The 2002 Farm Bill:

U.S. Producer Preferences for Agricultural, Food, and Public Policy

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Kansas State University

Farm Foundation

The 2002 Farm Bill: U.S. Producer Preferences for Agricultural, Food, and Public Policy

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Project Sponsors:
Farm Foundation
Participating State Land Grant Universities
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Project Task Force:
Bradley D. Lubben, Kansas State University (Chair)
Nelson L. Bills, Cornell University
Neil L. Meyer, University of Idaho
James L. Novak, Auburn University

Project Collaborators:

Western Region

Arizona
Russell Tronstad, Trent Teegerstrom, Daniel Osgood, and George Frisvold, University of Arizona
Michael Pallesen, Arizona Agricultural Statistics Service

Colorado
Andrew Seidl, Colorado State University
Lance Fretwell, Colorado Agricultural Statistics Service

Idaho
Neil Meyer, University of Idaho
Don Gerhardt, Idaho Agricultural Statistics Service

Oregon
Larry Lev, Oregon State University
Homer Ralley, Oregon Agricultural Statistics Service

North Central Region

Illinois
Robert Hauser, University of Illinois
Brad Schwab, Illinois Agricultural Statistics Service

Indiana
Otto Doering and Marshall Martin, Purdue University
R.W. Gann and Linda Lawson, Indiana Agricultural Statistics Service

Iowa
Mark Edelman, Iowa State University
Jim Sands and Susan Cowles, Iowa Agricultural Statistics Service

Kansas
Barry Flinchbaugh, Bradley Lubben, and Clay Simons, Kansas State University
Eldon Thiessen and Eddie Wells, Kansas Agricultural Statistics Service

Michigan
David Schweikhardt, Sandra Batie, and Mary Schulz, Michigan State University
David Kleweno and Vince Matthews, Michigan Agricultural Statistics Service

Missouri
Robert Young, University of Missouri
Gene Danekas, Missouri Agricultural Statistics Service

Nebraska
Roy Frederick, University of Nebraska-Lincoln
Bill Tomlin, Nebraska Agricultural Statistics Service

North Dakota
David Lambert, North Dakota State University
Bill Meyer, North Dakota Agricultural Statistics Service

Ohio
Larry Libby, Allan Lines, Brian Roe, Brent Sohngen, Cam Thraen, Luther Tweeten, and Carl Zulauf, The Ohio State University
James Ramey, Ohio Agricultural Statistics Service

South Dakota
Donald Peterson and Gary Taylor, South Dakota State University
Cater Anderson and Stephen Noyes, South Dakota Agricultural Statistics Service

Northeastern Region

Maryland
Lori Lynch and Liesl Koch, University of Maryland
Ray Garibay, Maryland Agricultural Statistics Service

New Jersey
Edmund Tavernier, Rutgers University
Vic Tolomeo, New Jersey Agricultural Statistics Service

New York
Nelson Bills, Cornell University
Stephen Ropel, New York Agricultural Statistics Service

Pennsylvania
Theodore Alter and Jack Watson, The Pennsylvania State University
Marc Tosiano, Pennsylvania Agricultural Statistics Service

Southern Region

Alabama
James Novak, Auburn University
Herb Vanderberry, Alabama Agricultural Statistics Service

Florida
John VanSickle, University of Florida
John Witzig, Florida Agricultural Statistics Service

Georgia
Bill Givan, The University of Georgia
Christine Messer, Georgia Agricultural Statistics Service

Louisiana
Kurt Guidry, Louisiana State University
Dave Frank, Louisiana Agricultural Statistics Service

Mississippi
Charlie Forrest and Keith Coble, Mississippi State University
Tommy Gregory, Mississippi Agricultural Statistics Service

Oklahoma
Larry Sanders and Mike Dicks, Oklahoma State University
Barry Bloyd, Oklahoma Agricultural Statistics Service

South Carolina
Charles Curtis and Hal Harris, Clemson University
Robert Graham and Stephen Pavlasek, Jr., South Carolina Agricultural Statistics Service

Tennessee
Emmit Rawls and Daryll Ray, The University of Tennessee
Debra Kenerson, Tennessee Agricultural Statistics Service

Texas
Joe Outlaw, Texas A&M University
Robin Roark, Texas Agricultural Statistics Service

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Bradley D. Lubben
Extension Agricultural Economist
Kansas State University

Clay J. Simons
Extension Assistant
Kansas State University

Nelson L. Bills
Professor
Cornell University

Neil L. Meyer
Extension Economist and Professor
University of Idaho

James L. Novak
Extension Economist and Professor
Auburn University

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The national survey involved producers in 27 states. In addition to the national support of the Farm Foundation, the project was sponsored and conducted by the state land grant university and the state agricultural statistics service in each of the participating states. More than 80 total specialists and statisticians were involved in the project and are listed on the inside front cover of the report. Each state surveyed producers using a questionnaire composed of national questions, selected optional questions, and any state-specific questions.

All of the questionnaires were forwarded to Kansas State University for data entry and analysis. Randy Geringer developed the database program to handle the data entry and management. Penny Adams helped coordinate receiving and handling of the surveys. In addition to Penny Adams, Clay Simons, and Brad Lubben, a large group of graduate and undergraduate students tabulated data from the individual questionnaires. Brad Lubben and Clay Simons conducted the statistical programming and analysis.

The report was produced at Kansas State University under the direction of Mark Stadtlander, with Maggie Martin working on layout and design. David Ernstes at Texas A&M University designed the report cover. Publication and distribution of this report was made possible through additional support of the Farm Foundation. Additional paper copies may be available from the Farm Foundation while an electronic version is available on the Farm Foundation website at www.farmfoundation.org.

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Executive Summary

The development of a new Farm Bill involves a comprehensive set of agricultural, food, and public policy issues. The complexity and depth of policy issues can make a clear understanding of policy alternatives and consequences very difficult. The eventual trade-offs that must be made between conflicting policies, goals, and outcomes can also make policy choices extremely difficult.

The National Agricultural, Food, and Public Policy Preference Survey provides direct producer input into the Farm Bill development process. The national survey targeted agricultural producers in 27 states to determine their preferences on current policy issues and future policy directions. The participating states represent a broad cross-section of the nation that is home to nearly 70 percent of all U.S. farms and ranches.

Producers in all 27 states responded to several national questions integral to the development of the next Farm Bill. In addition, each participating state asked various optional or state-specific questions based on relevant and high-priority issues in each state.

Farm Income and Risk Management Policy

Regarding farm income and risk management, the key issue under discussion has been the size and shape of a "safety net" for agriculture. Should the government provide a farm income safety net, and if so, how and how much? Eighty percent of respondents want the government to provide a safety net. And most respondents favor either maintaining (42 percent) or increasing (36 percent) baseline spending levels for agricultural support. Given a set of alternatives for how the safety should look, respondents rank price support payments as most important.

Farm Income and Risk Management Policy

For questions asked in all states:

- Respondents want the government to provide a farm income "safety net" and maintain or increase baseline spending for agricultural supports
- Respondents favor support payments tied to price over other support tools
- Respondents want to expand the Northeast Dairy Compact to more regions of the country and if not, then allow it to expire
- Respondents rank tax-deferred saving accounts as the highest risk management priority above increased crop insurance coverage and other tools

In states asking specific optional questions:

- Respondents favor the current system of commodity program supports relative to other support programs or to production controls, shifting funds to environmental programs, or eliminating programs altogether
- Respondents favor counter-cyclical payments that would mirror farm-level conditions instead of aggregate measures such as national farm income
- Respondents want to maintain production flexibility
- Respondents do not want to reintroduce the "Farmer-Owned Reserve" and other inventory supply control tools, but are somewhat interested in voluntary paid set-aside programs
- Respondents favor realigning marketing loan rates between commodities

Survey

Participating States:

- **West:** Arizona, Colorado, Idaho, and Oregon
- **North Central:** Illinois, Indiana, Iowa, Kansas, Michigan, Missouri, Nebraska, North Dakota, South Dakota, and Ohio
- **Northeast:** Maryland, New Jersey, New York, and Pennsylvania
- **South:** Alabama, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee, and Texas

Two optional questions on commodity policy also provided clear evidence of producer preferences on the general shape of a safety net. Respondents in the specific states surveyed rank the current system of fixed payments and marketing loans together with crop and income disaster payments as most preferred. Of importance to policy design and funding decisions, respondents rank re-coupling support payments to production controls, shifting funds from commodity supports to environmental incentive programs, and eliminating commodity programs altogether as the least-preferred alternatives. One of the most-often mentioned alternatives is counter-cyclical program, which would increase payments to producers to offset losses when there is a drop in income or prices depending on the program design. Regarding the concept of counter-cyclical income supports, respondents express a clear interest for payments that would mirror farm-level income conditions rather than aggregate income figures at the regional or national level

Other key questions on general commodity programs include the issues of production flexibility,

supply control, and marketing loan provisions that were addressed in optional questions. More than 80 percent of respondents in each of the states surveyed favor maintaining the production flexibility provisions passed in the 1996 Farm Bill. Regarding inventory supply control, more respondents favor avoiding all government measures than favor using the "Farmer-Owned Reserve" or any other alternative. Regarding production supply control, the crux of the issue is over voluntary versus mandatory set-aside programs. While respondents rank production controls low in relation to commodity programs, there is some interest in paid set-aside programs, although support is mixed. Finally, regarding marketing loan provisions, a majority of respondents in surveyed states favor realigning loan rates between commodities from the levels that were established in the 1996 Farm Bill.

Other commodity-specific sections of the Farm Bill focus on dairy, peanuts, sugar, and tobacco. One of the most challenging issues is dairy policy, specifically as it relates to interstate dairy compacts. Respondents confirm that the Northeast Dairy Compact is not viable in its present form. Either the compact must expand to more states and more regions, or it must be allowed to expire. Among various alternative peanut programs, respondents in surveyed states favor developing a marketing loan program or maintaining the current system of quota and additional peanut programs. While sugar producers historically relied on import restrictions to manage supplies and support prices, they are also looking for alternatives to manage excess supplies. Respondents in surveyed states rank limiting imports and developing inventory management programs as most important. Finally, tobacco producers face an uncertain policy future. In the surveyed states, there is no clear consensus on future directions for tobacco policy, with preferences varying from a buy-out of existing quotas to maintaining current quotas and restricting tobacco imports.

Regarding risk management programs, respondents generally favor maintaining the current programs and adding new tools to the mix, including new livestock insurance products. In particular, respondents rank tax-deferred savings accounts above increasing crop insurance coverage, introducing livestock insurance coverage, or providing incentive payments to producers for using various risk management tools.

Conservation and Environmental Policy

Respondents are strong advocates for conservation programs. The key issues for discussion have been funding and the balance of incentives versus regulations to address environmental concerns. Through existing programs like the Conservation Reserve Program (CRP) and other environmental programs, respondents appear ready and willing to provide environmental benefits to society if society is willing to provide financial incentives for doing so. However, as noted in relation to commodity programs, respondents do not favor shifting commodity program funding to pay for environmental incentives. Instead, it appears respondents are looking for new funds to strengthen existing conservation programs and address any new environmental goals.

Respondents favor either maintaining (33 percent) or increasing enrollment (33 percent) in the CRP. A majority of respondents also favor funding several environmental incentive programs, including water quality incentives (91 percent), soil erosion control incentives (89 percent), farmland preservation (86 percent), biofuels (86 percent), wildlife habitat (69 percent), animal waste management (68 percent), and open space preservation (62 percent). In contrast, producer preferences for endangered species habitat incentives and carbon sequestration are mixed, at 52 percent and 49 percent respectively. While producers may see potential in being paid to store carbon in the soil and remove it from the atmosphere, the uncertainty among respondents may be due to conclusive scientific evidence on the effectiveness and management constraints of sequestering carbon. The lower support for endangered species habitat versus wildlife habitat could be a sign of producer concerns

Conservation and Environmental Policy

For questions asked in all states:

- Respondents favor maintaining or expanding enrollment in the Conservation Reserve Program (CRP)
- Respondents favor funding environmental incentive programs targeted at several goals, including water quality, soil erosion control, farmland preservation, biofuels, wildlife habitat, animal waste management, and open space preservation
- Respondents are mixed on incentives addressing other environmental goals, such as endangered species habitat and carbon sequestration

In states asking specific optional questions:

- Respondents rank programs targeted at improving farm profitability ahead of voluntary conservation easements, purchase-of-development-rights programs (PDRs), and other efforts targeted at open space and farmland preservation
- Respondents are generally against the enforcement of total maximum daily load (TMDL) regulations and the implementation of national standards for animal feeding operation (AFO) regulations

Trade Policy

For questions asked in all states:

- Respondents believe they benefit from international trade
- Respondents support expanding trade through free trade agreements and the elimination of unilateral trade sanctions
- Respondents favor comprehensive trade negotiations that include labor, environmental, and food safety discussions
- Respondents are split on multifunctionality, even though it may be used as a defense of policies that affect trade patterns

In states asking specific optional questions:

- Respondents do not support trade promotion authority (TPA) for the Administration

over tradeoffs between environmental incentives and environmental regulations.

As the results above show, respondents are strong supporters of farmland and open space preservation programs. Given various voluntary programs targeted at preservation, improving farm profitability ranked as the number one choice in states surveyed, followed by voluntary easements and government-funded programs to purchase development rights (PDRs).

Not surprisingly, regulations are not nearly as popular as incentive programs. In surveyed states, the enforcement of total maximum daily load (TMDL) regulations is generally not preferred. Similarly, respondents do not favor the implementation of national standards for regulation of animal feeding operations (AFO).

Trade Policy

In the area of trade policy, the key issues of discussion have been over free trade and market access and also over the efforts to pursue free trade. In general, respondents strongly support trade, with 75 percent agreeing that U.S. farmers benefit from international trade. Respondents also favor expanding market access through the pursuit of free trade agreements (74 percent) and the elimination of unilateral trade sanctions on food and medicine (56 percent).

While free trade may be a common goal of most respondents, there is less consensus about the path ahead to free trade. Respondents strongly support comprehensive negotiations that include labor, environmental, and food safety discussions within the scope of trade negotiations (79 percent). Respondents are almost split down the middle on the issue of multifunctionality, which can describe a single policy or program aimed at achieving several policy goals. Even though countries may use multifunctionality as a defense of policies that affect trade patterns, 48 percent of respondents generally support the concept. And in surveyed states, generally less than half of respondents favor granting trade promotion authority (TPA) to the Administration.

Food Policy

In the area of food policy, the basic issues regarding food labeling include the role of science and the issue of labeling product differences versus labeling production differences. Respondents overwhelmingly favor labeling of biotechnology-derived products when there is a scientific difference (90 percent) in the product. But is science the only consideration? A majority of respondents still favor biotech labeling of food products when there is no scientifically determined difference (61 percent). Only 49 percent of respondents favor labeling of production practices when the food product is not determined to be scientifically different. However, 98 percent of respondents favor labeling the country of origin on food products, suggesting that production practices are important to producers in some cases.

In regard to food safety, respondents strongly favor (76 percent) increasing government efforts to improve traceability of food products from the consumer back to the producer to improve food safety and tracking.

Agricultural Structure

There are many complex issues surrounding the structure of agriculture, including rural development, farm and rural credit, market competition, farm structure, agricultural labor, commodity checkoff programs, and other issues. The underlying debate is over the appropriate role and design of policy to support a competitive and viable agriculture and rural economy.

In the rural development arena, respondents rank access to capital, education and training, and business development as the most important goals for policy, ahead of rural infrastructure and services and ahead of rural Internet access.

Respondents also strongly favor a continued role for farm and rural credit programs, with 49 percent wanting to maintain present program funding and 37 percent wanting to increase funding. In addition, respondents strongly prefer (78 percent) to keep farm and rural credit programs accessible to all.

Food Policy

For questions asked in all states:

- Respondents favor labeling of biotechnology-derived products, regardless of whether there is a scientific difference in the resulting food product
- Respondents are split on labeling production practices when there is no scientific difference in the resulting food product
- Respondents want county-of-origin labeling for food products
- Respondents favor increasing government efforts to improve traceability from consumer back to producer

In the area of market competition, respondents favor enforcing existing antitrust laws and merger reviews (42 percent) ahead of strengthening antitrust laws (35 percent) and far ahead of reducing government regulations to let market forces guide industry consolidation (23 percent). Respondents also look to the government to support competitive markets with the collection and reporting of market information, with 80 percent of respondents favoring a continued role for government in this sector.

Farm structure is a key component of the structure of agriculture, but involves a complex set of issues. Generally, respondents favor targeting income support programs to small farmers (81 percent), although it is unclear just how many respondents consider themselves to be the small farmers that would be targeted for supports. If targeted, respondents are split between using acreage or net farm income as the basis for targeting. In optional questions on farm structure, respondents in surveyed states also strongly favor further incentives targeted at small and beginning farmers, including tax credits and additional targeted farm credit funding.

Labor issues continue to grow in importance as a fundamental factor shaping the future of agriculture. Respondents rank workforce availability, human resource management, and seasonal labor availability as the most critical issues.

In another issue, commodity promotion and research checkoff programs face continued scrutiny from producers. A majority of respondents (55 percent) favor an ongoing review of checkoff programs, either through mandatory referendums every five years (43 percent) or through referendum by petition or at the discretion of the Secretary of Agriculture (12 percent).

In a series of optional questions, respondents also reinforced their support of research, extension, and education programs. In surveyed states, respondents do not favor targeting research, extension, and education programs only to small farms. Respondents strongly favor keeping new technology developed with public investment in the public domain. Respondents also favor maintaining the current mix of formula and competitive funding or increasing formula funding relative to shifting funds to only competitive grants or eliminating funding altogether.

Finally, in another optional question, respondents favor the elimination of estate taxes (63 percent). Thus, they would generally be happy with the estate tax reform passed in 2001, although they may continue to be concerned over potential estate tax provisions after the expiration of the current reforms.

Conclusion

In sum, the survey analysis points to some interesting results. Certainly, the current economic climate is different than it was during the development of the previous two Farm Bills. The difference is apparent in producer attitudes that favor continuing farm programs to a greater degree now than in the past two producer surveys. In addition, the range of policy choices extends far beyond those considered possible during the last Farm Bill debate.

The complex issues and the sometimes-conflicting views of producers make policy choices extremely difficult. These realities are among the challenges that the writers of the next Farm Bill face in crafting a working Farm Bill that meets with the approval of U.S. agricultural producers.

Agricultural Structure

For questions asked in all states:

- Respondents rank access to capital, education and training, and business development as the most important goals for rural development
- Respondents favor maintaining or increasing farm and rural credit programs and want to keep them accessible to all
- Respondents support enforcing existing antitrust laws and merger reviews and look to the government to continue its role of collecting and reporting agricultural market information
- Respondents favor targeting farm income supports to small farms, using acreage or net farm income as a criterion
- Respondents see workforce availability, human resource management, and seasonal labor availability as critical labor issues in agriculture
- Respondents favor an ongoing review of commodity checkoff programs through regular referendums

In states asking specific optional questions:

- Respondents favor additional incentive programs for small and beginning farmers, including tax credits and additional targeted farm credit funding
- Respondents do not want research, extension, and educational programs to focus only on small farms
- Respondents want new technology developed with public investment released into the public domain
- Respondents favor maintaining the current mix of formula funding and competitive grant funding for research and extension
- Respondents favor the elimination of estate taxes, as passed in the estate tax reforms in 2001

Introduction

The *Federal Agricultural Improvement and Reform Act of 1996* provides the direction for federal programs and policy on a comprehensive set of agricultural, food, and public policy issues through September of 2002. The 1996 Act is the most recent in a series of comprehensive Farm Bills that have authorized federal farm programs. When the 1996 Act expires, a new Farm Bill will need to be in place to guide future programs and policies. In the absence of new legislation, federal farm programs would revert to permanent legislation dating from 1949. To a certain extent, the presence of permanent legislation insures that agriculture will be addressed in Congress and that a new Farm Bill will be developed.

Setting

The development of a new Farm Bill is a complex process impacted by several factors, including the current economic and political climates. The economic climate is shaped by current economic conditions in agriculture, projected future economic trends, and also federal budget and spending decisions. Congressional leadership, the Administration, other policymakers across the country, and agricultural and other interest groups all help to shape the political climate.

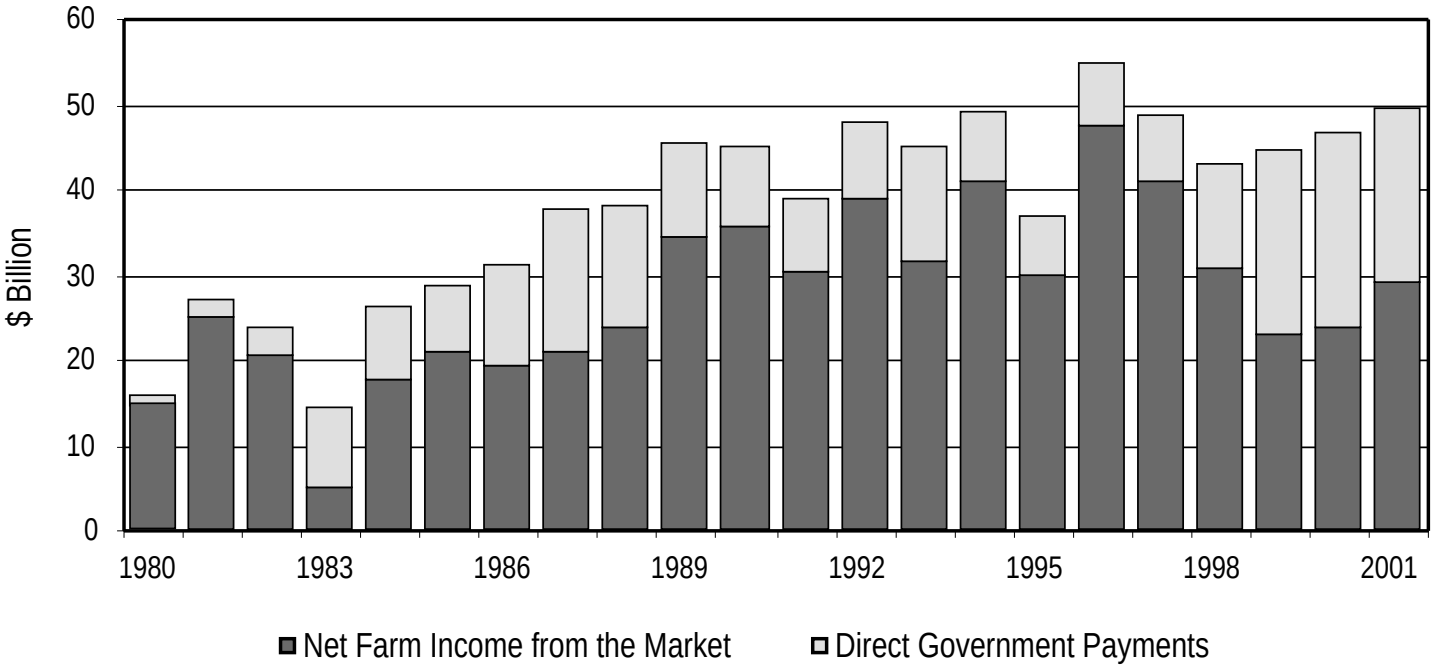
The economic climate can affect the performance of and satisfaction with existing Farm Bill policies and programs. It can also affect the viability and acceptability of new policy proposals.

The economic setting in 2001 is substantially different than it was during the development of the two previous Farm Bills. During the development of the 1990 Farm Bill, net farm income was increasing substantially. According to United States Department of Agriculture Economic Research Service (ERS) estimates, net farm income grew from less than $15 billion in 1983 to more than $40 billion by 1989, as shown in Figure 1 (ERS, 2001b and 2001c). Perhaps as important as the growth in net farm income was the declining of government payments. During the same six-year period, government payments fluctuated around $11 billion, but declined as a percentage of net farm income, falling from 66 percent of net farm income in 1983 to 24 percent in 1989. Thus, the improving agricultural economy and the declining significance of agricultural supports defined the economic climate for the 1990 Farm Bill.

