

Department of Agricultural Economics and
Rural Sociology Departmental Series No. 36
Alabama Agricultural Experiment Station
Auburn University Auburn University, Alabama
Gale A. Buchanan, Director September 1984



Alabama Farmers' Opinions on Government and Agriculture

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PREFACE AND ACKNOWLEDGMENTS

The survey of Alabama farmer opinions on agricultural and related policy issues is one of several such surveys being conducted in selected areas of the United States. Similar questionnaires were used in the studies and other state reports are being prepared from the responses. State reports will be aggregated to represent the opinions of farmers. The authors trust that the farmer opinions and experiences expressed herein will be useful in guiding the formulation of agricultural and related policy.

Appreciation is expressed to Marshall Dantzler, Statistician in Charge, Alabama Crop and Livestock Reporting Service, and to the County Extension Agents for their assistance in selecting the sample of farmers for this survey. Special thanks are offered to the farmers who participated in the study.

SUMMARY

Farmer opinions about present and future alternative agricultural programs are a necessary input in the development of the 1985 farm bill. To acquire information about how Alabama farmers feel about agricultural issues, a questionnaire was mailed to a random sample of 1,497 farmers in early 1984. Approximately 20 percent of the sample responded to the questionnaire. Respondents represented all sectors of crop and livestock agriculture, ranging in size from small farms heavily dependent on off-farm income to large specialized farm operations.

Comparison of respondents to farmer characteristics reported in the 1982 Census of Agriculture shows that respondents were slightly older than the average Alabama farmer, with size of farm and gross sales being somewhat larger than the average for all farmers. Opinions were evaluated by size of farming operation as measured by gross sales (\$40,000 or less and over \$40,000), dependence on off-farm income, and the most important source of income (crop or livestock). The major policy issues concerned price support programs, foreign trade, disaster protection, farm program expenditures, and farm financing.

Farmers supported voluntary agricultural programs, with few supporting mandatory programs. Farmers with larger operations and those more dependent on farm income favored target prices and deficiency payments. Crop farmers favored the same to higher target prices and deficiency payments, while livestock farmers wanted low grain support prices. Continuation of a farmer-owned grain reserve, with a limit placed on payments, was desired. Loan rates set in relation to market prices were desired. Use of the PIK program when large stocks reappear was preferred. Strong support was found

for requiring farmers to follow recommended soil conservation practices to qualify for price and income support programs.

Responses were solicited to a series of proposals to increase agricultural export sales. Alabama farmers favored strengthening the General Agreement on Tariffs and Trade, as well as bilateral trade agreements. Few farmers favored lowering support prices to achieve increased exports. However, the majority of farmers saw benefits from expanding exports through use of farmer-financed market development.

Continuation of Federal Crop Insurance programs was preferred with costs shared by farmers and the government. Farmers were divided in their opinions about program mechanics. Many farmers did not respond to the crop insurance questions.

The great majority of farmers were concerned about federal budget deficits and the resulting impacts on interest rates. Decreasing or eliminating food stamps, maintaining a limit on direct farmer payments, and use of a low "safety net" price program were ways of reducing agricultural program funding. Farmers with small operations most commonly favored giving price and income support to the small and medium-size farmers.

With the Farmers Home Administration becoming the major source of agricultural credit in Alabama, its lending policies have an impact on the total agricultural community. About one-half the respondents favored continuation of the FmHA policy of foreclosing only after all repayment efforts had failed.

ALABAMA FARMERS' OPINIONS ON GOVERNMENT AND AGRICULTURE

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The Agriculture and Food Act of 1981 expires in 1985 for grains, cotton, and oilseeds. It is now time to consider the future direction of these programs over the next few years.

Many have argued that the current policy tools are not effectively dealing with the inherent volatility and uncertainty in agriculture. The 1981 bill was developed at a time when policymakers were concerned that production might not keep pace with world demand for food. Foreign trade was active and the export picture appeared bright. Inflation was running at moderately high levels and this was being translated into higher land values and increased farmer borrowing. Out of this climate came the primary farm legislation that would impact on major United States field crops, and agriculture in general, during the 1981-85 period.

Since enactment of this legislation, there have been two bumper crops followed by the worst drought in over 50 years. Export demand has declined. Surplus stocks of some commodities have accumulated, leading to a massive acreage-reduction program. During this time, program costs have increased from about \$4 billion in 1979 to about \$20-28 billion in 1983, depending on which expenditures are included.

The Payment-in-Kind (PIK) program was instituted as a stopgap measure to lessen the growth of surpluses. It also helped keep many farmers viable

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financially. The Farmers Home Administration (FmHA) emerged as the primary lender of operating credit to Alabama farmers during this time. Poor crops and low prices still led to foreclosure on many good farms. Disaster provisions of the farm program were eliminated in the early 1980's, and crop insurance became the major instrument for protection against disasters.

It is fairly obvious that policymakers were off-target when formulating the 1981 Agricultural Act. The Act did not provide sufficient flexibility in allowing adjustments to changing conditions. Perhaps the most important lesson learned, again, was that no one can accurately predict the future. Yet, efforts are being made to anticipate conditions over the rest of this decade, so farm programs can be developed to deal with those conditions.

Can policymakers do a better job this time around? There are many questions that must be addressed in developing new legislation: First, should the United States even have government farm programs? If so, how much should be spent and who should receive the benefits? Should program payments be based solely on production or should there be payment limitations? Should program recipients be required to follow certain soil and water conservation practices in order to qualify for program benefits? How should loan rates and target prices be determined? Should there be some type of two-price plan for differentiated markets? What types of production controls are needed, voluntary or mandatory? Are acreage reduction programs really effective, considering that no other country has such programs and United States farmers usually divert the worst land from production? Would production quotas work better? What is the appropriate

production? Would production quotas work better? What is the appropriate role for the grain reserve? Should it be used as a direct means to enhance price? If so, for what crops? Should domestic farm policies be more closely coordinated with trade policies? Should farmers share more in program costs through various assessments?

Congress will be debating, these and numerous other questions as the new farm bill is being developed. They will be listening to several voices and the farmer is but one of those voices.

In order to better understand how farmers feel about some of these issues, agricultural economists at several land-grant universities around the country cooperated in surveying farmers to get their opinions. The purpose of this survey was to obtain information about farmer experiences and opinions regarding selected agricultural programs and issues. The responses from Alabama farmers are summarized in this report.

PROCEDURE

A sample of Alabama farmers to be surveyed was selected by the Alabama Crop and Livestock Reporting Service and the Alabama Cooperative Extension Service. From an estimated total of 48,000 Alabama farmers, a stratified random sample was drawn which included farmers in all areas of the state and farmers representing each major agricultural enterprise. This sample was drawn by the Crop Reporting Board and included 1,412 farmers. In addition, Extension agents in all 67 counties were requested to send one copy of the survey form to a farmer in the county who farmed in excess of 600 acres. This was done in order to incorporate a sufficient number of larger farms into the sample. Thus, a total of 1,479 farmers, or about 3

tionnaire and letter explaining the survey were mailed to each farmer in late February, 1984. A follow-up reminder card was sent to each farmer about 10 days later. A copy of the questionnaire is included in the Appendix.

