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HOPPER . . .

Schotzko of Washington State University, 509/335-5555.)

Water Permit System

Even the competition for water is leading to regulations in MISSISSIPPI. The 1985 state legislature established a permit system for surface and ground water. Exemptions: domestic use and water from wells with a surface casing diameter of less than 6 inches or from impoundments not located on free-flowing watercourses. (Contributed by Verner Hurt and James Simpson, Mississippi State University, 601/325-2750.

New Farm and Credit Legislation Passed and Signed

For the texts of the new farm credit and farm bills signed in WASHINGTON, D.C. by President Reagan on December 23, 1985, see Parts I and II of the Congressional Record of December 17, 1985.

You may also want to write to your Congresspersons or your U.S. Senator for copies of the public laws: Farm Credit Amendments Act of 1985, P.L. 205 and Farm Security Act of 1985, P.L. 198. They can also provide you with a copy of Report 99-447 (99th Congress, 1st Session, House of Representatives). The 616-page document is the Conference Report of the Committee Conference which developed the final compromises included in the farm legislation. There were no conference or committee reports on the credit legislation.

Farm Myths vs. Farm Facts

Senator David Boren

Senator David Pryor

by Senators David Pryor and David Boren

Millions of Americans have been confused by a set of myths about farmers and farm programs. A well-written piece by Sen. Jesse Helms that appeared in The Post contributed even more to this confusion. It is now time to separate the myths and the facts.

First is the myth that what happens on the farm bill is not important to the 97 percent of Americans who don't live on farms. The fact is that $133 billion of farm debt is held by farmers who have difficulty paying it on time. This figure approaches the $166 billion owed to U.S. banks by developing nations.

All Americans recognize the threat posed to our whole economy by a possible default on the Third World debt. When will we wake up to the danger posed by a possible collapse of American Agriculture?

The second myth is that farmers are being subsidized unfairly by the rest of us. The fact is that in the larger sense it is the farmer who is subsidizing the rest of the U.S. economy.

Americans today spend less than 15 percent of their disposable income on food, by far the lowest in the world. In Western Europe, the figure is well above 20 percent, and it is above 30 percent for most of the world. Government payments to farmers do not begin to equal the money that American consumers are able to keep in their pockets because of the food bargain they receive from American farmers.

The third myth is that farmers are somehow inefficient and poor managers who cannot compete in free world markets without government help. The fact is that our farmers are the most cost-effective and productive in the world. They want a chance to compete in the free market but in fact have to compete with the treasuries of other nations which are subsidizing their farm exports. Our farmers must also overcome the negative effects of trade embargoes and overvalued dollars imposed upon them by our own government.

Fourth, the myth perpetuated by the Helms article is that most farmers are experiencing no financial trouble. The fact is that, according to the U.S. Department of Agriculture itself, 58 percent of family farms are under serious financial stress. They hold 67 percent of all farm debt.

How could Helms assert that 72 percent of all farmers are not in trouble? It's easy, if you include "hobby farmers" into the average and count them as farmers. There are 643,000 hobby farmers who farm 50 acres or less and who do not depend upon farming for a living. Family farmers are only 34 percent of all farmers, but they account for over 90 percent of all farm production. They are the ones who must be preserved, and not the hobby or weekend farmers.

Fifth, the myth is that if we lower the deficiency payment limit under current farm programs from $50,000 to $25,000 we would help family farmers by targeting benefits away from the big farms. The fact is that a $25,000 payment limit would exclude over half the family farms. A 539-acre wheat farm would bump up against the payment limitation as would a 300-acre cotton farm.

Helms confuses deficiency payments with farm incomes. He makes it appear as if the government is providing guaranteed incomes to farmers of up to $50,000 per year. Of course, if this were true, no family farmers would be in trouble. Deficiency payments make up some of the difference between the market price and the farmer's cost of production. They don't give the farmer a profit or an income.

Using USDA figures and projecting the results under the bill now before the Senate, the average 600-acre family wheat farm would receive $27,800 in deficiency payments but would average only $7,646 in net income for the family. This represents the total payment for the labor of the entire family for a year and total return on an investment of an average of $500,000.

There are better ways to target more of the help to the family-sized farms. The housewife in the largest city will wonder what happened to her food bargains once agriculture gets into the hands of only a few huge operators. We will all miss hard-working family farmers if we let them go out of business.

Sen. Pryor (D.-Ark.) and Sen. Boren (D.-Okla.) are members of the Agriculture Committee).