

AGRICULTURAL GUIDE

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Farm policy

1983 opinions on farm policy From leading Missouri farmers

Meredith M. Burks and Harold F. Breimyer
Department of Agricultural Economics
College of Agriculture



In March 1983, 1,600 of Missouri's leading farmers were mailed a questionnaire asking them to state their opinions about current issues in farm policy. The answers from the 745 farmers who responded are summarized in this guide sheet.*

The names of farmers sent questionnaires were selected randomly from the mailing list for the extension newsletter *Economic and Marketing Information for Missouri Agriculture* and from a list assembled by area extension specialists.

The farmers included in the March 1983 survey are believed to be representative of Missouri's leading farmers, but not of all farmers. The survey cannot be regarded as reporting for all of Missouri agriculture.

The farm situation in March-April 1983

Opinions on public issues are affected by the economic situation and the public mood prevailing at the time a poll is taken. In early 1983 most Missouri farmers were not in an optimistic frame of mind. Price-cost ratios were unfavorable and interest rates, though easing a bit, were still high. Too little or too much rain had kept the years since 1980 from being good ones for farmers in the state.

In March-April 1983, when the opinion questionnaire was mailed out, Missouri weather was rainy, preventing timely plantings. About the only positive note in the farm picture was the new Payment-in-Kind (PIK) program. Crop farmers entered PIK in large

***Note.** Results of the opinion survey were summarized in the July 1983 issue of the newsletter *Economic and Marketing Information for Missouri Agriculture*. Some of the information presented in the letter is repeated here. This guide sheet breaks down opinions by category of farmer.

Farmers taking part in the Family Farm Development program responded to the same questions about farm policy. Their opinions were reported in the September 1983 issue of *Economic and Marketing for Missouri Agriculture*. They are not included here.

numbers but livestock producers and feeders were not as enthusiastic about it.

Profile of respondents

Missouri farmers responding to the survey were older than the average Missouri farmer, had more formal education, and farmed more acres.

Only 4 percent were under 30 years of age, and 13 percent were 30 to 39. Over one-third, 38 percent, were older than 60.

Of the farmers who returned questionnaires, 52 percent had attended college, and 29 percent had a college degree.

Most were full-time farmers. Sixty-nine percent worked fewer than 10 days off the farm during the previous year. Only 19 percent had more than 100 days of off-farm employment.

Respondents farmed an average of 758 acres, of which 458 were owned.

Because most of them cooperate with extension, they had an interest in current developments in agriculture and in public policy. Thus, the survey reflects the opinions held by leading farmers in Missouri.

Organizational membership

The 745 farmers listed their membership in organizations. (See Table 1.)

A few were affiliated with the American Agriculture Movement. A number of farmers belong to more than one organization.

The data indicate a sizable turnover in organizational membership.

Farmers' financial situation

Missouri's leading farmers are glum about farming's financial situation. Only 24 percent believe most farmers can tighten their belts and survive reasonably

Table 1. Responding farmers' organizational membership.

Organization	Currently a member	Previously a member but dropped out
Farm Bureau	265	153
National Farmers Organization	45	59
Missouri Farmers Association	317	147
Mid-America Dairymen	30	35
Other farm organization	114	45

well. Another 34 percent estimate that most farmers can make out reasonably well for another year or two but no longer. Still more, 42 percent, believe a great many farmers are in an almost impossible debt situation or are headed in that direction.

Opinions about the financial situation differ by category of farmer. Table 2 illustrates their differences of opinion about how many farmers were in serious difficulty in March-April 1983.

Farmers over 60 years of age are more confident than younger farmers. Farmers farming the fewest acres are the most confident, and the farmers with the

largest acreages are least confident. It's likely that many of the farmers with the smallest farms have outside income.

No clear pattern appears for years of education, except that high school graduates are most concerned for farmers' survivability.

More than half of the National Farmers Organization members responding see the economic situation as very serious. Farm Bureau members and Mid-America Dairymen are more confident.**

Reasons for agriculture's problems

Ninety-six percent of responding farmers attribute the financial problems in agriculture to lower prices for products sold or higher production costs. Only 4 percent lay first blame on deflation of farm assets (primarily land). However, written comments suggest that those farmers who are deeply in debt see higher interest rates and declining asset values as a serious burden.

Responding farmers divide rather evenly among four possible explanations for this cost-price squeeze. (See Table 3.)