A total of 284 farmers responded to the questionnaire, which represented about 0.6 percent of all Alabama farmers. To gain insight relative to the degree to which the farmer sample is drawn in this study was representative of all Alabama farmers, selected characteristics of farmers in the sample were compared with characteristics reported in the 1982 Census of Agriculture. Farmers in the sample were on average, slightly older (53 versus 51.8 years), owned larger farm units (289 versus 211 acres), and had larger gross sales (60 percent versus 83 percent with less than \$40,000) than did Census farmers. Dependence on off-farm income was important to both respondents in the survey and Census farmers.

Thus, the study is slightly biased toward larger, more commercially oriented farms. However, this bias would be expected given the nature of the analysis because firms with these characteristics would be the likely beneficiaries of agricultural support programs.

CHARACTERISTICS OF RESPONDENTS

Efforts were made to draw a sample which would be representative of Alabama farmers. The responses to the questions suggest that the sample was representative. Selected characteristics of the respondents are shown in Table 1.

Age of Respondents. Farmers from all age strata were represented in the survey with the majority being between 35 and 65 years of age. About 11

Table 1. Selected characteristics of farmers responding to policy analysis survey, Alabama, 1984

Item	Number	Percent
Age:		
Under 35	30	11
35 to 49	60	21
50 to 64	109	39
65 and over	62	22
No response	19	7
Education:		
Grade school	33	12
Some high school	31	11
High school graduate	78	28
Some college or technical school	56	20
College graduate	61	22
No response	21	8
Contribution of off-farm employment to total income:		
0 to 24 percent	91	33
25 to 49 percent	23	8
50 to 74 percent	36	13
75 to 100 percent	70	25
No response	60	21
Gross sales:		
Less than \$40,000	167	60
\$40,000 to \$199,999	47	17
\$200,000 and over	27	10
No response	39	14

	Number	Acreage
Acres owned, 1983:		
Cropland	174	200
Pasture	207	104
Woodland	200	129
Acres rented out, 1983	35	99
Acres farmed, 1983:		
Owned	158	223
Rented	100	283

percent were under 35; 21 percent from 35 to 49; 39 percent from 50 to 64; 22 percent were 65 years and over; and 7 percent did not respond.

Education. The respondents showed a wide range of educational attainment ranging from grade school to college graduates. Twelve percent reported completing grade school; 11 percent had attended high school; 28 percent were high school graduates; 20 percent had some college or technical school training; 22 percent were college graduates; and 8 percent did not respond.

Contribution of off-farm employment to family income. The group was about evenly divided concerning the extent to which off-farm employment contributed to total family income. Approximately one-third of the respondents reported that 24 percent or less of the farm family income was from off-farm sources; 8 percent received 25 to 49 percent; 13 percent received 50 to 74 percent; and 25 percent received 75 to 100 percent of the family income from off-farm employment or investments.

Gross sales. Among all respondents, 60 percent reported that they had gross annual sales of \$40,000 or less; 17 percent reported gross sales from \$40,000 to \$199,999; 10 percent reported gross sales of \$200,000 and over; and 14 percent did not respond.

Size of farms. Sixty-one, 73, and 70 percent of the responding farmers indicated they had cropland, pasture, or woodland, respectively, on their farms. Average sizes of the holdings of these alternative land uses were 200, 104, and 129 acres, respectively. Relative to rental arrangements, 35 respondents reported renting-out land with the average size being 99 acres. Land was rented-in by 100 respondents with the average amount being 283 acres.

Membership in farm and commodity organizations. About 65 percent of all respondents belonged to the Alabama Farm Bureau. All other general farm organizations had 2 percent or fewer of the sample as members. The highest membership among commodity groups was reported for the Cattlemen's Association with 46 percent, followed by the Soybean Association with 13 percent, Peanut Growers with 11 percent, and Pork Producers with 10 percent. Labor union membership was reported by 8 percent of the group.

MAJOR ISSUES AND SUMMARY OF RESPONSES

The general format of the questionnaire was utilized to list the farmers' responses. Throughout this report, responses are based on all farmers who answered the particular question.

In addition to the overall responses obtained from farmers, the data were further sub-grouped to determine if certain characteristics affected their responses. Three characteristics were selected for comparative analysis. Comparisons were made with respect to:

- (1) The size of farming operation as measured by gross farm sales (\$40,000 or less; over \$40,000).
- (2) Dependency of respondent on non-farm income as a proportion of total family income (less than 50 percent; over 50 percent).
- (3) Most important source of farm income (crops; livestock). Some enterprises were combined in order to classify the respondent as primarily a crops or livestock farmer.

Major policy issues and farmers' responses concerning these issues are presented in the following sections. First, the major points concerning the issue are discussed. Brief statements summarizing each inquiry are

then presented. Finally, each question is analyzed using a common table format incorporating these comparisons.

The major policy issues explored are:

- * Price support, loan rates, and target prices
- * Foreign trade
- * Disaster protection
- * Farm program expenditures and the federal budget
- * Farm financing

Price Supports,
Loan Rates, and
Target Prices



It has been argued by many that the rigid price-support programs contained in the 1981 farm bill have not worked well. The administration has advocated that the current levels of loan rates and target prices are not in the best long-term interest of United States agriculture since they are so out of line with market realities. The arguments against high loan rates state that they provide an incentive for United States competitors to expand agricultural production, since the loan rate provides a floor price that other countries can depend on in the world trade arena.

If we also have unrealistically high target prices, this means greater federal budget exposure. Our competitors realize that the United States will use acreage reduction programs in an attempt to raise market prices above the loan rate, so that the amount of deficiency payments will be lowered, thereby reducing the budget exposure. When we have programs to cut our acreage in order to raise market prices, the benefits are received by foreign competitors who have no such acreage reduction programs.

Of course, it could be debated whether there really is a problem with high loan rates and target prices. The relationship among farm, target, and loan prices is shown in Table 2.

It appears that wheat and cotton have been the most out of line relative to market price conditions in recent years. No doubt the "proper" determination of loan rates and target prices poses problems for policymakers. Perhaps the Secretary of Agriculture feels that he has sufficient discretionary authority to make the necessary policy adjustments in response to changing market conditions.