When discussion started on the development of what was to become the 1996 Farm Bill, the agricultural economy was still showing strength, with net farm income averaging nearly $45 billion during 1990-1994. As the Farm Bill deliberations continued, basic commodity prices continued to rise, creating a unique economic climate in which the new legislation locked in federal support for agriculture while projections showed the existing legislation would reduce federal agricultural supports in response to higher prices.

Not long after the passage of the 1996 Farm Bill, the agricultural economy began to struggle with sharply declining prices for basic commodities. By the Fall of 1998, commodity prices had dropped to levels such that pressure existed on Congress to provide additional support. The passage of four successive federal assistance packages for agriculture in 1998 through 2001 helped to sustain net farm income in the wake of lower commodity prices. Net farm income has risen from about $43 billion in 1998 to a projected level of more than $49 billion in 2001. However, the role of government supports has been magnified greatly, with direct government payments accounting for more than 40 percent of net farm income in the same 4-year period. It is readily apparent that the economic climate in place for the development of the 2002 Farm Bill is substantially different than what occurred prior to the last two Farm Bills.

Figure 1. U.S. Net Farm Income (USDA-ERS)



Within this economic climate, the political activity has accelerated the development of the next Farm Bill. Initial discussions regarding the shape of the 2002 Farm Bill started with the report of the Commission on 21st Century Production Agriculture released in January, 2001. The Commission's report highlighted the goals of agricultural policy and the role of government and made general recommendations on federal policies for agriculture.

Following the release of the report, both the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry heard testimony from the Commission. In addition to the Commission report and testimony, the House Committee received testimony from many agricultural, commodity, and industry representatives. Amid this wealth of testimony, many proposals and recommendations have been spelled out for future agricultural policy.

Survey Methodology

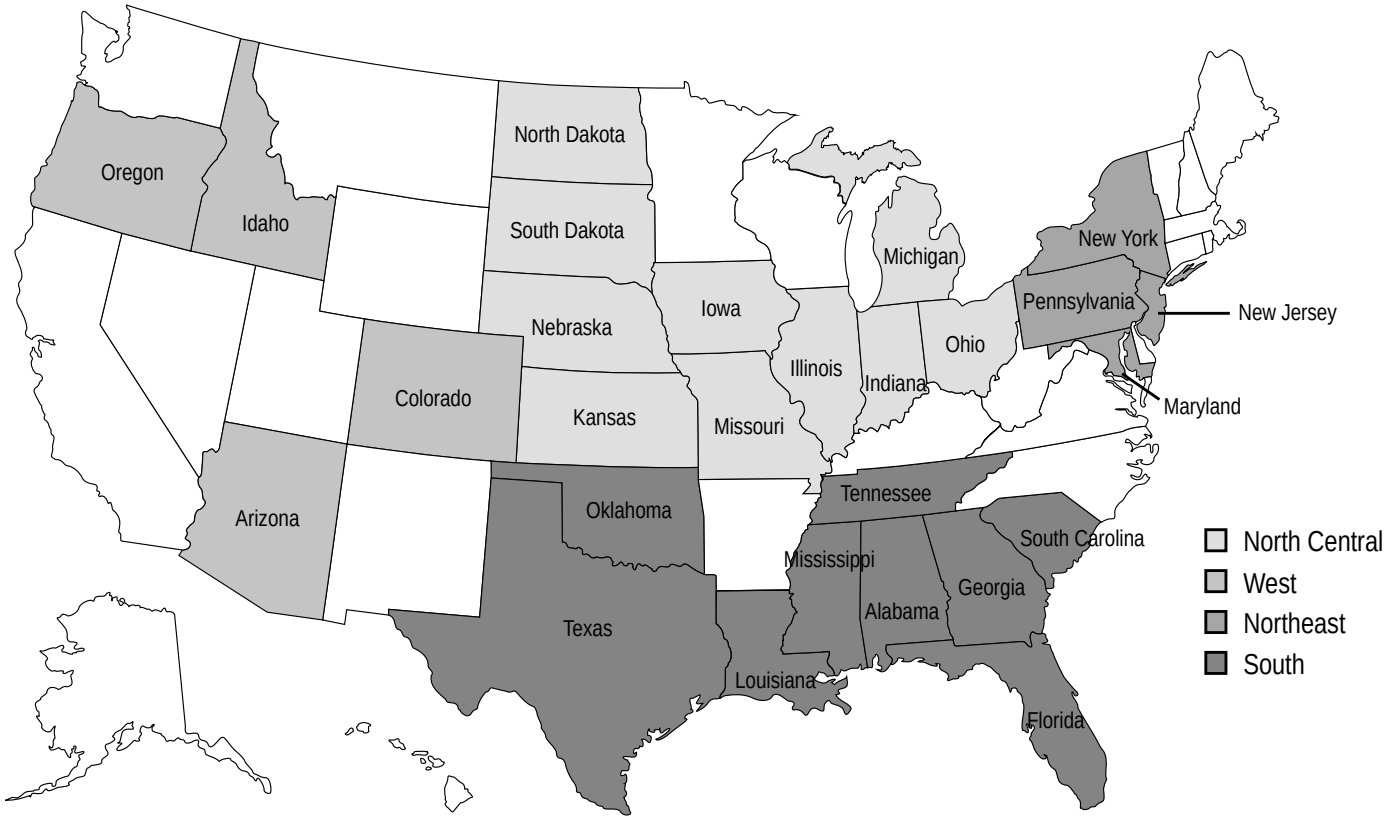
This report highlights efforts to provide direct producer input into the Farm Bill deliberations. A national survey of agricultural producers was conducted in 27 states across the country, as shown in Figure 2. The participating states represent a broad distribution of regional interests, agricultural production, and historic farm program participation.

The survey was mailed to a random sample of producers in each state. The sample was stratified by farm sales into two sub-samples: farms with less than $100,000 in annual gross sales were identified as "small" farms. Farms with $100,000 or more in annual gross sales were identified as "large" farms. The delineation between small and large farms was based only on the statistical distribution of farms by sales. According to the *1997 Census of Agriculture*, less than 20 percent of farms have annual gross sales of $100,000 or more. To ensure an acceptable level of statistical precision, the smaller number of large farms were surveyed at a higher sampling rate than were the small farms. To account for the different sampling rates, the survey results were tabulated separately for both size groups and then weighted by the proportion of the farm numbers in each size group to produce composite results that are representative of all farms.

The choice of $100,000 as the delineation between small and large farms was simply a statistical decision. This report is not designed to address any question of what constitutes a small farm or a large farm. In fact, the sales number used for the survey work is much smaller than the sales number currently used by ERS to differentiate small and large farms. ERS classifies farms of less than $250,000 in annual gross sales as small farms, based on the recommendation of the National Commission on Small Farms (ERS, 2001a).

The four-page questionnaire contained 28 separate national questions plus 11 demographic questions that were asked in all participating states. The original master copy of the national questionnaire with the national and demographic questions is included in the appendix. One page of each state's questionnaire included questions that were selected by that state. An optional question bank of 45 questions was available for states to select questions from for their survey. The optional question bank is also in-

Figure 2. State Participation in the National Agricultural, Food, and Public Policy Preference Survey



cluded in the appendix. Each state asked questions from this optional pool or developed additional questions specific to their state.

Only questionnaires returned from persons actively engaged in agricultural production were tabulated. Since the survey was stratified by size, questionnaires in which the respondent did not identify their average annual gross sales category were excluded from further analysis.

The number of valid producer responses for each participating state are shown in Table 1 along with the *1997 Census of Agriculture* farm numbers for each sales group. The total number of farms in 1997 in the 27 surveyed states was 1,336,398. This represents nearly 70 percent of the 1,911,859 farms reported nationwide. Among the surveyed states, farms with $100,000 or more in sales represent approximately 18 percent of total farms.

Analysis and Report

All of the national questions and all of the optional questions that were asked by at least one state are summarized in the report. For national questions, the results are presented by state, with composite numbers also calculated for the 4 regions and for the nation as a whole. In tables that summarize optional questions, the tables include only the states that asked the question. If all of the participating states in a given region asked the question, a regional composite result is also listed.

Statistical results were first tabulated by state for both small and large farms. For some questions, results are reported by size because there are differences in farmer opinion or policy preference that are relevant to the issue. In other cases, the differences between small and large farms are not significant and only the composite results by state are given. Each state's composite results are calculated as the weighted average of the small and large farm results for that state weighted by the proportion of small and large farms in that state according to the *1997 Census of Agriculture* numbers.

Regional results are also first tabulated for both small and large farms. The regional results by size represent the weighted average of state results by size for states in each region. The weights used are based on the number of farms in each size category in each state relative to the total number of farms in each size category in the region. Similar to how a state composite result is calculated, a regional composite result is the weighted average of the small and large farm results for that region weighted by the proportion of small and large farms in that region according to the *1997 Census of Agriculture* numbers.

Table 1. Participating States, Number of Farms, and Survey Responses

State/Region	Number of Farms*		Valid Survey Responses				Overall Survey Response	
	Small Farms**	Large Farms**	Small Farms**	Large Farms**	Size Missing	Total	Sample Size	Valid Response Rate
	(Number)		*(Number of responses)*				*(Percent)*	
Arizona	4,787	1,348	50	53	10	113	555	20
Colorado	23,504	4,764	723	293	48	1,064	5,000	21
Idaho	17,523	4,791	630	319	39	988	2,990	33
Oregon	29,462	4,568	429	698	39	1,166	2,999	39
West	**75,276**	**15,471**	**1,832**	**1,363**	**136**	**3,331**	**11,544**	**29**
Illinois	49,881	23,170	677	564	61	1,302	4,996	26
Indiana	45,853	12,063	130	112	10	252	1,500	17
Iowa	59,336	31,456	408	336	10	754	2,500	30
Kansas	48,157	13,436	369	245	31	645	3,000	22
Michigan	38,754	7,273	120	347	16	483	1,800	27
Missouri	88,175	10,685	446	98	161	705	4,500	16
Nebraska	33,249	18,205	224	305	23	552	3,000	18
North Dakota	21,845	8,659	133	91	8	232	1,500	15
Ohio	57,849	10,742	235	149	0	384	1,500	26
South Dakota	21,837	9,447	162	152	11	325	1,500	22
North Central	**464,936**	**145,136**	**2,904**	**2,399**	**331**	**5,634**	**25,796**	**22**
Maryland	9,487	2,597	235	83	21	339	1,500	23
New Jersey	7,940	1,161	109	30	5	144	631	23
New York	24,892	6,865	267	204	10	481	1,750	27
Pennsylvania	35,859	9,598	482	247	28	757	3,500	22
Northeast	**78,178**	**20,221**	**1,093**	**564**	**64**	**1,721**	**7,381**	**23**
Alabama	36,690	4,694	227	91	12	330	1,500	22
Florida	29,622	5,177	236	239	17	492	4,500	11
Georgia	33,164	7,170	3	52	2	57	500	11
Louisiana	19,631	4,192	135	49	1	185	2,245	8
Mississippi	26,797	4,521	268	134	16	418	2,000	21
Oklahoma	67,918	6,296	304	80	6	390	2,500	16
South Carolina	17,909	2,280	54	10	0	64	397	16
Tennessee	72,910	3,908	740	73	31	844	7,500	11
Texas	177,301	17,000	377	318	22	717	4,000	18
South	**481,942**	**55,238**	**2,344**	**1,046**	**107**	**3,497**	**25,142**	**14**
National	**1,100,332**	**236,066**	**8,173**	**5,372**	**638**	**14,183**	**69,863**	**20**

* Number of farms, *1997 Census of Agriculture*

** For purposes of the survey, small farms are defined as having less than $100,000 in annual gross sales while large farms are defined as having $100,000 or more in annual gross sales.

Finally, national results are tabulated for both small and large farms in similar fashion to the regional results. The national results by size represent the weighted average of regional results by size. The weights used are based on the number of farms in each size category in each region relative to the total number of farms in each size category in the nation. In similar fashion, a national composite result is the weighted average of the small and large farm results for the nation weighted by the proportion of small and large farms in the nation according to the *1997 Census of Agriculture* numbers.

For purposes of this report, it is important to note that the definition of regional and national results correspond only to the 27 participating states. The 4 regions, defined as West, North Central, Northeast, and South represent 4 states, 10 states, 4 states, and 9 states respectively, as shown in Table 1. As was noted earlier, these states comprise a large majority of the total number of farms in the United States. In addition, the 27 states that participated did so in part because of the importance and relevance of Farm Bill issues to that state. Thus, a report of producer preferences in the 27 participating states speaks loudly for the entire country in terms of Farm Bill policies. The report follows the basic outline of issues addressed in the national survey.

The Farm Income and Risk Management Policy chapter focuses on several national questions in three sections, including Funding, Commodity Programs, and Risk Management Programs. The final section, Other Commodity and Risk Management Policies, provides a report of the optional questions relevant to the chapter for those states that asked each question.

The Conservation and Environmental Policy chapter addresses national questions in two sections: Conservation Reserve Program and Environmental Incentive Programs. Another section, Other Environmental Incentive Programs and Regulations, addressed optional questions relevant to the chapter.

The Trade Policy chapter addresses five national questions under the section Trade Negotiations and Market Access. One optional question is also summarized for those states that asked the question in the section Other Trade Policies.

The Food Policy chapter includes five national questions that are summarized in the section Food Labeling and Food Safety.

The Agricultural Structure chapter addresses a number of policy issues and programs. National questions are summarized in 6 sections: Farm and Rural Credit, Rural Development, Commodity Checkoff Programs, Farm Structure, Agricultural Labor, and Market Competition. A final section, Other Agricultural Structural Policies, summarizes several optional questions as they relate to agricultural structure.

The Survey Demographics chapter completes the analysis of survey questions by summarizing economic and personal characteristics of the survey respondents. Sections include Operator Characteristics, Farm Income, and Management. A final section, Other Demographic Issues, reports on three optional management questions.

The Conclusion summarizes key results and implications. The Appendix includes a master copy of the national questionnaire and a copy of the optional question bank.

Farm Income and Risk Management Policy

The first section of the questionnaire asked for producer preferences on aggregate spending for agricultural supports, general commodity program provisions, and risk management policies and programs. Along with six national questions, several optional questions addressed farm income and risk management issues and are summarized at the end of the chapter.

Funding

In question 1 of the survey, producers were asked about the appropriate level of baseline spending on farm income support. Baseline spending represents the amount of money budgeted for spending on farm programs given economic projections for future production and commodity prices. Responses in Table 2 show a majority of respondents across the country are looking to government to maintain or increase baseline spending on farm income support payments. In most states, farmers prefer increasing baseline spending relative to either maintaining the current baseline or eliminating agricultural supports completely.

While the preferences are consistent across small and large farms, the results by size show more large farms favor increasing spending on support payments than do small farms. Based on sales information collected in the survey, large farms are more dependent on production of commodities that have historically been recipients of farm income support. The average large farm earns 53 percent of its agricultural gross sales from grains, cotton, and oilseeds as compared to 29 percent for the average small farm. Additionally, a state-by-state comparison shows a greater preference for increased support among respondents in those states that have historically been significant participants in federal farm programs. This suggests that commodities produced and past participation in federal farm programs may weigh heavily on the preference for future funding.

Commodity Programs

Table 3 provides an analysis of producer preferences on which commodities to include in farm income support programs. Program commodities are those covered by current support programs. They include grains, cotton, and oilseeds. Dairy, peanuts, sugar, and tobacco are each covered by separate support programs, while insurance or disaster programs cover some additional commodities, such as livestock and specialty crops. Respondents favor keeping current program commodities in the mix to a much greater degree than they favor allowing participation of other commodities, a preference that is consistent across both size categories. Worth noting, half of all respondents favor including livestock among the commodities eligible for government support. Further analysis may show that preferences for commodities to include in farm programs are more heavily dependent on the commodities that respondents produce rather than either sales, state lines, or traditional farm programs.

The left half of Table 4 shows a vast majority of respondents look to the government to provide income support for agriculture to protect them from the full impact of market conditions. When asked if the government should fund programs that provide income support and protect producers from the full impact of market conditions, 80 percent of respondents say yes. This result is consistent across all states and both size categories and is also consistent with the relatively small percentage of respondents that favor eliminating funding in the question in Table 2. This preference for government intervention represents a reversal of a trend over the previous three national policy surveys which showed increasing percentages of respondents ready to eliminate government programs (Guither, et al., 1994, 1989, 1984). However, as noted earlier, economic and market conditions are

Table 2. Baseline Spending for Farm Income Support Payments (Question 1)

State/Region	Increase Funding to WTO Limit	Maintain Current Funding Levels	Eliminate Funding over 5 to 10 Years	Increase Funding to WTO Limit	Maintain Current Funding Levels	Eliminate Funding over 5 to 10 Years	Increase Funding to WTO Limit	Maintain Current Funding Levels	Eliminate Funding over 5 to 10 Years
	Composite Results			Small Farms			Large Farms		
	(Percent of responses)			*(Percent of responses)*			*(Percent of responses)*		
Arizona	29	35	36	27	36	38	36	34	30
Colorado	39	34	27	38	35	28	47	32	22
Idaho	43	33	23	39	35	26	61	27	12
Oregon	36	30	34	34	31	35	44	26	30
West	**38**	**33**	**29**	**36**	**33**	**31**	**49**	**29**	**22**
Illinois	42	41	16	41	41	18	45	42	13
Indiana	41	42	16	38	45	18	56	32	12
Iowa	40	40	20	36	42	23	49	38	14
Kansas	50	36	14	49	36	14	54	35	11
Michigan	46	34	20	45	34	21	50	32	17
Missouri	38	37	25	36	38	26	57	28	15
Nebraska	46	39	15	44	37	19	50	44	7
North Dakota	59	27	14	56	27	17	68	28	5
Ohio	43	43	15	42	43	15	46	42	13
South Dakota	48	33	19	45	32	23	54	35	11
North Central	**44**	**38**	**18**	**41**	**39**	**20**	**51**	**37**	**12**
Maryland	40	40	21	39	41	21	43	37	20
New Jersey	25	36	39	26	38	36	19	23	58
New York	39	37	25	37	37	25	44	34	22
Pennsylvania	40	35	25	40	34	26	40	40	20
Northeast	**38**	**36**	**25**	**38**	**36**	**26**	**41**	**36**	**23**
Alabama	41	34	25	39	35	26	57	29	14
Florida	34	35	31	34	36	31	39	28	34
Georgia*	71	16	12	*	*	*	71	16	12
Louisiana	44	34	22	40	36	24	60	27	13
Mississippi	44	36	21	39	38	23	70	24	6
Oklahoma	38	35	27	36	36	28	56	33	12
South Carolina	49	34	17	47	36	18	70	20	10
Tennessee	43	37	20	43	37	20	54	29	16
Texas	42	33	24	40	35	26	69	21	10
South**	**42**	**34**	**24**	**40**	**36**	**25**	**62**	**24**	**13**
National	**42**	**36**	**22**	**40**	**37**	**23**	**53**	**33**	**14**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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more difficult than in 1994 when the last survey was conducted. In addition, the requirements to receive program benefits in terms of acreage restrictions and set-aside requirements have also been eliminated, thus reducing the costs of program participation to producers.

If the government's role is to provide a safety net, what type of safety net do producers prefer? The right half of Table 4 shows producer rankings of five safety net alternatives. Respondents rated each alternative from "1" for most important to "5" for least important. Based on average responses, respondents in all regions favor support payments tied to price over other alternatives. The rest of the alternatives vary by region. North Central respondents rank fixed payments as highly important. In contrast, respondents in the South rate *ad hoc* disaster assistance payments as highly important. Based on regional and national results, support payments tied to income are also important, ranking either second or third in all regions and second nationally behind price support payments.

On a separate commodity policy issue, producers were asked about

the future of the dairy compacts. Based on the results in Table 10, it is readily apparent that the Northeast Dairy Compact is not sustainable in its present form. In all states, small and large farms alike overwhelmingly went against maintaining only the Northeast Dairy Compact. Most respondents favor either eliminating or expanding dairy compacts, with the most popular choice being expansion.

Risk Management Programs

Table 6 ranks producer preferences for four risk management program alternatives. Respondents rated each alternative from "1" for most important to "4" for least important. Based on average responses reported in the composite results, respondents nationally rank tax-deferred savings accounts as the number one priority for future risk management programs. Only North Central respondents rank increased crop insurance coverage more important.

While results by size are not displayed due to space limitations, there do appear to be some differences in preference by farm size. Nationally, small farms rank the four choices at 2.49 for increased crop insurance coverage, 2.48 for livestock insurance, 2.19 for tax-deferred savings accounts, and 2.84 for risk management incentive payments. For large farms, the rankings are 1.97, 2.89, 2.45, and 2.68 respectively. As mentioned earlier, large farms on average realize a greater percentage of their gross farm sales from grains, oilseeds, and cotton than do small farms. As these crops account for the majority of federal crop insurance coverage, it is not surprising that large farms rely more on insurance programs and thus are more in favor of continuing and increasing insurance coverage. In contrast, small farms rely more on dairy and other livestock sales than do large farms (48 percent versus 32 percent) and rate expanding livestock insurance coverage second only to tax-deferred savings accounts.

Table 3. Program Commodities to Receive Farm Income Supports (Question 2)

State/Region	Grains, Cotton, and Oilseeds	Sugar, Peanuts, and Tobacco	Dairy	Fruits, Vegetables, Nuts, and Pulses	Specialty Crops	Other Livestock
			Composite Results			
			(Percent responding yes)			
Arizona	49	12	14	29	7	46
Colorado	64	20	29	21	13	48
Idaho	71	26	34	24	12	48
Oregon	54	14	30	32	17	35
West	**61**	**19**	**29**	**26**	**14**	**43**
Illinois	91	22	36	16	10	35
Indiana	77	26	39	15	8	46
Iowa	74	20	36	18	12	36
Kansas	86	19	28	11	6	36
Michigan	72	22	41	32	22	27
Missouri	68	18	33	17	11	58
Nebraska	88	27	37	18	12	48
North Dakota	79	24	38	20	12	39
Ohio	82	22	40	17	9	40
South Dakota	75	17	35	16	10	56
North Central	**79**	**22**	**36**	**17**	**11**	**43**
Maryland	68	20	39	23	14	40
New Jersey	39	11	35	32	30	37
New York	56	16	65	31	15	42
Pennsylvania	63	16	53	24	16	41
Northeast	**59**	**16**	**54**	**27**	**17**	**41**
Alabama	56	32	32	28	14	67
Florida	43	29	27	41	25	44
Georgia*	87	65	39	31	19	40
Louisiana	61	30	34	20	10	60
Mississippi	62	22	29	24	14	60
Oklahoma	64	17	29	21	10	63
South Carolina	70	44	22	25	14	56
Tennessee	48	49	32	19	11	63
Texas	66	23	27	20	9	63
South**	**60**	**29**	**29**	**23**	**12**	**61**
National	**69**	**24**	**34**	**21**	**12**	**50**

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Other Commodity and Risk Management Policies

Numerous optional questions also addressed commodity and risk management programs and are summarized in the tables that follow. As with all optional questions, they were chosen from a large bank of optional questions (in the Appendix). Due to space constraints, states had to select which issues were most relevant to producers in their state and ask the corresponding questions.