**Among farm organization members, differences are blurred by the fact that many farmers belong to more than one organization. If only single-membership farmers were included, differences would likely be wider.

Table 2. Estimated financial state of farmers, March-April 1983.

Estimated situation among farmers	Years of age					Acres in farm				
	Under 30	30-39	40-49	50-59	60 and over	1-49	50-499	500-999	1,000-1,999	2,000 and over
	Percent					Percent				
Most can survive reasonably well.	28	16	19	27	28	23	26	25	21	22
Most can survive a year or two but not longer.	25	39	39	26	37	46	34	32	39	27
A substantial number are in an almost impossible situation or headed in that direction.	47	45	42	47	35	31	40	43	40	51
Estimated situation among farmers	Educational level completed					Organizational membership				
	Elementary	Some high school	High school grad.	Some college	College grad.	Farm Bureau	NFO	MFA	Mid-America Dairymen	
	Percent					Percent				
Most can survive reasonably well.	35	35	20	22	26	28	13	23	27	
Most can survive a year or two but not longer.	33	22	30	39	36	37	31	34	40	
A substantial number are in an almost impossible situation or headed in that direction.	32	43	50	39	38	35	56	43	33	

Table 3. Farmers' opinions about outside events as causes for agriculture's financial problems.

Within U.S.	Percent of responses
U.S. industrial recession and unemployment.	20%
Federal Reserve Board's high interest policy.	26%
External	
Export embargoes.	27%
World recession and the high exchange value of dollar.	27%

The first two answers relate to the U.S. economy, and the second two bear on export trade. More than half of Missouri's leading farmers (54 percent) believe that developments hurting farm exports have been more damaging to agriculture than weakened demand and high interest costs at home.

Farmers' debt problem

Many farmers have incurred an indebtedness that they find hard to carry. Deflation of asset values (mainly land values) and high interest rates have created severe problems. Farmers were asked to express their choice among four possible methods of dealing with the indebtedness situation. The overall survey response is in Table 4.

Although farmers as a whole split evenly among the three options, opinions were by no means uniform. Younger farmers are more willing to go the foreclosure route than are older farmers; college graduates more so than farmers with fewer years of education; and farmers with large farms more so than those with small ones. Farm Bureau members are more likely to endorse foreclosure than are members of other organizations. It follows that farmers who are older, less educated, or who farm small farms are more likely to prefer a moratorium or reduced interest loans, as are members of MFA, NFO, and Mid-America Dairymen.

Farm programs for the 1980s

The 1981 farm law now in force authorizes voluntary acreage programs and rather modest levels of price support. Support is provided by crop storage loans and target prices.

Our survey asked farmers to indicate their preference for a farm program in the 1980s. They were asked not to include considerations of the 1983 PIK program. (See Table 5.)

This was the first poll in 12 years in which fewer than half the farmers favored voluntary programs. In 1980, 52 percent chose those programs.

This year's 34-percent vote for stricter production control is up from 15 percent in 1980. The 22 percent of farmers who want to abolish all programs are down from 33 percent in 1980.

Table 4. Farmers' choices for dealing with indebtedness.

Policy option	Percent of responses
Put a moratorium on foreclosures to allow time for both lenders and borrowers to work out solutions.	33
Make loans available at reduced rates of interest to farmers who would otherwise be foreclosed or forced to sell out.	
—For all such farmers	16
—For only the more deserving, younger farmers	15
Continue to foreclose on those in financial trouble as is being done now.	36

Apparently, the tight bind in which farmers found themselves in early 1983 caused them to show more interest than usual in effective farm programs, even in those involving strict production control.

Opinions about programs vary somewhat by kind of farmer and organizational membership. (See Table 6.)

The big difference among farmers of various ages is that the youngest ones are the more inclined to favor stricter production control.

The farmers with the largest farms are likewise more willing to go the route of strict production control and are least in favor of present voluntary programs.

Among farmers of various levels of formal education, the college graduates stand out as not highly impressed with voluntary programs. They are relatively favorable toward dropping all programs.

Among the various organizations, Farm Bureau members show a comparatively high vote for ending all programs, while NFO and Mid-America Dairymen members are least supportive of such a policy. Mid-America Dairymen find the idea of stricter controls fairly acceptable.

Table 5. Farmers farm program preferences.

