

Rural Lands Stewardship Council Meeting

November 20, 2002

Email from Council Member Peter Spyke

X-Sender: pdspyke@pop.gate.net
X-Mailer: QUALCOMM Windows Eudora Version 4.3.2
Date: Wed, 27 Nov 2002 21:53:08 -0500
To: Craig Evans <craig@privatelands.org>
From: Peter Spyke <pdspyke@arapahocitrus.com>
Subject: Meeting Reflections
Cc: admin@tcrpc.org
X-RCPT-TO: <craig@privatelands.org>

Craig,

Many thanks for hosting such an informative and beneficial meeting. The quality of the presentations was excellent, and I found the discussion to be stimulating and very positive.

I have given some thought to the best way to approach the concept of land use planning used in Collier County, and I keep coming back to one point that I tried to make in the meeting. That is, in order for this to be successful, the process must begin, not end, with the landowners at the table. That's what worked in Collier County, and what was largely missing in the counties that have had more challenges when trying to achieve similar outcomes.

For the most part, there are basically three kinds of land in Florida; 1) Urban areas (including undeveloped land inside the urban service areas), 2) government-owned lands that are in parks, management areas, refuges, water conservation areas, etc., that will probably never be developed, and 3) Undeveloped land. The undeveloped land is either used for something, or is in a natural state. If it is in a natural state, at some point it will probably be preserved, either through outright acquisition by a governmental body or through restrictions on development.

So, aside from the undeveloped land inside urban service areas, the next 2 or 3 million people who come to Florida will most likely settle on the currently-undeveloped land that is being used for something. And, the overwhelming majority of this land is now being used for some kind of agricultural enterprise. Therefore, the people who now own the land where most of these new development patterns will be applied are farmers of one kind or another.

I would say that virtually everyone in agriculture in Florida realizes that sooner or later, their land may very well be needed for settlement of incoming residents. To most farmers, this is not necessarily a bad thing, because when that happens they can sell their land for a lot more money than they can make from an agricultural operation. Therefore, when I hear of efforts to preserve agriculture, I wonder exactly who wants to do that. It may not be the people who own the land that is being preserved.

On the other hand, a lot of people, myself included, would hate to see agriculture completely displaced. There's a lot of reasons why agriculture can remain a viable component of a permanent settlement landscape, and perhaps the best discussion I have seen is in the CAST report that I left you to copy and

distribute. I won't go into all the reasons, so I'll just say that ideally, a development plan should include an agricultural component.

In our major urban areas, Southeast Florida, Orlando, and the Southwest coast, development has simply displaced agriculture. In other words, there are very little agricultural operations inside the urban areas of the cities.

The kinds of development strategies outlined in the Treasure Coast Regional Planning Council's Strategic Regional Policy Plan and the concepts proposed in the Collier County plan are possible ways that we can modify the classic Florida development plan. To me, that is to think on a larger scale, and try to figure out the best way to design communities that have a lot of diversity instead of segregating land uses. A key part of that diversity could be agriculture.

There are a lot of people who think that way -- including a lot of communities in other parts of the world that have persisted for thousands of years with a very high quality of life at a very low monetary cost. We know it works -- there's ample proof -- we just need to figure out how to do it in Florida. Incidentally, an important challenge to that is to figure out how to make it cash flow.

Right now, if a developer comes in with a DRI, or a 40-acre subdivision, everyone is pretty sure that at the end of the day, a lot of people will make a profit. The farmer who sells the land makes a profit, the developer makes a profit, the builders make a profit, the banks can loan money to develop the land and put mortgages on the houses and thereby make a profit, and governments get increased tax revenues and thereby make a profit. It's predictable, and profitable.

If we change that in any way, it scares people. We ran into that when we wrote the TCRPC SRPP -- a lot of people expressed concern when we proposed some of these different ideas. I always made a point to say that we were offering an alternative, not trying to prevent the current ways from continuing. Ideally, we wanted people to make different choices themselves, not tell them how to do things -- we just wanted to make it possible for them to do so.

