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NATIONAL LEADERS' VIEWS

ON

1985 AGRICULTURAL AND FOOD POLICY

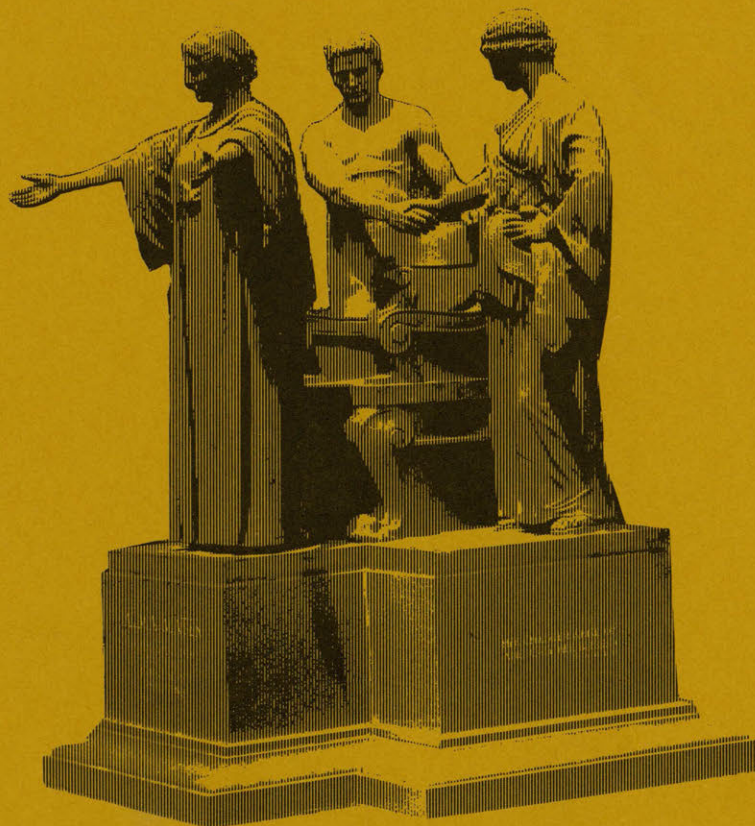
Summary of ^{Preliminary} Research Findings

by

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NATIONAL LEADERS' VIEWS ON 1985 AGRICULTURAL AND FOOD POLICY

R. G. F. Spitze*

Summary of Research Findings

A primary systematic survey was conducted, during Fall 1984, of over 400 leaders of eight national interest groups likely to be important participants in the 1985 agricultural and food policy development: Farmer organizations; Agribusinesses; Commodity promotion groups; State directors of agriculture; State ASCS administrators; General interest groups; Consumer groups, and Agricultural economics policy specialists.

These leaders were questioned about (1) their attitudes concerning intervention policies about current public issues; (2) their level of satisfaction with selected provisions of the existing 1981 Act; and (3) their preferences about the many alternative agricultural and food provisions likely to be considered for 1985 policy and beyond. Their responses can be briefly summarized as follows:

1.) Leaders of both farm and nonfarm groups generally agreed that there should be a governmental intervention policy in the agricultural sector for such public issues as food assistance, grain reserves, commodity prices and farmer income, trade, farm credit, soil conservation, and agricultural research and education. However, an intervention policy was opposed for farmer income being supported by public payments, authorization of farmer collective bargaining, farm size, and export embargoes.

2.) Leaders were generally dissatisfied in regards to how the provisions of the existing 1981 Agriculture and Food Act dealt with these issues. Seventy-five percent favored a new 1985 Act versus 20% who favored any substantial extension of the 1981 Act.

3.) In response to the 1985 policy, however, these leaders generally favored provisions similar to existing policy, but with some important modifications.

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4) For 1985 policy, the leaders favored combining food and commodity programs, continuing of foreign food aid, expanding targeted food programs but not food stamps, establishing grain reserves with a maximum cap continuing price support and target-price deficiency payments but varying each based on some changeable factor continuing some kind of public crop production control program but not mandatory, continuing \$50,000 payment limitation but applied also to in-kind payments, continuing some kind of dairy program, continuing public marketing orders but eliminating programs for tobacco, wool, peanuts, and sugar They also favored establishing a pilot program of farmer income insurance, increasing public outlays for farmland conservation with cross-compliance requirements for price/income price benefits, increasing funding for agricultural education and research, and continuing public agricultural export assistance and establishing a public export board.