But, what do farmers think? Are they really aware and concerned about the long-run national and international implications of price support

Table 2. Seasonal average farm prices, loan rates, and target prices for corn, wheat and cotton under the Agriculture and Food act of 1981

Year	Corn, \$1/bu.			Wheat, \$1/bu.			Cotton, \$1/cwt.		
	Farm	Loan	Target	Farm	Loan	Target	Farm	Loan	Target
	----- Dollars -----								
1982	2.68	2.55	2.70	3.55	3.55	4.05	57.60	57.08	71.00
1983	3.30	2.65	2.86	3.54	3.65	4.30	63.90	55.00	76.00
1984	<u>1/</u>	2.55	3.03	<u>1/</u>	3.30	4.45	<u>2/</u>	55.00	81.00
1985	<u>1/</u>	2.55	3.18	<u>1/</u>	3.55	4.65	<u>2/</u>	55.00	86.00

1/ Not available

2/ USDA is prohibited from publishing cotton price projections.

levels, or are they simply interested in obtaining the best short-run price possible for their commodities, be it through the market or from the government?

Loan rates and target prices will certainly be major items of discussion as the new farm bill is being developed. Several alternatives have been suggested to deal with production and price supports over the next few years. Alabama farmers were asked to respond to several issues concerning price support programs. Their responses are briefly summarized:

Preferred production and price support policy after 1985

Strongest support was to keep present voluntary programs, with 28 percent of respondents supporting this position. Farmers with larger farms and those depending on farming as their major source of income were the most supportive of present programs. Use of mandatory agriculture set aside and price support programs were the least popular of the program alternatives, Table 3.

Continue target prices and deficiency payments in the 1985 Farm Bill

Continuation of target prices and deficiency payments were preferred by almost one-half the farmers; however, those who were uncertain or opposed the programs comprised a similar proportion of responses. The farmers who were more dependent on off-farm income were more frequently opposed to target prices and deficiency payments, Table 4a.

Table 3. Preferred production and price support policy after 1985

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Keep present voluntary programs with minor revisions	28	27	35	32	26	31	30
Have a mandatory set-aside and price support program in years of excess supply with all producers required to participate if approved in a farmer referendum	14	16	14	17	9	15	12
Reestablish acreage allotments and marketing quotas for each farm as a basis of support	15	15	19	20	13	24	12
Eliminate set-aside, price support and government storage programs	21	24	23	17	30	16	27
Undecided	11	11	4	8	12	8	11
Other responses	2	1	4	3	2	3	2
No response	9	7	1	4	7	3	7

Table 4a. Continue target prices and deficiency payments in the 1985 Farm Bill

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Yes	45	43	59	61	33	57	39
No	27	29	31	22	37	27	30
Not sure	19	22	7	13	25	14	26
No response	9	5	3	4	6	3	5

If target prices for corn, wheat and cotton are continued, they should be set at rates that are:

Corn - Set rates about same to higher was most frequent response. Farmers with larger farms and crop farmers were strongest in their opinions to set corn prices higher (36 percent). Livestock farmers preferred lower target prices for corn.

Wheat - Response was similar to opinions on corn. Crop producers wanted the same to higher price while livestock producers tended to favor lower target prices.

Cotton - Forty-six percent desired same to higher price. Forty percent had no opinion or did not respond. Farmers with larger farms were more supportive of similar to higher prices than the farmers with smaller operations, Table 4b.

Continue acreage diversion in future programs

Overall, more respondents opposed than favored continuation of the diversion program (41 percent to 37 percent). Strongest support of the program was from farmers with larger operations and those most dependent on farm income. Practically no crop producers wanted the program continued; a majority of these farmers opposed the program, Table 5.

Continue a farmer-owned grain reserve in 1985 Farm Bill

One-half of all respondents wanted the program continued while only one-fifth opposed, Table 6a.

Preferred future grain reserve policy

Most common preference was to place a limit based on a proportion of the previous year's use (41 percent). There was little support for a no limit reserve or permitting the Secretary of Agriculture to set the limit, Table 6b.

Loan rates of price supported commodities should be based on a percentage of the average market price for the past 3 to 5 years

The majority of farmers agreed with this position (55 percent). Relatively few farmers opposed the proposal, Table 7.

Use the Payment-in-Kind (PIK) Program when larger stocks reappear

This was supported by 47 percent of respondents; 27 percent opposed continued use. Farmers with larger operations and crop farmers were most supportive of the PIK program, Table 8.

Table 4b. If target prices are continued, they should be set at rates that are:

Commodity and level of rates compared with 1984 rates	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Corn, bu.							
Higher	25	23	35	32	18	36	19
Lower	13	15	11	17	10	9	27
About same	27	28	27	28	27	27	19
No opinion	15	18	12	12	25	10	20
No response	20	16	15	11	20	17	15
Wheat, bu.							
Higher	18	17	24	21	14	24	17
Lower	13	14	12	17	8	7	27
About same	31	32	36	36	31	37	19
No opinion	14	17	11	10	25	10	19
No response	24	20	16	17	17	22	17
Cotton, lb.							
Higher	18	14	26	22	11	22	15
Lower	14	17	11	18	11	9	26
About same	28	29	32	29	30	33	20
No opinion	16	18	16	14	25	12	22
No response	24	22	15	17	22	24	16

Table 5. Continue acreage diversion in future programs

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Yes	37	37	59	57	28	3	33
No	41	41	34	30	44	56	42
Not sure	16	16	5	10	20	32	18
No response	6	6	1	3	8	9	7

Table 6a. Continue a farmer-owned grain reserve in 1985 Farm Bill

Yes	50	56	43	58	46	56	45
No	19	17	28	16	21	22	21
Not sure	23	22	26	23	27	20	27
No response	8	5	3	3	6	2	7

Table 6b. Preferred future grain reserve policy

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
No limit on the size of reserve	12	14	8	14	11	19	6
Let the Secretary of Agriculture set the limit on the amount	14	12	14	13	14	12	15
Set a limit based on a percent of the previous year's use	41	46	42	43	43	42	45
Not sure	19	18	26	22	21	20	20
No response	14	10	10	8	11	7	14

Table 7. Loan rates of price-supported commodities should be based on percent of the average market price for the past 3 to 5 years

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	15	15	19	18	15	18	14
Agree	40	44	35	41	38	39	43
Not sure	20	22	18	16	27	17	24
Disagree	10	9	14	15	4	14	7
Strongly disagree	6	6	11	5	10	11	4
No response	9	5	4	4	6	2	8

Table 8. Use the Payment-In-Kind (PIK) program when large stocks reappear

Strongly agree	18	17	27	26	10	22	16
Agree	29	26	34	31	25	39	23
Not sure	18	23	9	15	23	16	21
Disagree	13	17	5	12	18	9	16
Strongly disagree	14	13	23	13	19	13	18
No response	8	4	1	3	5	1	6

To qualify for price and income support programs, each farmer should be required to follow recommended soil conservation measures

There was strong support for this proposal (65 percent) with less than 20 percent opposing. Livestock farmers were more supportive than crop farmers, Table 9a.

