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The 1985 Farm Bill: Some Preferences of Indiana Farmers

Amy Allred

Purdue University

This report presents the findings of a survey studying farmers' opinions of agricultural commodity programs and key farm policy legislation. This survey was carried out in Indiana, and eastern corn-belt state, and included the opinions of 366 Indiana farmers

The key farm program provisions studied include: grain production policy, the continuation and levels of target prices and loan rates, continuation of the farmer-owned research (FOR), future use of the Payment-In-Kind (PIK) program, and the use of conservation practices in order to receive full benefits of price and income support programs.

Farmers interviewed in this survey thought that there should be some form of restrictions on grain production, but most farmers preferred voluntary over mandatory acreage adjustment programs. Most farmers thought that loan rates and target prices should be continued and set at higher levels. The majority of the farmers also said the FOR should be continued, PIK should be used again if large grain stocks reappear, and farmers should be required to follow recommended soil conservation practices in order to receive full agricultural price and income support program benefits.

An Economic Analysis of the Proposed Agricultural Forestation Program

Douglas M. Collins

University of Georgia

This paper describes the components of the proposed Agricultural Forestation Program and demonstrates the economic rationale upon which the program is based. The provisions of the program are outlined and selected benefits are discussed. These benefits include additional timber production, reduced surplus commodity production, soil conservation, land being maintained for agricultural purposes, and annual program payments for farmers to use in making loan repayments. Additionally, using current planning and management costs, current timber prices, suitable yield estimates for the type land to be involved in the program, the present inflation rate, and the Farmer's Home Administration ownership interest rate, an annual return to land of \$72 per acre from timber sales is projected for farmers who participated in the program.

An Empirical Investigation of the Relationship Between Combine Size and
Wheat Harvesting Efficiency in Oklahoma and Texas

M. John Kane, IV

Oklahoma State University

The relationship between combine size and wheat harvesting efficiency in Oklahoma and Texas was examined. Data was obtained from the 1982 ERS-USDA Cost of Production Survey for Oklahoma and Texas. The trend toward larger combine header sizes was examined. Regression analysis was used to analyze the relationship between combine header size and total acres covered during the season and between combine header size and average acres covered per hour. It was discovered that a 1 foot increase in header size increased the total acres covered per crop year by almost 79 acres and the acres harvested per hour by .6 acres.

Induced Institutional Change on the Pine Ridge Indian Reservation

Patricia L. Malone

Virginia Polytechnic Institute and
State University

Indian and non-Indian institutions that have affected development on the Pine Ridge reservation are identified. The theory of induced institutional change is used to explain the direction of development on the reservation and policy implications are examined. Four key institutions identified are sociopolitical organization, education, economic orientation, and property rights. Major factors affecting these institutions are government programs and agencies, population growth and discrimination. One area that government policy can influence is capital accumulation by effectively lowering the cost of private capital borrowed by the Indians.

Key words: Pine Ridge reservation, induced institutional change,
economic development

Farming the Tax Code to Start a Young Person in Farming

Scott A. Mickey

Virginia Polytechnic Institute and
State University

This paper covers the use of cattle feeding and cattle breeding tax shelters to help establish a young person in farming.

Key words: Cattle breeding tax shelter, cattle feeding tax shelter,
ITC, ACRS, Section 1231 assets, Section 38 property,
capital gains, ordinary income, young farmer, investor,
and tax shelter.

An Economic Analysis of Pari-Mutuel Wagering on Georgia's Economy

Judith L. Roberts

University of Georgia

The direct, indirect and non-monetary impacts of pari-mutuel wagering on public and private sectors of Georgia's economy are examined. An analysis of the elasticity of demand for gambling will be made. Changes in revenue to the state and local governments and changes in the cash flow through the economy are estimated. Some of the monetary and non-monetary costs and benefits are identified and compared.

Key words: Pari-mutuel wagering, elasticity of demand, public revenue, costs and benefits.

An Economic Analysis of Non-Brand and Brand Advertising

Ralph Savage

Utah State University

Claims of non-brand advertising literature was evaluated as it related to changing demand for dairy products. Conclusions were that non-brand advertising is effective in changing demand, but it is no more effective than brand advertising which has some inherent advantages.

Key words: Non-brand advertising, changing demand, Dairy Production Stabilization Act.

An Analysis of the Soybean Basis in Illinois, 1971-1981

Glenn Schmeltz

University of Illinois

A statistical model was used to examine the Illinois soybean basis. The results indicated that soybean basis patterns can be explained by economic factors. The nearby and distant basis were examined during the harvest, post-harvest, and distant-harvest periods. The basis was found to be smallest near processing plants located in central Illinois. The interest charge was extremely important during harvest but decreased in importance throughout the crop year. Outside of the harvest period stock variables were very important.

The Economic Impact of a Marketing Order on the Price of Florida Celery

Catherine M. Schlipf

University of Florida

A linear model estimating the price of Florida celery was determined to examine the effect of the implementation of a marketing order placed upon Florida celery. Price flexibilities were calculated for the years before the institution of the marketing order and compared with those after. Results indicate marketing orders do not significantly increase the price of Florida celery.

Key words: Celery, marketing orders, price analysis

An Economic Analysis of the Potential Effects of a Marketing Order for Pecans

Rebecca J. Sharp

University of Florida

An estimated demand function for pecans at the farm level was used to determine the potential effectiveness of a marketing order for pecans. Demand was not statistically proven to be elastic, there were no close substitutes for pecans, and pecans were income independent.