In the following tables summarizing optional questions, the tables list

Table 4. Government Intervention and the Design of a Safety Net (Questions 3-4)

State/Region	Should Government Programs Provide a Safety Net?			Price Support Payments	Fixed Payments	Income Support Payments	Subsidized Insurance	Disaster Assistance
	Composite Results	Small Farms	Large Farms	Composite Results				
	(Percent responding yes)			*(Individuals ranked alternatives 1 through 5. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)*				
Arizona	61	58	74	1.98	3.36	2.82	3.47	3.37
Colorado	75	75	78	2.43	3.22	3.13	3.07	3.16
Idaho	77	74	87	2.13	3.16	2.64	3.65	3.43
Oregon	65	65	71	2.14	3.48	2.74	3.31	3.33
West	**71**	**70**	**78**	**2.22**	**3.31**	**2.84**	**3.33**	**3.30**
Illinois	87	85	90	1.74	2.79	3.01	3.50	3.95
Indiana	83	81	92	1.90	2.61	3.10	3.56	3.81
Iowa	84	82	89	1.79	2.89	3.00	3.34	3.97
Kansas	87	86	90	2.10	2.92	3.04	3.23	3.70
Michigan	80	79	84	1.73	3.02	2.83	3.69	3.74
Missouri	78	77	89	2.01	3.01	3.19	3.45	3.34
Nebraska	87	84	93	1.81	3.14	2.96	3.26	3.85
North Dakota	89	86	98	1.75	2.66	3.39	3.41	3.80
Ohio	88	89	86	1.90	2.99	3.10	3.58	3.45
South Dakota	85	83	89	1.83	2.96	3.35	3.09	3.76
North Central	**84**	**83**	**90**	**1.87**	**2.91**	**3.08**	**3.42**	**3.72**
Maryland	78	78	79	2.33	3.25	2.91	3.28	3.22
New Jersey	65	66	54	2.68	4.02	2.76	2.88	2.68
New York	76	75	82	2.35	3.34	2.66	3.48	3.19
Pennsylvania	73	71	79	2.37	3.20	2.90	3.37	3.17
Northeast	**74**	**73**	**78**	**2.38**	**3.33**	**2.81**	**3.35**	**3.14**
Alabama	79	78	83	2.48	3.34	3.13	3.32	2.73
Florida	71	71	70	2.79	3.51	2.92	3.07	2.70
Georgia*	90	*	90	2.04	2.39	3.68	3.14	3.75
Louisiana	84	82	94	2.49	2.96	3.18	3.41	2.96
Mississippi	84	83	96	2.43	3.15	3.06	3.25	3.11
Oklahoma	79	78	87	2.34	3.11	3.19	3.41	2.96
South Carolina	82	80	100	2.06	3.00	3.29	3.24	3.41
Tennessee	81	81	84	2.47	3.33	2.81	3.43	2.96
Texas	74	73	89	2.18	3.14	3.21	3.54	2.94
South**	**78**	**77**	**88**	**2.34**	**3.19**	**3.12**	**3.41**	**2.95**
National	**80**	**78**	**88**	**2.12**	**3.08**	**3.06**	**3.41**	**3.34**

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only those states that asked a specific question and thus the conclusions from the survey results are limited only to the listed states. In some tables, more than one optional question is summarized for convenience and all of the states listed in the table did not necessarily asked all of the questions. In those cases, a dash is used to signify states that did not ask the specific question.

Grains, Cotton, and Oilseed Programs

Tables 7 through 11 provide a general focus for future commodity programs, marketing loan programs, supply control tools, and program regulations.

Producers in 11 states were asked to rank their priorities for general commodity programs (covering field crops including grains, cotton, and oilseeds). Respondents rated each alternative from "1" for most important to "10" for least important. Based

Table 5. Interstate Dairy Compacts (Question 5)

State/Region	Eliminate the NDC	Maintain Just the NDC	Expand Dairy Compacts
	Composite Results		
	(Percent of responses)		
Arizona	48	17	36
Colorado	40	14	46
Idaho	34	17	49
Oregon	42	17	40
West	**40**	**16**	**44**
Illinois	34	19	48
Indiana	31	21	48
Iowa	34	17	48
Kansas	30	18	53
Michigan	30	19	51
Missouri	34	15	51
Nebraska	22	17	61
North Dakota	38	15	47
Ohio	25	17	59
South Dakota	30	15	55
North Central	**31**	**17**	**52**
Maryland	22	15	63
New Jersey	27	21	52
New York	11	12	76
Pennsylvania	20	17	64
Northeast	**18**	**15**	**67**
Alabama	31	10	59
Florida	44	14	42
Georgia*	13	19	68
Louisiana	23	14	62
Mississippi	25	13	62
Oklahoma	39	14	47
South Carolina	35	20	46
Tennessee	28	13	59
Texas	46	12	42
South**	**38**	**13**	**50**
National	**33**	**15**	**51**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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Table 6. Risk Management Programs Priorities (Question 6)

State/Region	Increased Crop Insurance Coverage	Livestock Insurance Coverage	Tax-Deferred Savings Accounts	Incentive Payments
	Composite Results			
	(Individuals ranked alternatives 1 through 4. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)			
Arizona	2.81	2.71	1.94	2.55
Colorado	2.59	2.54	2.06	2.80
Idaho	2.59	2.66	2.06	2.69
Oregon	2.65	2.86	1.85	2.65
West	**2.63**	**2.70**	**1.97**	**2.70**
Illinois	2.02	2.78	2.41	2.79
Indiana	2.16	2.74	2.31	2.79
Iowa	2.11	2.75	2.36	2.78
Kansas	1.94	2.85	2.39	2.83
Michigan	2.26	2.88	2.31	2.55
Missouri	2.49	2.28	2.17	3.07
Nebraska	2.00	2.66	2.42	2.92
North Dakota	1.72	2.92	2.67	2.68
Ohio	2.28	2.75	2.26	2.71
South Dakota	2.13	2.48	2.56	2.82
North Central	**2.15**	**2.68**	**2.35**	**2.82**
Maryland	2.47	2.66	2.01	2.87
New Jersey	2.73	2.55	1.99	2.73
New York	2.62	2.67	2.13	2.56
Pennsylvania	2.59	2.71	1.99	2.71
Northeast	**2.60**	**2.68**	**2.04**	**2.68**
Alabama	2.79	2.12	2.23	2.86
Florida	2.65	2.77	1.92	2.66
Georgia*	1.86	3.27	2.68	2.19
Louisiana	2.69	2.40	2.30	2.61
Mississippi	2.58	2.36	2.33	2.73
Oklahoma	2.70	2.26	2.21	2.83
South Carolina	2.17	2.60	2.16	3.07
Tennessee	2.78	2.26	2.07	2.88
Texas	2.52	2.34	2.22	2.91
South**	**2.61**	**2.35**	**2.19**	**2.84**
National	**2.40**	**2.55**	**2.24**	**2.81**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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on average responses, which are summarized in Table 7, respondents in most of the surveyed states rank fixed payments and marketing loans, income disaster payments, or crop disaster payments as the most important priorities. These rankings closely shadow the direct payments producers have received in the past few years. Under the 1996 Farm Bill, producers were eligible for fixed payments and marketing loan programs. In addition, the supplemental assistance packages for agriculture passed in the past four years have included direct payments to

Table 7. Commodity Program Priorities (Question Z2)

State/Region	Fixed Payments and Marketing Loans	Fixed Payments	Marketing Loans	Supports Tied to Production Controls and Set-Asides	Counter -Cyclical Income Payment	Crop Disaster Payments	Income Disaster Payments	Crop Insurance	Shift Funds to Environmental Incentive Programs	Eliminate Commodity Programs
					Composite Results					
(Individuals ranked alternatives 1 through 10. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)										
Colorado	4.82	5.53	5.38	6.25	4.65	4.50	4.28	4.55	6.99	8.06
Idaho	4.48	5.31	5.29	5.96	4.44	4.63	4.21	5.59	6.78	8.32
Iowa	4.33	5.08	4.66	5.91	4.75	5.53	4.84	5.07	6.30	8.54
Kansas	4.20	4.95	5.25	6.30	4.56	4.77	4.22	4.82	6.97	8.96
Nebraska	4.61	5.20	5.10	5.74	4.63	5.18	4.42	4.57	6.82	8.71
North Dakota	5.00	5.17	4.93	5.57	4.47	5.17	4.02	4.51	7.19	8.97
South Dakota	4.32	5.12	4.70	6.35	5.37	5.10	4.14	4.41	6.84	8.66
Alabama	4.55	5.08	5.09	6.30	5.40	4.42	4.37	5.04	6.71	8.05
Louisiana	4.33	5.09	5.03	5.88	4.78	4.25	4.69	5.74	6.76	8.48
South Carolina	4.17	4.58	4.93	5.78	5.93	3.90	4.51	5.26	7.02	8.89
Tennessee	4.70	5.34	5.36	5.90	4.70	3.90	3.95	4.92	7.43	8.79

help offset lower market prices and farm income as well as crop and livestock disaster assistance programs to offset production losses.

Relative to the other seven choices, re-coupling support payments to production controls, shifting funds to environmental incentive programs, and eliminating commodity programs rank as the least preferred alternatives. Rankings in all of the surveyed states place the complete elimination of commodity programs last. Moving funds from basic commodity program supports to environmental incentive programs ranks ninth out of ten in all surveyed states, ahead of only elimination. Re-coupling support payments to production controls and set-aside programs ranks eighth out of ten in nearly all surveyed states, preferred only as an alternative to shifting funds to environmental programs or eliminating commodity programs altogether. In sum, any of the seven other alternatives for commodity programs are preferred to re-coupling support to production controls, shifting funds to environmental programs, or completely eliminating support programs.

Table 8. Counter-Cyclical Payment Basis (Question Z1)

State/Region	Gross Farm Receipts	Net Farm Income	Gross Enterprise Receipts	County Farm Income	National Farm Income
			Composite Results		
			(Percent of responses)		
Colorado	14	38	22	22	5
Indiana	13	36	18	26	7
Iowa	18	32	17	29	4
Kansas	12	38	18	26	6
Nebraska	10	36	19	30	6
Florida	15	41	16	20	8
Louisiana	18	31	24	23	4
Mississippi	18	33	19	24	6
Tennessee	16	38	22	18	6
Texas	18	35	24	17	5

Counter-cyclical support programs are a common part of many proposals for the next Farm Bill. Table 8 shows producer preferences for five alternative counter-cyclical income payment programs. A counter-cyclical income payment is a payment that would increase to offset losses when income decreases. From composite results in ten states, respondents favor payments that would be based on farm-level income results instead of aggregate measures such as national farm income. Among specific alternatives, net farm income was the most-preferred measure in all surveyed states, although the use of a farm-level measure such as net farm income would be inherently more complex than the use of an aggregate measure.

Commodity loan programs are also an important part of the discussion on the next Farm Bill. The

current marketing loan program provides crop producers price protection when markets fall below loan rates. When asked about future directions for the marketing loan program, respondents generally favor higher loan rates, as displayed in Table 9. However, raising marketing loan rates would increase federal budget costs and could also raise concerns about commitments under international trade agreements. Among other alternatives, there is some support for setting loan rates at lower levels that approximate the variable cost of production for loan commodities. Such loan rates would conceivably provide producers the protection to meet the cash costs of production, but remain low enough so as to not distort market signals and production decisions.

Table 9. Marketing Loan Program and Loan Rates (Question Z6)

State/Region	Raise Loan Rates	Maintain Current Loan Rates	Lower Loan Rates	Set Loan Rates Down to Variable Cost of Production	Eliminate Marketing Loans
			Composite Results		
			(Percent of responses)		
Indiana	40	28	7	13	12
Iowa	48	21	4	14	12
Kansas	54	20	4	10	12
Missouri	27	22	6	27	18
Nebraska	62	15	3	10	10
North Dakota	68	9	2	12	9
South Dakota	52	16	5	13	15
Louisiana	22	23	13	28	14
Mississippi	33	22	9	25	10
South Carolina	30	18	20	18	13
Texas	30	19	8	26	18

Such concern has been expressed regarding potential distortions from marketing loan rates, particularly the relationship between oilseed loan rates and the loan rates for other commodities. The first column of Table 10 lists producer preferences for realigning commodity loan rates. In the eight states that asked the question, respondents preferred realigning loan rates among commodities. In addition to realignment among commodities, there is also concern in many states over realigning perceived inequities in loan rates across county lines. In the six states that asked the question, respondents favor realignment of marketing loan rates between counties.

Table 10. Marketing Loan Program Details (Questions Z7-Z10)

State/Region	Realign Rates Between Commodities?	Realign Rates Between Counties?	Remove Loan Rate Caps?	Raise Limit on Marketing Loan Benefits to $150,000?
		Composite Results		
		(Percent responding yes)		
Iowa	67	60	41	—
Kansas	72	43	53	36
Missouri	67	54	—	—
Nebraska	69	23	52	—
South Dakota	70	—	—	28
Alabama	—	—	—	41
Louisiana	65	52	—	—
Mississippi	71	49	47	44
South Carolina	63	—	32	—
Tennessee	—	—	37	—
Texas	—	—	49	—

— This table summarizes more than one optional question. Not all states asked all questions.

The remaining marketing loan issues presented in Table 10 show mixed results. Over all states that asked the questions, only a minority of respondents favors either removing loan rate caps or raising payment limits for total benefits received under the marketing loan program.

The 1996 Farm Bill decoupled income support payments from production requirements and eliminated set-aside requirements as a condition for farm program participation. Even though set-aside authority was eliminated, discussion about using set-aside programs as a supply control tool continues to generate interest. However, the proposals offered in Congressional testimony have generally focused on paid set-aside programs. Producers were asked whether paid set-aside programs should be used to idle acreage to manage commodity supplies. Based on the results in the left-hand columns of Table 11, respondents appear to be amenable to paid set-aside programs. However, there are substantial differences between small and large farms across regions. Respondents on large farms in the North Central Region are less agreeable to paid set-asides than are those on small farms. In the south, repondents on large farms seem more agreeable to paid set-asides than do those on small farms.

Supply control tools also include inventory management policies such as the often-mentioned "Farmer-Owned Reserve." In the survey, producers were asked for their preferences regarding the use of inventory supply control tools. Based on the results of 11 states surveyed and reported in the middle columns of Table 11, the number one choice among respondents regardless of size or location is for the government to not manage inventories. Between 35 and 48 percent of respondents favor no inventory supply control across

Table 11. Production Control, Inventory Supply Control Tools, and Planting Flexibility (Questions Z3, Z5, and Z4)

State/Region	Use Paid Set-Asides?		Use "Farmer-Owned Reserve"	Extend the Marketing Loan Period	Subsidize Farmer-Owned Grain Storage Facilities	No Government Control of Inventories	Maintain Planting Flexibility?
	Small Farms	Large Farms	Composite Results				Composite Results
	(Percent responding yes)		*(Percent of responses)*				*(Percent responding yes)*
Idaho	56	60	—	—	—	—	—
Illinois	59	39	—	—	—	—	—
Indiana	60	45	24	13	16	47	83
Iowa	64	54	25	17	10	48	87
Kansas	61	49	24	12	20	45	88
Missouri	50	43	26	11	17	47	88
Nebraska	65	52	33	11	14	42	84
North Dakota	—	—	35	11	10	43	—
South Dakota	—	—	29	10	16	45	—
Alabama	49	44	33	12	16	39	85
Louisiana	—	—	23	16	17	44	—
Mississippi	46	60	27	19	19	35	86
South Carolina	60	70	—	—	—	—	82
Tennessee	49	53	28	13	15	44	—
Texas	45	67	—	—	—	—	—

— This table summarizes more than one optional question. Not all states asked all questions.

the surveyed states as opposed to the 23 to 35 percent that favor the "Farmer-Owned Reserve." Even fewer respondents favor other tools, including extending the marketing loan period and subsidizing grain storage facility construction.

Any attempts at supply control to raise price levels would require restrictions on producers' production decisions. The planting flexibility allowed in the 1996 Farm Bill encouraged producers to respond to price signals when making cropping decisions instead of responding to program requirements. As shown in the right-hand column of Table 11, planting flexibility is overwhelmingly preferred among respondents, regardless of size and location. This feature of federal farm policy may in fact be the most-lasting legacy of the 1996 "Freedom to Farm" act.

Other Commodity Programs

In addition to the major issue of dairy compacts, six states also asked producers for their preferences on dairy price support programs. Table 12 shows the results of that analysis.

Table 12. Dairy Programs (Question Z11)

State/Region	Maintain Current Support Prices	Increase Support Prices	Eliminate Support Programs	Shift Funding to Direct Payments	Shift Funding to Subsidized Revenue Insurance
	Composite Results				
	(Percent of responses)				
Arizona	29	7	48	4	13
Michigan	32	28	21	9	10
Missouri	38	17	24	7	14
New York	18	46	17	11	8
Pennsylvania	19	41	20	12	8
Louisiana	34	26	20	6	14

While Michigan, Missouri, and Louisiana respondents appear split among alternatives, New York and Pennsylvania respondents generally favor increased price supports. However, Arizona respondents favor the elimination of the dairy price support program altogether, highlighting the broad range of policy preferences regarding the complex dairy price support program.

Federal peanut programs are also an integral part of the Farm Bill deliberations. Current peanut programs allow producers to market owned- and leased-quota peanuts while the Secretary of Agriculture can adjust the amount of quota peanuts that can be marketed. Given this current framework, four states asked producers to rank alternative peanut program policies. Respondents rated

Table 13. Peanut Program Priorities (Question Z17)

State/Region	Maintain Current Policies	Buy Out Quotas	Establish Marketing Loan	Establish Marketing Loan and Fixed Payment Program	Allow Quota Transfers Across State Lines	Allow Quota Transfers Across County Lines	Establish Step-2 Program	Build Cost-of-Production Support Program	Eliminate Peanut Programs
	Composite Results								
	(Individuals ranked alternatives 1 through 9. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)								
Alabama	3.77	5.04	4.24	4.99	5.25	4.87	5.59	4.78	6.48
Florida	4.74	5.21	4.41	5.04	5.04	4.68	5.36	4.78	5.74
Georgia*	2.59	4.38	4.00	4.18	6.26	5.62	5.15	4.65	8.18
Oklahoma	4.64	5.87	3.99	4.99	5.31	4.90	4.76	4.79	5.75

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

Table 14. Impact of Payment Limits and Appropriate Limit Under a Peanut Loan Program (Question Z19 - Z20)

State/Region	Would Peanut Payment Limits be an Issue?			Make No Payments	Set Limit at $40,000	Set Limit at $75,000	Set Limit at $150,000	Set Limit at $300,000	Set No Limits
	Composite Results	Small Farms	Large Farms	Small Farms*					
	(Percent responding yes)			*(Percent of responses)*					
South Carolina	8	9	0	0	0	25	25	0	50

* No large farm respondents checked "YES" to Question Z19, so no large farm results are recorded for Question Z20.

each alternative from "1" for most important to "9 for least important. Based on average responses, which are summarized in Table 13, respondents generally support establishing a marketing loan program or maintaining the current policies. The marketing loan alternative is the first or second choice in each of the four surveyed states. If a marketing loan program is established for peanut producers, very few farmers believe payment limits would be an issue. The left-hand columns of Table 14 provide this answer from producers surveyed in South Carolina. Of those that did see payment limits as a potential problem, fully 50 percent said there should be no payment limit.

Another issue of importance to peanut producers is the importation of foreign peanuts. Producers in three states responded to the question of what government policies toward international trade and peanut programs should be. Based on the results in Table 15, Alabama and Georgia respondents favor increased import tariffs on peanuts while Oklahoma respondents are more evenly split between increasing tariffs and maintaining current tariff levels.

Table 15. International Trade and the Peanut Program (Question Z18)

State/Region	Maintain Current Tariffs on Imported Peanuts	Increase Peanut Tariffs	Eliminate Peanut Tariffs
	Composite Results		
	*(*Percent of responses*)*		
Alabama	38	47	15
Georgia*	23	68	9
Oklahoma	44	38	18

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

Sugar policies are an issue of interest across most regions of the country, with producers of both sugar cane and sugar beets affected by program details. Producers in five states were asked to rank their priorities for sugar programs. Respondents rated each alternative from "1" for most important to "7" for least important. Based on average responses, which are summarized in Table 16, respondents rank limiting imports as the most important priority. Historically, import policy has been a supply control mechanism for sugar, but recent trade negotiations have reduced the effectiveness of import quotas as a supply control tool. As a result, sugar respondents also view inventory management as a priority, generally ranking it second only behind import controls. Among other alternatives, eliminating sugar programs ranks last, a finding that is consistent with producer preferences for most commodity programs.

Table 16. Sugar Program Priorities (Question Z21)

State/Region	Develop Inventory Management Program	Set Trade-Weighted Exchange Rate Loan Mechanism	Base Eligibility for Sugar Programs on Historical Production	Limit Imports	Target Loans to Individual Producers	Limiting Size of Loans	Eliminate Sugar Programs
	Composite Results						
	(Individuals ranked alternatives 1 through 7. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)						
Idaho	3.20	3.52	3.95	2.77	4.45	4.44	5.66
Michigan	3.12	3.43	4.03	3.05	4.46	4.41	5.51
North Dakota	3.73	3.30	3.90	2.92	4.56	4.29	5.30
Florida	3.71	4.03	4.47	3.52	4.36	3.75	4.15
Louisiana	3.12	3.39	3.36	3.30	4.46	4.57	5.80

Table 17. Tobacco Program Priorities (Question Z12)

State/Region	Maintain Quotas	Buy Out Quotas	Establish Marketing Loan	Stabilize Quota Reduction	Restrict Tobacco Imports	Allow Quota Transfers Across State Lines	Allow Quota Transfers Across County Lines	Eliminate Tobacco Programs
	Composite Results							
	(Individuals ranked alternatives 1 through 8. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)							
Florida	5.04	4.08	5.27	4.49	3.62	4.81	4.73	3.96
Georgia*	3.08	2.63	4.54	3.88	4.21	5.71	5.58	6.38
South Carolina	3.08	4.32	5.34	4.56	3.74	4.65	4.43	5.88
Tennessee	3.55	4.75	5.11	4.12	3.40	4.95	4.20	5.93

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

Table 18. Impact of Contract Growing of Tobacco (Question Z13)

State/Region	Improve Farm Profitability	No Change	Decrease Farm Profitability
	Composite Results		
	(Percent of responses)		
South Carolina	14	66	21
Tennessee	17	63	21

Table 19. Tobacco Quota Formula Changes (Question Z16)

State/Region	Change Tobacco Quota Formula?		
	Composite Results	Small Farms	Large Farms
	(Percent responding yes)		
Georgia*	33	*	33
Tennessee	45	45	44

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

Table 20. Wool and Mohair Production Policies (Question Z22)

State/Region	Use *Ad Hoc* Disaster Assistance	Establish Cotton-Based Marketing Loan	Establish World Price-Based Loan Program	Fund Predator Control	Establish Import Tariffs	Fund Research Centers
(Individuals ranked alternatives 1 through 6. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)						
Idaho						
Small Farms	3.47	3.58	3.48	3.33	2.87	4.26
Large Farms	3.34	3.36	3.46	3.56	3.03	4.26
Composite Results	3.44	3.53	3.48	3.38	2.90	4.26

Table 21. Crop and Livestock Insurance Programs (Questions Z23 - Z24)

State/Region	Continue Federal Crop Insurance Program	Offer Incentives to Buy Private Crop Insurance	Eliminate Government Involvement in Crop Insurance	Establish Federal Livestock Insurance Program for Production Losses	Establish Federal Livestock Insurance Program for Production and Revenue Losses	Eliminate Government Involvement in Livestock Insurance
	Composite Results (Percent of responses)			Composite Results (Percent of responses)		
Illinois	68	16	15	—	—	—
Indiana	65	15	19	41	33	26
Kansas	71	14	15	—	—	—
Missouri	58	19	23	—	—	—
Nebraska	69	18	13	33	39	29
North Dakota	70	19	11	42	29	29
South Dakota	—	—	—	36	39	25
Maryland	65	13	22	—	—	—
Mississippi	58	19	23	48	26	26
Oklahoma	57	19	24	38	32	30

— This table summarizes more than one optional question. Not all states asked all questions.