Distribution of federal funds for soil conservation purposes

The greater support was to give funds to states with the most severe erosion problems (53 percent), with lesser support to allocate funds by number of farmers per state (26 percent). There was general agreement among the various groupings of farmers, Table 9b.

If production is excessive in 1985, payments for production cutbacks by dairy farmers should be continued; in comparison to 1984, the number of dairy cows on my farm by the end of 1985 will be: (Respondent was to state cow number change)

Although no respondent was dependent primarily on dairying for family income, more respondents opposed cutback payments than those supporting the program (35 percent to 25 percent). Relatively few respondents had milk cows on their farms, Tables 10 and Table 11.

Table 9a. To qualify for price and income support programs, each farmer should be required to follow recommended soil conservation measures

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	30	31	30	27	37	25	36
Agree	35	41	31	36	37	35	40
Not sure	10	7	14	12	6	12	6
Disagree	10	10	12	13	7	12	9
Strongly disagree	8	7	12	8	8	13	3
No response	8	4	1	4	5	3	5

Table 9b. Distribution of federal funds for soil conservation purposes

Give funds to all states in proportion to number of farms	26	28	30	27	27	31	24
Give more funds to those states with the most severe erosion problems	53	56	55	54	55	56	58
Not sure	8	8	8	10	8	6	8
Other	4	5	4	5	5	4	6
No response	9	4	3	4	5	3	4

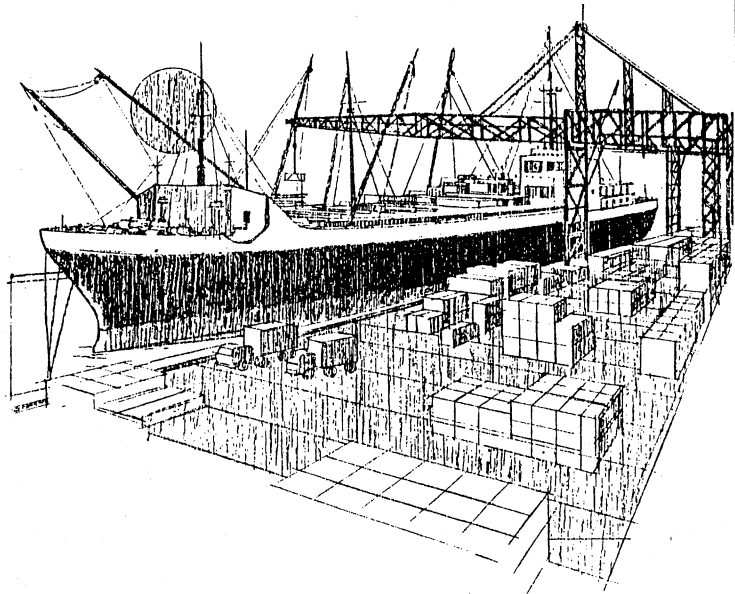
Table 10. If milk production is excessive in 1985, payments for production cut-back by dairy farmers should be continued

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	8	10	4	8	9	6	7
Agree	17	16	16	17	16	20	15
Not sure	29	29	32	34	22	31	32
Disagree	20	23	22	18	26	23	21
Strongly disagree	15	16	22	18	19	16	17
No response	11	6	4	5	8	4	8

Table 11. In comparison to 1984, the number of dairy cows on my farm by the end of 1985 will be:

More	1	1	0	1	1	2	0
Fewer	2	2	4	4	1	3	3
About the same	7	4	15	8	6	3	11
Do not have any dairy cows on my farm	79	86	77	81	84	85	80
No response	11	7	4	6	8	7	6

Foreign Trade



The emergence of a well integrated capital market and the shift to floating exchange rates have been the two major changes that thrust the United States into a world market for agricultural products. Agriculture and the rest of the United States economy have become increasingly dependent on trade, with dependence on foreign trade as a source of markets doubling between 1971 and 1980. In recent years, the United States has exported the production from two of every five acres that are planted each year. The growth in exports during the 1970's was due, in large part, to a relatively low-valued dollar.

It was during this heyday that the 1981 Farm Act was developed. However, since that time, the dollar has strengthened and a worldwide recession has occurred. The result has been a sharp decline in exports.

To enjoy future growth in United States agricultural exports, efforts need to be made to improve the competitiveness of traditional United States exports. This can be done by lowering our domestic farm price supports, lowering the exchange value of the dollar, or by export credits. The United States should also try to expand its share of higher valued products trade. Efforts must also be continued to liberalize trade among our trading partners.

The increased dependence on trade makes it more difficult to influence the economy with strictly domestic policies. Therefore, we are likely to see a trade title in the new Agricultural Act.

Alabama farmers had mixed opinions on the various proposals to increase exports.

A series of inquiries were made regarding ways to increase export sales by the United States, Table 12 - proposals 1 through 10.

Proposal 1. To increase export sales, the United States should match export subsidies of competing countries

Non-response and uncertain responses accounted for 46 percent of all respondents; 43 percent agreed with the proposal, Table 12-1.

Proposal 2. To increase export sales, the United States should lower trade barriers by major importers

Forty-five percent favored lower trade barriers, 43 percent were uncertain or did not respond, while relatively few disagreed. Farmers with larger operations were most positive in support of lower barriers, Table 12-2.

Proposal 3. To encourage export sales, the United States should lower support prices

Only 23 percent agreed with this proposal, 27 percent disagreed, and one-half were uncertain or offered no response. Crop farmers were the most opposed to lowering support prices to encourage exports, Table 12-3.

Proposal 4. To encourage export sales, the United States should establish a marketing board

The majority of respondents either did not answer or were unsure of the value of a marketing board. However, 42 percent supported one; 5 percent opposed the concept, Table 12-4.

Proposal 5. To encourage export sales, the United States should promote bilateral trade agreements with minimum purchases and export guarantees

Almost 50 percent agreed that trade agreements would be useful, however, a similar percentage was either not sure or did not respond to the question, Table 12-5.

Proposal 6. To encourage export sales, the United States should join an export cartel

A fourth of the farmers did not respond to this proposal and a third of the farmers were uncertain of the proposal. Of those stating a position, more were favorable than opposed, Table 12-6.

