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In Short ■ by Marshall A. Martin, Harold D. Guither, Bob F. Jones, and Robert G.F. Spitze

Farmers' Preferences for 1995 Policy

Debate over future agricultural and food policy is well underway. The leadership in the GOP-controlled House and Senate is calling for severe budget cuts, and potentially a fundamental rethinking of historic U.S. farm and food policy. Senator Lugar, new chair of the Senate Agriculture Committee, wants a major change in farm and food policy and a five-year budget cut of 30 percent or about \$3.0 billion per year. The Clinton administration budget calls for farm budget cuts of about \$1.5 billion. The debate also includes the future of export subsidies, conservation and environmental policies, food safety and nutrition, domestic and foreign food assistance, and public funding for agricultural research and education.

To offer insights into farmers' policy preferences, land-grant university economists have conducted a policy preference survey prior to every major farm and food policy bill since the mid 1970s. They conducted the most recent survey in the spring of 1994. It involved nearly 10,000 farmers (a one-third response rate) in fifteen key agricultural states (see map).

Less government intervention

It is apparent from survey results that many farmers want less government intervention. Every survey over the past twenty years has included a general commodity policy question. Increasingly farmers want farm programs phased out. In the 1994 survey, 41 percent wanted commodity programs phased out. Ten percent favored decoupling, while 37 percent favored the current program. Only 6 percent supported mandatory controls. In the 1980, 1984, and 1989 surveys, the

support for phasing-out programs was 23 percent, 25 percent, and 35 percent, respectively. Support for the "current" program (the program in place at the time of the survey) dropped in 1984 to 26 percent, but increased to 37 percent in 1994. Support for mandatory programs has declined to a mere 6 percent (see pie chart for 1994 survey).

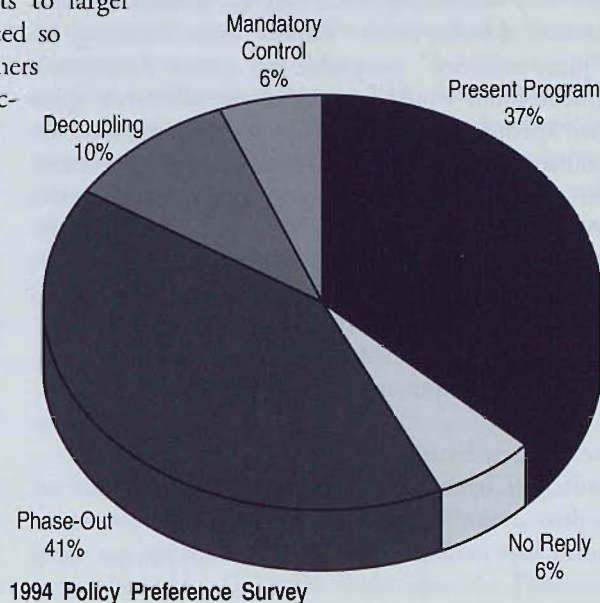
The current budget-cutting debate focuses on whether to continue programs at all, and, if programs are continued, how to reduce program costs. At stake is not only how much federal support farmers should receive, but the entire underlying philosophy of all entitlement programs. Are payments to farmers to be determined on production, financial need, or welfare criteria? Should they be phased out over a period of years?

The survey asked farmers what budget-cutting approach they would prefer. About one-third of those surveyed favored a reduction in payment acres or deficiency payments. Slightly more (41 percent) said payments to larger operations should be reduced so that smaller operation farmers would not face any reduction in program benefits. This approach received its strongest support from respondents who reported less than \$100,000 annual gross sales from farming. Eighteen percent of all farmers surveyed favored a means test, with payments to farmers based on financial needs criteria analogous to the current food stamp program.

Revenue assurance, often referred to as the Iowa Plan, received mixed acceptance. About one-third favored, one-third opposed, and one-third had no opinion on this option. The survey results seem to reflect the current political consensus—revenue assurance may be a good idea, but not in the 1995 bill! However, given some support for the measure, and the pressures to cut the federal budget, a pilot program may be authorized in 1995 in an effort to study its potential effectiveness.