5.) These findings indicate the continued public commitment for agricultural and food policy for this nation, while also revealing both the diversity of views and the modifications around which the 1985 policy development is likely to revolve.

Study Design and Results

This paper presents findings of an original primary survey of national leaders relative to the approaching 1985 development of public policy to succeed the terminating Agriculture and Food Act of 1981. It is the first known research effort of its kind.

The research reported herein is one of many efforts that are probably the most extensive and intensive ever made in the history of U.S. public price and income policy for the agricultural and food sector, in order to provide reliable information, relevant education, and constructive discussion for policy development. With the approach of this 1985 period of policy decision-making, which is important to producers, consumers, agribusinesses, exporters, and taxpayers, it first would be useful to review the past.

As one studies the half century history of this path of price and income policy from the Agricultural Marketing Act of 1929 through the current Agriculture and Food Act of 1981, three generalizations can be drawn: (1) This policy development has been evolutionary in nature, always rooted in widely recognized problems, always building upon past decisions, and always changing, albeit slowly and incrementally. (2) This policy development exhibits an increase in provisions -- of agenda -- as more issues and programs are encompassed in the evolving Acts. (3) This policy development involves an expansion of participating interest groups as more people and organizations are impacted by its consequences and seek the opportunity to represent their own interest.

The purpose of this research was to identify the concerns and views of this expanding participation. Even though much verbal attention is given to this changing nature of public agricultural and food policy, the research literature, media, and various conference efforts provide minimal recognition. The specific objectives of this study were to provide information from the several groups about: (1) their views of the issues needing public policy attention (intervention); (2) their level of satisfaction with key provisions of the 1981 Act; and (3) their preferences about specific provisions of the future 1985 policy.

These views were ascertained by a systematic, primary confidential mail survey during the Fall of 1984 of policy leaders selected to represent national organizations likely to participate in the future policy development. A national sample of professional agricultural policy researchers and educators was also surveyed. In addition to this sample of agricultural economics policy workers, comprising the first (1) survey group, the organizations of the study, numbering over 350, were carefully screened from numerous lists to represent these groups: (2) Farmer organizations and commodity groups; (3) Agricultural input and marketing businesses; (4) Farm commodity promotion councils; (5) State directors of agriculture; (6) State ASCS officials; (7) General citizen interest groups; and (8) Consumer organizations. An unusually high overall response rate of over 80% was achieved by contacting each respondent by telephone before a questionnaire was mailed. Professional quality services of the University of Illinois Survey Research Laboratory assisted in this research.

Most of the findings of the views of these national leaders about agricultural and food policy are presented in the following three tables. Table 1 indicates the leaders' attitudes about governmental intervention policy about current agricultural and food policy issues. Table 2 shows the leaders' degree of satisfaction with parts of the 1981 Act. Table 3, continuing over four pages, reveals whether the leaders favor or oppose alternative provisions being considered for the 1985 policy. The results can be summarized as follows:

I. Leader Attitudes Concerning Intervention Policy About Public Issues

A. Strong Agreement Among All Eight Groups FOR INTERVENTION

Food Assistance

1. Public food assistance for poor people abroad.
2. Public food assistance for poor people domestically.

Food Quality

1. Public protection of food quality.

Agricultural Supply Security

1. National grain reserves.

Crop Insurance

1. Crop insurance programs with public cost-sharing.

Agricultural Credit

1. Credit for farmers.

Resources

1. Farmland erosion by water and wind.
2. Stream pollution from farmland sources.

Research and Education

1. Funding of public agricultural research and education.

B. Some Agreement FOR INTERVENTION (5-7 Groups Among the 8)

Price Supports

1. Public price supporting of farm products.

Production Control

1. Farmers controlling their production with public assistance.

Disaster Assistance

1. Public crop disaster payments.

Trade

1. Levels of agricultural exports.
2. Agricultural imports.

Farm Workers

1. Public protection for farm migrant workers.

C. Some Agreement AGAINST INTERVENTION (5-7 Groups Among the 8)

Farmer Income Payments

1. Individual farmer incomes being supported by public payments.

Farmer Bargaining

1. Authorization for farmer collective bargaining.

Farm Structure

1. Farm size distribution and ownership patterns.

Trade

1. Agricultural export embargoes.

D. Little or No Agreement About Intervention Among Eight Groups

Farm Income Levels

1. Level of farm income earned by farm families.

II. Leaders' Satisfaction with Provisions of 1981 Act

A. SOME SATISFACTION with 1981 Act (5-7 Groups Among the 8)

Resources

1. Voluntary soil conservation with publicly supported technical assistance and minimal cost sharing.

B. STRONG DISSATISFACTION Among All Eight Groups With 1981 Act

Dairy

1. Dairy price supports and payments to farmers from check-offs to control milk production.
2. Current level of treasury cost of dairy price support program.