Table 12. Proposal 1. To increase export sales, the United States should match export subsidies of competing countries

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	16	17	21	19	18	20	16
Agree	27	28	30	32	24	30	25
Not sure	25	28	24	22	28	21	33
Disagree	6	7	8	6	8	8	6
Strongly disagree	4	4	8	3	8	7	3
No response	21	17	9	18	14	14	16

Table 12. Proposal 2. To increase export sales, the United States should encourage lower trade barriers by major importers

Strongly agree	15	13	25	16	17	20	13
Agree	30	28	44	38	27	33	32
Not sure	20	26	14	21	24	17	26
Disagree	9	10	7	6	11	9	9
Strongly disagree	3	3	3	2	3	5	1
No response	23	20	7	18	18	15	19

Table 12. Proposal 3. To encourage export sales, the United States should lower support prices

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	7	6	11	8	8	6	8
Agree	16	18	14	14	20	13	20
Not sure	25	28	27	31	25	23	31
Disagree	20	22	23	20	22	28	19
Strongly disagree	7	5	15	7	6	13	3
No response	25	21	11	20	20	18	19

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Table 12. Proposal 4. To encourage export sales, the United States should establish a marketing board

Strongly agree	11	12	14	13	13	12	10
Agree	31	29	45	34	32	35	35
Not sure	31	35	32	31	33	32	35
Disagree	3	4	0	2	4	2	3
Strongly disagree	2	3	1	3	2	2	3
No response	22	18	8	18	16	17	14

Table 12. Proposal 5. To encourage export sales, the United States should promote bilateral trade agreements with minimum purchases and export guarantees

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	11	11	12	11	15	14	9
Agree	38	41	43	42	35	47	37
Not sure	26	27	30	29	27	22	33
Disagree	3	2	5	1	5	3	3
Strongly disagree	1	1	1	1	1	1	1
No response	21	19	8	16	17	14	17

Table 12. Proposal 6. To encourage export sales, the United States should join an export cartel

Strongly agree	6	7	6	6	8	0	7
Agree	23	22	32	25	20	29	22
Not sure	33	34	38	34	34	32	39
Disagree	12	14	12	14	14	13	13
Strongly disagree	2	2	4	3	3	3	2
No response	24	22	8	18	22	17	18

Proposal 7. To encourage export sales, the United States should provide more funds for food aid to hungry nations

Only 28 percent of the farmers participating in the study agreed to the proposal that providing more funds for food aid to hungry nations was a good way to encourage export sales; a similar percentage disagreed with this approach. Farmers with larger farms were most supportive of using food aid to encourage exports, Table 12-7.

Proposal 8. To encourage export sales, the United States should strengthen the General Agreement on Tariffs and Trade to facilitate freer trade

Strong support was found for strengthening the General Agreement in Tariffs and Trade, particularly among farmers with larger operations (78 percent). There was essentially no disagreement to the proposal, Table 12-8.

Proposal 9. To encourage export sales, the United States should expand farmer financed foreign market development

Farmers with larger operations were very supportive of the proposal. The majority of all farmer groups favored farmer-financed foreign market development to increase export sales, although there was a substantial number who either did not respond or were not sure of the approach, Table 12-9.

Proposal 10. To encourage export sales, the United States should set up a two-price plan with higher prices for commodities used in the domestic market and let exports sell at the world price

Almost half the respondents either did not answer or were uncertain. Slightly more favored the proposal than were opposed, Table 12-10.

Table 12. Proposal 7. To encourage export sales, the United States should provide more funds for food aid to hungry nations

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	9	6	14	11	8	8	8
Agree	19	21	22	19	21	24	19
Not sure	21	22	22	19	23	20	24
Disagree	21	23	19	24	20	24	19
Strongly disagree	9	9	16	9	13	10	11
No response	21	19	8	17	16	13	19

Table 12. Proposal 8. To encourage export sales, the United States should strengthen the General Agreement on Tariffs and Trade to facilitate freer trade

Strongly agree	16	14	26	22	14	17	16
Agree	42	43	52	40	47	51	41
Not sure	20	24	14	21	23	18	24
Disagree	2	3	0	1	3	2	3
Strongly disagree	0	0	0	0	0	0	0
No response	20	16	8	16	13	12	16

Table 12. Proposal 9. To encourage export sales, the United States should expand farmer-financed foreign market development

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	20	18	30	25	22	23	16
Agree	33	34	40	30	40	34	41
Not sure	20	23	18	23	19	19	21
Disagree	5	7	14	4	6	8	4
Strongly disagree	3	4	1	3	5	2	4
No response	19	15	7	15	9	14	14

Table 12. Proposal 10. To encourage export sales, the United States should set up a two-price plan with higher prices for commodities used in the domestic market and let exports sell at the world price

Strongly agree	9	10	8	11	8	9	8
Agree	21	22	23	22	23	30	17
Not sure	28	30	30	26	30	20	37
Disagree	16	16	22	19	15	24	11
Strongly disagree	8	8	12	8	11	8	11
No response	18	14	5	13	12	8	15

Disaster Protection



The disaster provisions of the Agriculture and Food Act of 1981 were discontinued and federal crop insurance was promoted to take its place. Actually, changes had already been implemented by the Carter Administration with the 1980 Federal Crop Insurance Act. The Reagan Administration simply supported and continued this concept of expanded coverage.

Farmers in Alabama have not been very receptive to crop insurance. Some say that it costs too much for the coverage provided. Others think it is too complicated. Still others imply that the private insurance companies are not well versed in merchandising and administering the program.

It is important that farmers are offered some type of protection against natural disasters. This can be accomplished by reinstating disaster provisions in the new farm bill, by providing low interest loans or other financial aid, or by an improved federal crop insurance program.

Alabama farmers were asked to express their opinions on the federal crop insurance programs.

Preferred government policy to deal with farm production risks from natural disasters

Preference was to continue present crop insurance program in which producers pay part of cost and government pays part of cost. Less than one-fifth of the respondents preferred a program paid entirely by the government. There was relatively little support to do away with Federal Crop Insurance programs, Table 13.

Opinions about the Federal Crop Insurance Program on cost, coverage, and program mechanics

The opinion was fairly evenly divided about the program in regard to cost, coverage, and mechanics. Only 17 percent thought the insurance was a good buy, 16 percent stated that coverage was adequate and only 9 percent thought the mechanics were easy to understand. Well over half the farmers either offered no opinion or did not respond. Inadequate coverage was expressed by 62 percent of the larger farmers as being a problem, Table 14.