Program preference	Percent of responses
Keep the present voluntary program without much change.	30
Keep voluntary program, but increase loan rates and target prices.	14
Apply stricter production control.	34
End all set-aside and price support.	22

Table 6. First preference for farm program, 1983.

Program preference	Years of age					Acres in farm				
	Under 30	30-39	40-49	50-59	60 and over	0-49	50-499	500-999	1000-1999	2000 and over
	percent					percent				
<i>Voluntary program</i>										
Current loan and target prices	37	26	29	29	33	41	33	28	36	20
Higher loan and target prices	13	11	17	16	13	17	14	14	14	8
<i>Stricter control</i>	41	43	27	33	33	25	32	32	29	50
<i>No program</i>	9	20	27	22	21	17	21	26	21	22

Program preference	Educational level					Organizational membership			
	Elementary	Some high school	High school grad.	Some college	College grad.	Farm Bureau	NFO	MFA	Mid-America Dairymen
	percent					percent			
<i>Voluntary program</i>									
Current loan and target prices	37	42	30	35	24	32	33	30	31
Higher loan and target prices	12	18	16	18	9	16	25	14	14
<i>Stricter control</i>	33	21	34	31	36	27	35	37	48
<i>No program</i>	18	18	20	16	31	25	7	19	7

Soil conservation

Missouri farmers responding to the survey showed much concern for soil erosion losses within the state. Only 7 percent see losses as negligible or not of public concern. (See Table 7.)

No great differences of opinion showed up among various classes of farmers. However, older farmers and those with fewer years of schooling are a little less alarmed than other farmers. Mid-America Dairymen members are least alarmed of all.

Farmers were also asked about the kind of soil conservation program they would prefer. (See Table 8.)

It is assumed that cross compliance and mandatory conservation would be made more palatable by offering farmers cost-sharing payments.

Only 13 percent of Missouri's leading farmers are satisfied with present soil conservation programs. A few, 3 percent, do not favor programs of any kind, but 84 percent want to do more. Almost half would put some degree of compulsion into conservation.

Farmer cooperatives

The survey questionnaire listed a number of statements often heard about cooperative philosophy and

the members' relationships to cooperatives. Farmers' agreement, disagreement, or uncertainty is shown in Table 9.

While survey respondents are overwhelmingly convinced (81%) that cooperatives are increasingly acting like any other business, they are evenly divided (45% agree; 45% disagree) as to whether this *should* be so.

There is some inconsistency, though, between a

Table 7. Farmers' opinions about soil conservation.

Opinions	Percent of responses
Losses are unacceptably large and must be reduced.	67
Losses are too large in some places but not excessive in the state as a whole.	25
Losses have been overstated; they are not dangerously large.	3
Losses are of no public concern; it's just a matter of what individual landowners choose to do.	4

Table 8. Farmers' preferences for soil conservation programs.

Type of program	Percent of responses
No program; abolish SCS and ACP.	3
About what we now have.	13
The present program, but made more attractive by larger funding.	40
Cross compliance, whereby a minimum level of soil protection is required for price support.	26
Mandatory requirement that all farmers carry out a minimum program of soil protection.	18

divided vote on whether cooperatives ought to conduct themselves the same as any other business and whether cooperatives have a unique responsibility to their members. Almost four-fifths of respondents said cooperatives do have such a special responsibility.

Farmers' opinions on the question of cooperatives' special responsibility to members appear in Table 10.

The youngest farmers are the most inclined to attach a special responsibility to cooperatives. There is little pattern in responses according to size of farm and education.

Members of Mid-America Dairymen have the most votes for a special cooperative responsibility, and Farm Bureau people have the least.

It is noteworthy, though, that farmers who formerly had belonged to an organization but dropped out are less inclined to see cooperatives as carrying a member-service responsibility. Ex-members of MFA,

for example, vote 78 percent for high responsibility in comparison with 84 percent of present members.

Ought farmers' cooperatives be more active politically than they have been in the past? Half of Missouri's leading farmers answer "yes." It is significant, though, that 15 percent are not sure. Leaders of Missouri's cooperatives are under no strong mandate to be more active politically.

Organizational structure of agriculture

The survey questionnaire asked farmers whether they felt it was in the public interest to preserve something close to a family-farm agriculture. Ninety-six percent of survey respondents said "yes."