An analysis of tobacco program priorities is presented in Table 17. Producers in four states were asked to rank their priorities for tobacco programs. Respondents rated each alternative from "1" for most important to "8" for least important. Based on average responses, no clear consensus appears among the four states. Georgia respondents favor buying out existing quota owners, Florida and Tennessee respondents favor restrictions on tobacco imports, and South Carolina respondents favor maintaining existing quotas.

On a related issue, contract tobacco growing has increased greatly in the past few years. From the results in Table 18, South Carolina and Tennessee respondents generally expect contract growing to have no major effect on farm profitability. While there was no general consensus on future tobacco program priorities, Georgia and Tennessee respondents do seem to agree on the formula for tobacco quotas. As the results in Table 19 show, most respondents in the two states did not want to change the current formula.

Wool and mohair policy has reemerged as an issue in the Farm Bill deliberations. After being phased out only a few years ago, supplemental agricultural assistance legislation reintroduced some support programs in recent years. Producers in Idaho were asked to rank their priorities for wool and mohair programs. Respondents rated each alternative from "1" for most important to "6" for least important. Based on average responses reported in Table 20, respondents rank import controls as the most important policy. Beyond this priority, large and small farms differ, with large farms favoring disaster assistance and then a marketing loan program while small farms favor predator control programs before disaster assistance.

Risk Management Programs

In many states, producers were asked about their preferences on various risk management programs and policies. For the nine states that asked producers about government policy toward crop yield and revenue insurance, the left-hand side of Table 21 shows a majority of respondents favor continuing the current federal crop insurance program and premium subsidies.

A related issue is the new development of livestock insurance products. The right-hand side of Table 21 summarizes the composite results of a livestock insurance question asked of producers in six states. While the results are mixed, a majority of respondents favor some form of federal livestock insurance programs across all six states. From 33 to 48 percent of respondents across the six states favor a livestock insurance program focused on production risk while a range of 26 to 39 percent of respondents favor a livestock insurance program focused on production and revenue losses.

Given the opportunity to design a crop and livestock insurance program, many respondents would select a whole-farm approach to insurance coverage. Producers in ten states were asked to choose between separate policies for crop and livestock production, separate policies for crop and livestock revenue, a single whole-farm revenue policy, or the elimination of government-subsidized insurance programs. From the results in Table 22, respondents generally favor a whole-farm revenue policy more than any other single choice.

In conjunction with traditional crop insurance programs, *ad hoc* disaster assistance has historically been a significant component of federal agricultural policy. Even with all of the proposals for future crop and livestock insurance programs, *ad hoc* disaster assistance remains a priority for the majority of respondents. For the 5 states that asked the question, Table 23 shows between 62 and 76 percent of respondents in the surveyed states prefer to maintain existing *ad hoc* disaster assistance programs along with crop and livestock insurance programs.

Table 22. Crop and Livestock Insurance Program Design (Question Z25)

State/Region	Cover Crop and Livestock Production Losses Under Separate Policies	Cover Crop and Livestock Production and Revenue Losses Under Separate Policies	Cover Whole Farm Income Losses	Eliminate All Government-Subsidized Insurance
	Composite Results			
	(Percent of responses)			
Arizona	23	19	26	32
Colorado	23	22	37	18
Idaho	17	19	40	24
Nebraska	36	29	23	13
Maryland	24	15	45	16
New Jersey	18	15	41	27
Alabama	24	14	47	16
Georgia*	32	22	40	6
Oklahoma	28	19	32	21
South Carolina	31	14	40	15

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

Table 23. *Ad Hoc* Disaster Assistance (Question Z26)

State/Region	Maintain *Ad Hoc* Assistance and Insurance Programs	Use *Ad Hoc* Assistance Instead of Insurance Programs	Eliminate *Ad Hoc* Disaster Assistance Authority	Prohibit Disaster Assistance Legislation
	Composite Results			
	(Percent of responses)			
Arizona	62	16	5	17
Indiana	69	12	10	9
North Dakota	73	10	9	8
Alabama	76	9	6	8
Oklahoma	64	17	10	10

Conservation and Environmental Policy

The survey addressed a number of conservation and environmental issues. Two national questions addressed environmental incentive programs including the Conservation Reserve Program (CRP) and several other environmental priorities. Six different optional questions also addressed environmental incentive programs and environmental regulations and are summarized at the end of the chapter.

Environmental Incentive Programs

In recent years, the CRP has been the largest single federal program covered by the conservation title of the Farm Bill. When asked their preferences regarding the future of the CRP, the vast majority of respondents favored continuing the CRP in one form or another. Based on the national composite results reported in Table 24, respondents are evenly split between expanding the CRP and maintaining the status quo.

However, there are some differences by size of farm. Large farms favor expanding the CRP more than do small farms, by a 40 percent to 31 percent margin. In contrast, small farms favor elimination of the CRP more than do large farms, by a 21 to 12 percent margin. Based on program participation information collected in the survey, large farms are much more likely to have participated in federal conservation programs than are small farms. As more frequent participants and beneficiaries of federal conservation programs, it stands to reason that large farms favor an increased CRP. On the other hand, the increased preference among small farms to eliminate the CRP may stem from common perceptions that the CRP helps to consolidate land holdings and reduces the supply of available farmland for young and small producers.

Beyond the CRP, there is a great deal of interest in environmental incentive programs. Producers were asked whether the federal government should provide financial incentives to encourage the provision of certain environmental benefits. As results were generally consistent across both size categories, the composite results to these questions are provided in Table 25.

Based on the survey results, respondents favor incentive payments to preserve both open space and farmland, although there is a much stronger preference for farmland preservation.

Focusing on soil and water quality results in Table 25, respondents strongly favor incentives to protect water quality (91 percent), reduce soil erosion (89 percent), and manage animal waste (68 percent). While still a large majority, the percentage of respondents who favor incentive programs targeted at animal waste management is much smaller. Animal waste management has been a politically divisive issue in recent years. Beyond political concerns, there are also substantial animal waste management regulations in place for operations above a specified size at the federal, state, and local level. The trade-off and transition between incentive programs and direct regulations may affect producer preferences for government action.

While producer preferences for soil erosion control incentives were very high, respondents are less certain about carbon sequestration. Carbon sequestration involves farm management practices that are designed to store carbon in the form of organic matter in the soil to keep the carbon from being absorbed into the atmosphere and add to the level of so-called "greenhouse gases." Although the two goals may require many of the same practices, producer preferences are substantially different, with only 49 percent of respondents in favor of incentive payments for carbon sequestration. Unlike soil erosion control, which has been a federal conservation goal since the 1930s, the benefits and feasibility of carbon sequestration are the subject of continuing research. Uncertainty

Table 24. Conservation Reserve Program (Question 8)

State/Region	Increase CRP	Maintain Current CRP	Restrict Future CRP to High-Priority Land	Eliminate CRP
		Composite Results		
		(Percent of responses)		
Arizona	12	25	20	43
Colorado	31	28	17	25
Idaho	29	30	16	25
Oregon	25	29	17	30
West	**27**	**29**	**17**	**28**
Illinois	38	38	16	8
Indiana	33	39	14	14
Iowa	44	32	14	10
Kansas	44	33	14	10
Michigan	37	35	14	14
Missouri	29	31	15	25
Nebraska	45	31	16	9
North Dakota	41	27	17	15
Ohio	33	45	10	12
South Dakota	40	29	16	16
North Central	**38**	**34**	**14**	**13**
Maryland	38	34	15	14
New Jersey	29	34	16	21
New York	25	37	20	19
Pennsylvania	28	32	16	24
Northeast	**28**	**34**	**17**	**21**
Alabama	25	32	16	26
Florida	27	30	21	22
Georgia*	51	33	8	8
Louisiana	29	32	18	20
Mississippi	31	35	11	23
Oklahoma	25	35	16	25
South Carolina	34	38	10	18
Tennessee	30	39	14	17
Texas	29	29	14	29
South**	**28**	**33**	**15**	**24**
National	**33**	**33**	**15**	**19**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

exists regarding the overall effectiveness and value of carbon sequestration. Uncertainty also exists regarding the requirements or restrictions that might be placed on management decisions to successfully sequester carbon. This uncertainty definitely contributes to what looks like a wait-and-see attitude toward carbon sequestration on the part of respondents.

As shown in Table 25, 86 percent of respondents support incentive programs for biofuels. Current programs at various levels of government include tax incentives for ethanol production, programs and incentives for biodiesel development, and pilot projects to explore the production of biomass for energy production. Such efforts and others may satisfy the definition of incentives that respondents strongly favor.

One other area of interest is the provision of habitat for wildlife and endangered species. As the survey results show, 69 percent of respondents favor incentive payments for providing wildlife habitat, but only 52 percent favor incentive payments for providing endangered species habitat. Wildlife habitat has been a goal of several existing conservation programs, notably the Wildlife Habitat Incentives Program (WHIP) as well as the CRP. Following the precedent of established programs, incentive payments to provide wildlife habitat are generally very popular with producers. However, there is much less support for providing endangered species habitat. Similar to the case of water quality and animal waste management, endangered species habitat has been a more politically divisive issue than general wildlife habitat. The mix of opinion may reflect uncertainty about the role that incentives would play in an area that is already subject to federal regulation. On the other hand, the lower level of support may also represent a concern among respondents that endangered species habitat incentives could transition over time into regulations or could infringe on private property rights.

Table 25. Government Incentives for Environmental Benefits (Question 7)

State/Region	Open Space Preservation	Farmland Preservation	Water Quality	Wildlife Habitat	Animal Waste Management	Soil Erosion	Carbon Sequestration	Biofuels	Endangered Species Habitat
	Composite Results								
	(Percent responding yes)								
Arizona	52	74	86	64	53	82	39	79	38
Colorado	63	84	90	68	60	84	48	81	45
Idaho	55	83	86	66	67	85	45	86	41
Oregon	59	81	82	66	64	79	48	82	51
West	**59**	**82**	**86**	**66**	**63**	**82**	**47**	**83**	**46**
Illinois	58	86	93	68	66	90	48	92	51
Indiana	66	86	90	69	63	89	48	95	59
Iowa	58	87	94	71	75	92	52	91	57
Kansas	55	86	88	66	71	92	53	87	47
Michigan	78	89	94	66	68	88	49	92	54
Missouri	49	84	86	60	64	87	41	87	44
Nebraska	55	83	91	63	65	88	51	89	42
North Dakota	51	83	91	61	61	86	47	92	50
Ohio	69	89	92	68	74	87	53	92	51
South Dakota	65	83	94	72	70	90	59	90	53
North Central	**60**	**86**	**91**	**66**	**68**	**89**	**49**	**90**	**51**
Maryland	77	91	91	74	73	87	53	88	63
New Jersey	79	86	95	77	67	85	51	85	65
New York	69	90	94	68	77	87	50	84	62
Pennsylvania	71	91	94	62	75	91	50	86	51
Northeast	**72**	**90**	**94**	**67**	**75**	**89**	**51**	**85**	**57**
Alabama	67	93	93	79	78	92	62	87	61
Florida	68	89	92	80	69	83	54	83	65
Georgia*	75	94	98	90	84	96	67	86	76
Louisiana	60	85	90	73	57	90	55	85	54
Mississippi	63	90	93	77	69	93	46	82	61
Oklahoma	58	86	92	67	71	92	50	80	52
South Carolina	80	98	97	82	79	97	66	91	75
Tennessee	68	91	94	75	70	91	48	86	64
Texas	58	82	87	68	61	88	43	77	45
South**	**63**	**87**	**91**	**72**	**67**	**90**	**49**	**81**	**55**
National	**62**	**86**	**91**	**69**	**68**	**89**	**49**	**86**	**52**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

Other Environmental Incentive Programs and Regulations

Six optional questions addressed environmental incentive programs and regulations and are summarized in the tables that follow. As with all optional questions, they were chosen from a large bank of optional questions (in the Appendix). Due to space constraints, states had to select which issues were most relevant to producers in their state and ask the corresponding questions.

In the following tables summarizing optional questions, the tables list only those states that asked a specific question and thus the conclusions from the survey results are limited only to the listed states. In some tables, more than one optional question is summarized for convenience and all of the states listed in the table did not necessarily asked all of the questions. In those cases, a dash is used to signify states that did not ask the specific question.

Environmental Incentive Programs

Table 26 provides a ranking of various voluntary alternatives for

open space and farmland preservation. Among the 14 states that asked the question, improving farm profitability ranked first or second in all states. Just as respondents tend to favor farmland preservation more than open space preservation in Table 25, they rank improving farm profitability highest, so that agriculture is more competive with nonfarm development. The explanation appears to be a desire on the part of respondents to not just preserve open land, but to preserve working farms.

Among other alternatives, voluntary conservation easements rank highly, where a landowner voluntarily places their land under an easement to protect the land from development. As an alternative to voluntary conservation easements, government-funded programs to finance the purchase of development rights (PDRs) are also popular, particularly in the Northeast where they have been used in recent years. A similar program that ranks just behind PDRs establishes transferrable development rights (TDRs) to preserve open space and farmland in targeted areas by allowing the development rights in the targeted areas to be transferred to other areas for development.

It is not surprising that all of the voluntary approaches listed in Table 26 outrank the "do nothing" approach. However, the question did not ask producers to rank doing nothing in comparison with mandatory approaches such as zoning or growth boundaries. Thus, the conclusion from Table 26 is that a range of voluntary approaches may be feasible and acceptable to producers to address goals for open space and farmland preservation.

Three other questions address specific environmental issues and incentives and are summarized in Table 27. In the five states that asked producers whether they should have the right to rent or sell water for nonagricultural uses, a majority of respondents generally agree, as displayed in the first three columns. However, the responses differ by size, as a much higher percentage of large farmers agree with nonagricultural water transfers than do small farmers. In an issue of relevance to the Northwest, producers were asked whether they should be offered incentive payments to idle land in an effort to conserve energy in the face of energy shortages. In both Idaho and Oregon, respondents agreed with payments, as displayed in the middle three columns of Table 27. Finally, regarding an issue of relevance in several areas of the country, producers were asked if they should be offered payments to reduce nitrogen usage in an effort to improve environmental quality. In general the results were mixed, as shown in the last three columns of Table 27. There is no clear answer to the question, given that three of the four states that asked the question are very close to a 50-50 split on the issue.

Table 26. Open Space and Farmland Preservation (Question Z33)

State/Region	Government Funding of PDRs	Private Funding of PDRs	Use TDRs	Voluntary Conservation Easements	Improve Farm Profitability	Enact No Preservation Policies
	Composite Results					
	(Individuals ranked alternatives 1 through 6. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)					
Arizona	4.22	3.51	3.82	2.54	2.70	4.20
Colorado	3.83	3.37	4.06	2.69	2.64	4.42
Idaho	3.94	3.53	3.86	2.69	2.54	4.43
Oregon	3.89	3.43	4.19	2.59	2.68	4.21
West	**3.91**	**3.44**	**4.04**	**2.64**	**2.64**	**4.33**
Indiana	3.46	3.64	3.83	2.65	2.97	4.44
Michigan	2.91	3.39	3.47	3.30	2.68	5.24
Missouri	3.94	3.73	4.15	2.46	2.57	4.14
Maryland	2.44	3.26	3.74	3.22	3.09	5.24
New Jersey	2.26	3.25	4.07	3.46	2.92	5.04
New York	3.18	3.35	3.93	2.90	2.72	4.92
Pennsylvania	2.83	3.26	3.98	3.20	2.75	4.99
Northeast	**2.84**	**3.28**	**3.94**	**3.13**	**2.80**	**5.00**
Florida	3.35	3.40	3.84	3.00	2.70	4.70
Georgia*	2.63	3.54	3.77	3.31	2.54	5.20
South Carolina	3.33	3.67	4.13	2.61	2.88	4.38

Environmental Regulations

Shifting the focus from incentive programs to regulations, producers in several states were asked their opinion of two of the leading environmental issues facing agriculture. The results in Table 22 highlight producer opinions on these issues.

Federal regulations establish standards for the maximum amount of pollutants in water bodies including streams and lakes. For water bodies that are in violation of those standards, total maximum daily loads (TMDLs) are established as a means of bringing those bodies of water into compliance. The results of the survey show a majority of respondents generally do not favor enforcing TMDLs as mandatory regulations.

However, when the survey results are broken down by farm size, there are apparent differences in producer attitudes toward TMDLs. While small farms as a whole are generally not in favor of enforcing TMDL regulations, they are much

Table 27. Environmental Laws and Incentive Programs (Questions Z42 - Z44)

State/Region	Should Farms Have Right to Rent or Sell Water for Non-Ag Use?			Should Producers Be Offered Payments to Idle Land to Conserve Energy?			Should Producers be Offered Payments to Reduce Nitrogen Use?		
	Composite Results	Small Farms	Large Farms	Composite Results	Small Farms	Large Farms	Composite Results	Small Farms	Large Farms
	(Percent responding yes)			*(Percent responding yes)*			*(Percent responding yes)*		
Arizona	73	67	92	—	—	—	—	—	—
Colorado	51	47	70	—	—	—	48	49	43
Idaho	52	48	65	72	69	82	—	—	—
Oregon	41	41	46	61	59	73	48	47	51
West	**49**	**46**	**63**	—	—	—	—	—	—
Maryland	—	—	—	—	—	—	63	63	62
Tennessee	—	—	—	—	—	—	47	48	42
Texas	52	51	64	—	—	—	—	—	—

— This table summarizes more than one optional question. Not all states asked all questions.

Table 28. Environmental Regulations (Questions Z31 - Z32)

State/Region	Enforce TMDLs?			National-Level AFO Regulations?		
	Composite Results	Small Farms	Large Farms	Composite Results	Small Farms	Large Farms
	(Percent responding yes)			(Percent responding yes)		
Oregon	25	26	14	20	22	12
Illinois	33	36	25	26	26	24
Indiana	49	56	23	—	—	—
Kansas	26	30	13	—	—	—
Missouri	28	29	13	23	25	7
Maryland	25	28	15	31	33	24
New Jersey	53	55	41	42	43	36
New York	40	43	28	31	31	31
Alabama	47	49	33	27	28	24
Louisiana	37	43	8	21	24	8
Mississippi	31	33	20	29	31	19
Texas	33	33	23	17	18	12

— This table summarizes more than one optional question. Not all states asked all questions.

more likely to favor them than are large farms. The difference in attitude between small and large farms likely draws from a perception that small farms are not a major contributor to water pollution problems. Thus, the expectation may exist that small farms would be less burdened by TMDL regulations than would large farms.

The same general observations also apply to federal regulations of animal feeding operations (AFOs). From composite results, respondents do not favor the development of national-level AFO regulations. While on the whole, small farms are also against national AFO regulations, they are more likely to favor them than are large farms.

Disfavor with federal AFO regulations does not directly translate into a preference for no regulations, as almost all states have state and local regulations in existence. However, the higher preference for national AFO regulations among small farms may be indicative of a belief that they would fall below any size limits imposed for operations subject to regulation.

Trade Policy

The survey addressed several questions on trade issues, including trade negotiations and market access. One optional question addressed trade promotion authority and is summarized at the end of the chapter

Market Access and Trade Negotiations

An analysis of international trade preferences reveals some interesting observations. Respondents are strongly convinced that U.S. farmers benefit from international trade, across all states and both size categories. As shown in Table 29 in the first column, the composite results show 75 percent of respondents in agreement. Given this agreement on the benefits of trade, it is not surprising that respondents also strongly favor pursuing free-trade agreements to reduce and eliminate trade barriers. Nationally, 74 percent of respondents said the United States should pursue free trade agreements, as shown in the second column of results in Table 29.

However, pursuing free-trade agreements is a complex process. When asked about including labor, environmental, and food safety issues within general trade negotiations, 79 percent of respondents favor the comprehensive discussions. It is apparent from the results that respondents want these issues resolved. Including them in the overall trade negotiations would make the process much more complex.

One of the difficult issues in international trade negotiations is the role of multifunctionality. By definition, multifunctionality implies that certain policies have more than one goal, such as farm support programs enacted to support farm income, maintain small farms, provide environmental benefits, and support rural economies. If those are the goals of a country, should a policy that targets those goals be acceptable even if that policy distorts production decisions and international trade patterns? Based on the composite results to this question in Table 29, respondents have mixed preferences on this issue. In the North Central, home to several grain producing and exporting states, respondents are less supportive of multifunctionality, with only 43 percent saying such policies are acceptable. In other regions of the country, multifunctionality is more accepted. The preferences for multifunctionality also appear to vary by farm size. Based on national results, 50 percent of small farms agree with multifunctionality as compared to 39 percent of large farms. While large farms may be more dependent on export commodities and harmed by policies that restrict trade, small farms may perceive themselves to be among the intended beneficiaries of such policies.

Beyond these trade negotiation issues, the political debate has focused on the role of trade sanctions. Unilateral sanctions hinder market access and potential trade volume for U.S. agricultural producers. As a result, it is not surprising that a majority of respondents favor eliminating unilateral trade sanctions, as shown in Table 29.

Other Trade Policies

One optional questions on trade policy addressed trade promotion authority. As with all optional questions, they were chosen from a large bank of optional questions (in the Appendix). Due to space constraints, states had to select which issues were most relevant to producers in their state and ask the corresponding questions.

The results from the states that asked the trade promotion question are reported in the last column of Table 29. Not all states asked the question and in those states, a dash is used to indicate the question was not asked.

Trade Promotion Authority

Although there is strong producer support for pursuing free trade agreements, there is substantially less support for providing the Adminis-

Table 29. Trade Negotiations, Market Access, and Trade Promotion Authority (Questions 9 - 13, Question Z34)

State/Region	Benefit from International Trade?	Pursue Free-Trade Agreements?	Eliminate Unilateral Sanctions?	Include Labor, Environment, and Food Safety in Trade Negotiations?	Allow Countries to Pursue Multifunctionality Even if it Restricts Trade?	Pass Trade Promotion Authority ("Fast-Track")?
	Composite Results (Percent responding yes)					
Arizona	84	82	53	83	61	44
Colorado	71	72	57	78	52	—
Idaho	65	56	52	84	61	—
Oregon	73	65	52	84	58	37
West	**71**	**66**	**54**	**82**	**57**	—
Illinois	87	86	69	69	36	—
Indiana	81	86	60	77	40	49
Iowa	83	85	66	72	42	—
Kansas	81	84	71	63	39	56
Michigan	67	65	53	82	53	39
Missouri	81	79	57	80	49	43
Nebraska	79	86	67	74	36	—
North Dakota	69	68	69	69	44	—
Ohio	75	71	57	80	48	—
South Dakota	75	69	63	77	50	43
North Central	**79**	**80**	**63**	**74**	**43**	**—**
Maryland	76	81	55	75	49	—
New Jersey	71	70	44	84	53	—
New York	57	58	48	85	59	—
Pennsylvania	67	67	55	85	52	—
Northeast	**65**	**66**	**52**	**83**	**54**	**—**
Alabama	73	72	47	88	57	—
Florida	59	52	49	89	61	27
Georgia*	65	59	61	86	52	—
Louisiana	75	67	52	80	46	—
Mississippi	77	68	50	80	52	43
Oklahoma	76	76	53	81	50	—
South Carolina	60	72	58	86	40	—
Tennessee	73	73	47	87	54	—
Texas	75	74	49	81	49	39
South**	**73**	**71**	**50**	**83**	**51**	**—**
National	**75**	**74**	**56**	**79**	**48**	**—**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

— This table summarizes five national questions and one optional question. Not all states asked the optional question.

tration trade promotion authority (TPA), commonly referred to as "fast-track" authority. TPA provides the Administration a stronger position from which to negotiate the exact language of trade agreements and then submit them to Congress for approval. Under TPA, Congress votes only to approve or disapprove the agreement and cannot offer amendments to change the language of the negotiated agreement. Among the ten states that asked the question, only a majority of Kansas respondents favor granting TPA to the Administration. However, an analysis of results by farm size shows a substantial difference. Among large farms in states surveyed, only Florida and Idaho respondents are against TPA. In those two states, only 41 and 32 percent of respondents on large farms favor TPA, respectively. By comparison, Kansas is the only state surveyed where respondents on small farms favor TPA, by a slim margin of 51 to 49 percent. The mixed opinions regarding TPA are reflective of the political divisiveness of the issue and do not offer a clear signal to policy makers.