Costs of Crop Programs

1. Current level of treasury cost of crop price and income programs.

C. SOME DISSATISFACTION With 1981 Act (5-7 Groups Among the 8)

Food Assistance

1. Food stamp program.
2. Current level of treasury cost of food distribution programs.

Price Supports

1. Price supports for major farm commodities.

Production Control

1. Voluntary acreage control for major crops.

III. Leaders' Preferences About Provisions for 1985 Policy

A. STRONG AGREEMENT Among All 8 Groups About 1985 Provisions

Overall Policy Provisions

1. Oppose continuing major provisions and titles essentially as in the 1981 Act.
2. Oppose continuing crop price supports essentially as in the 1981 Act.
3. Oppose continuing target price program essentially as in the 1981 Act.
4. Favor varying price support loan levels based on some changable factor.

5. Favor eliminating present public tobacco price and control programs.
6. Oppose providing the target price-deficiency payment program for meat producers as well as crop producers.

Food Assistance

1. Oppose a decrease in the volume of foreign food aid (PL480).

Agricultural Supply Security

1. Oppose elimination of national grain reserves.
2. Favor setting a maximum to go along with the existing minimum on the size of any national grain reserves.

Resources

1. Favor increasing public cost-sharing benefits to induce more farmland conservation and stream pollution control practices.

Research and Education

1. Favor increase in funds for public agricultural education and research.

B. SOME AGREEMENT About 1985 Provisions (5-7 Groups Among the 8)

Overall Policy Provisions

1. Favor combining food stamps and commodity programs in omnibus legislation.
2. Oppose gradually eliminating all commodity price and income programs with public assistance only during the transition.
3. Favor varying target price levels based on some changable factor.
4. Oppose eliminating target price-deficiency payments.
5. Favor eliminating the wool target price-deficiency payment program.
6. Favor eliminating sugar price support program.
7. Oppose continuing peanut price support program.
8. Oppose eliminating all public marketing orders.
9. Favor establishing a limiting pilot program of partially subsidized farmer income insurance.
10. Oppose establishing independent federal agriculture commission.

Food Assistance

1. Favor expanding targeted food programs.
2. Oppose expanding benefits for people already served by food stamps.
3. Oppose expanding the population eligible for food stamps.

Agricultural Supply Security

1. Oppose continuing grain reserves as in 1981 Act.

Payment Limitations

1. Favor extending the \$50,000 payment limitation per per operator to apply to "in-kind" as well as monetary transfers.
2. Oppose lowering the \$50,000 payment limitation per operator.

Production Control

1. Oppose providing for mandatory crop production control as determined by farmer referenda.
2. Oppose eliminating any kind of public production control programs for field crops.
3. Oppose allowing only multi-year contracts for public production control.

Dairy

1. Favor continuing some kind of dairy price support program.
2. Oppose supporting incomes of dairy producers via target price-deficiency payments instead of present price supports and purchases.

Agricultural Credit

1. Oppose a decrease in public funding of FmHA farmer and rural commodity credit assistance.

Resources

1. Favor requiring specified conservation practices on cropland as a condition of any commodity price/income policy benefits.

Trade

1. Oppose decreasing public agricultural export assistance.
2. Favor establishing a national public export board.

C. Little or No Agreement Among 8 Groups About 1985 Provisions

1. Discretion of Secretary of Agriculture to set price support loan levels.
2. Discretion of Secretary of Agriculture to set target prices.
3. Enacting legislation for a longer term instead of the present four years.
4. Establishing permanent crop land and crop bases for each farm.
5. Voluntary production control essentially as in the 1981 Act.