So, this all boils down to choices. We know what happens when we do things the way they have been done. That's not all bad -- a lot of people have made nice livings doing things that way, and a lot of people have made the choice to buy a home in precisely the kinds of communities that we are holding up as perhaps being a less-than-optimal choice.

The price, as we know, is that all of these people spend a good deal of their waking hours behind the wheel of an automobile, often stuck in traffic jams, and are paying a hefty percentage of their disposable income for transportation and taxes to build more roads. And, it's an ecological disaster. Those are the things that ideally we would like to see changed. But, again, it must be done by allowing people to choose for themselves. Otherwise, people won't be happy, and it won't cash flow.

Back to agriculture. Agriculture actually plays a pretty interesting role in all of this. First, it will be the source of the land for settlement. Second, it is only because food is so cheap for Americans that they have the money to spend on cars, gas, and road construction. The reason why food is cheap is because of two things -- the efficiency of American agriculture, and the improvements in transportation infrastructure that have allowed importation of cheap foreign-grown food.

Things change. That's an inescapable fact. The things that are changing for Agriculture in general, and especially in Florida, are as disturbing as the consequences of unsustainable development patterns. In the case of Agriculture, there are a number of pertinent factors:

1. The people who grow our food in the USA comprise only 1.9% of the population. Therefore, we will get outvoted every time if there's a difference of opinion with the rest of the 98.1% of the people in the country, state, county, or wherever elections are held.
2. The people who grow our food in the USA have a social conscience. Some of this social conscience is mandated by law, such as the minimum wage, environmental protection, pesticide residues, etc., but a lot of it is just because we are also residents of this country, and we think it's the right thing to do. Evidence of the latter is the voluntary program on the part of the citrus grower in the Indian River area to adopt Best Management Practices to improve the quality of the water on our land. There are many other examples. But, basically we hold ourselves to a higher standard, and if we can't do it right, we won't do it at all. Neither society or our personal values allow that.
3. People in foreign countries have social consciences, too, but they are relative to their situation, not ours. Workers in third-world countries that produce citrus are paid \$4-5 per day to do the exactly same work that we pay our workers \$7-10 per hour to do (our company hasn't paid anyone minimum wage in our entire 16-year history). Now, paying someone \$4-5 per day in Mexico or Turkey is actually considered to be a magnanimous gesture, since the average annual income in these kinds of places might only be \$2,000 per year, or less. That's what I mean by relative -- you certainly can't fault them because they are actually trying to help the people in their country just like we try to help people in ours. So, arguments related to values will ultimately reach a stalemate. Therefore, it comes down to cost:benefit. If the benefits in the discussion are limited to food, an orange is an orange and the cheaper orange wins. Therefore, the discussion must be broadened to include other benefits than simply the cheapest food.
5. Worldwide, agricultural industries are supported by a complex system of tariffs, import duties, direct and indirect subsidies, tax advantages, and other things. The logic behind these is diverse, and based on the desires of the various countries. Essentially, they're all designed to retain agriculture as a viable component of both the landscape and the economy, as well as ensure some level of domestic food production for each country. Lots of people think that it's a good idea to have agriculture around.

This system is under fire, though, for one simple reason: Businesses in the US need consumers for their products, and they want to get paid in dollars. Therefore, in order to generate dollars that those consumers can spend to buy things we want to sell them, those consumers must be able to sell something to people in the US, who have dollars. Unfortunately, one of the things they have to sell is food that they can raise cheaper than we can in the US. So, the US Administration's simple plan is to promote "free trade", which means that they want to reduce barriers to imports of things that people in other countries want to sell to the United States, such as food, and increase exports of things that people in other parts of the world want to buy from the US, which isn't food. So, we agree to reduce the tariff on orange juice if the other country agrees to reduce the tariff on elevator door sensors or something like that. In the meantime, the other country maintains their duties on fresh grapefruit, and we maintain tariffs on imported steel. That's what's being called "free trade". Agriculture is being sold out, but remember that we are only 1.9% of the vote. We're a politician's dream.

