to declines in agricultural production, severe social and economic dislocations are expected to occur.

Other authorities are maintaining that we are releasing so much carbon dioxide into the atmosphere that we are going to create a "greenhouse effect" --causing problems of very high temperatures and high humidities. The "greenhouse effect" would be irreversible and lead to the death of the plant. Neither scenario is likely to instill confidence in the people.

We read in the news almost daily of the rise of economic protectionism. We find that labor unions and politicians in this country are demanding protection from less costly, and perhaps better quality goods, imported into this country. The European common market is also fighting internal pressures to increase import duties on products imported into those countries. We read increasingly that intellectuals and educators are voicing concern over such things as economic protectionism, the stability of our financial system, the high levels of debt in the developing countries, and even the relatively little protection for bank deposits afforded by FDIC insurance. Many of our economists are becoming increasingly concerned with the problems of inflation, unemployment and the high levels of interest being paid on our public and private debts. The National Tax Foundation recently reported that current commitments and liabilities of the United States government is in excess of 7.56 trillion dollars. This is about five times the net national product produced in the country!

We find that investors are retrenching and that many of the financial publications directed toward investors are encouraging them to take defensive

strategies designed to maintain the wealth that they have been able to accumulate. There is less emphasis on increasing that wealth through long term investment as very defensive investment policies and advice is now being given. We also find that many of America's sensitives; the psychics, poets, artists, composers and writers seem to be expressing considerable insecurity over the future of this country. A newsman and author on a Sunday, July 9 television program commented that an index of attitudes expressed in current literature is very pessimistic concerning the immediate future. He stated the index to have been quite accurate in twelve of thirteen cases in foreshadowing or predicting major chaotic conditions developing during U.S. history.

Similar reservations about the future are being expressed by Europeans. The following quotes are from the lead article of the July 7 Wall Street Journal.¹

"In Stockholm, Rome and other European cities, elderly couples shuffle past shops full of sophisticated and costly products. But they aren't interested in spending a meager pension on things easily stolen by jobless thugs. Rather, they wonder whether they should join their grown children, who have moved to rural villages and live much as their ancestors did before the Industrial Revolution.

Do such people symbolize the Europe of the year 2000?

They just might, according to many economists, businessmen and others who have been studying how Western Europe may evolve in a couple of decades.

While national leaders in Europe, no less than in the U.S., are still vowing to avert all-out protectionism, it is rapidly becoming the overriding long-term worry. Unless slow economic growth and the consequent resort to protectionism are reversed, British Foreign Secretary David Owen cautions, these trends will frustrate development of the poor countries, which are counting on heavy exports of manufactured goods to rich nations to make it feasible for the poor to build factories big enough to be efficient. If the poor countries are held down, Mr. Owen predicts, "We shall face anarchy and chaos by the end of the century."

As the Europe 2000 panel sums it up, the century's end will find Europe becoming a more-complex blend of old and new. Cars and classrooms will gradually be giving way to bicycles and home computer links, big cities and big factories will be giving way to village communes where "extended families" of young and old share chores of farming and small-scale manufacturing for multinational corporations. More than anything else, it suggests, Europe's next phase will be a modernized, more-tolerant version of 'Seventeenth Century New England.'"

The factors **that** I have so pessimistically outlined, (obviously I have ignored optimistic factors) are, I believe, creating part of this interest and desire for families to move out of towns and cities and live on five to fifteen acre tracts of land. There is the perception (whether true or not) that these small farms are going to provide an inflation hedge and a chaos or security hedge. Many purchasers of these parcels of farm land feel (rightly or wrongly) that they will be able to be more self-sufficient than they would have been in the cities. They believe they can grow and store a good portion of their food, perhaps keep a milk cow, chickens, etc.

Many people are also interested in moving back to the five to fifteen acre tract of land because they see the move as increasing the quality of their lives. Again, this may not be true, but many families feel that they will be able to better require more responsibility from their children through assigned chores, to control the whereabouts and the behavior of their children more closely and work together as a family creating better intrafamily relationships by growing food on a small tract of land within commuting distance of employment.

Thus, for whatever reason, we find an increasing interest and incidence in the ownership of five to fifteen acre parcels of farmland. Today we will try to discuss some of the possibilities for improving the economic efficiency of owning these tracts of land. Of course the most obvious is home gardening. The Idahonian newspaper in mid-June printed an article in which the U.S. Department of Agriculture estimated that serious home gardeners can earn a net return of from three to five dollars per hour of time spent --or an average of four dollars per hour. This return results from careful planning of vegetables to be grown and careful preservation by canning or freezing of

the vegetables that are not eaten as fresh produce. A return of four dollars an hour for vegetable gardening would be equivalent to five dollars per hour in after tax income for a person in the 20% income tax bracket. Additional state income tax and social security tax savings could increase the net after tax return even more.

Testing and evaluating alternative crops have been an integral part of research at the University of Idaho for many years. Most of the crops being looked at, however, tend to be larger scaled crops that would be grown in much larger acreages than those that we are talking about today. They would tend to be crops that might replace wheat, barley, peas or lentils.

One Idaho county agricultural agent recently working on a Masters Degree at the University of Idaho studied the economic potential of raising several ornamental shrubs in northern Idaho. On the basis of his market survey and his estimated costs of production it appears that there are several quite profitable possibilities. However, the market for such crops is generally very limited and more than a few people producing these specialty crops could totally destroy the market.

Other possibilities for using the five to fifteen acre tracts include growing of small fruits or vegetables for sale. The middle Clearwater Valley would have some disadvantage in terms of Lewiston area farmers having an earlier growing season and being able to market most produce at an earlier date. The major local centers of population --Lewiston, Moscow, Pullman, etc., could also be better and earlier served by fruit and vegetable producers in the Lewiston area or from areas along the Snake River in Eastern Washington. There may, however, be some limited possibilities for growing vegetables to be sold in Orifino, Nez Perce, Kamiah and other small local towns and in those rural areas located at higher and colder elevations.

Whatever use is made of the five to fifteen acre tract, one cannot overemphasize the necessity to carefully compute the total cost of production and compare it very carefully with the realistic market value of the produce.

Enterprise analysis is the basic tool that is used for evaluating the profitability of an enterprise --whether it be 800 acres of grain or 1 acre of strawberries. Examples of enterprise analysis and copies of the publications, "Can You Earn Your Living On A Small Farm" and "Country Living --Are You Sure" will be made available to you today. The two publications address some of the basic questions that we have not looked at here today as well as some of the ideas that have been mentioned. I think you will find them helpful in deciding whether or not you want to move onto and live on a small farm.

In summary I believe the purchase of a five to fifteen acre farm is, for most people, more of a social or philosophical undertaking than it is an economic one. Most people will find that the costs of producing marketable commodities on a small farm, and the costs of transportation to the job and town are greater than the economic benefits to be realized from farming on the land. From a personal standpoint, however, it may well be that the ownership and operation of a small farm provides a psychic income which far outweighs the disadvantages of small farm ownership.