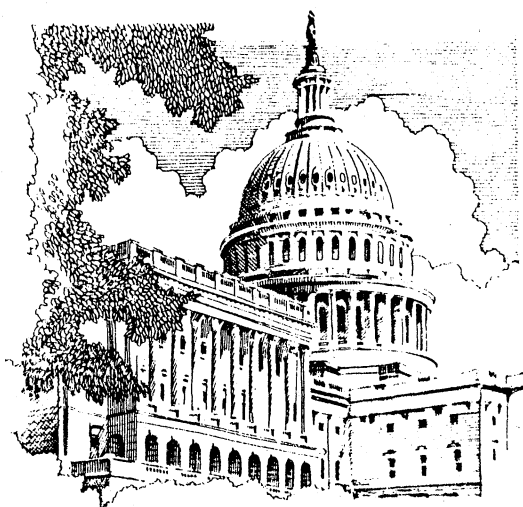
Table 13. Preferred government policy to deal with farm production risks from natural disasters

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
				Percent			
Continue present all-risk crop insurance where producers pay about 70 percent and government pays about 30 percent of the cost	45	47	42	50	43	41	47
Return to disaster payments where government pays all the cost	17	16	24	21	12	22	15
Eliminate all disaster payments and Federal Crop Insurance programs	13	14	16	9	20	15	14
Not sure	14	16	11	10	20	13	17
Other	1	0	5	4	0	3	1
No response	10	7	1	7	5	6	5

Table 14. Opinions about the Federal Crop Insurance Program

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Cost:							
A good buy	17	18	15	18	19	19	14
Expensive	28	27	39	32	26	34	28
No opinion	28	32	22	23	37	20	36
No response	27	23	24	27	18	27	22
Coverage:							
Adequate coverage	16	18	9	15	20	20	14
Inadequate coverage	29	20	62	42	17	40	26
No opinion	26	32	18	20	35	18	33
No response	29	30	11	23	28	22	27
Mechanics of the Program:							
Easy to understand	9	8	15	8	12	10	10
Complicated	24	23	36	25	26	32	23
No opinion	27	30	22	21	35	18	33
No response	40	39	27	46	26	40	34

Farm Program Expenditures and the Federal Budget



The federal budget has been showing a deficit for several years, and will be a major concern in formulating new farm program legislation. It should be pointed out that agricultural programs themselves are responsible for part of the deficit, and this is catching the eyes of policymakers. The escalation in program costs is shown in Table 15.

Table 15. Budgetary Expenditures for Price-Support Programs, 1979-1983

Fiscal Year	Price-Support Expenditures Billion dollars
1979	3.6
1980	2.9
1981	4.0
1982	11.6
1983	21.7

Costs for the 1983 program were approximately 10 percent of the federal deficit and two-thirds of net farm income for all of agriculture. Besides the budget exposure, agriculture is also affected by the deficit in other ways. As long as there is a large federal deficit, some private investment will be crowded out in order to finance the deficit. There will be a resulting expectation of higher interest rates to ration the available funds. Foreign capital and goods will continue to flow into the United States and maintain the strong position of the dollar. The "safe harbor" role of the dollar will continue as long as a large number of countries experience political, social, and economic stability problems.

The strong-valued dollar is putting a damper on export sales. As long as the dollar remains strong, exports remain more expensive to foreign

buyers in terms of their own currencies. Thus, reducing the deficit is necessary in order to help correct our trade problems.

Large deficits and resulting higher interest rates also mean higher production costs for farmers. Therefore, appropriate monetary and fiscal policies are perhaps more important than the farm bill itself concerning the long-run health of United States agriculture.

Farmers across Alabama had varying opinions on the alternatives to help the agricultural program funding and budget situation.

Give most prices and income support benefit to small and medium size farms

The smaller farm operators and those heavily dependent on off-farm income strongly supported this proposal, with over 70 percent in favor while only a fourth of the farmers with larger operations agreed. The strongest disagreement to the proposal was from large farmers, Table 16.

Preferred changes in funding government programs

The most common response was a preference for a low "safety net" loan and target price program, 40 percent support. One-half of the farmers with larger operations favored this approach. Interest in a farm income insurance program with costs shared by government was expressed by about one-third of the respondents, Table 17.

Recommendations on changing the limit of \$50,000 on direct payments to each farmer

There was relatively little support to increase the \$50,000 limit on direct payments, even among farmers with larger operations. Respondents were evenly divided over either making no change or decreasing the limit, Table 18.

Recommendations on changing the level of expenditures on food stamps

Decrease or eliminate food stamp expenditures were the most common responses (56 percent), while less than one-fourth desired to keep the same level or increased expenditures. Only 5 percent were willing to see increased food stamp expenditures, Table 19.

Table 16. Give most prices and income support benefit to small and medium size farms (farms with gross sales less than \$40,000)

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	34	48	11	29	53	35	35
Agree	24	28	15	24	20	22	27
Not sure	12	13	9	11	14	9	15
Disagree	13	4	38	17	5	19	11
Strongly disagree	8	2	24	15	2	11	8
No response	9	5	3	4	6	4	4

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Table 17. Preferred changes in funding government programs

A low "safety net" loan and target price program	40	39	50	42	38	43	39
Replace commodity programs with a farm income insurance plan with costs shared by farmers and government	32	37	23	32	34	33	35
Other	12	12	18	14	16	13	14
No response	16	12	9	12	12	11	12

Table 18. Recommendations on changing limit of \$50,000 on direct payments to each farmer

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock

				Percent			
Increase the limit	9	7	15	14	8	11	8
Make no change	35	34	42	40	28	42	31
Decrease limit	37	45	24	30	47	31	46
Eliminate the limit completely	8	7	15	11	7	10	8
No response	11	7	4	5	10	5	7

Table 19. Recommendations on changing level of expenditures on food stamps

Increase this amount	5	5	5	7	5	3	7
Decrease this amount	32	34	27	27	34	38	29
Keep about the same	19	19	23	23	18	16	24
Eliminate completely	24	23	32	27	26	27	23
No opinion	9	11	7	10	9	11	8
No response	11	7	5	6	8	4	9

Recommendations on who should make major farm commodity policy decisions

Three options were given farmers: continue present system, a Presidentially appointed board, or producer control. Responses were fairly evenly divided on the three options, with about 25 percent supporting each. Since only a fourth favor the present Congress and Secretary of Agriculture control, even the farm sector is willing to accept alternative agricultural policy directions, Table 20.

Proposal 1. Keep federal expenditures as they are and do not worry about balancing the budget

Over 70 percent of all farmers in the survey were opposed to continuation of the present unbalanced budget. Farmers with larger operations were particularly strong in their opposition to an unbalanced budget. Practically no support existed for continuation of the present level of expenditures with budget deficits, Table 21-1.

Proposal 2. Reduce federal deficit to reduce interest rates for borrowers

Three-fourths agreed with the need to reduce the budget deficit which would help take pressure off interest rates. Practically no one disagreed with this position, Table 21-2.

Proposal 3. Freeze present federal expenditures and raise taxes

Almost one-half the respondents opposed the budget freeze expenditures/tax increase option; only 19 percent favored. Strongest support for a freeze tax increase option came from crop farmers, 30 percent of the respondents, Table 21-3.

Proposal 4. Reduce deficit to reduce debt burden on future generations

Three-fourths of the farmers favored reduction of budget deficit for this reason. Over 90 percent of farmers with larger operations favored this concept. There was very little disagreement, Table 21-4.

Proposal 5. Balance federal budget even if it means a substantial cut in all government programs including farm price and income supports

Over half the farmers favored this position with only 15 percent disagreeing. However, the strongest support for the position at 70 percent was from respondents who were mainly dependent on off-farm income, Table 21-5.