6. The current methods of agricultural support in this country are complicated and varied. There has been a tariff on orange juice imported into the United States since 1937. Used to be that Florida produced most of the orange juice in the world, so nobody much cared. Now, though, Brazil has planted more oranges, and produces more juice, than Florida. Florida still supplies most of the US market, although Brazil puts a lot of juice in here if crops in Florida are short. Most of Brazil's production currently goes to the rest of the world.

Brazil's economy is in trouble, and they owe the big banks in the US billions of dollars. Plus, if their economy is in trouble they can't buy stuff from the US. So, the current battle we're fighting is the heavy temptation to eliminate the orange juice tariff, which would wipe out the Florida citrus industry and allow Brazil to come in and sell their juice for hard dollars that they could use to repay our banks, and use to buy US goods. Interestingly, at that point Brazil would have a monopoly on orange juice, so the price to the consumer would not drop, but would probably go up. Our government would actually try to help it go up, under this scenario, to stabilize the debt structure and fuel our economy with Brazilian exports.

If agriculture in general is only 1.9% of the vote, imagine the minuscule effect of the Florida citrus grower's vote. The proof is that the Brazilian orange juice industry is subsidized by their government, and these subsidies would not be discontinued under the deal being made at present.

Orange juice and sugar happen to be the two things that a lot of people believe will bail out the Brazilian economy, and they are two primary targets in President Bush's trade negotiations.

7. Europe has taken the hard line on agricultural supports. They do everything. They directly subsidize their growers and processors, plus they have hefty tariffs and duties on imported agricultural products. Their logic is simple -- people want agriculture to remain as part of the permanent settlement landscape, and they know that there's no way for their farmers to compete with third-world countries. Plus, if they discourage conversion of land from agriculture to development, it will prevent people from poor countries such as the former Soviet Union from pouring in to the Western European countries, forcing those people in the poor countries to solve their own problems rather than flee the poverty.

So, Western Europeans put their money into preserving the existing landscape as much as possible, rather than dealing with the consequences of rampant growth. Of course, their growth is potentially more devastating than Florida's since our incoming people, thankfully, generally bring a nice supply of money with them.

8. Efforts to remove "trade barriers" by eliminating agricultural supports have been disastrous to the agricultural industries in the United States, and haven't really helped the third-world countries all that much. Their problem is not really trade barriers, it's everything else that stands in the way of economic development. So, NAFTA wiped out the winter vegetable business in Florida because Mexican tomatoes were imported at below the cost of shipment because the Mexicans had too many tomatoes after they planted thousands of acres after NAFTA believing they would get rich. Nobody won in that deal.

It's hard to say what would happen if the orange juice tariff is eliminated. All the economists predict total devastation of the Florida citrus industry, though.

9. More people bring more problems, and opportunities for conflict. The USDA inspectors intercept literally tens of thousands of foreign pests and diseases each year. In spite of all precautions, something like 4 new organisms are introduced into the state every day. Some of these are nuisances, like termites, while others are direct threats to agriculture, such as Citrus Canker.

Water is another point of conflict. Up until now, water management has been a battle of competing uses. At some point, it has to become a system of complementary uses.

So, why is this all important to the exercise at hand? Simple. IF these kinds of land development

patterns are to be successful, it will require a shift in a number of supply and demand factors. Potential buyers will have to want to buy something in the kind of community we're contemplating. That will probably happen, based on initial versions of diverse communities (none of which included an agricultural component in the land use). Governments will have to figure out how to handle zoning, concurrency, taxes, services, and all their other responsibilities, which should actually be easier and more cost-effective if a shift is made. Banks will have to figure out how to finance the various components of the development process, but this will probably happen if they decide to try. So, a lot of the challenges will be met, solutions devised, and choices made.

The one thing that will gum up the whole works will be the farmers. They own the land where all of this new settlement will occur. We can't just stop the process one day and start a new one the next -- it will have to be a gradual shift in choices that leads to a different outcome. It would be nice if the final product can be a sustainable community that includes urban, commercial, industrial, recreational, and agricultural uses along with natural resource preservation (hopefully improvement). The catch is, the farmers may not survive this transition, through no choice of their own.