Food Policy

The national survey addressed five questions on food policy, focusing on food labeling and food safety. The results of these five questions are given in Table 30.

Food Labeling and Food Safety

Respondents overwhelmingly support the labeling of food products made with biotechnology when there is a scientific difference in the product. This position is consistent across all states and size categories, with 90 percent of respondents in favor such labeling nationally. In a related question, 61 percent of respondents nationally agree that biotechnology-derived food products should be labeled even when there is no scientific difference in the product. However, large and small farms are divided on the issue. Nationally, 66 percent of small farms agree with labeling even in the absence of scientific differences in the product while only 35 percent of large farms agree with such labeling.

In the case of no scientific differences in the product, biotechnology is much like an alternative production method. In similar fashion, production practices like organic production, natural production, and even country of origin could be of interest to consumers, even when those practices lead to no scientific differences in the product.

Producers were asked for their preference regarding labeling of production practices when there are no scientific differences in the product. Based on the survey results, respondents are split, with 13 states agreeing with labeling, 12 states opposed, and 2 states evenly divided. However, a breakdown by size shows 54 percent of small farms nationally favor labeling for production practices while only 25 of large farms favor such labeling. It could be that small farms perceive a willingness to pay on the part of consumers for food products that are labeled as small farm products. Furthermore, if small farms are more likely to be organic operations than large farms, then it follows that small farms would be more inclined to favor labeling production practices such as organic production.

Support for labeling the country of origin on food products is nearly unanimous among all respondents, with 98 percent in agreement. One viewpoint could be that "country of origin" is simply a production process, much like organic production or biotechnology where there are no scientific differences. However, as with other production practices, the county of origin could be of significance to consumer demand. Thus, the overwhelming support for country of origin labeling could be based on the expectation that there are real economic payoffs to producers from such labeling.

Generally, the results imply that producers support labeling that lets the consumer make decisions regarding purchases of food products. There is less support for biotechnology labeling or labeling of production processes in the absence of scientific differences in the product. Such labeling could imply differences that do not exist and hurt consumer demand for some food products. In addition, more labeling and segregation would increase handling and distribution costs. On the other hand, labeling provides consumers with more information to make purchasing decisions. And consumer decisions are obviously impacted by more than science.

In a food safety question, 76 percent of respondents nationally favor increasing efforts to improve traceability of food products from the consumer back to the producer to improve food safety and tracking. Improving traceability would be a complex process, adding costs to the production, processing, and distribution segments of the food chain. However, the benefit of improving traceability could be improved food

safety as well as increased feedback in the production system. In sum, respondents concur on the desirability of improving traceability, although costs and benefits will ultimately impact progress made toward improved traceability.

Table 30. Food Labeling and Food Safety (Questions 14 - 18)

State/Region	Label Country of Origin?	Label Biotech Products if Scientifically Different?	Label Biotech Products Even if Not Scientifically Different?	Label Production Practices?	Improve Traceability of Food Products from Consumer to Producer?
	Composite Results				
	(Percent responding yes)				
Arizona	92	80	48	25	62
Colorado	97	89	57	45	69
Idaho	99	92	61	50	73
Oregon	98	91	61	47	71
West	**98**	**90**	**59**	**45**	**70**
Illinois	94	84	43	33	62
Indiana	97	89	58	50	73
Iowa	97	91	49	37	69
Kansas	97	91	56	38	64
Michigan	99	81	49	38	65
Missouri	98	92	63	51	74
Nebraska	97	87	44	31	64
North Dakota	97	92	66	52	69
Ohio	97	90	57	42	71
South Dakota	99	87	54	47	74
North Central	**97**	**89**	**53**	**41**	**73**
Maryland	98	91	64	55	75
New Jersey	100	91	73	59	81
New York	99	92	67	52	79
Pennsylvania	99	91	63	51	75
Northeast	**99**	**91**	**65**	**52**	**77**
Alabama	98	95	71	60	86
Florida	99	91	62	52	79
Georgia*	100	86	46	37	84
Louisiana	98	96	69	55	80
Mississippi	97	94	69	59	80
Oklahoma	98	93	67	57	77
South Carolina	98	96	56	46	78
Tennessee	99	95	77	64	88
Texas	98	90	67	55	74
South**	**98**	**92**	**68**	**57**	**79**
National	**98**	**90**	**61**	**49**	**76**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

Agricultural Structure

The survey addressed a number of issues related to the structure of agriculture. Several national questions focused on rural development, farm and rural credit, market competition, farm structure, agricultural labor and commodity checkoff programs. A number of questions from the optional question bank were also asked and summarized at the end of the chapter. Optional questions that were asked address research, extension, and education; farm structure, and tax policy.

Rural Development

Producers were asked to rank several rural development alternatives that have been commonly discussed as critical need to improve rural economic conditions. Respondents rated each alternative from "1" for most important to "5" for least important. Based on average responses, which are summarized in Table 31, respondents rank access to capital, education and training, and business development ahead of other choices. These three issues can have a direct impact on the well-being and vitality of rural communities.

In contrast to these leading priorities, respondents in every state rank increased rural access to the Internet last as a rural development priority. The question specifically asked for producer response to increased Internet access. In the public debate over bridging the "digital divide," the focus has been on the rural availability of broadband Internet connectivity. Broadband connectivity is generally defined as Internet access at speeds much faster than a modem that allow users to enjoy a number of high-end Internet-based goods and services.

However, the issue is not broadband access versus no access. Rather, the basic choice is between the development of broadband access and the current level of modem and other rural access connections. Unlike the historical development of rural electric and telephone service, Internet service providers already exist in many rural areas. Thus the rapid development of new technology and the growing rural network of service providers may be able to expand network capabilities where demanded without additional government support and programs.

Farm and Rural Credit

The availability of farm credit is an important component of a stable agricultural sector. Federal farm credit programs have historically provided a source of funds to many agricultural producers, including targeted audiences of small and beginning farmers.

When asked about the future of farm and rural credit programs, respondents strongly favor either maintaining or increasing funding levels (Table 32). On a composite basis, 49 percent of respondents nationwide want to maintain current funding levels and 37 percent look to increase funding levels for a total of 86 percent of respondents in favor of continued credit programs.

Table 33 presents the results of two questions related to farm and rural credit targeting. On the left-hand side of the table, survey results show that both small and large farmers are strongly against targeting credit programs to select audiences. However, if programs are targeted, who should be the intended target? Based on the results in the right-hand side of the table, respondents favor targeting low-income farms and rural areas and also favor targeting beginning farmers. Both alternatives are strongly preferred relative to new enterprises and socially-disadvantaged groups.

Market Competition

One of the most debated issues in recent years has been that of market concentration and competition. Market competition has long been championed as a fundamental element of a competitive agricultural sector that can adjust and compete in

Table 31. Rural Development Priorities (Question 19)

State/Region	Capital Access for Business	Education and Training Programs	Rural Internet Access	Rural Infrastructure and Services Funding	Business Development and Job Funding
	Composite Results				
	(Individuals ranked alternatives 1 through 5. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)				
Arizona	1.93	2.76	4.22	3.36	2.72
Colorado	2.28	2.67	4.03	3.43	2.59
Idaho	2.39	2.48	4.30	3.40	2.42
Oregon	2.29	2.56	4.06	3.37	2.72
West	**2.29**	**2.59**	**4.12**	**3.40**	**2.61**
Illinois	2.44	2.66	4.30	3.14	2.46
Indiana	2.65	2.48	4.14	2.92	2.80
Iowa	2.39	2.68	4.13	3.28	2.51
Kansas	2.31	2.77	4.13	3.41	2.38
Michigan	2.38	2.66	4.29	2.97	2.70
Missouri	2.46	2.53	4.14	3.39	2.48
Nebraska	2.38	2.92	4.02	3.35	2.33
North Dakota	2.18	3.02	4.24	3.24	2.33
Ohio	2.70	2.44	4.20	2.94	2.73
South Dakota	2.23	2.90	4.30	3.31	2.26
North Central	**2.44**	**2.66**	**4.18**	**3.20**	**2.52**
Maryland	2.63	2.41	4.12	3.09	2.75
New Jersey	2.49	2.18	3.79	3.35	3.20
New York	2.47	2.53	4.28	3.30	2.42
Pennsylvania	2.56	2.43	4.15	3.12	2.74
Northeast	**2.53**	**2.44**	**4.15**	**3.20**	**2.68**
Alabama	2.46	2.29	4.32	3.31	2.62
Florida	2.33	2.56	4.29	3.22	2.61
Georgia*	2.13	3.05	4.42	3.16	2.24
Louisiana	2.47	2.51	4.23	3.31	2.49
Mississippi	2.32	2.43	4.58	3.29	2.39
Oklahoma	2.45	2.62	4.17	3.45	2.31
South Carolina	2.44	2.37	4.38	3.51	2.29
Tennessee	2.62	2.30	4.37	3.20	2.51
Texas	2.27	2.54	4.22	3.35	2.61
South**	**2.39**	**2.49**	**4.28**	**3.33**	**2.51**
National	**2.42**	**2.57**	**4.21**	**3.27**	**2.53**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

Table 32. Farm and Rural Credit Programs (Question 20)

State/Region	Maintain Present Funding	Increase Funding	Eliminate Funding
	Composite Results		
	(Percent of responses)		
Arizona	33	35	32
Colorado	48	38	13
Idaho	44	41	15
Oregon	51	35	14
West	**47**	**37**	**15**
Illinois	53	35	12
Indiana	50	36	14
Iowa	53	33	14
Kansas	49	40	12
Michigan	45	39	16
Missouri	52	32	15
Nebraska	49	41	10
North Dakota	47	42	11
Ohio	57	33	10
South Dakota	44	41	15
North Central	**51**	**36**	**13**
Maryland	55	35	11
New Jersey	48	33	19
New York	49	34	17
Pennsylvania	47	38	15
Northeast	**49**	**36**	**16**
Alabama	44	41	15
Florida	44	41	15
Georgia*	35	57	8
Louisiana	56	31	13
Mississippi	47	38	15
Oklahoma	47	35	17
South Carolina	46	42	13
Tennessee	52	34	13
Texas	45	38	18
South**	**47**	**37**	**16**
National	**49**	**37**	**15**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

the world market. The issue recently has focused on the level of concentration in various agricultural sectors, including farm inputs, livestock production, farm marketing, and food processing.

In the survey, producers were asked what the government should do regarding concentration of agribusinesses. The results in Table 34 show 42 percent of respondents nationwide favor maintaining and enforcing current antitrust laws and merger regulations while 35 percent favor strengthening current antitrust laws and regulations. At the other end of the spectrum, 23 percent of respondents favor reducing govern-

Table 33. Farm and Rural Credit Targeting (Questions 21 - 22)

State/Region	Target Credit Programs to Select Populations?			Target Beginning Farmers	Target New Enterprises/ Diversification	Target Socially Disadvantaged Groups	Target Low-Income Farms and Rural Areas
	Composite Results	Small Farms	Large Farms	Composite Results			
	(Percent responding yes)			*(Percent responding yes)*			
Arizona	17	17	17	45	34	11	57
Colorado	22	20	29	55	28	10	60
Idaho	23	23	21	52	25	11	63
Oregon	23	24	22	47	28	10	54
West	**22**	**22**	**23**	**51**	**28**	**10**	**58**
Illinois	25	25	26	61	30	14	64
Indiana	25	25	22	52	30	18	58
Iowa	28	27	29	61	32	12	61
Kansas	25	25	24	50	23	11	64
Michigan	23	23	22	57	25	14	56
Missouri	22	21	28	51	21	10	66
Nebraska	19	28	3	68	30	16	67
North Dakota	29	29	31	58	28	11	64
Ohio	20	20	21	52	23	16	65
South Dakota	22	22	21	59	32	16	63
North Central	**24**	**24**	**23**	**56**	**27**	**13**	**63**
Maryland	22	22	25	53	28	14	58
New Jersey	22	24	11	49	31	15	53
New York	22	22	21	58	33	16	61
Pennsylvania	24	25	20	54	26	14	61
Northeast	**23**	**23**	**20**	**55**	**29**	**15**	**60**
Alabama	12	13	8	51	30	14	60
Florida	22	23	19	49	31	15	64
Georgia*	12	*	12	56	40	12	39
Louisiana	18	18	15	51	33	15	55
Mississippi	12	13	9	42	30	13	51
Oklahoma	14	14	21	50	27	14	63
South Carolina	15	13	33	51	36	13	59
Tennessee	22	23	12	44	26	15	64
Texas	23	24	14	49	24	11	58
South**	**19**	**20**	**15**	**48**	**27**	**13**	**64**
National	**22**	**22**	**21**	**53**	**27**	**13**	**63**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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ment antitrust regulation to allow market forces to guide industry decisions including consolidation.

The mix of opinion among respondents is indicative of the level of debate about market concentration and the impact on market competition.

Another important aspect of competitive markets is the availability of market information. Theory teaches that perfect information is a prerequisite for perfect competition. To the extent that the agricultural production sector can be described as a perfectly-competitive market, it is reliant upon accurate and dependable information that is widely available.

Historically, the government has been heavily involved in the collection and dissemination of agricultural market information, including

Table 34. Government Role on Agricultural Concentration (Question 25)

State/Region	Let Market Forces Act	Enforce Antitrust Laws and Merger Reviews	Strengthen Antitrust Laws
	Composite Results		
	(Percent of responses)		
Arizona	36	31	33
Colorado	24	43	33
Idaho	19	41	40
Oregon	28	36	36
West	**25**	**39**	**36**
Illinois	18	45	37
Indiana	17	47	36
Iowa	15	41	44
Kansas	15	45	41
Michigan	20	52	28
Missouri	26	39	36
Nebraska	10	47	42
North Dakota	16	48	37
Ohio	18	50	32
South Dakota	13	41	46
North Central	**18**	**45**	**38**
Maryland	31	46	24
New Jersey	34	38	28
New York	30	40	30
Pennsylvania	28	38	34
Northeast	**30**	**40**	**31**
Alabama	27	41	33
Florida	27	41	32
Georgia*	12	47	41
Louisiana	33	42	26
Mississippi	28	47	24
Oklahoma	22	39	39
South Carolina	27	43	30
Tennessee	25	40	35
Texas	33	37	30
South**	**28**	**39**	**32**
National	**23**	**42**	**35**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

Table 35. Government Role on Market Information (Question 26)

State/Region	Continue Government Market Reporting Information	Eliminate Government Market Reporting Operations
	Composite Results	
	(Percent of responses)	
Arizona	78	22
Colorado	78	22
Idaho	77	23
Oregon	76	24
West	**77**	**23**
Illinois	78	22
Indiana	83	17
Iowa	75	25
Kansas	76	24
Michigan	73	27
Missouri	80	20
Nebraska	77	23
North Dakota	71	29
Ohio	78	22
South Dakota	75	25
North Central	**77**	**23**
Maryland	83	17
New Jersey	76	24
New York	80	20
Pennsylvania	87	13
Northeast	**83**	**17**
Alabama	88	12
Florida	86	14
Georgia*	78	22
Louisiana	83	17
Mississippi	87	13
Oklahoma	83	17
South Carolina	83	17
Tennessee	87	13
Texas	80	20
South**	**83**	**17**
National	**80**	**20**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

Table 36. Farm Income Support Targeting (Questions 23 - 24)

State/Region	Target Income Supports to Small Farms?			Target on Acreage	Target on Farm Sales	Target on Net Farm Income	Target on Household Income
	Composite Results	Small Farms	Large Farms	Composite Results			
	(Percent responding yes)			*(Percent of responses)*			
Arizona	76	85	44	33	11	33	24
Colorado	78	82	61	21	18	36	25
Idaho	86	90	70	24	15	40	21
Oregon	80	83	61	26	17	32	25
West	**81**	**85**	**62**	**24**	**16**	**35**	**24**
Illinois	79	86	64	37	15	34	14
Indiana	81	86	61	26	14	39	21
Iowa	75	90	48	35	18	32	15
Kansas	79	84	62	27	17	40	16
Michigan	85	89	64	26	10	39	24
Missouri	86	88	68	27	15	33	25
Nebraska	85	92	72	30	19	35	16
North Dakota	84	89	72	38	17	31	15
Ohio	86	89	68	35	15	32	18
South Dakota	85	91	73	33	14	34	19
North Central	**82**	**88**	**63**	**31**	**16**	**35**	**19**
Maryland	82	87	62	31	15	35	19
New Jersey	86	89	67	17	15	36	32
New York	83	86	74	16	20	39	25
Pennsylvania	87	89	78	19	16	41	24
Northeast	**85**	**88**	**74**	**19**	**17**	**39**	**24**
Alabama	82	84	67	26	11	37	26
Florida	84	87	66	26	14	40	21
Georgia*	43	*	43	43	16	32	9
Louisiana	83	91	45	31	17	31	21
Mississippi	78	84	46	36	14	28	22
Oklahoma	82	84	63	26	14	30	29
South Carolina	82	88	38	33	14	31	22
Tennessee	85	88	32	25	14	34	26
Texas	76	79	49	36	10	33	22
South**	**80**	**83**	**50**	**31**	**12**	**33**	**24**
National	**81**	**86**	**61**	**30**	**15**	**34**	**21**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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production estimates, market prices, and economic analysis. When asked what the role of government should be in providing agricultural market information and reporting, 80 percent of respondents favor continuing the government collection and distribution of market information (Table 35). Given a goal of maintaining competitive markets, continuing the government role in providing market information is clearly important to respondents.

Farm Structure

The structure of agriculture has been a major concern for those involved in production agriculture as well as those involved in the development of agricultural policy.

One of the primary issues within the farm structure debate is who should benefit from farm income supports. When asked if farm income supports should be targeted to small farms, the results in Table 36 show respondents strongly agree. Although small and large farms diverge in their opinion, both generally favor targeting. On the surface, the majority of

Table 37. Agricultural Labor Issues (Question 27)

State/Region	Human Resource Management	Workforce Availability	Foreign Guest Worker Program	Seasonal Labor Availability	Community Impact of Immigrant Workforces	Contractor/ Employee Rules	Worker Unions
	Composite Results						
	(Individuals ranked alternatives 1 through 7. Based on an average of all respondents, the lowest score is most important, the highest score is least important.)						
Arizona	4.23	2.15	3.15	3.02	4.63	4.49	6.34
Colorado	3.40	1.97	4.51	3.20	4.42	4.58	5.91
Idaho	3.27	2.17	4.67	3.08	4.26	4.66	5.88
Oregon	3.88	2.09	4.40	2.91	4.31	5.00	5.40
West	**3.60**	**2.08**	**4.42**	**3.05**	**4.35**	**4.75**	**5.74**
Illinois	2.72	2.15	5.22	3.34	4.70	4.42	5.45
Indiana	2.82	1.99	4.92	3.40	4.51	4.77	5.60
Iowa	2.82	2.30	5.39	3.50	4.35	4.25	5.38
Kansas	2.77	1.98	5.08	3.42	4.60	4.42	5.71
Michigan	3.21	1.97	4.83	2.53	4.63	4.84	5.99
Missouri	2.87	2.27	5.08	3.57	4.42	4.50	5.29
Nebraska	2.95	2.15	5.22	3.40	4.51	4.35	5.41
North Dakota	2.56	2.09	5.40	2.96	4.85	4.57	5.58
Ohio	3.28	2.07	5.01	3.20	4.43	4.58	5.40
South Dakota	2.75	1.90	5.37	3.39	4.68	4.33	5.57
North Central	**2.88**	**2.12**	**5.14**	**3.33**	**4.53**	**4.49**	**5.50**
Maryland	3.23	1.97	4.57	3.07	4.49	4.70	5.96
New Jersey	3.51	1.97	4.47	2.98	4.70	4.86	5.51
New York	2.98	1.78	4.84	3.21	4.89	4.54	5.76
Pennsylvania	2.94	1.91	4.99	3.39	4.76	4.43	5.57
Northeast	**3.04**	**1.88**	**4.84**	**3.26**	**4.76**	**4.54**	**5.67**
Alabama	2.94	1.96	4.76	3.50	4.35	4.67	5.82
Florida	3.73	1.99	4.12	3.04	4.41	4.83	5.87
Georgia*	3.36	1.78	3.89	2.75	4.75	5.22	6.25
Louisiana	3.13	1.88	4.62	3.29	4.62	4.58	5.88
Mississippi	2.90	2.07	4.73	3.43	4.46	4.73	5.68
Oklahoma	2.99	2.30	4.75	3.55	4.41	4.48	5.54
South Carolina	3.20	1.81	4.50	2.79	4.11	4.97	6.62
Tennessee	3.14	2.00	4.59	3.31	4.18	4.89	5.89
Texas	3.31	1.95	4.29	3.32	4.42	4.68	6.03
South**	**3.20**	**2.01**	**4.48**	**3.33**	**4.37**	**4.70**	**5.90**
National	**3.07**	**2.06**	**4.81**	**3.30**	**4.47**	**4.60**	**5.69**

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large farms that favor targeting may seem surprising. However, the survey did not ask producers to distinguish themselves as a "small" or "large" farm. The distinction in the analysis between small and large farms was set at $100,000 in gross annual sales only for statistical purposes. Thus, it is possible that many farms classified as "large" in the survey perceive themselves as "small" farms that would receive targeted supports.

If targeting of farm income supports were in place, the issue would be how to target those supports. As shown in the right-hand side of Table 36, respondents are split on the appropriate method for targeting, with 34 percent in favor of

Table 38. Government Policy on Commodity Promotion and Research Checkoff Programs (Question 28)

State/Region	Make Permanent upon Producer Referendum	Make Subject to Regular Referendum	Make Subject to Referendum by Petition or Secretary's Discretion	Eliminate
	Composite Results			
	(Percent of responses)			
Arizona	15	53	10	23
Colorado	17	43	13	27
Idaho	17	43	14	26
Oregon	15	43	12	30
West	**16**	**44**	**13**	**28**
Illinois	15	49	12	24
Indiana	14	41	11	34
Iowa	14	49	9	28
Kansas	15	47	14	25
Michigan	14	49	8	29
Missouri	15	46	12	28
Nebraska	13	47	13	28
North Dakota	14	42	13	31
Ohio	18	48	8	25
South Dakota	17	41	13	30
North Central	**15**	**46**	**11**	**28**
Maryland	24	42	9	25
New Jersey	22	38	8	32
New York	11	44	13	31
Pennsylvania	14	41	12	33
Northeast	**15**	**42**	**12**	**31**
Alabama	22	44	12	22
Florida	15	40	16	29
Georgia*	12	65	14	10
Louisiana	20	45	15	20
Mississippi	22	43	12	23
Oklahoma	19	40	11	29
South Carolina	17	33	27	23
Tennessee	20	43	14	23
Texas	20	37	13	29
South**	**20**	**40**	**14**	**26**
National	**17**	**43**	**12**	**27**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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targeting based on a net farm income criterion and 30 percent in favor of targeting based on an acreage criterion. Interestingly, the support for targeting farm income supports to small farms is much greater than the support for targeting rural credit programs (Table 33).

Agricultural Labor

Labor is becoming an increasingly important issue in agriculture. Producers were asked to rank several labor issues as to their importance. Respondents rated each alternative from "1" for most important to "7" for least important. Based on average responses in Table 37, respondents across the country clearly rank workforce availability as the most important labor issue.