Environmental policy

According to the survey, farmers see themselves as conservationists! Nearly three-fourths of the respondents favored some type of Conservation Reserve Program; they differed on the number of acres and payment rates. Nearly two-thirds favored a continuation of the current conservation compliance program. Farmers have very diverse views about additional government regulations of farming practices and land use to re-



duce water pollution. While about 40 percent favored additional regulation, an equal proportion did not. However, if compensated, two-thirds would be willing to plant grass-protective strips along stream banks and waterways to reduce soil erosion and enhance water quality. Only half as many said they would plant grass strips without compensation.

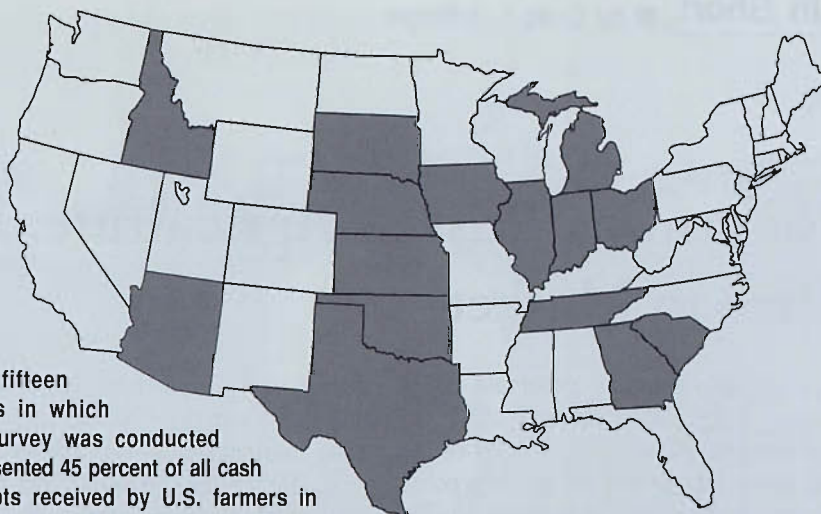
Wetland preservation remains a controversial issue. It seems to be a lightning rod for farmers' frustrations with government-imposed environmental regulations. While one-third of those surveyed said they were satisfied with current wetlands policies, nearly one-half wanted the right to drain and farm certain wetlands.

Less money for export subsidies

The government provides about \$2 billion per year in agricultural export subsidies. While about 40 percent of the respondents favored export subsidies, one-fourth did not, and about one-third were not sure. Also, support for foreign food aid seems to be declining; over one-half of the respondents wanted less government funding for foreign food assistance efforts.

Reform food assistance

In this era of reform, many farmers stated they would like to see food stamps and other food programs shifted to cash grants to the states. About one-half of those surveyed favored this change, one-fourth did not, and the remainder were undecided. Apparently, farmers feel strongly (78 percent) that food stamps should only be distributed to the elderly and families with children below the poverty line.



The fifteen states in which the survey was conducted represented 45 percent of all cash receipts received by U.S. farmers in 1992, and included 47 percent of all farms in the nation. These states marketed 63 percent of the meat animals, 26 percent of the dairy products, 43 percent of the food grains, 37 percent of the feed crops, 65 percent of the oilseed crops, and 37 percent of the cotton sold in the United States.

More food safety and nutrition education

Recent media attention to meat inspection and pesticides highlighted growing public policy concerns. Over two-thirds of the respondents favored more label instructions on proper storage and preparation of meat and meat products. Three-fourths thought that our food inspection system should be strengthened, including more diet and nutrition information on food labels.

Farmers ready for change

Food and environmental issues are likely to be the key aspects of the 1995 farm and food bill. With public questioning of farm subsidies and pressures to reduce the budget deficit, funding for commodity programs will likely continue to decline. Most U.S. farmers seem to understand these policy trends, and many are willing to phase out commodity programs; move in more environmentally friendly policy directions, especially with

appropriate export subsidies; and encourage efforts to educate the public on food safety and nutrition. ■

■ For More Information

Guither, H.D., B.F. Jones, M.A. Martin, and R.G.F. Spitze. "U.S. Farmers' Preferences for agricultural and Food Policy After 1995." North Central Regional Extension Publication No. 545, November 1994. (This report was made possible through the cooperative efforts of agricultural economists in fifteen states, working with their respective agricultural statistics services and state statisticians, who assisted in drawing a representative sample of farm operators.)

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Findings Citations

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Note: *AJAE* is the *American Journal of Agricultural Economics*, *ARER* is *Agricultural and Resource Economics Review*, *JEEM* is *Journal of Environmental Economics and Management*.