But they are not optimistic because 72 percent believe the family farm is gradually disappearing.

Farmers who favor governmental action to retain a family-farm agriculture were asked to indicate their preference among various steps that could be taken. Their response is in Table 11. It was possible to check more than one choice.

Farm organizations and the political process

Missouri's leading farmers trust their organizations but doubt that their interests are represented well politically.

Seventy-one percent of the survey respondents who belong to one or more farm organizations are reasonably satisfied with the way their organization(s) represent their interests. NF0 members are the least satisfied of the group while Mid-America Dairymen members indicate a level of satisfaction with their organization that is significantly above the norm. (See Table 12.)

Table 9. Farmers' opinions about cooperatives.

Opinions	Percent agree	Percent disagree	Percent not sure
Cooperatives are getting too big.	27	46	27
Cooperatives are increasingly acting like any other business.	81	11	8
Cooperatives <i>should</i> act like any other business.	45	45	10
Cooperatives have a responsibility to members that's different from other businesses.	79	16	5
Cooperatives should strive for maximum net earnings and then distribute them as patronage refund.	45	45	10
Cooperatives should revolve equity capital on a specified schedule.	62	6	32
Cooperatives should become more active in influencing governmental decisions in the political process.	50	35	15
Competition among cooperatives is usually good for farmer members.	74	14	12
Farmers have an obligation to support their cooperatives by patronizing and financing them.	50	39	11
Farmers can make their marketing cooperatives more effective by entering into marketing agreements (promises of delivery) in advance.	55	18	27

Table 10. Percent of Missouri's leading farmers who believe cooperatives have a responsibility to members that is different from other businesses.

<i>Years of age</i>		<i>Size of farm</i>	
Years	Percent	Acres	Percent
Under 30	91	0-49	64
30-39	79	50-499	77
40-49	82	500-999	82
50-59	82	1000-1999	76
60 and over	73	2000 and over	73

<i>Years of schooling</i>		<i>Organizational membership</i>	
Level completed	Percent	Organization	Percent
Elementary	71	Farm Bureau	78
Some high school	86	NFO	83
High school graduate	81	MFA	84
Some college	77	Mid-America Dairymen	90
College graduate	79		

A large majority of farmers who responded to the survey do not feel that farmers are as well represented as non-farmers in the political process and do not believe that farmers have as much political influence now as they had 30 years ago.

The educational background of responding farmers seems to have some influence over the way they perceive the political situation of agricultural producers. Of farmers whose formal education did not extend beyond high school, only 11 percent believe farmers are as well represented as non-farmers in the political process. Farmers who had attended college give a 19 percent vote to farmers' political parity. However, the less schooled are more sure than college people that things have not changed since 30 years ago. Farmers were politically weak then, the less-schooled say, and are still weak.

Summary

Overall, Missouri's leading farmers responding in the

Table 11. Farmers' preferences on governmental action to keep family farming.

Preferences	Number of farmers
Slant price support and acreage programs, so they favor modestly sized family farms.	302
Outlaw very large corporate farms.	230
Make credit funds available on concessionary terms to modestly sized family farms.	210
End most income tax shelters in agriculture on the grounds that they favor large investors.	349
Other	54

1983 survey appear to be highly concerned about the current situation in agriculture. Fewer than half foresee much improvement for the rest of the decade. They cite high indebtedness, lower prices for the products they sell, and higher expenses as troublesome situations they must face. Most farmers who responded to the survey want some type of farm program. More than in previous years, though still a minority, want a farm program with more muscle.

Losses from soil erosion and the need for an expanded or stiffer program to counteract the erosion problem are also very much on the minds of the farmers who responded to the survey.

The vast majority of survey respondents favor a family-farm agriculture, and many are willing to back some form of governmental policy that will help to keep it.

As might be expected, most survey respondents feel at a disadvantage politically when compared with the non-farm population. The majority of respondents believe that agriculture's political clout has diminished from what it was 30 years ago. Although most are satisfied with the way farm organizations represent their interests, only 50 percent of respondents think that cooperatives should become more active in influencing governmental decisions in the political process. Cooperatives generally are well supported, however.

Table 12. Farmers satisfied with political representation of organizations.

Membership	Percent
Farm Bureau	75
National Farmers Organization	69
Missouri Farmers Association	72
Mid-America Dairymen	83
Other organizations	73