Next to workforce availability, the most critical issues are human resource management and the availability of seasonal labor. While agricultural employers are facing difficulties in finding available full-time and seasonal workers, they are also facing challenges in training, managing, and retaining quality employees.

Commodity Checkoff Programs

Commodity checkoff programs are designed to provide funds for the promotion of specific commodities to increase demand and for the research and development of new technologies, new uses, and new information for commodity production, marketing, and utilization.

Based on the results in Table 31, respondents favor a regular review of checkoff programs through producer referendum. Nationally, 43 percent of respondents favor a regular referendum while an additional 12 percent favor a referendum upon petition or discretion of the Secretary of Agriculture. It is apparent from these results that producers who pay the costs of commodity checkoff programs expect the opportunity to judge their effectiveness and vote on their continuation on a regular basis.

Other Agricultural Structure Policies

Numerous optional questions also addressed agricultural structure issues. As with all optional questions, they were chosen from a large bank of optional questions (in the Appendix). Due to space constraints, states had to select which issues were most relevant to producers in their state and ask the corresponding questions.

Table 39. Research, Extension, and Education Program Targeting (Question Z29)

State/Region	Target Programs Only to Small Farms?		
	Composite Results	Small Farms	Large Farms
	(Percent responding yes)		
Colorado	24	26	12
Oregon	20	21	12
Illinois	31	35	21
Nebraska	34	39	25
South Dakota	33	37	25
Maryland	21	21	23
Mississippi	26	29	7
Tennessee	33	33	20

Table 40. Appropriate Dissemination of New Technology Developed Through Public Investment (Question Z38)

State/Region	Make Public Domain	Allow University Patents and Licensing	Reduce or Eliminate Public Funding
	Composite Results		
	(Percent of responses)		
Colorado	70	22	9
Oregon	69	24	8
Kansas	69	23	8
South Dakota	67	24	9
Texas	71	19	10

Table 41. Public Funding for Research and Extension Activities (Question Z39)

State/Region	Maintain Mix of Formula and Competitive Funds	Increase Formula Funds	Shift Funding to Competitive Funds	Eliminate Funding
	Composite Results			
	(Percent of responses)			
Colorado	57	24	9	9
Oregon	55	27	10	8
Florida	41	40	13	6

In the following tables summarizing optional questions, the tables list only those states that asked a specific question and thus the conclusions from the survey results are limited only to the listed states. In some tables, more than one optional question is summarized for convenience and all of the states listed in the table did not necessarily asked all of the questions. In those cases, a dash is used to signify states that did not ask the specific question.

Research, Extension, and Education

Three optional questions addressed issues related to the Research, Extension, and Education title of the Farm Bill.

Producers in eight states were asked if research, extension, and education programs should be targeted only to small farms. Across the eight surveyed states, respondents strongly opposed targeting efforts only to small farms, with only a small minority in favor of targeting (Table 39). As one might expect, small and large farms do differ on this issue, but even small farms remain opposed to the complete targeting of research, extension, and education efforts. These results do not necessarily imply that existing programs targeted to specific audiences are not appropriate, but that there should be an effort to keep research, extension, and education programs generally accessible to all.

Another issue that continues to grow in relevance is the appropriate dissemination of technology developed through publicly-funded research at public institutions. While most if not all results of such research were historically released into the public domain, changes over time in the costs of conducting research and the funding of public research activities have strained research budgets. Additionally, the continual integration of basic research and applied research and development has created a new level of public and private interaction.

When asked about the appropriate dissemination of publicly-funded research results, respondents strongly favor making the results of research part of the public domain (Table 40). Licensing and patenting is not a preferred strategy among respondents, even if institutions see it as a way to maintain funding and supplement strained research budgets. However, the results also demonstrate that respondents do not want to abandon publicly-funded research activities. Only 8 to 10 percent of respondents favor elimination of public research funding.

In another optional question, producers were asked their opinion of public funding levels and approaches for research and extension activities. Among the three states surveyed, the majority of respondents favor either maintaining the current mix of formula and competitive funds or increasing formula funds for research and extension activities (Table 41). Shifting funding out of formula funds into competitive grants is not a preferred option according to respondents in the surveyed states. However, as with the previous question, either option is preferred to the elimination of public funding.

Table 42. Small and Beginning Farmer Incentive Programs (Questions Z27 - Z28)

State/Region	Provide Tax Credits?	Target More Farm Credit?
	Composite Results	
	(Percent responding yes)	
Oregon	—	81
Nebraska	90	—
South Dakota	91	88
Maryland	91	—
New Jersey	93	89
Alabama	—	86
Mississippi	—	81

— This table summarizes more than one optional question. Not all states asked all questions.

Table 44. Estate Tax Policy (Question Z35)

State/Region	Maintain Historic Tax Rates and Exemptions	Raise Exemption Rates	Raise Exemptions for Special Classes	Lower Tax Rates	Eliminate Taxes
			Composite Results		
			(Percent of responses)		
Colorado	5	16	11	6	62
Indiana	11	17	14	5	54
Kansas	13	19	12	9	46
Missouri	9	15	9	8	58
Maryland	5	14	13	8	60
Mississippi	12	14	4	7	63

Table 43. Census Definition of a Farm (Question Z30)

State /Region	Increase Definition of Farm to $10,000 Sales to Exclude "Hobby" Farms?		
	Composite Results	Small Farms	Large Farms
	(Percent responding yes)		
Arizona	69	63	90
Oregon	61	57	88
Nebraska	71	60	90
South Dakota	78	73	90
Maryland	53	45	82
Mississippi	47	40	85
Texas	54	50	90

Farm Structure

In discussions of farm structure, incentives for small and beginning farmers are a common issue. Table 42 provides the results of two optional questions that address additional incentives for small and beginning farmers.

In the four states surveyed, there is overwhelming support among respondents to provide tax credits to encourage small and beginning farmers (Table 42). In the five states that asked the question, strong support again favors supporting small and beginning farmers through the targeting of more farm credit funds. While exact policies of funding levels were not proposed, the results show strong agreement with the general concept of providing incentives that support small and beginning farmers.

Another optional question regarding farm structure addresses the Census definition of a farm. The current definition of a farm is one that expects to have $1,000 in agricultural sales or output annually. One possible change to the definition of a farm would be to increase the minimum size to $10,000 in expected annual sales or output. Based on *1997 Census of Agriculture* numbers, the increased threshold would remove more than 61 percent of all census farms currently reported. Based on the results in Table 43, respondents in most of the surveyed states favor raising the minimum definition of a farm to $10,000.

Not surprisingly, there are substantial differences in preferences by farm size. While small farm preference for such a change varies from 40 to 73 percent across states, large farms are overwhelmingly in favor of such a change.

Tax Policy

One final optional question asked in some states relates to estate tax policy. As the survey results in Table 44 show respondents in the six surveyed states favor the elimination of estate taxes relative to any other alternative form of estate tax relief or maintenance of then-existing policies. As these preferences were gathered before the estate tax reform of 2001 was passed, one can conclude that producers would generally be happy with the eventual phaseout of estate taxes passed into law.

However, given the specifics of the estate tax relief legislation, there is still concern over the long-term estate tax provisions and the scheduled expiration of estate tax relief in 2011. Thus, producers can be expected to remain concerned about the issue in the coming years.

Survey Demographics

The last section of the questionnaire asked producers for some personal data, including operator characteristics, farm income, and management practices. In addition, three optional questions focused on management practices and are summarized at the end of the chapter

Operator Characteristics

Survey respondents were asked to identify their age in one of six categories. Table 45 shows the percentage of farm operations across each age category. Based on the age distribution of survey respondents, the survey is very representative of the underlying distribution of farm operators. The distribution of age among survey respondents is 1 percent under 25 years of age, 3 percent from 25 to 34, 15 percent from 35 to 44, 26 percent from 45 to 54, 26 percent from 55 to 64, and 29 percent at 65 years of age and over. Corresponding numbers from the *1997 Census of Agriculture* are 1, 7, 19, 24, 22, and 26 percent respectively.

An analysis of this age data by size shows substantial differences in age structure for small farms as compared to large farms. Farm operators 65 years of age and older make up 33 percent of the small farm respondents, but only make up 13 percent of the large farm respondents. In contrast, the biggest category of large farms is the group between 45 and 54 years of age with 35 percent of large farms. By comparison, this age group accounts for only 24 percent of small farms.

Young farm operators below 35 years of age account for only 4 percent of the survey respondents. A common perception is that young farmers enter the industry in control of small operations. However, a breakdown of the respondent data shows as large a percentage of young farmers among the large farms as among the small farms. Given the large number of farm operators over 65 years of age and the small number of farm operators below 35 years of age, it is apparent that retirement transition alone will contribute to the declining number of farms over time in the United States.

Survey respondents were also asked about their farm tenure. Farm tenure is defined as the percentage of land a farm operator farms that is actually owned by the operator. Farms with no tenure are full tenant farms that rent 100 percent of the land that they farm. Farms with 100 percent tenure own all of the land that they farm. Table 46 shows the distribution of tenure among farms that responded to the survey. Full tenant farms make up 8 percent of respondents. Farms with between 75 percent of tenure and full tenure make up 58 percent of respondents. Farms with partial tenure account for the balance of 34 percent of respondents, with 11 percent in the 1 to 25 percent tenure category, 12 percent in the 26 to 50 percent category, and 11 percent in the 51 to 75 percent category respectively.

This distribution of tenure also correlates very closely with the 1997 census numbers. While the survey respondents are 8 percent full tenants, 34 percent part-owners, and 58 percent three-fourths to full-owners, the 1997 census reports 10 percent full tenants, 30 percent part-owners, and 60 percent full owners.

When the tenure data is further analyzed by size category, there are substantial differences between small and large farms. Small farms are much more likely to be full-tenure operations, with 64 percent of small operations in the 75 to 100 percent tenure category. By contrast, only 30 percent of large farms are in the 75 to 100 percent tenure category.

Based on this size influence on tenure, it is apparent that large farms are much more dependent on rental acreage than are small farms. If government support payments over time are bid into cash rental rates and land values, then the tenure characteristics would suggest that large farm operators benefit less per acre from farm programs than do small farm operators.

Table 45. Age of Principal Operator (Question 29)

State/Region	Under 25	25 - 34	35 - 44	45 - 54	55 - 64	65 and Over
			Composite Results			
			(Percent of responses)			
Arizona	2	0	13	33	25	28
Colorado	1	2	14	29	27	27
Idaho	0	3	15	30	25	26
Oregon	2	3	12	29	28	27
West	**1**	**2**	**13**	**30**	**27**	**27**
Illinois	1	4	17	30	24	25
Indiana	1	5	20	26	20	27
Iowa	2	3	19	30	26	20
Kansas	0	3	15	27	21	33
Michigan	1	3	19	29	30	18
Missouri	4	3	12	26	24	30
Nebraska	1	5	22	25	23	24
North Dakota	0	3	19	26	27	25
Ohio	2	4	16	27	26	25
South Dakota	4	10	15	29	18	24
North Central	**2**	**4**	**17**	**28**	**24**	**26**
Maryland	0	4	15	27	26	29
New Jersey	0	0	14	29	28	29
New York	1	5	18	28	26	21
Pennsylvania	1	5	15	28	27	24
Northeast	**1**	**4**	**16**	**28**	**27**	**24**
Alabama	1	2	11	32	28	28
Florida	0	3	13	29	24	31
Georgia*	0	6	34	26	26	8
Louisiana	1	3	17	24	24	32
Mississippi	2	3	14	27	26	29
Oklahoma	1	2	10	21	32	34
South Carolina	2	2	12	26	24	34
Tennessee	1	3	10	25	28	32
Texas	1	2	11	19	27	40
South**	**1**	**2**	**12**	**23**	**27**	**35**
National	**1**	**3**	**15**	**26**	**26**	**29**

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Producers were also asked to identify which generation the current operator represented on the farm, accounting for both the respondent's family or the spouse's family. Table 47 shows that nearly 36 percent of farm operators are the first generation present on their farm. These results suggest many farm operators are new entrants to the farm sector. Another possible explanation is that succeeding generations in a farm family eventually grow and acquire their own land holdings to farm independently or in partnership with other generations of the family. Either way, there are a substantial number of respondents who represent the first generation in their family to operate their current farm holdings.

The generational data displays some interesting results by size and by location. Comparing composite state results in the table, patterns of farm settlement in United States become readily apparent. While the number of sixth-generation farms or older in the Northeast is small at 4 percent, it is substantially larger than the percentage of sixth-generation or older farms in any other region.

Sorting the data by size shows large farms have a higher percentage

Table 46. Farm Tenure (Question 35)

State/Region	No Land Owned	1 - 25% of Land Owned	26 - 50% of Land Owned	51 - 75% of Land Owned	76 - 100% of Land Owned
			Composite Results		
			(Percent of responses)		
Arizona	22	25	7	6	41
Colorado	9	8	9	11	64
Idaho	9	10	9	10	61
Oregon	5	6	9	8	72
West	**9**	**9**	**9**	**9**	**64**
Illinois	13	22	17	10	39
Indiana	7	12	15	12	54
Iowa	14	14	14	12	47
Kansas	10	18	16	14	42
Michigan	4	11	17	15	54
Missouri	7	8	8	9	68
Nebraska	10	15	18	13	44
North Dakota	7	15	16	15	47
Ohio	8	13	16	13	50
South Dakota	17	11	13	16	42
North Central	**10**	**14**	**15**	**12**	**50**
Maryland	7	8	10	10	65
New Jersey	7	7	6	6	74
New York	4	6	5	16	68
Pennsylvania	8	7	10	14	61
Northeast	**7**	**7**	**8**	**13**	**65**
Alabama	3	7	7	9	74
Florida	6	5	7	6	75
Georgia*	4	20	20	30	26
Louisiana	7	16	10	10	58
Mississippi	6	11	14	10	59
Oklahoma	6	10	13	14	59
South Carolina	7	17	13	8	55
Tennessee	3	6	7	9	74
Texas	9	10	11	8	61
South**	**6**	**10**	**10**	**10**	**64**
National	**8**	**11**	**12**	**11**	**58**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

of third-and fourth-generation farms than do small farms. Large farms are 32 percent third-generation and 16 percent fourth-generation while small farms are 23 percent third-generation and 9 percent fourth-generation. This distribution is consistent with the perception that farms grow through successive generations, involving the acquisition, growth, and transition of farm estates. By contrast, small farms are much more likely to be first-generation at 39 percent than are large farms at 21 percent. Certainly, small farms represent one method of entry into agriculture for many new farmers. Small farms may also include a large number of noncommercial size farms with operators who come from a nonfarm background or who continue to work primarily in a profession outside of agriculture.

While Table 47 shows the number of first-generation farms to be substantial, it is interesting to note the number of farm operators who expect to pass on the operation of their farm to their children. As shown in the composite results in Table 48,

Table 47. Generation Represented by the Principal Operator (Question 39)

State/Region	1st	2nd	3rd	4th	5th	6th or More
			Composite Results			
			(Percent of responses)			
Arizona	49	26	14	7	3	0
Colorado	48	21	22	6	2	0
Idaho	40	26	23	10	1	0
Oregon	54	23	16	6	1	1
West	**48**	**23**	**19**	**7**	**1**	**1**
Illinois	24	27	28	15	5	2
Indiana	32	23	29	12	4	0
Iowa	34	26	25	11	4	1
Kansas	26	22	36	13	2	1
Michigan	28	33	28	7	2	1
Missouri	43	27	18	8	3	1
Nebraska	26	20	34	15	3	1
North Dakota	20	30	37	12	1	0
Ohio	36	26	19	11	5	2
South Dakota	27	32	30	8	2	0
North Central	**31**	**26**	**27**	**11**	**3**	**1**
Maryland	43	22	20	7	4	4
New Jersey	62	22	8	3	2	2
New York	44	24	18	10	2	2
Pennsylvania	39	29	18	7	2	5
Northeast	**43**	**26**	**17**	**8**	**2**	**4**
Alabama	41	29	20	9	2	1
Florida	49	25	17	8	1	1
Georgia*	20	10	41	20	8	2
Louisiana	36	29	26	7	2	1
Mississippi	35	30	26	8	2	0
Oklahoma	41	27	24	6	1	1
South Carolina	31	20	26	12	7	4
Tennessee	41	25	21	8	2	3
Texas	36	23	26	11	3	1
South**	**38**	**25**	**24**	**9**	**2**	**1**
National	**36**	**25**	**25**	**10**	**3**	**1**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

53 percent of farms expect to pass on the operation of their farm to their children. The second most frequent expectation is that they will pass on the farm operation to a third party.

Also of note in the data in Table 48 is a difference among states in the future expectations for the farm operation. In areas of the country where nonfarm development pressure is greater, the percentage of farm operators who expect their farm to be converted to a nonfarm use is higher. The highest percentage of expected nonfarm development transition is in the Northeast, at 21 percent. The West and the South are close behind at 17 and 16 percent respectively. In contrast, the less-populated western states in the North Central region generally have the smallest percentage of respondents that expect the farm to eventually be converted to a nonfarm use.

Table 49 shifts the focus to the education level of farm operators. In composite results, 9 percent of survey respondents have a formal education through grade school or some high school. A much higher percentage, 35 percent, are operating with a formal education through high school, while an additional 27 percent have some

Table 48. Expected Farm Transition at Retirement (Question 38)

State/Region	To Children	To Relative	To Unrelated Business Partner	To Third Party	To Non-Farm Use
			Composite Results		
			(Percent of responses)		
Arizona	52	7	5	22	15
Colorado	46	6	5	25	18
Idaho	46	4	5	25	19
Oregon	48	5	6	24	16
West	**47**	**5**	**6**	**24**	**17**
Illinois	47	12	10	26	5
Indiana	52	10	13	20	6
Iowa	45	9	11	32	4
Kansas	46	7	9	31	6
Michigan	54	4	4	18	20
Missouri	60	4	7	19	11
Nebraska	51	12	9	24	4
North Dakota	52	10	5	26	6
Ohio	50	10	7	20	13
South Dakota	55	8	4	26	7
North Central	**51**	**8**	**8**	**24**	**8**
Maryland	55	8	8	15	14
New Jersey	36	9	5	18	32
New York	41	4	5	25	26
Pennsylvania	52	6	4	21	17
Northeast	**47**	**6**	**5**	**21**	**21**
Alabama	60	5	4	15	17
Florida	54	6	5	10	25
Georgia*	68	4	6	12	10
Louisiana	52	6	7	13	22
Mississippi	57	3	6	15	20
Oklahoma	63	6	5	18	8
South Carolina	58	14	9	9	11
Tennessee	50	8	5	13	24
Texas	58	7	6	16	13
South**	**57**	**7**	**5**	**15**	**16**
National	**53**	**7**	**7**	**20**	**13**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

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college training, including many two-year degrees. Four-year college graduates account for 29 percent of survey respondents, with 19 percent of respondents farming with a bachelor's degree and 10 percent of respondents farming with advanced degrees beyond a bachelor's degree.

Further analysis by size finds a higher percentage of large farms (34 percent) have a college or advanced degrees than do small farms (29 percent). While college degrees might seem appropriate for farm operators managing large farms, a substantial percentage of small farm operators also hold college degrees. In part, this can be explained by a number of college-educated professionals who primarily work off the farm, but own and operate a small farm or acreage.

One other operator characteristic was addressed in the questionnaire. Table 50 documents the percentage of farm operators by membership in a few of the major farm organizations. From composite results, nearly 42 percent of respondents are members of the American Farm Bureau, the

Table 49. Education of Principal Operator (Question 33)

State/Region	Grade School	Some High School	High School	Some College	College Degree	Advanced Degree
			Composite Results			
			(Percent of responses)			
Arizona	4	7	14	29	29	18
Colorado	2	3	27	30	24	14
Idaho	2	7	27	34	20	10
Oregon	2	2	23	31	28	13
West	**2**	**4**	**25**	**31**	**25**	**13**
Illinois	2	4	38	29	19	7
Indiana	5	2	54	20	11	8
Iowa	5	3	41	30	16	6
Kansas	4	4	33	29	20	10
Michigan	2	3	44	34	10	7
Missouri	8	5	42	21	16	8
Nebraska	3	2	36	34	21	4
North Dakota	10	2	31	27	24	7
Ohio	4	6	51	22	13	5
South Dakota	7	5	36	31	18	4
North Central	**5**	**4**	**41**	**27**	**16**	**7**
Maryland	3	9	35	22	19	12
New Jersey	2	4	23	23	26	22
New York	3	7	43	24	16	8
Pennsylvania	8	6	46	15	15	9
Northeast	**5**	**7**	**41**	**19**	**17**	**10**
Alabama	2	6	34	30	18	10
Florida	2	4	20	32	25	18
Georgia*	0	0	29	31	31	10
Louisiana	3	5	30	25	22	16
Mississippi	3	7	28	31	22	9
Oklahoma	2	7	29	29	20	13
South Carolina	2	6	30	25	25	12
Tennessee	6	9	35	20	17	13
Texas	3	4	23	31	26	13
South**	**3**	**6**	**27**	**29**	**23**	**13**
National	**4**	**5**	**35**	**27**	**19**	**10**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

largest producer organization nationwide. The various commodity and trade groups also garner a share of producers as members, with 12 percent belonging to at least one commodity group.

The other general farm organizations have a relatively small share of producers as members, with the National Farmers Union holding 4 percent membership, the National Farmers Organization holding 2 percent, and the National Grange holding only 1 percent nationwide. However, within certain areas of the country, some organizations have much greater membership numbers. The National Farmers Union has a small share of membership nationwide, but does have a sizable membership throughout the Great Plains region from Oklahoma up to North Dakota. Membership is greatest in North Dakota, where 46 percent of respondents indicated they were National Farmers Union members.

Table 50. Agricultural Organization Membership (Question 36)

State/Region	American Farm Bureau	National Farmers Organization	National Farmers Union	National Grange	Commodity/ Trade Associations
	Composite Results				
	(Percent responding yes)				
Arizona	39	3	0	2	30
Colorado	25	1	8	3	16
Idaho	33	1	1	3	15
Oregon	25	1	0	9	25
West	**28**	**1**	**3**	**5**	**20**
Illinois	75	1	1	1	11
Indiana	50	1	1	0	11
Iowa	52	2	1	0	15
Kansas	48	2	5	0	14
Michigan	56	2	3	1	12
Missouri	21	2	1	0	9
Nebraska	21	2	6	0	15
North Dakota	24	2	46	1	14
Ohio	51	3	3	4	10
South Dakota	12	2	16	0	10
North Central	**43**	**2**	**5**	**1**	**12**
Maryland	45	1	0	3	12
New Jersey	46	1	0	4	18
New York	40	4	1	4	12
Pennsylvania	31	2	3	8	12
Northeast	**37**	**2**	**2**	**6**	**12**
Alabama	22	4	0	0	20
Florida	46	2	0	0	22
Georgia*	58	2	0	0	27
Louisiana	44	2	0	0	11
Mississippi	48	2	0	0	8
Oklahoma	31	1	12	1	7
South Carolina	56	6	0	0	13
Tennessee	66	2	0	0	5
Texas	42	1	2	0	10
South**	**44**	**2**	**2**	**0**	**11**
National	**42**	**2**	**4**	**1**	**12**

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Farm Income Characteristics

Producers were asked a number of questions in the survey about farm income. A key question to the analysis of the entire survey was the producer response to question 30, the amount of gross annual sales. The survey was stratified by size to target two sub-samples, specifically farms below $100,000 in gross sales and also farms at or above $100,000 in gross sales. The distribution of small farms is categorized on the left-hand side of Table 51 by one of three sales classes while the distribution of large farms is categorized into four sales classes on the right-hand side of the table.