Table 1 - NATIONAL LEADERS' VIEWS ON ISSUES FOR POSSIBLE FUTURE PUBLIC AGRICULTURAL AND FOOD POLICY

Items on Questionnaire	Ag. Policy Workers	Ec. Farmer Organi- zations	Agri- busi- nesses	Commodity Promotion Groups	State Ag. Dept.	State ASCS Office Consumer	General Interest Groups
- Percent -							
<u>Should Have Intervention Policy About Issues (51% or more agreement)</u>							
U.S. public food assistance for poor people							
in foreign countries	86	91	80	85	95	76	100
Domestic public food assistance for the poor	98	94	89	85	97	85	100
Public protection of food quality	99	99	96	85	100	95	100
National grain reserves	85	77	73	58	95	70	75
Level of farm income earned by farm families	63	54	..	..	54	..	..
Public price supporting of farm products	61	63	..	54	64	73	..
Farmers controlling their production with public assistance . .	64	66	..	..	55	63	..
Authorization for farmer collective bargaining	60	69	..	..	..	..	..
Public crop disaster payments	61	80	69	85	68	..	80
Crop insurance programs with public cost-sharing	73	70	66	77	72	81	75
Levels of agricultural exports	68	78	65	92	88	76	..
Agricultural imports . . . . .	..	82	53	85	82	81	..
Credit for farmers	71	80	68	92	88	73	75
Farmland erosion by water and wind	92	95	87	92	95	88	100
Stream pollution from farmland sources	96	86	91	83	97	85	100
Funding of public agricultural research and education	99	96	94	92	97	88	100
Public protection for farm workers	87	71	64	54	68	..	100
Farm size distribution and ownership patterns . . . . .	..	..	..	..	..	..	..
<u>Should Not Have Intervention Policy (51% or more agreement)</u>							
Level of farm income earned by farm families . . . . .	..	..	54	62	..	59	..
Individual farmer incomes being supported by public payments .	53	52	65	67	72	63	67
Authorization for farmer collective bargaining . . . . .	..	..	71	58	61	70	67
Farm size distribution and ownership patterns	69	76	92	92	76	95	75
Agricultural export embargoes	66	58	70	69	63	73	..
Public price supporting of farm products . . . . .	..	..	..	..	..	..	80
Farmers controlling their production w/public assistance . . .	..	..	63	54	..	..	..
Agricultural imports	54	..	..	..	..	..	60
Public crop disaster payments	61	..
Public protection for farm workers	53	..

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note: respondents selected in this preliminary analysis

Cont. Table 3 - NATIONAL LEADERS' VIEWS ON POSSIBLE PROVISIONS FOR 1985 AGRICULTURAL AND FOOD POLICY

	Ag. Policy Workers	Ec. Farmer Organi- zations	Agri- busi- nesses	Commodity Promotion Groups	State Ag. Dept.	State ASCS Office	Consumer	General Interest Groups
	-- Percent --							
Favor - continued								
-Extend the \$50,000 payment limitation per operator to apply to "in-kind" (e.g., PIK) as well as monetary transfers . .	69	..	61	..	54	..	80	68
-Require specified conservation practices on cropland as a condition of commodity price/income policy benefits . . .	84	71	88	69	95	..	80	91
-Increase public cost-sharing benefits to induce more farmland conservation and stream pollution control practices. . . .	73	74	69	69	90	70	100	96
-Increase funding for public agricultural education and research	90	92	84	85	95	78	100	86
-Establish a national public export board . . . . .	..	57	..	..	63	55	67	65
-Establish a limited pilot program of partially subsidized farmer income insurance.	68	53	..	62	60	..	67	82
-Enact legislation for a longer term (e.g. 8-10 years) instead of the present 4 years . . . . .	..	55	..	..	68	51	..	..
-Combine food stamps & commodity programs in omnibus legislation	58	57	..	56	55	..	..	60
-Continue grain reserves as in 1981 Act. . . . .	..	..	..	..	..	..	..	53
-Eliminate target price deficiency payments. . . . .	..	..	60	..	..	..	75	..
-Decrease discretion of Secretary of Agriculture to set target prices . . . . .	..	59	..	58	..	..	..	73
-Provide for mandatory crop production controls with referenda	..	58	..	..	..	..	..	57
-Allow only multi-year contracts for public production control	..	..	..	..	..	..	100	..
-Establish permanent cropland and crop bases for each farm . .	..	58	..	..	53	51	..	..
-Eliminate all public marketing orders . . . . .	..	..	..	..	..	..	80	..
-Lower the \$50,000 payment limitation per operator . . . . .	..	..	..	..	..	..	67	76
-Continue peanut price support program . . . . .	..	55	..	..	61	..	..	..
-Decrease public agricultural export assistance. . . . .	..	..	..	..	..	..	..	61
-Decrease public funding of FmHA credit assistance	56	55
-Establish an independent Federal agricultural commission.	59	53	54
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Cont. Table 3 - NATIONAL LEADERS' VIEWS ON POSSIBLE PROVISIONS FOR 1985 AGRICULTURAL AND FOOD POLICY

