

SERVICE

RECEIVED

Government's role in agriculture

IN ACTION MAY 21 1990
COLORADO STATE LIBRARY
State Publications Library

John Brouillette and David Rogers^{1/}

COLORADO STATE UNIVERSITY EXTENSION SERVICE

no. 3.752

COLORADO STATE PUBLICATIONS LIBRARY local
UCSU20/6.22/3.752 c.2
Brouillette, John R/Government's role in



3 1799 00013 4551

Quick Facts

Farm and ranch operators were sampled for their opinions regarding government's role in agriculture.

Issues surveyed included questions on farm policy, marketing arrangements, conversion of farmland, and what factors upon which government has an influence could help or hinder farm/ranch operations.

How farm and ranch operators felt about the role of the government depended upon several factors, namely farm size, farm operators' employment pattern, structure of the farm and gross farm sales.

What should government's role be in agriculture? This question and others were asked of a representative sample of 1,123 farm and ranch operators in Colorado during spring, 1982. This report deals with their preferences regarding this role.

Preferred Role of Government

The first question asked of farm operators pertained to national farm policy and was stated in the following way.

"Once every four years Congress passes a farm bill and debates various policies. To what extent do you agree that the government should enact and/or support the following policies?"

A large majority of the respondents felt that the government should be involved in seven of the eight policy issues presented to them. Heading the list of what farm operators wanted the government to do were direct public research/extension to needs of family farms (78% agreed), phaseout programs that are not consistent with supply and demand (77%), set limits on eligibility for commodity loan programs (73%) and set limits on eligibility for deficiency payments (72%). Approximately 50 percent of the respondents felt that the government should limit public credit to family farms, support prices at 100 percent of parity and

maintain target prices for commodities. Less than half of the farm operators (38%) thought that the government should maintain set-asides as production control mechanisms.

Next farm and ranch operators were asked how they felt that the government should become involved in marketing arrangements. The question was:

"We would like to ask your opinion on government involvement in marketing agricultural products."

Farm operators were somewhat mixed in their feelings about federal government involvement. More than two-thirds (69%) of the respondents agreed that farmers needed price support programs but only until a better solution was found. Over half (59%) felt that government price programs were a major cause of present price problems in agriculture. A plurality of the operators (43%) felt that the government should not assist farmers in solving their marketing and price problems. Most (64%) felt that government estimates of crop production and livestock receipts were either inaccurate, biased, or both.

What role should the federal government play in conversion of agricultural farmland? We asked:

"Conversion of farmland to nonfarm uses has become a major issue in the past decade. Which one of the following statements best reflects your view on the conversion issue?"

Again, responses of farm and ranch operators were quite mixed. A majority did not favor a single position. Most respondents favored at least some involvement on the part of the federal government. Only 14 percent felt that the government should not be involved at all. Most felt that the government should either assist farmers in developing voluntary programs to reduce agricultural land conversion (30%) or institute mandatory controls to ensure that farmland converted to nonfarm uses (29%). Sixteen percent thought that the government should provide technical assistance and information and 11 percent felt that the government should

^{1/} John Brouillette, CSU associate professor, and David Rogers, CSU professor, both department of sociology (4/1/83)

institute mandatory land use controls and provide compensation for any losses associated with controls.

Finally, farm operators were asked what factors (upon which the government could or does have an influence) would be of help/hinder to farm and ranch operations.

"To what extent do you think each of the following will help or hinder the future survival or growth of your farm (i.e., your ability to either expand or to stay in business)?"

An overwhelming majority of the respondents felt tax breaks that would shelter their income (84%) and foreign demand for agricultural goods (84%) would help them most. Almost three-fourths (73%) felt that agricultural research would too. On the other hand, 66 percent believed that the interest they had to pay on borrowed money would definitely hinder their ability to either expand or stay in business.

Operator Characteristics

How farm and ranch operators felt about the role of the government depended upon several factors, namely farm size, farm operators' employment pattern, structure of the farm and gross farm sales. Farm size refers to number of acres owned, rented and leased. Employment pattern was determined by the amount of time the operators worked full-time on the farm, part-time off the farm or full-time off the farm. Respondents were asked if their farm was a single family (sole proprietorship), partnership or corporation. Finally, sales included average gross income from farm sales over the past three years and was categorized into thirds—less than \$9,999, \$10,000 to \$49,999, and \$50,000 or more.

Size of farm in acres was not related to the perceived role of the federal government's various agricultural programs. On the other hand, farm operators' employment pattern was related to the policies they thought Congress should enact and/or support. Full-time operators thought that the government should maintain target prices for commodities (52% compared to 49% and 44% for part-time and off-farm operators, respectively), maintain set-asides as production control mechanisms (41% versus 33% and 32%), set limits on eligibility for commodity loan programs (76% versus 69% and 71%), and limit public credit programs to family farms (54% versus 44% each for part- and off-farm operators).

Farmers involved in single family farms or partnerships agreed more with government involvement in directing public research and extension to needs of the family farms than did operators of corporate farms (79% and 77% versus 69%). Similarly, those with lower average gross farm sales (less than \$50,000) for the last three years also felt that the government should direct public research and extension to needs of the family farms (83% and 80% versus 74%).

There was no difference among the various categories of farm operators (i.e., farm size, employment pattern, farm structure and gross sales) and their favoring government

involvement in the marketing of agricultural products except in how accurate and unbiased they felt government estimates of crop production and livestock receipts were. Those operating farms with 180 acres or more and with gross farm sales of \$10,000 or more felt that government estimates were much more inaccurate and biased than operators from smaller farms and those with lower gross farm sales.

Gross farm sales was the only background factor associated with farmers' feelings about government involvement in the conversion of farmland. Although a distinct minority of farm and ranch operators felt that the federal government should not become involved in the conversion of farmland to non-farm uses at all (14%), more operators of farms with gross sales of \$50,000 or more felt that the government should have no role than did those with gross sales from \$10,000 to \$50,000 (16% and 12%, respectively). On the other hand, operators with low farm sales (less than \$10,000) were more likely than those with high farm sales (\$50,000 and more) to favor the government instituting mandatory controls to ensure that farmland is not converted to nonfarm uses (36% and 24%, respectively).

Although the majority of farm operators agreed on which factors would help or hinder the survival or growth of their farms, differences did exist among various categories of farmers regarding interest rates and foreign demand for commodities. Those with gross farm sales of \$50,000 or more were much more likely than operators with lower gross sales to agree that the high interest rates hindered their farm operations (73% and 61% respectively). Those most likely to feel that foreign demand for agricultural goods would help the future survival or growth of their farms were full-time farmers (87%) and those with gross farm sales of at least \$10,000 per year (88%).

Summary

In summary, a majority of Colorado farm and ranch operators felt that the federal government should have a definite, yet often limited, role in aiding agriculture. They felt that Congress should enact and/or support policies which would aid smaller farm operations, assist with marketing and price support programs, and provide assistance and controls to reduce the conversion of farmland to nonfarm uses. A large majority of operators agreed that tax breaks, greater foreign demand for agricultural products, and more agricultural research would do the most to help the farm operation. A majority also agreed that high interest rates was a definite hindrance in their ability to survive or grow.

The Sample

Mail questionnaires were sent to 2,520 randomly selected Colorado farm operators. Of the 2,129 delivered questionnaires, 1,123 were returned for a response rate of about 53 percent. The study's margin of error is three percent. *More information on the methods and data from this study are available from the authors.*