Among the small farms, 36 percent of the survey respondents reported sales below $10,000, 39 percent reported sales between $10,000 and $50,000, and 25 percent reported sales between $50,000 and $100,000 annually. This compares with 61 percent, 28 percent, and 10 percent respectively among the same

Table 51. Average Annual Gross Sales (Question 30)

State/Region	Under $10,000	$10,000 - $49,999	$50,000 - $99,999	$100,000 - $249,999	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 and Over
	Small Farms			Large Farms			
	(Percent of small farm responses)			*(Percent of large farm responses)*			
Arizona	30	38	32	11	21	28	40
Colorado	39	40	21	55	21	11	13
Idaho	26	52	22	53	24	14	8
Oregon	33	33	35	40	27	17	17
West	**33**	**40**	**27**	**46**	**24**	**15**	**15**
Illinois	12	52	37	63	25	10	2
Indiana	38	38	25	54	28	13	6
Iowa	22	41	37	62	28	7	3
Kansas	20	43	38	66	23	7	5
Michigan	16	32	53	50	27	14	9
Missouri	37	49	15	65	20	8	6
Nebraska	15	39	46	63	22	9	6
North Dakota	29	38	34	63	25	10	2
Ohio	40	34	26	58	32	6	4
South Dakota	30	30	40	61	24	10	5
North Central	**27**	**41**	**32**	**61**	**26**	**9**	**4**
Maryland	42	41	17	52	21	15	13
New Jersey	61	29	10	40	23	13	23
New York	41	36	23	56	27	8	9
Pennsylvania	51	31	19	58	26	9	7
Northeast	**48**	**33**	**19**	**56**	**25**	**9**	**9**
Alabama	39	36	25	66	18	9	8
Florida	35	39	25	32	21	12	35
Georgia*	*	*	*	14	25	25	37
Louisiana	53	36	11	29	31	23	18
Mississippi	57	34	9	31	28	24	18
Oklahoma	33	52	16	63	28	6	4
South Carolina	46	37	17	40	40	10	10
Tennessee	60	33	7	58	21	15	7
Texas	37	37	26	40	30	16	15
South**	**42**	**39**	**19**	**40**	**27**	**16**	**17**
National	**36**	**39**	**25**	**55**	**26**	**11**	**8**

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sales classes for small farms in the 1997 census. Based on a comparison of survey responses to agricultural census numbers, it would appear that the farm of less than $10,000 in annual gross sales are underrepresented in the survey. However, farms of less than $10,000 in annual gross sales are generally not commercial-scale operations and may be less interested in farm programs aimed at commercial agriculture and thus less inclined to return the surveys.

For large farms, the four classes of sales in the survey correspond with three classes of sales in the 1997 census numbers. In the survey, 55 percent of large farm respondents reported sales between $100,000 and $250,000, 26 percent reported sales between $250,000 and $500,000, and 19 percent reported sales of $500,000 or more annually. By comparison, the 1997 census reported 55 percent, 25 percent, and 20 percent of large farms in the corresponding three sales classes, respectively. Thus, the sales distribution of large farm survey respondents closely matches the underlying sales distribution among all large farms across the country.

Table 52 provides an analysis of average cash receipts by commodity group for individual producers. Each producer responding to the survey

Table 52. Average Share of Cash Receipts by Commodity Group for Individual Producers (Question 31)

State/Region	Grains	Oilseeds	Cotton	Forages	Dairy	Other Livestock	Specialty Crops	Peanuts, Sugar, and Tobacco	Other Products
					Composite Results				
					(Percent of receipts)				
Arizona	5.8	0.0	5.0	5.4	1.8	56.1	19.7	0.0	6.1
Colorado	19.3	0.4	0.1	17.1	1.3	42.6	4.6	0.7	13.9
Idaho	19.4	0.4	0.2	14.9	5.6	38.8	6.7	2.0	12.1
Oregon	8.5	0.0	0.0	5.4	2.2	28.3	17.9	0.3	37.4
West	**14.3**	**0.2**	**0.4**	**11.4**	**2.7**	**37.2**	**11.1**	**0.8**	**21.7**
Illinois	58.9	20.1	0.0	1.5	2.1	14.3	0.7	0.0	2.4
Indiana	46.3	15.1	0.0	3.6	5.1	19.8	1.2	2.3	6.5
Iowa	45.7	16.0	0.3	2.4	2.9	26.0	0.8	0.0	5.8
Kansas	49.2	8.1	0.0	4.5	0.5	34.1	0.6	0.0	3.0
Michigan	27.4	8.0	0.0	1.8	15.3	7.2	19.8	2.6	17.8
Missouri	18.2	9.8	0.9	6.7	2.8	55.1	0.7	0.2	5.6
Nebraska	46.6	8.7	0.0	2.9	1.3	35.7	1.5	0.1	3.2
North Dakota	44.1	12.4	0.4	3.4	1.5	28.6	4.1	1.8	3.7
Ohio	43.7	13.7	0.2	6.0	6.4	18.9	3.2	1.2	6.6
South Dakota	29.6	14.3	1.1	3.7	1.8	44.8	0.8	0.0	3.9
North Central	**40.8**	**12.9**	**0.3**	**3.8**	**3.8**	**29.2**	**2.7**	**0.7**	**5.7**
Maryland	22.4	5.8	0.0	4.1	10.3	27.8	5.6	3.6	20.4
New Jersey	3.1	1.7	0.0	11.7	1.8	18.7	20.3	0.0	42.6
New York	5.7	0.6	0.0	12.7	37.1	16.4	12.7	0.0	14.8
Pennsylvania	12.7	1.5	0.1	9.0	22.7	27.4	8.3	0.3	18.1
Northeast	**10.7**	**1.7**	**0.1**	**9.9**	**23.9**	**23.1**	**10.5**	**0.6**	**19.6**
Alabama	3.3	1.0	3.1	5.3	1.0	72.3	4.0	3.2	6.9
Florida	2.0	0.1	1.7	1.8	1.5	32.7	29.8	7.4	23.0
Georgia*	6.7	1.9	29.3	0.7	0.0	8.4	12.3	34.0	6.8
Louisiana	11.8	2.7	5.8	5.8	2.1	52.0	5.4	3.4	11.0
Mississippi	8.9	7.4	10.2	4.6	0.6	55.2	4.3	0.0	8.8
Oklahoma	15.6	0.7	0.7	4.9	1.2	69.1	3.2	1.3	3.4
South Carolina	17.9	6.4	4.1	0.6	0.8	36.9	2.3	17.9	13.1
Tennessee	3.7	1.7	0.5	6.6	3.0	53.5	2.4	23.5	5.0
Texas	12.2	0.2	7.9	5.5	1.6	62.1	1.9	1.1	7.6
South**	**9.8**	**1.4**	**5.0**	**5.0**	**1.6**	**58.2**	**4.7**	**6.3**	**8.0**
National	**24.3**	**6.6**	**2.2**	**5.3**	**4.3**	**41.0**	**4.7**	**2.9**	**8.8**

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reported a breakdown of their gross cash receipts in terms of the percentage of total cash receipts in each category. Based on national composite results, the average producer generates 24 percent of their cash receipts from grains, which include wheat, rice, feed grains, and other coarse grains. The average producer collects nearly 7 percent of their cash receipts from oilseeds, 2 percent from cotton, and 5 percent from forages. On average, respondents collect 4 percent of receipts from dairy and 41 percent from other livestock enterprises including pork, beef, sheep, and poultry. Specialty crops including fruits, tree nuts, vegetables, and pulses account for nearly 5 percent of cash receipts for average respondents. Peanuts, sugar, and tobacco account for about 3 percent and other products account for about 9 percent of cash receipts for average respondents.

It is readily apparent from the data in Table 52 that major commodity groups vary greatly across the county. North Central respondents are much more dependent on grains and oilseeds than other regions. In contrast, cotton, peanuts, sugar, and tobacco are much more concentrated in the South. The results clearly

Table 53. Percent of Family Income from Farming or Ranching (Question 32)

State/Region	None	1 - 25%	26 - 50%	51 - 75%	76 - 100%
			Composite Results		
			(Percent of responses)		
Arizona	19	22	13	9	36
Colorado	7	41	17	12	23
Idaho	3	35	18	14	29
Oregon	5	35	17	13	30
West	**6**	**36**	**17**	**13**	**28**
Illinois	2	28	23	17	30
Indiana	4	43	14	11	28
Iowa	3	24	19	17	37
Kansas	3	28	19	22	28
Michigan	5	25	16	13	41
Missouri	6	47	18	10	18
Nebraska	1	16	14	18	51
North Dakota	4	21	17	15	44
Ohio	6	39	19	11	25
South Dakota	5	16	14	17	48
North Central	**4**	**31**	**18**	**15**	**32**
Maryland	9	44	12	11	24
New Jersey	16	49	15	2	17
New York	10	35	13	9	33
Pennsylvania	10	39	10	9	31
Northeast	**11**	**39**	**12**	**9**	**29**
Alabama	5	48	13	11	22
Florida	8	41	19	9	22
Georgia*	2	6	6	21	65
Louisiana	11	53	15	5	15
Mississippi	10	53	14	9	15
Oklahoma	5	44	25	10	16
South Carolina	12	46	17	9	16
Tennessee	6	64	14	6	10
Texas	6	41	17	15	21
South**	**7**	**47**	**17**	**11**	**18**
National	**6**	**38**	**17**	**13**	**26**

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demonstrate the importance of livestock production nationwide, particularly in the South, where it represents 58 percent of gross cash receipts for the average producer. Further analysis of the data by size also points to a difference in major enterprises by size of operation. Large farms are much more dependent on the production of grains, cotton, and oilseeds. The average large farm earns 53 percent of cash receipts from these crops, while the average small farm earns 29 percent of cash receipts from these same crops. In contrast, small farms are more dependent on dairy and livestock enterprises. Small farm operators average 48 percent of their cash receipts from dairy and other livestock while large farm operators earn 32 percent on average from the same commodities.

Most farm and ranch families earn much of their family income from nonfarm sources. Based on producer responses reported in Table 53, only 26 percent of respondents nationwide earn more than three-fourths of their family income from the farm. By contrast, more than 60 percent of respondents earn half or less of their family income from the farm or ranch operation. Not surprisingly, these percentages vary substantially between small and large farms. An analysis of the survey responses by size show large farms are much more dependent on farm income. Nationally, 64 percent of large farm operators earn more than three-fourths of their family income from the farm or ranch. At the other end of the spectrum, more than 50 percent of small farm operators earn one-fourth or less of their family income from the farm or ranch.

Management Characteristics

Producers were asked a number of questions about their management decisions in both the demographics section of the questionnaire and also in the optional section of the questionnaire. Responses to national questions on federal farm program participation, risk management decisions, financial management strategies, and technology adoption are summarized in this section.

Table 54 provides a summary of farm program participation on the part of survey respondents. Based on the national composite results, 40 percent of respondents participated in commodity programs in 2000. However, an analysis of the survey responses by size group reveals some interesting differences. Just as large farms were more dependent on cash receipts from grains, cotton, and oilseeds, they were also more likely to have participated in commodity programs, with 76 percent participating while only 33 percent of small farms participated.

In similar fashion, large farms were more likely to use risk manage-

Table 54. Federal Farm Program Participation (Question 34)

State/Region	Commodity Programs	Conservation Programs	Risk Management Programs	Agricultural Credit Programs	Disaster Assistance Programs	Other Federal Programs
			Composite Results			
			(Percent responding yes)			
Arizona	18	8	5	1	20	2
Colorado	28	19	17	3	21	7
Idaho	39	19	7	6	16	16
Oregon	17	10	6	3	8	7
West	**26**	**15**	**10**	**3**	**15**	**9**
Illinois	77	33	29	7	12	17
Indiana	57	17	15	7	13	21
Iowa	71	33	38	8	15	16
Kansas	69	33	42	7	48	12
Michigan	60	21	13	5	13	14
Missouri	33	22	12	5	27	13
Nebraska	70	30	53	8	44	12
North Dakota	69	43	52	8	55	19
Ohio	53	23	16	5	18	17
South Dakota	65	24	44	8	43	21
North Central	**61**	**27**	**29**	**7**	**26**	**16**
Maryland	25	22	9	5	11	12
New Jersey	6	6	1	2	8	4
New York	27	13	6	4	17	15
Pennsylvania	23	17	13	3	21	13
Northeast	**23**	**15**	**9**	**3**	**17**	**13**
Alabama	14	20	6	3	43	9
Florida	9	9	16	2	19	3
Georgia*	77	39	56	10	77	14
Louisiana	23	20	9	2	28	9
Mississippi	25	18	12	3	43	7
Oklahoma	29	12	13	3	48	8
South Carolina	40	31	22	6	36	31
Tennessee	13	11	7	6	36	17
Texas	26	16	17	5	44	8
South**	**23**	**16**	**14**	**4**	**41**	**10**
National	**40**	**21**	**20**	**5**	**30**	**13**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

ment programs and also to receive benefits under disaster assistance programs. While an average of 20 percent of respondents participated in risk management programs in 2000, the size breakdown shows 46 percent of large farms and only 15 percent of small farms participated. For disaster assistance, the participation rates were 37 percent for large farms and 29 percent for small farms, combining for a composite participation rate of 30 percent.

Even with conservation programs, large farms were more likely to participate. While an average of 21 percent of farms nationally reported participating, 29 percent of large farms participated while only 19 percent of small farms participated. The other specific program, agricultural credit, was used by only a small percentage of respondents, with 5 percent reporting they participated in agricultural credit programs in 2000.

In addition to federal farm programs, producers have a number of risk management tools available

Table 55. Use of Risk Management Tools and Strategies (Question 37)

State/Region	Output Price Hedging	Production/ Revenue Insurance	Input Cost Hedging	Grain Storage	Diversification	Financing or Savings	Information from the Internet	Management Education	Off-Farm Income
				Composite Results					
				(Percent responding yes)					
Arizona	15	6	3	6	14	20	21	37	41
Colorado	11	19	3	20	19	19	16	29	60
Idaho	8	15	2	24	19	23	14	24	58
Oregon	5	9	1	8	17	16	13	24	50
West	**9**	**14**	**2**	**15**	**18**	**19**	**15**	**26**	**55**
Illinois	38	47	6	68	20	23	22	28	61
Indiana	25	27	5	51	17	17	16	20	56
Iowa	31	51	8	64	23	24	18	29	55
Kansas	23	52	7	42	25	23	17	25	60
Michigan	25	23	4	36	18	18	13	19	44
Missouri	7	20	2	27	13	14	13	20	59
Nebraska	32	58	8	60	29	25	19	30	50
North Dakota	26	55	6	61	30	22	17	30	50
Ohio	21	27	4	42	13	17	13	20	56
South Dakota	19	52	5	52	19	19	16	28	47
North Central	**24**	**39**	**5**	**49**	**20**	**20**	**16**	**25**	**55**
Maryland	12	14	1	18	13	16	14	21	49
New Jersey	4	7	2	1	15	14	20	21	63
New York	5	11	1	12	15	23	14	25	47
Pennsylvania	7	16	3	23	14	18	11	23	50
Northeast	**7**	**13**	**2**	**17**	**14**	**19**	**13**	**23**	**50**
Alabama	5	12	3	7	10	14	13	24	53
Florida	5	21	2	2	11	19	16	28	51
Georgia*	44	64	12	31	39	31	29	64	44
Louisiana	12	16	2	9	16	15	12	28	54
Mississippi	13	17	3	9	9	10	12	24	51
Oklahoma	7	19	1	13	8	15	11	22	63
South Carolina	13	29	2	25	19	20	15	27	60
Tennessee	3	14	1	5	8	10	11	19	57
Texas	9	23	2	11	12	12	13	22	58
South**	**8**	**20**	**2**	**10**	**11**	**13**	**13**	**23**	**57**
National	**15**	**28**	**4**	**29**	**16**	**17**	**14**	**24**	**56**

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

** South regional results by size are computed from eight states for small farms (not including Georgia) and from nine states (including Georgia) for large farms. South regional composite results are calculated from the regional results by size weighted by the regional population of small and large farms (including Georgia).

for their use. Table 55 provides a list of nine specific risk management tools and strategies. Based on the survey results, respondents are most likely to use grain storage systems (29 percent), management education (24 percent), and off-farm income (56 percent) to address risk in their operation. When the responses are analyzed by size, it is apparent that large farms use all of the available risk management tools to a greater extent than do small farms, except for off-farm income. Not surprisingly, just as the data behind Table 53 showed small farms are much more reliant on off-farm sources for family income, small farms are also more likely to use off-farm income as a risk management tool. Nationally, 59 percent of small farms report using off-farm income as a risk management tool while only 39 percent of large farms reporting using off-farm income as a risk management tool.

Other Demographic Issues

Three optional questions also addressed management characteristics of survey respondents. As with all optional questions, they were chosen from a large bank of optional questions (in the Appendix). Due to

Table 56. Financial Management Strategies (Questions Z40 - Z41)

State/Region	Draw on Equity in Past 3 Years?			Refinance Debt in Past 3 Years?		
	Composite Results	Small Farms	Large Farms	Composite Results	Small Farms	Large Farms
	(Percent responding yes)			*(Percent responding yes)*		
Arizona	62	59	72	33	30	42
Colorado	51	47	70	30	27	45
Idaho	55	49	78	32	26	52
Missouri	45	42	67	26	23	52
Maryland	45	41	57	24	21	35
Georgia*	86	*	86	69	*	69
Tennessee	35	34	67	17	15	42
Texas	38	35	75	21	18	47

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

Table 57. Technology Adoption (Question Z45)

State/Region	E-Commerce	Herbicide-Tolerant Crops	Seed from Tissue Culture	Genetically-Modified Seed	Plant Growth Stimulants/ Regulators	Insect Growth Regulators	Precision Agriculture	Precision Irrigation	Livestock Production Stimulant Shots/Implants
	Composite Results								
	(Percent responding yes)								
Arizona	13	15	3	17	32	21	7	34	24
Idaho	14	12	4	5	17	10	5	20	24
Oregon	14	10	5	5	22	15	7	18	11
Missouri	9	32	7	29	27	18	5	5	41
South Dakota	11	50	4	41	16	13	8	3	40
Maryland	12	31	5	24	11	12	5	7	8
Florida	13	21	5	9	27	27	4	29	20
Georgia*	15	62	12	58	58	40	31	44	19
Tennessee	10	20	7	14	22	20	2	3	30

* Due to insufficient response, there are no results reported for small farms in Georgia. Thus, the state composite results represent only the large farm results.

space constraints, states had to select which issues were most relevant to producers in their state and ask the corresponding questions.

In the following tables summarizing optional questions, the tables list only those states that asked a specific question and thus the conclusions from the survey results are limited only to the listed states

Management Characteristics

In Table 56, two questions are summarized that highlight respondents' financial management strategies in the past three years. Among the eight states that asked the two questions, a substantial number of respondents drew on equity and also refinanced debt to address the financial concerns in recent years. Notably, a much greater percentage of large farms than small farms drew on their equity or refinanced debt in the past three years. While large and small farms both faced reduced prices for many commodities in recent years, small farms likely were able to use off-farm income sources to help maintain cash flow without needing to draw on equity or refinance existing debt.

Finally, the results in Table 57 show the varying degrees of adoption of different classes of technology in the nine states surveyed. For all of the practices other than electronic commerce, the technology adoption rates are heavily dependent on the percentage of farmers that actually produce the relevant commodities. However, a breakdown of the results by size indicates that larger farms are generally greater adopters of new technology than are small farms.

Conclusion

The National Agricultural, Food, and Public Policy Preference Survey targeted agricultural producers to determine their preferences on current policy issues and future policy directions. A total of 27 states participated in the survey, representing a broad cross-section of the nation that is home to nearly 70 percent of all U.S. farms and ranches.

Based on the demographic data collected from survey respondents, the survey results appear to be a good representation of the population of producers in the surveyed states. The distribution of farms by age, tenure, and sales category closely match the corresponding distributions of farms in the *1997 Census of Agriculture*.

The survey focused on a number of policy issues likely to be addressed or discussed during the development of the next Farm Bill. The survey included questions related to farm income and risk management policy, conservation and environmental policy, trade policy, food policy, and the structure of agriculture. Some general conclusions from the analysis of the national questions help to illustrate the choices and trade-offs that must be made during the development of the next Farm Bill.

Generally, respondents favor preserving agricultural support programs, although they often differ on the preferred tools and methods. This view is consistent with producer opinion that the government does have a role in protecting agriculture from the full impact of market conditions.

For commodity programs, respondents generally favor holding on to existing programs and adding additional tools to support income and manage risk as available.

Other commodity programs offer challenging choices, including dairy, where it is apparent that interstate dairy compacts will face a political crossroads over whether to expand or expire.

In the conservation arena, respondents seem ready and willing to provide environmental amenities to society if society is willing to provide financial incentives for doing so. Either through the CRP or through specific incentive programs, respondents favor increased funding for environmental incentives.

In general, farmers are very supportive of free trade, seeing the benefits they receive from trade in agricultural goods. They also favor increasing market access though pursuing free-trade agreements and also through eliminating unilateral trade sanctions of food and medicine. While free trade may be a common goal of most respondents, there is less consensus on the difficult path ahead toward free trade. Respondents generally support comprehensive negotiations while some also consider multifunctionality an acceptable reason for trade restrictions even when it distorts trade.

In the area of food policy, respondents generally take an approach of providing more information to consumers, although there are concerns over the message labeling delivers to consumers when there are actually no scientific differences in the food products.

There are many complex issues surrounding the structure of agriculture. In the rural development arena, respondents rate access to capital, education and training, and business development as important goals for policy. Respondents also favor a continued role for farm and rural credit programs and look for them remain accessible to all producers.

In the area of market competition, respondents favor the enforcement of existing antitrust laws and merger reviews. On a related note, respondents look to the government to continue its role of providing market information to support open and efficient agricultural markets.

Farm structure is a key component of the structure of agriculture and involves a complex set of issues. Generally, respondents favor targeting income support programs to small farmers, although it is unclear just how many respondents consider themselves to be the small farmers that would be targeted for supports.

Labor issues continue to grow in importance as a fundamental factor shaping the future of agriculture. Workforce availability, human resource management, and seasonal labor availability show up as the most critical issues.

In another issue, commodity promotion and research checkoff programs face continued scrutiny from producers. A majority of respondents favor an ongoing review of checkoff programs, either through regular referendums or through referendums by petition or at the discretion of the Secretary of Agriculture.

In sum, the survey analysis points to some interesting results. Certainly, the current economic climate is different than it was during the development of the previous two Farm Bills. The difference is apparent in producer attitudes that favor continuing farm programs to a greater degree now than in the past two producer surveys. In addition, the range of policy choices extends far beyond those considered possible during the last Farm Bill debate. Thus, a comprehensive analysis of policy alternatives and a clear understanding of producer preferences are both vital to the policy development process.

The complex issues and the sometimes-conflicting views of producers make policy choices extremely difficult. These realities are among the challenges that the writers of the next Farm Bill face in crafting a working Farm Bill that meets with the approval of U.S. agricultural producers.

Appendix

2001 National Agricultural, Food, and Public Policy Preference Survey

On land operated by the farm, ranch, or individual(s) listed on the label:
(Please respond to the following questions)

	YES	NO
a. Will crops be grown or forages cut at any time during 2001?	☐	☐
b. Will grain or soybeans be stored at any time during 2001 or do you have storage facilities used for storing grain?	☐	☐
c. Will fruits, vegetables, nuts, nursery crops, or other specialty crops be grown at any time during 2001?	☐	☐
d. Are there now or will there be dairy, hogs, cattle, sheep, poultry, or other livestock on this operation during 2001?	☐	☐

If you checked NO to all of the above questions, please provide the name and address of the new operator and return this questionnaire in the enclosed envelope. If you checked YES to any of the above questions, please answer each of the following questions in the way that most closely expresses your opinion about the selected policy issues and alternatives.

