

Understanding Our Economy

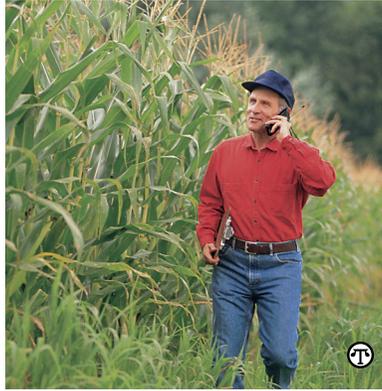
Government Regulation Change Could Save Many Jobs

(NAPSA)—The U.S. corn economy is less likely to be rocked by higher than expected unemployment levels if the Environmental Protection Agency refuses to ban the herbicide atrazine, which corn farmers say is vital to their ability to compete, according to a leading economist at the University of Chicago.

“The economics are clear, and they are potentially disastrous for farmers in the corn belt,” said economics professor Don Coursey, Ph.D. of the University of Chicago, who has studied atrazine extensively. Based on studies that Dr. Coursey has conducted, banning atrazine will wipe out between 21,000 and 48,000 jobs related to corn production, with additional job losses in both the sugarcane and sorghum industries. Total economic losses to the U.S. economy could reach as high as \$5 billion.

“The range is wide because we have never before banned a product on which so many depend and for which suitable replacements have a wide variety of prices and application regimes,” Dr. Coursey said.

“These numbers are big enough to be felt throughout the corn belt,” he added. “They will first arise on marginal farms and move on to marginal business in corn-dominated communities.” If all those jobs were lost in agriculture, unemployment rates in that sector would grow by as much as 2.6 percent. Were they concentrated in corn production alone, unemployment in that sector would grow by 10.9–25 percent, the economics professor pointed out. While job losses stemming from a ban are unlikely to be felt exclusively in the corn sector, such measures are useful to gauge the magnitude of the potential impact.



“Since 95 percent of all U.S. corn farms are family farms, the impact would be felt very close to home,” said Dr. Coursey.

In addition to corn, losses in sorghum and sugarcane would hurt the farm economy significantly. The EPA’s 2003 estimate for sugar cane was 10–40 percent crop loss on affected acres, or between \$89 million and \$340 million of value.

Governments and health authorities around the world have given atrazine a clean bill of health and the U.S. EPA recently reregistered the product after an exhaustive 12-year study. Late last year, however, in response to the calls of anti-pesticide activists, the EPA began an unscheduled review of the pesticide that has many in the farm community deeply concerned.

“Atrazine is essential to U.S. agriculture. We appreciate Dr. Coursey’s findings and will distribute them to our members, the EPA and to our elected representatives,” said Jere White, executive director of the Kansas Corn Growers Association. “With unemployment still painfully high across the nation, we can’t afford to lose as many as 50,000 jobs and the corn yield that sustains them.”

Dr. Coursey’s research finds that losing atrazine could cost corn farmers as much as \$58 per acre, more than double an earlier estimate by the EPA. This figure includes more expensive alternatives and lost yields because the alternatives are less effective.

Coursey noted that atrazine is widely used because growers know it is safe to use, highly reliable and extremely effective. “If farmers had better alternatives, they would use them now,” Coursey commented.

Other losses, not included in the per-acre estimates, would be borne by society at large.

For instance, sedimentary runoff is the top pollutant of our streams and rivers. Atrazine makes conservation tillage possible for many corn growers, keeping soil on the land and out of our water. Losing this societal benefit will bring incalculable costs to community water systems, meaning average Americans.

“It comes down to this: A ban on atrazine would serve as a pure tax on corn production,” Dr. Coursey said. “Its impact would be felt clearly in America’s corn-growing rural heartland. The region would be hit hard.” Moreover, the professor pointed out, unintended and unforeseeable consequences—such as weed escapes from substitute protection programs—could have serious and lasting effects “over and above the significant negative consequences in the study.”

“Wiping out established inputs based on anything less than clear and compelling science treats jobs and income cheaply—and expresses wanton indifference to our need for economic recovery,” Dr. Coursey concluded.