	Ag. Policy Workers	Ec. Farmer Organi- zations	Agri- busi- nesses	Commodity Promotion Groups	State Ag. Dept.	State ASCS Office	Consumer	General Interest Groups
	-- Percent --							
<u>Oppose (51% or more agreement)</u>								
-Decrease the volume of foreign food aid (PL 480).	85	83	86	85	92	88	100	78
-Combine food stamps and commodity programs in omnibus legislation. . . . .	..	..	73	..	..	78	75	..
-Expand benefits for people already served by food stamps	66	84	93	85	77	93	..	..
-Expand the population eligible for food stamps.	67	86	93	100	75	95	..	..
-Expand targeted food programs (e.g , woman-infants-children, school lunch, elderly hot meals, day care center feeding).	..	..	..	61	..	59	..	..
-Eliminate the national grain reserves	88	79	79	70	98	63	75	93
-Continue major provisions and titles essentially as in the 1981 Act	76	56	85	67	80	55	100	86
-Gradually eliminate all commodity price and income programs with public assistance only during the transition.	55	54	..	62	62	60	..	54
-Continue crop price supports essentially as in the 1981 Act .	87	64	89	58	71	59	100	88
-Decrease the discretion of the Secretary of Agriculture to set target prices . . . . .	..	..	63	..	66	..	54	81
-Continue target price program essentially as in 1981 Act. . .	79	63	88	60	72	54	100	71
-Eliminate target price-deficiency payments.	60	58	..	64	64	55	..	67
-Continue supporting incomes of dairy producers via target price-deficiency payments instead of present price supports and purchase.	59	69	76	80	71	74	..	..
-Continue peanut price support program	67	..	75	70	..	61	100	77
-Eliminate the wool target price-deficiency payment program. .	..	69	..	..	74	..	..	..
-Provide for target price-deficiency payment programs for meat producers as well as for crop producers.	84	72	91	82	76	87	75	80
-Eliminate all public marketing orders	75	79	51	100	82	67	..	56
-Continue voluntary production control essentially as in the 1981 Act	59	60	62	61

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Cont. Table 3 - NATIONAL LEADERS' VIEWS ON POSSIBLE PROVISIONS FOR 1985 AGRICULTURAL AND FOOD POLICY

	Ag. Policy Workers	Ec. Farmer Organiza-	Agri- busi- nesses	Commodity Promotion Groups	State Ag. Dept.	State ASCS Office	Consumer	General Interest Groups
	-- Percent --							
Oppose - continued								
-Provide for mandatory crop production controls as determined by farmer referenda.	70	..	80	54	53	66	67	..
-Establish permanent cropland and crop bases for each farm . .	58	..	57	83	..	..	..	53
-Eliminate any kind of public production control programs for field crops.	75	80	52	69	70	73	..	73
-Allow only multi-year contracts for public production control.	61	61	77	89	53	71	..	..
-Extend the \$50,000 payment limitation per operator to apply to "in-kind" (e.g., PIK) as well as monetary transfers . .	..	59	..	82	..	61	..	..
-Lower the \$50,000 payment limitation per operator	59	75	53	75	69	98	..	..
-Decrease public funding of FmHA farmer and rural community credit assistance.	61	75	..	83	87	..	75	74
-Decrease public agricultural export assistance.	71	83	84	85	90	92	75	..
-Enact legislation for a longer term (e.g.,8-10 years) instead of the present 4 years . . . . .	..	..	56	62	..	..	..	..
-Establish an independent federal agricultural commission. . .	82	..	75	75	..	60	80	..
-Continue grain reserves as in 1981 Act.	64	60	67	57	52	61	67	..
-Increase discretion of Sec. of Ag. to set price supports. . .	..	60	..	62	..	..	..	74
-Vary target price levels based on some changable factors. . .	..	..	..	..	..	..	67	..
-Require specified conservation practice on cropland as a condition of any commodity price/income policy benefits. . .	..	..	..	..	..	51	..	..
-Eliminate sugar price support program . . . . .	..	54	..	67	59	..	..	..
-Establish a national public export board.	56	..	63	55	..	..	..	..
-Establish a limited pilot program of partially subsidized farmer income insurance.	51

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