Section A - Farm Income and Risk Management Policy

1. Including baseline and emergency spending, direct farm income support has varied from $4 billion to more than $20 billion in recent years. What should be the policy for baseline farm income support payments after the current Farm Bill expires at the end of the 2002 crop year? (Check one)
   - a. Increase funding for direct income support programs to maximum levels allowed by international trade agreements ☐
   - b. Continue funding for direct income support programs at current levels (approximately $12 billion for non-emergency spending) ☐
   - c. Eliminate all direct income support payments over a 5 to 10 year period ☐

2. If farm income supports are included in the next Farm Bill for commodities, which ones should be included? (Check all that apply)
   - a. Program crops currently eligible for benefits, including wheat, corn, sorghum, barley, oats, oilseeds, cotton, and rice ☐
   - b. Crops currently covered by other farm programs, including sugar, peanuts, and tobacco ☐
   - c. Dairy commodities ☐
   - d. Fruits, vegetables, tree nuts, and pulses ☐
   - e. Nursery and horticultural specialty crops ☐
   - f. Other livestock and livestock products ☐

3. In general, should the government fund programs that provide income support for agricultural producers and partially protect them from the full impact of market conditions. YES ☐ NO ☐

4. If the answer to question 3 is YES, what should the safety net look like? (Please rank the following from 1=most to 5=least important, using each ranking only once)
   - a. Support payments tied to price (such as marketing loans) ☐
   - b. Fixed payments (such as AMTA or PFC payments) ☐
   - c. Support payments tied to income ☐
   - d. Subsidized insurance ☐
   - *e. Ad hoc* disaster assistance ☐

5. Current law authorizes five states to price milk through the Northeast Dairy Compact. What should be the policy regarding interstate dairy compacts? (Check one)
   - a. Eliminate the Northeast Dairy Compact ☐
   - b. Maintain the Northeast Dairy Compact for the five states presently included ☐
   - c. Allow expansion of the Northeast Dairy Compact to additional states and the development of dairy compacts in other regions of the country ☐

6. If funding for risk management programs was increased, which approach would be most preferred? (Please rank the following from 1=most to 4=least important, using each ranking only once)
   - a. Increase coverage regions, protection levels, and premium subsidies for crop and revenue insurance ☐
   - b. Expand federal programs to include insurance for livestock producers ☐
   - c. Establish tax-deferred savings accounts for farmers, providing for withdrawals in a low-income year or at retirement ☐
   - d. Provide an incentive payment for using various risk management tools, including hedging, insurance, debt and equity financing, savings accounts, and education ☐

Section B - Conservation and Environmental Policy

7. Should the federal government provide financial incentives to encourage the provision of the following environmental benefits?

	YES	NO
a. Protection of open space	☐	☐
b. Protection of farmland	☐	☐
c. Protection of water quality	☐	☐
d. Provision of wildlife habitat	☐	☐
e. Management of animal waste	☐	☐
f. Reducing soil erosion	☐	☐
g. Increasing carbon in the soil	☐	☐
h. Producing fuels from crops and other biomass	☐	☐
i. Providing habitat for endangered species	☐	☐

8. What should be the policy toward the Conservation Reserve Program (CRP) after 2002? (Check one)
   a. Increase funding and enrollment levels ☐
   b. Maintain existing funding and enrollment levels ☐
   c. Restrict any future funding and enrollment to high-priority, environmentally-sensitive lands ☐
   d. Eliminate the CRP as current contracts expire ☐

Section C - Trade Policy

		YES	NO
9.	Do U.S. farmers benefit from international trade	☐	☐
10.	Should the U.S. pursue free-trade agreements to reduce and eliminate trade barriers	☐	☐
11.	Should the government eliminate unilateral sanctions prohibiting trade in food and medicine with other countries	☐	☐
12.	Should labor laws, environmental impacts, and food safety standards be included as part of international trade negotiations	☐	☐
13.	Should countries be allowed to restrict trade to pursue domestic economic and social policy goals even if the policies affect international trade	☐	☐

Section D - Food Policy

		YES	NO
14.	Labeling should be used to identify country of origin on food products	☐	☐
15.	Food products made with biotechnology should be labeled if there IS a scientifically-determined difference in the product	☐	☐
16.	Food products made with biotechnology should be labeled even if there IS NO scientifically-determined difference in the product	☐	☐
17.	Food labels should explain production practices even if there IS NO scientifically-determined difference in the product	☐	☐
18.	The federal government should increase efforts to improve traceability from consumer back to producer to improve food safety and tracking	☐	☐

Section E - Structural Issues

19. If funding for rural development programs was increased, which of the following approaches would be most preferred? (Please rank the following from 1=most to 5=least important, using each ranking only once)
   a. Improve access to capital for business expansion and development in rural areas ☐
   b. Improve education and training programs for rural development ☐
   c. Increase rural access to the Internet ☐
   d. Increase federal funds for local government infrastructure and services ☐
   e. Increase funding for business development and job creation in rural areas ☐

20. What should be the policy regarding federal farm and rural credit programs? (Check one)
   a. Continue present programs and funding levels ☐
   b. Increase funding of present programs ☐
   c. Eliminate funding for farm lending programs ☐

21. Should farm and rural credit programs be targeted to select populations? YES ☐ NO ☐

22. If credit programs are targeted, who should be the targeted audience? (Check all that apply)
   a. Beginning farmers ☐
   b. New enterprises and diversification ☐
   c. Socially-disadvantaged groups ☐
   d. Low-income farms and rural areas ☐

23. Should farm income support programs be modified to target benefits to small farms? YES ☐ NO ☐

24. If support programs are targeted, on what main criterion should farms be classified for targeting? (Check one)
   a. Acreage farmed ☐
   b. Gross farm sales ☐
   c. Net farm income ☐
   d. Farm and nonfarm household income ☐

25. What should be the policy of the government regarding concentration of agribusinesses? (Check one)
   a. Let market forces guide industry consolidation by reducing government antitrust regulation ☐
   b. Enforce existing antitrust laws and review impacts on markets and competition before approving mergers or acquisitions ☐
   c. Strengthen antitrust laws to reduce concentration in all agribusiness sectors ☐

26. What should be the policy of the government regarding agricultural market information and reporting? (Check one)
   a. The government should continue to collect and distribute market information ☐
   b. The government should eliminate market reporting operations, allowing private firms to produce and deliver information for a fee ☐

27. What are the most important labor issues in agriculture. (Please rank the following from 1=most to 7=least important, using each ranking only once)
   a. Labor and human resource management ☐
   a. Workforce availability ☐
   b. Foreign guest worker program ☐
   c. Availability of seasonal labor ☐
   d. Community impacts of immigrant workers ☐
   e. Independent contractors versus employees ☐
   f. Worker unions and collective bargaining ☐

28. What should be the government policy regarding commodity promotion and research checkoff programs. (Check one)
   a. Checkoff programs should become permanent upon a vote of producers ☐
   b. Checkoff programs should be subject to mandatory referendums at 5-year intervals ☐
   c. Checkoff programs should be subject to referendums by petition or at the Secretary of Agriculture's discretion at any time ☐
   d. Checkoff programs should be eliminated ☐

Section F - Other Issues

Optional and state-specific questions were included in this section.

Section G - Personal Data

29. What is the age of the principal operator of this farm or ranch? (Check one)

Under 25	25-34	35-44	45-54	55-64	65 and over
☐	☐	☐	☐	☐	☐

30. What is the approximate average annual gross sales from your farm in recent years, including government loan program benefits (commodity loans and LDPs)? (Check one)

a. Under $10,000 ☐
b. $10,000 - $49,999 ☐
c. $50,000 - $99,999 ☐
d. $100,000 - $249,999 ☐
e. $250,000 - $499,999 ☐
f. $500,000 - $999,999 ☐
g. $1,000,000 and over ☐

31. What percent of your total farm or ranch cash receipts in recent years came from the following sources?

(Insert whole percentages-numbers should add to 100%)

a. Wheat ☐
b. Rice ☐
c. Feed grains and other coarse grains ☐
d. Oilseeds ☐
e. Cotton ☐
f. Forages ☐
g. Dairy and dairy products ☐
h. Pork ☐
i. Beef ☐
j. Sheep ☐
k. Poultry and poultry products ☐
l. Fruits and tree nuts ☐
m. Vegetables ☐
n. Pulses (dry peas, dry beans, and lentils) ☐
o. Tobacco ☐
p. Sugar beets or sugar cane ☐
q. Peanuts ☐
r. Other agricultural products ☐

32. What percent of your family income is typically earned from farming or ranching? (Check one)

None	1 - 25%	26 - 50%	51 - 75%	76 - 100%
☐	☐	☐	☐	☐

33. What was the last year of school completed by the principal operator of this farm or ranch? (Check one)

Grade School	Some High School	High School Diploma	Some College	College Bachelor's Degree	College Advanced Degree
☐	☐	☐	☐	☐	☐

34. What federal farm programs did your farm receive benefits from or participate in during 2000? (Check all that apply)

a. Commodity programs (production flexibility contracts, marketing loans, etc.) ☐
b. Conservation programs (CRP, EQIP, etc.) ☐
c. Risk management programs (crop insurance) ☐
d. Agricultural credit programs ☐
e. Disaster assistance programs ☐
f. Other federal farm programs ☐

35. What percent of the land that you farm or ranch do you own? (Choose one)

None	1 - 25%	26 - 50%	51 - 75%	76 - 100%
☐	☐	☐	☐	☐

36. What agricultural organizations were you a member of in 2000? (Check all that apply)

a. American Farm Bureau ☐
b. National Farmers Organization ☐
c. National Farmers Union ☐
d. National Grange ☐
e. Commodity and trade associations ☐

37. Which, if any, of the following tools or strategies do you use to manage risk on your farm or ranch? (Check all that apply)

a. Output price risk hedging tools (futures, options, cash forward contracts) ☐
b. Insurance policies on production or revenue ☐
c. Input cost hedging ☐
d. Grain storage ☐
e. Enterprise diversification ☐
f. Debt and equity financing or savings accounts ☐
g. Information collection from the Internet ☐
h. Management education and information ☐
i. Off-farm income sources ☐

38. When I retire, I expect the farm or ranch I operate to: (Check one)

a. Be operated by one or more of my children ☐
b. Be operated by a relative who is not one of my children ☐
c. Be operated by someone unrelated to my family but currently involved in the operation ☐
d. Be transferred to individuals outside of the current operation ☐
e. Be converted to a nonfarm use ☐

39. On this farm or ranch, which generation does the current operator represent (Including your family or your spouse's family)? (Check one)

1st	2nd	3rd	4th	5th	6th or more
☐	☐	☐	☐	☐	☐

SECTION Z - OPTIONAL QUESTION BANK

1. Several proposals being considered for the next Farm Bill include a counter-cyclical system of payments to increase support when farm incomes fall. If implemented, how should counter-cyclical payments be determined? (Check one)
   a. Based on the individual's gross farm receipts ☐
   b. Based on the individual's net farm income ☐
   c. Based on the individual's gross receipts for specific crop or livestock enterprises ☐
   d. Based on farm income estimates at the county or parish level ☐
   e. Based on farm income estimates at the national level ☐

2. In the next Farm Bill, what should be the most important considerations regarding commodity programs? (Please rank the following from 1=most to 10=least important, using each ranking only once)
   a. Keeping the current combination of fixed payments and marketing loans ☐
   b. Continuing a system of fixed payments ☐
   c. Continuing marketing loan programs ☐
   d. Re-coupling support payments to production controls through set-aside programs ☐
   e. Establishing a counter-cyclical payment system that is triggered by low farm income ☐
   f. Continuing disaster payments tied only to crop losses ☐
   g. Continuing disaster payments tied to low farm income levels ☐
   h. Continuing crop insurance programs ☐
   i. Providing program payments for environmental incentive programs ☐
   j. Eliminating all commodity programs over a 5 to 10 year period ☐

3. In the next Farm Bill, should paid set-aside programs be used to idle acreage to manage commodity supplies? YES ☐ NO ☐

4. In the next Farm Bill, should planting flexibility be allowed to continue as implemented in the 1996 Farm Bill? YES ☐ NO ☐

5. What should be the government policy regarding the use of inventory supply-control tools after 2002? (Check one)
   a. Re-establish a "Farmer-Owned Reserve" to provide long-term commodity loans and pay costs for storing grain ☐
   b. Modify the marketing loan program to extend the length of nonrecourse loans beyond the present nine months ☐
   c. Subsidize the construction of farmer-owned grain storage facilities ☐
   d. The government should not attempt to manage grain inventories ☐

6. What should be the policy regarding the marketing loan program and loan rates? (Check one)
   a. Raise rates from current levels ☐
   b. Keep rates at current levels ☐
   c. Lower rates from current levels ☐
   d. Set loan rates low enough to cover only operating or variable costs of production ☐
   e. Eliminate marketing loan programs ☐

7. Should marketing loan rates be realigned between commodities? YES ☐ NO ☐

8. Should marketing loan rates be realigned between counties? YES ☐ NO ☐

9. Should marketing loan rate caps be removed? YES ☐ NO ☐

10. Should limits on marketing loan gains and loan deficiency payments be raised to $150,000? YES ☐ NO ☐

11. What should be the policy regarding the dairy price support program? (Check one)
   a. Maintain the dairy price support program at its current level ☐
   b. The dairy price support level should be increased ☐
   c. The dairy price support program should be eliminated ☐
   d. Shift funding for dairy price support programs to direct payments ☐
   e. Shift funding for dairy price support programs to a subsidized revenue insurance program ☐

12. In the next Farm Bill, what should be the most important considerations regarding tobacco programs? (Please rank the following from 1=most to 8=least important, using each ranking only once)
   a. Keeping the current supply control (quota) program in place ☐
   b. Buying out current quota owners gradually phase out the tobacco quota system ☐
   c. Establishing a marketing loan program for tobacco such as with cotton and grains ☐
   d. Stabilizing the amount of quota reduction from year to year ☐
   e. Restricting tobacco imports ☐
   f. Allowing transfers of quota across state lines ☐
   g. Allowing transfers of quota across county lines ☐
   h. Eliminating government tobacco programs ☐

13. How will contract growing of tobacco impact the financial situation of your farm? (Check one)
   a. Contract growing will improve my farm profitability ☐
   b. Contract growing will not change my farm profitability ☐
   c. Contract growing will decrease my farm profitability ☐

14. In the next Farm Bill, should minimum program standards for tobacco program participation be raised to those of commercial contracts YES ☐ NO ☐

15. Should only those tobacco growers who grow low nitrosamine (TSNA) tobacco receive farm program benefits YES ☐ NO ☐

16. Should the formula for determining tobacco quota (buying intentions, exports, loan stocks, reserve supply) be changed YES ☐ NO ☐

17. In the next Farm Bill, what should be the most important considerations regarding peanut programs? (Please rank the following from 1=most to 9=least important, using each ranking only once)

a. Keeping the current policies of quota peanuts and additional peanuts to manage supplies ☐
b. Buying out existing quota holders to reduce the role of the quota program ☐
c. Establishing a marketing loan program for peanuts such as with cotton and grains ☐
d. Establishing a marketing loan program and system of fixed payments for peanuts ☐
e. Allowing transfers of quota across state lines ☐
f. Allowing transfers of quota across county lines ☐
g. Establishing a Step-2 program for peanuts such as with cotton .. ☐
h. Building a cost-of-production factor into the peanut price support program ☐
i. Eliminating government peanut programs ☐

18. What should be the government policy toward international trade and the peanut program? (Check one)

a. Maintain tariffs on peanuts imported into the U.S. at current levels ☐
b. Increase tariffs on peanuts imported into the U.S. ☐
c. Eliminate all tariffs on peanuts imported into the U.S. ☐

19. If peanut programs were changed to a combination of marketing loans and fixed payments, would payment limits be an issue to your farm? YES ☐ NO ☐

20. If the answer to question 19 is YES, at what level should payment limits be set? (Check one)

No Payments	$40,000	$75,000	$150,000	$300,000	No Limits
☐	☐	☐	☐	☐	☐

21. In the next Farm Bill, what should be the most important considerations regarding sugar programs? (Please rank the following from 1=most to 7=least important, using each ranking only once)

a. Developing an inventory management program for sugar ☐
b. Setting sugar loan rates in relation to domestic production and trade-weighted exchange rates ☐
c. Using historical acreage information to establish eligibility for sugar programs ☐
d. Limiting imports of all types of sugar ☐
e. Targeting sugar loans to individual producers ☐
f. Limiting the size of loans ☐
g. Eliminating sugar programs ☐

22. What should be the government policy regarding wool and mohair production? (Please rank the following from 1=most to 6=least important, using each ranking only once)

a. Implement *ad hoc* disaster assistance when needed ☐
b. Establish a marketing loan program for wool and mohair based on equivalent loan rates for cotton fiber ☐
c. Establish a marketing loan program for wool and mohair based on international prices for wool and mohair ☐
d. Fund predator control programs for producers ☐
e. Establish import tariffs on wool and mohair to restrict imports ☐
f. Fund sheep and mohair research centers ☐

23. What should be the government policy toward crop yield and revenue insurance? (Check one)

a. Continue the current premium subsidies and crop insurance programs ☐
b. Eliminate the government-subsidized crop insurance program and offer direct payments to producers to offset part of the cost of buying unsubsidized private-sector crop insurance products ☐
c. Eliminate the government-subsidized crop insurance program and allow private companies to offer unsubsidized crop insurance products ☐

24. What should be the government policy toward livestock insurance? (Check one)

a. Provide government-subsidized insurance to protect livestock producers from widespread unavoidable production disasters such as weather, mortality, and other losses ☐
b. Provide government-subsidized insurance to protect against income losses from production disasters and/or low prices ☐
c. Eliminate any government-subsidized insurance products and allow private companies to offer unsubsidized livestock insurance products ☐

25. If you could design a government-subsidized crop and livestock insurance program, what would you choose? (Check one)

a. Covering individual crop yield and livestock production losses under separate policies ☐
b. Covering individual crop yield, livestock production, or crop and livestock revenue losses under separate policies ☐
c. Cover whole farm income losses including all crop and livestock production and revenue losses together ☐
d. Eliminate all government-subsidized crop insurance programs ☐

26. What should be the government policy regarding *ad hoc* disaster assistance and crop and livestock insurance? (Check one)

a. Maintain authority to provide *ad hoc* disaster assistance programs along with crop and livestock insurance programs ☐
b. Provide *ad hoc* disaster assistance programs only and eliminate crop and livestock insurance programs ☐
c. Eliminate authority to provide *ad hoc* disaster assistance and only authorize crop and livestock insurance programs ☐
d. Prohibit any disaster assistance legislation in deference to crop insurance and other forms of risk management ☐

27. Should tax credits be provided to encourage small farms and beginning farmers YES ☐ NO ☐

28. Should more farm credit programs be targeted to small farms and beginning farmers YES ☐ NO ☐

29. Should research, extension, and education programs of the land grant university system be targeted only to small farms YES ☐ NO ☐

30. Should the census definition of a farm be increased to $10,000 of sales in order to eliminate the inclusion of "hobby" farms YES ☐ NO ☐

31. Should federal regulations be implemented to enforce total maximum daily load (TMDL) regulations on all streams and water bodies YES ☐ NO ☐

32. Should environmental regulations on animal feeding operations be enacted at the national level instead of the state and local level ..... YES ☐ NO ☐

33. If programs are focused on open space and farmland preservation, what policy tool would be most preferred? (Please rank the following from 1=most to 6=least important, using each ranking only once)

a. Government funding of programs that purchase development rights and establish conservation easements ..... ☐

b. Private funding of programs that purchase development rights and establish conservation easements ..... ☐

c. Establishment of government rules to allow developers to purchase development rights in certain areas in exchange for developing other areas (commonly called transfer of development rights) ..... ☐

d. Encouragement of voluntary conservation easements and conservation areas ..... ☐

e. Establishment of agricultural entrepreneurial programs to improve farm profitability and make farmland more competitive with nonfarm land uses ..... ☐

f. No government policies should be enacted to preserve open space or farmland ..... ☐

34. Should Congress pass "fast-track" legislation, allowing the President to negotiate international trade agreements that are not subject to Congressional amendment before vote ..... YES ☐ NO ☐

35. What should be the government policy regarding estate taxes? (Check one)

a. Maintain estate taxes at current rates and exemption levels ..... ☐

b. Raise general exemption levels to allow larger estates to avoid estate taxes ..... ☐

c. Raise exemption levels only for special classes of estates such as the current higher exclusion for family-owned businesses ..... ☐

d. Lower marginal estate tax rates ..... ☐

e. Eliminate estate tax provisions ..... ☐

36. What should be the government policy regarding capital gains taxes? (Check one)

a. Maintain capital gains taxes at current rates ..... ☐

b. Lower capital gains tax rates ..... ☐

c. Index asset values to inflation to eliminate capital gains taxes on portion of increased asset values due only to inflation ..... ☐

d. Eliminate capital gains tax provisions ..... ☐

37. What should be the policy regarding the Social Security system? (Check one)

a. Maintain the current system which requires the investment of all contributions in government bonds ..... ☐

b. Reform the system to allow the government to invest a portion of the contribution in the stock market ..... ☐

c. Reform the system to allow participants to invest a portion of their contributions in the stock market ..... ☐

d. Privatize the system and allow participants to make decisions about how much and where to invest their contributions ..... ☐

38. What should be the policy regarding public investment in research, extension, and education activities at public universities that results in new technology? (Check one)

a. Basic research and technology developed at public institutions should be publicly available at no cost ..... ☐

b. Basic research and technology developed at public institutions should be patentable and/or licensed to private firms to generate new revenues for research at public institutions ..... ☐

c. Public funding of research activities at public institutions should be reduced or eliminated, leaving private companies to conduct basic research and technology development ..... ☐

39. What should be the policy regarding public funding for research and extension activities in the land grant university system. (Check one)

a. Maintain current mix of federal formula funds and competitive grants for research and extension ..... ☐

b. Increase federal formula funds for research and extension ..... ☐

c. Shift federal research and extension funding to competitive funding programs ..... ☐

d. Eliminate federal funding for research and extension programs ..... ☐

40. Did you draw on existing farm or personal equity to finance your farm or ranch in the past 3 years? ..... YES ☐ NO ☐

41. Have you refinanced any debt on your farm or ranch operation in the past 3 years? ..... YES ☐ NO ☐

42. Should farms or ranches with water supplies or water rights be allowed to rent out or sell their water for nonagricultural purposes ..... YES ☐ NO ☐

43. Should producers be offered payments to not plant a crop this year in return for not using the energy necessary to produce the crop ..... YES ☐ NO ☐

44. Should producers be offered payments or increased crop support prices in return for reducing nitrogen fertilizer use for the crop ..... YES ☐ NO ☐

45. What technologies did you use in production during 2000? (Check all that apply)

a. E-commerce (transactions on the Internet) ..... ☐

b. Herbicide-tolerant crops ..... ☐

c. Seed that was multiplied (increased) through tissue culture technology ..... ☐

d. Genetically-modified seed ..... ☐

e. Plant growth stimulants and regulators ..... ☐

f. Insect growth regulators ..... ☐

g. Precision agriculture technologies such as global positioning systems, variable rate applications, and GPS-linked yield monitors ..... ☐

h. Precision irrigation technologies such as laser leveling, drip irrigations and low-pressure sprinkler systems ..... ☐

i. Livestock production stimulants such as shots and implants ..... ☐

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Farm Foundation
1211 West 22nd Street, Suite 216, Oak Brook, IL 60523-2197
Telephone (630) 571-9393 FAX (630) 571-9580
Internet: http://www.farmfoundation.org
E-mail: walt@farmfoundation.org

Kansas State University
Bradley D. Lubben, Lead Author
Randal J. Geringer, Data Specialist
Mark D. Stadtlander, Technical Editor

Farm Foundation

1211 West 22nd Street
Oak Brook, Illinois 60523-2197