The entire Collier County plan is based on transference of credits from natural resource areas and agricultural areas to development areas, thereby allowing development while preserving in perpetuity agricultural and natural resource areas. The interesting twist is that the agricultural areas will be allowed to sell what are essentially intensity credits. For example, if they agree to shift from citrus to pasture, a reduction in intensity, they get credits that can be sold to developers. That system encourages a decrease in intensity if the development demand is stronger than the demand for the products they're growing. The end result, particularly in light of all of the problems above, will more likely be a landscape of developed areas, pastures, and natural resource preservation. The intensive agriculture will either cease to exist, or move somewhere else. The growers can essentially sell their citrus operations to the new residents moving in to the area. Not a bad way to do it if you want out of the business, actually.

So, all of this discussion was offered to arrive at one fundamental question -- is that what the people of Florida want? Do we want economically viable agriculture to go away? If so, the Collier County plan is a good way to do that. It cash flows, using money that people bring with them when they move into the area. Farmers get to sell their land, or their businesses at least, for a nice profit. Developers get to develop, governments get tax base, banks get loans, etc. It works. But, it works because that's what the people who currently own the land want. Not everyone may feel that way, though, and it might not be the best choice for other reasons.

Cattle pastures don't generate much economic activity for Florida, and have about the lowest tax base possible, but they are nice to look at, serve as water recharge areas, don't cause much water quality problems if managed properly, and have other positive attributes. The downside to working towards cow-calf operations is that more intensive agricultural operations generate much more economic activity (if they're profitable), employ more people who can bring the agricultural influence and values into the community, have a more dynamic influence on the entire system, generate a higher tax base, and potentially serve as a way to mitigate the impacts of the new development on the surrounding natural resource areas through carbon sequestration, water quality improvement, and other things.

Carbon sequestration is a relatively new concept that may have a bearing on our long-term choices. Basically, the theory is that when we burn fossil fuels, one of the byproducts of combustion is carbon, which ends up as carbon dioxide. This is trapped in the atmosphere, and causes all kinds of problems from smog to global warming. Citrus groves, forests, and other agricultural uses are places where this carbon can be trapped, or sequestered. Photosynthesis uses carbon dioxide and gives off oxygen, as we all know, but we have to stop and think about what happens to the carbon -- where does it go. In the case of citrus, it ends up in the tree trunks, roots, leaves, and fruit (instead of the atmosphere). As long as the tree is alive, the carbon is part of the organic makeup of the tree. In the case of fruit, we eat that

carbon-containing part of the tree, so the carbon becomes part of our bodies -- another way to sequester carbon. We have experimented with applying composted urban plant debris (yard clippings -- a high volume carbon-based waste product) to the groves to build up the organic matter in the soil. Organic matter is mostly carbon, and the soil has a tremendous ability to tie up carbon-containing compounds which then slowly mineralize and become part of the trees.

Almost all of the people moving to Florida to settle in our communities drive in to the state, and keep their cars when they get here. If we are to completely mitigate their impact, we need to think about carbon sequestration as well as water, land use, and other issues. An easy way to see how much sequestration is taking place is to look at infrared aerial photographs. Plants that are growing rapidly (assimilating a lot of carbon) send off different infrared signatures (they're actually hotter due to increased respiration necessary to drive higher photosynthetic levels). The more intensive the crop, the more carbon will be sequestered.

Which are the two crops that burn the brightest on infrareds? Sugar and Citrus. Which has the least carbon sequestration ability? Cow pasture. What's happening? Sugar and citrus are headed towards cow pastures unless something happens to change the current dynamics of the situation. If that happens, we'll be dealing with greater impacts from carbon dioxide in Florida.

If the people of Florida want to have viable agriculture as part of the long-term landscape, first they need to make that choice, and then they need to act on the choice in appropriate ways.