Table 20. Recommendations on who should make the major farm commodity policy decisions

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Continue the present system with Congress and the Secretary of Agriculture	26	26	28	34	18	29	25
Have the President appoint an independent board or commission operating under Congressional guidelines with farmers, agribusiness, and consumers represented	23	26	30	23	27	29	24
Let producers organize, control, and finance their own supply management program without government involvement	28	31	28	24	38	27	31
No opinion	10	9	3	8	10	8	10
Other	2	1	5	3	1	3	2
No response	11	7	5	8	6	4	8

Table 21. Proposal 1. Keep Federal expenditures as they are and not worry about balancing the budget

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	2	2	1	1	3	2	3
Agree	2	2	1	1	2	2	3
Not sure	6	6	4	6	7	6	6
Disagree	33	34	36	35	32	34	35
Strongly disagree	39	41	51	42	47	44	41
No response	18	15	5	15	9	12	12

Table 21. Proposal 2. Reduce federal deficit to reduce interest rates for borrowers

Strongly agree	38	37	49	38	44	44	36
Agree	36	38	39	36	38	35	40
Not sure	10	10	9	11	8	12	11
Disagree	1	2	0	3	1	3	3
Strongly disagree	1	1	0	0	0	1	1
No response	15	11	3	7	7	11	9

Table 21. Proposal 3. Freeze present federal expenditures and raise taxes

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	6	7	8	9	6	11	4
Agree	13	13	20	16	15	19	11
Not sure	19	17	27	23	17	17	24
Disagree	22	25	18	18	24	20	25
Strongly disagree	22	25	20	20	29	23	23
No response	18	12	7	14	9	10	12

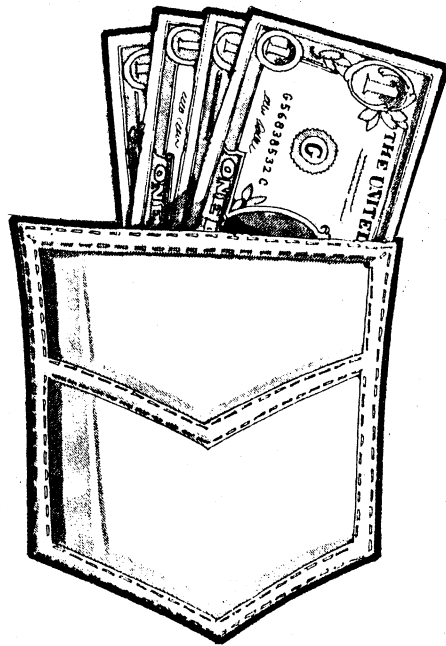
Table 21. Proposal 4. Reduce deficit to reduce debt burden on future generation

Strongly agree	33	32	46	31	40	40	32
Agree	41	46	45	49	41	43	44
Not sure	9	10	4	10	8	8	11
Disagree	1	1	3	1	1	3	1
Strongly disagree	2	2	0	0	3	0	3
No response	14	10	3	9	8	6	8

Table 21. Proposal 5. Balance federal budget even if means a substantial cut in all government programs including farm price and income supports

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Strongly agree	34	36	39	31	45	37	36
Agree	24	28	24	21	25	25	27
Not sure	13	10	19	16	9	14	14
Disagree	8	11	7	11	8	10	8
Strongly disagree	7	8	8	11	7	7	8
No response	14	7	3	10	6	7	8

Farm Financing



Alabama farmers have had a difficult time in generating sufficient income to cover production costs and service the debts that built up during the 1970's and early 1980's. Those facing the most severe cash flow problem are the farmers who expanded their highly leveraged operations during the boom of the late 1970's.

This growth was supported by Production Credit Associations (PCAs), commercial banks, individuals, and others. Since the early 1980's, commercial banks, in particular, have decreased their share of non-real estate debt with most of this slack being taken up by Farmers Home Administration (FmHA) and dealer credit. The Commodity Credit Corporation (CCC) has also become a more viable source of credit as farmers faced uncertain and unprofitable prices for their products. The financial situation in Alabama is perhaps best described by the sudden emergence of FmHA as the primary source of operating credit for farmers (Table 22).

Table 22. Percentage share of outstanding non-real estate debt by institutional lenders in Alabama, selected years

Year	PCAs	Commercial banks Percent	FmHA
1970	38	54	12
1975	43	53	4
1979	29	51	20
1980	35	36	29
1981	33	34	33
1982	29	29	42
1983	29	29	42

Since FmHA has become the major source of credit for Alabama farmers, it would be helpful to see how they feel about the lending policies of the organization.

Preferred Farmers Home Administration credit policy with present borrowers

Almost one-half the respondents were satisfied to continue the present policy of not foreclosing unless all repayment efforts have failed. Very little support was found for providing a moratorium on foreclosures for "deserving" young farmers. There was some interest in setting a more strict loan policy, Table 23

Table 23. Preferred Farmers Home Administration credit policy with present borrowers

Response	All farmers	Annual gross sales		Contribution of off-farm income to total family income		Most important source of farm income	
		\$40,000 or less	Over \$40,000	Less than 50%	50% and over	Crop	Livestock
----- Percent -----							
Continue the present policy of not foreclosing unless all repayment efforts have failed	44	45	47	43	45	47	45
Provide a moratorium on all foreclosures to keep distressed borrowers operating until the economy improves	19	23	14	21	20	15	24
Provide a moratorium on foreclosures only for selected young "deserving" farmers	5	5	5	6	5	5	5
Set a stricter policy on delinquent loans and increase the number of foreclosures	20	18	28	18	23	24	19
Other	2	2	4	4	2	3	3
No response	10	7	1	8	5	7	4

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APPENDIX

QUESTIONNAIRE USED TO COLLECT ALABAMA FARMERS' OPINIONS ON
GOVERNMENT AND AGRICULTURE

Cooperative Extension Service, Alabama Agricultural Experiment Station
Auburn University, Department of Agricultural Economics & Rural Sociology

QUESTIONS ABOUT GOVERNMENT AND AGRICULTURE -- TELL US HOW YOU FEEL

1. What should be the policy toward production and price supports after 1985? (Check one.)

keep present voluntary programs with minor revisions.
 have a mandatory set aside and price support programs in years of excess supply with all producers required to participate if approved in a farmer referendum.
 re-establish acreage allotments and marketing quotas for each farm as a basis for price supports.
 eliminate set aside, price support, and government storage programs.
 undecided
 other _____

- 2a. Should target prices and deficiency payments be continued in the 1985 farm bill?

yes no not sure

- b. If continued, where should target prices be set compared with 1984? (\$3.03 for corn; \$4.45 for wheat; \$.81 for cotton)

Corn: higher about the same lower no opinion
Wheat: higher about the same lower no opinion
Cotton: higher about the same lower no opinion

3. Should payments for acreage diversion be continued in future programs?

yes no not sure

- 4a. Should a farmer-owned grain reserve be continued?