Imagine what would happen if the entire state of Florida expressed the desire to President Bush that the citrus industry in Florida should be preserved as part of the permanent landscape? Suddenly, it would be more than a few thousand people complaining about selling us out to Brazil. If millions of people expressed that sentiment -- for good, solid, logical, defensible reasons, not just emotion -- in an important state like Florida politically, the scenario would instantly change.

What this means is that if the people of Florida envision agriculture as a long-term partner that will improve their quality of life, they need to make that choice and behave accordingly. If they don't do that, the farmers cannot be allies in achieving a different outcome. Agriculture will have fewer and fewer choices, because they only comprise 1.9% of the population. One need only look at the canker situation as proof of what happens when the public interest conflicts with agriculture's.

If the people of Florida, or perhaps even the people of a local area, make the choice that agriculture should remain a part of their lives, then the Collier County system could be adjusted in various ways to reflect that desire. For example, instead of selling credits if the farmers agree to de-intensify, they should be able to sell credits if they agree to keep doing what they're doing, or intensify, if there's a demonstrable benefit to the community. An example would be if a cattle rancher agrees to plant citrus, they would be able to sell credits because citrus would improve the tax base, bring in dollars from out of the community, provide jobs, as well as preserve open space. Then, if there were a further agreement that the citrus grove would be used to recycle urban waste, use treated wastewater, or provide some other mitigation function, more credits could be sold. All of this could be designed during planning, so that an accounting system could be used to reflect the relative value of the various choices.

By granting credits to farmers who agree to engage in agriculture on a certain land component footprint, what happens is that an artificial economic situation results. The farmer is no longer dependent on the global trade and tariff situation, national politics, or other factors that threaten their ability to make a profit (a prerequisite in a truly sustainable outcome). The people of the community, in essence, become partners in the agricultural operation, since their money went to create and support the land use in return for some positive benefit they receive that is worth the investment. I would assume that sale of credits would be accompanied by a contract of some kind that spells out responsibilities of both parties. For

example, if citrus canker is found on someone's backyard tree, and they "own" an interest in the citrus grove it threatens, the dynamics would be much different than today. Likewise, the farmer would probably be responsible for reporting to the community to ensure that mutual goals are achieved.

There are a lot of ways to do this, some of which were also identified in the CAST report. Community farms, cooperatives that produce on contract for the community, organic agriculture, and other options are being discussed and attempted around the country.

Like I said -- it's a choice. It doesn't have to happen this way. I just think that if we can figure out how to make it work, it would really be something truly exceptional. I also know that it won't be easy.

In order to even have an intelligent discussion about this whole thing, the people who own the agricultural land need to be part of each and every discussion on the subject. That's what worked for us when we wrote the TCRPC SRPP, and that's what worked in Collier County. It isn't that either of us came up with a new idea -- it's just that we had a discussion with the people who were able to actually make the decisions about land use -- which were the landowners.

Truly, I thought the meeting was a wonderful event, and hopefully the beginning of a new way of thinking and behaving for everyone. The only thing I want to suggest, and is the point of this discussion, is that the only way to really make this work is to get the people who own the land where all of the development will inevitably occur to the table, and allow them to make their choices, too. And I don't mean to just invite them -- they're all too busy just like everyone else. We have to take the meetings to them. In the groves and ranches if necessary, but at least to the places where they will come, and get the word out that if they do attend, not only will the lives be better for all these people who will be moving in to the state that aren't here yet, their lives will be better, too.

We don't know where this journey will lead. You, Craig, and all the people in the legislature, Collier and other counties and municipalities, and government agencies are to be congratulated for the choices that led to this meeting. It was the culmination of a lot of really good thinking, and commitment to maintaining a high quality of life in Florida. You can count on me to help in any way possible, because I believe that everyone in that room and involved with this program are trying to do the right thing, for the right reasons.

I believe, though, that the agricultural industries of the state need to join us in this journey. We have a chance -- a moment -- to accomplish something that will have worldwide implications for many years into the future. I think you're the right guy for the job, and we have the right core group to provide the leadership to make this happen.

Let's do it.

Thanks, Craig. Please feel free to disseminate this e-mail in any way you see fit.

Pete Spyke