yes no not sure

- b. If a grain reserve is continued, which policy below would you prefer:

no limit on size of reserve.
 let the Secretary of Agriculture set the limit on the amount.
 set a limit based on a percent of the previous year's use.
 not sure

5. Loan rates for all price supported commodities should be based on a percent of the average market price for the past 3-5 years.

strongly agree agree not sure disagree strongly disagree

6. The payment-in-kind program should be used again if large stocks reappear.

strongly agree agree not sure disagree strongly disagree

- 7a. To help achieve national and state erosion control goals, each farmer should be required to follow recommended soil conservation measures for his farm to qualify for price and income support programs.
 strongly agree agree not sure disagree strongly disagree
- b. How should federal government funds for soil conservation programs be distributed?
 give funds to all states in proportion to number of farms.
 give more funds to those states with the most severe erosion problems.
 not sure
 other _____
8. The Farmers Home Administration was established to provide credit to farmers who could not get credit from other sources. Which credit policy should it follow with present borrowers? (Check one.)
 continue the present policy of not foreclosing unless all repayment efforts have failed.
 provide a moratorium on all foreclosures to keep distressed borrowers operating until the economy improves.
 provide a moratorium on foreclosures only for selected young "deserving" farmers.
 set a stricter policy on delinquent loans and increase the number of foreclosures.
 other _____
9. Which government policy would you prefer to deal with farm production risks from natural disasters? (Check one.)
 continue present all risk crop insurance where producers pay about 70 percent and government pays about 30 percent of the cost.
 return to disaster payments where government pays all the cost.
 eliminate all disaster payments and Federal Crop Insurance programs.
 not sure
 other _____
10. Check below your opinions about the Federal Crop Insurance program: (Check one on each line.)
 a. a good buy expensive no opinion
 b. adequate coverage inadequate coverage no opinion
 c. easy to understand complicated no opinion
11. Future farm programs should be changed to give most price and income support benefit to small and medium size farms with gross annual sales under \$40,000.
 strongly agree agree not sure disagree strongly disagree

12. If milk production is excessive in 1985, payments for production cut-back by dairy farmer should be continued.
 ___ strongly agree ___ agree ___ not sure ___ disagree ___ strongly disagree
13. By the end of 1985, how do you expect the number of milk cows on your farm to compare with the beginning of 1984:
 ___ do not have any dairy cows on my farm. ___ more ___ less ___ about the same
14. If major changes were required in funding government programs, which would you favor?
 ___ a low "safety net" loan and target price program.
 ___ replace commodity programs with a farm income insurance plan with costs shared by farmers and government.
 ___ other _____
15. The present limit on direct payments to each farmer is \$50,000 per year. What recommendation would you make for the future?
 ___ increase the limit.
 ___ make no change.
 ___ decrease the limit.
 ___ eliminate the limit completely.
16. Who should make the major farm commodity policy decisions? (Check only one).
 ___ continue the present system with Congress and the Secretary of Agriculture.
 ___ have the President appoint an independent board or commission operating under Congressional guidelines with farmers, agribusiness, and consumers represented.
 ___ let producers organize, control, and finance their own supply management program without government involvement.
 ___ no opinion
 ___ other _____

17. To increase export sales, the United States should: (Check your opinion on each proposal.)

	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
a. match export subsidies of its competitors.					
b. encourage lower trade barriers by major importers.					
c. lower U.S. support prices.					
d. establish a marketing board (such as the Canadian Wheat Board).					
e. promote bilateral trade agreements with minimum purchases and export guarantees.					
f. join an export cartel with other major exporters.					
g. provide more funds for food aid to hungry nations.					
h. strengthen the General Agreement on Tariffs on Trade to facilitate more free trade.					
i. expand farmer financed foreign market development programs.					
j. set up a two-price plan with a higher price for commodities used in the domestic market and let export sell at the world market.					

18. Expenditures on food stamps have been around \$12 billion per year. What would you recommend?

increase this amount decrease keep about the same
 no opinion eliminate completely

19. Federal deficits have been running \$100 to \$200 billion per year. (Check your opinion on each proposal.)

	Strongly agree	Agree	Not Sure	Disagree	Strongly disagree
a. We should keep things as they are and not worry about balancing the budget.					
b. We should reduce the deficit in order to reduce interest rates for borrowers.					
c. Freeze present federal expenditures and raise taxes.					
d. We should reduce the deficit to reduce the debt burden on future generations.					
e. The federal budget should be balanced even if it means a substantial cut in all government programs including farm price and income supports.					

TO HELP ANALYZE YOUR ANSWERS, WE WOULD LIKE TO KNOW A LITTLE ABOUT YOU AND YOUR INTERESTS:

20. Check below the price and income support programs that you participated in during 1983:

	Wheat	Feed Grains	Cotton	Rice	Peanuts	Tobacco
Acreage Reduction	_____	_____	_____	_____	_____	_____
Payment-In-Kind	_____	_____	_____	_____	_____	_____

21. Your age: (Please check)

_____ under 35 _____ 35-49 _____ 50-64 _____ 65 or over

22a. Number of acres owned in 1983: _____ cropland _____ pasture _____ woodland

b. Of the acreage owned, how much (if any) did you rent out to others in 1983?

c. Number of acres you farmed in 1983: _____ owned + _____ rental (including government idled acres) = _____ total.

23. Approximate annual gross sales from your farm in recent years:

_____ \$40,000 or less _____ \$40,000-\$199,999 _____ \$200,000 and over

24. Your most important source of farm income in 1983:

_____ grain _____ hogs, beef cattle _____ dairy _____ mixed grain and
 _____ cotton _____ peanuts other _____ livestock

25. What was the last year of school you completed?

_____ grade school _____ some high school _____ high school graduate
 _____ some college or technical school _____ graduated from college

26. If you or members of your family were employed off the farm, what percent of your total farm family income in 1983 came from off-farm employment and investments?

_____ 0-24% _____ 25-49% _____ 50-74% _____ 75-100%

27. Please check your 1983 membership in the following types of organizations:

- | | |
|--------------------------------------|---------------------------------------|
| _____ Farm Bureau | _____ Cotton Growers |
| _____ Farmers Union | _____ Peanut Growers |
| _____ Grange | _____ Fruit, Vegetable & Horticulture |
| _____ National Farmers Organization | _____ Corn Growers |
| _____ American Agricultural Movement | _____ Soybean Association |
| _____ Cattlemen's Association | _____ Wheat Producers |
| _____ Pork Producers | _____ Labor Union |
| _____ Milk Producers | |

Thank you for answering these questions. All your individual responses will be kept confidential. You need not sign your name. You are welcome to make any comments on the bottom of this page or on a separate sheet if you want to write more. Please return in the enclosed self-addressed envelope. It requires no postage.
