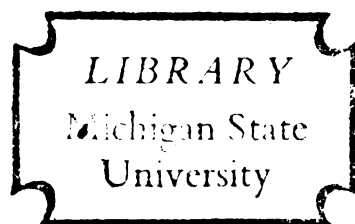


ATTITUDES, KNOWLEDGE, AND
PARTICIPATION OF MICHIGAN FARMERS
IN THE 1957 SOIL BANK

Thesis for the Degree of M. S.
MICHIGAN STATE UNIVERSITY
Jerry B. Waters
1958



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ATTITUDES, KNOWLEDGE, AND PARTICIPATION
OF MICHIGAN FARMERS IN THE 1957
SOIL BANK

By

Jerry E. Waters

AN ABSTRACT

Submitted to the College of Agriculture of Michigan
State University of Agriculture and Applied
Science in partial fulfillment of the
requirements for the degree for

MASTER OF SCIENCE

Department of Agricultural Economics

1958

Approved

Lawrence W. Witt

ABSTRACT

The primary purpose of this study was to determine the Michigan farmers' attitudes--their beliefs and valuations--toward the Soil Bank program as it existed in 1956 and 1957. A secondary purpose of this study was to analyze farmer participation in the Soil Bank.

This study was based on a 1957 survey of 364 farmers from four important economic areas of Michigan.

Only about a third of the farmers said they favored the Soil Bank. Almost half of them said they were opposed to the program, the remaining were noncommittal. Not even a majority of the participants favored the program. Hardly any of the farmers expected the Soil Bank to be changed to a sufficient extent to cause them to change their attitudes toward it.

The primary reason given for opposing the Soil Bank was the farmers' concern over "big" government in agriculture. The primary reason given for favoring the program stemmed from the farmers' belief that it would help alleviate the surplus problem.

The vast majority of the farmers thought the Soil Bank was intended to curtail the production of surplus commodities. However, less than half thought that production would actually be reduced.

Only about a fourth of the farmers demonstrated a correct understanding of how the Soil Bank functioned. However, because of certain inherent weaknesses in the survey on this point any statement about farmer knowledge of the Soil Bank is subject to qualification.

Thirty-three percent of the sample farmers participated in the 1957 Soil Bank. Cash grain farmers and part-time farmers were the most likely participants.

The principal reason given for participating in the Soil Bank was to maintain income from allotted acreage that for various reasons would not have produced a crop that year. Farmers also participated because it gave them the opportunity to economically reduce their scale of operations. Some farmers were increasing their off-farm work concurrent with their participation in the Soil Bank.

Obviously there was no mandate from Michigan farmers for maintaining the Soil Bank. This study indicated that Michigan farmers were substantially in agreement with Congress's action to abolish the acreage reserve. As all of Michigan's Congressional Representatives with farm constituencies voted against the abolishment of the acreage reserve it must be concluded that they very likely may have alienated more farm voters through such action than they ingratiated.

Although the Soil Bank has not been successful in reducing production this study demonstrated that the acreage reserve program did serve as a type of ex post insurance against crop failure and as a financial crutch in making needed changes in farming operations. It was also concluded that the Soil Bank program has been of considerable value to part-time and elderly farmers desiring to reduce their scale of farm operations.

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The author assumes full responsibility for any errors that may be present in this manuscript.

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CHAPTER I

INTRODUCTION

Setting of the Study

The Soil Bank Act of 1956, like most of the agricultural programs enacted since the early 1930's, was created in an atmosphere of emergency.

In the face of falling farm prices and rising farm costs total net farm income had been dropping rather steadily, with the exception of the Korean War years, since the late 1940's. Even with a rather rapid off-farm migration net income per farm family tended to sag throughout the period. This was contrasted, however, with a rising nonfarm income which significantly widened the disparity between the two groups. Legislators of the 84th Congress saw few, if any, indications that 1956 would be but a continuation of that trend. The year 1956 was also the peak year of one of the country's worst droughts--by December 1956 the President had proclaimed parts or all of the eight Midwest and Southwest states as drought disaster areas. The year 1956 was also a presidential election year.

The characteristics of production and consumption of agricultural commodities is such that the interplay of supply and demand in a free market frequently precipitates economic crises within agriculture. Such economic crises are readily transmitted into political crises, forcing legislation to be

created under an atmosphere of emergency--an atmosphere that tends to breed programs that offer only short-run solutions to long-range problems, programs designed to appease disgruntled farmers and "save" the farm vote.

Economic crises are precipitated when farmers find that they can sell their produce only at disaster prices. This surplus production arises from the inability of agriculture to tailor its production to the inelastic demands of the consumer. Facilitated by expanding farmer educational programs, continual advancements in productive technology have been successfully transmitted into ever greater aggregate farm output. Since the early 1930's agricultural production has been in excess, by about four to six percent, of what the free market would absorb at politically acceptable prices. Once the relatively easy expansion in output has occurred contraction is extremely difficult and painful to bring about.

From this tendency of agriculture to be chronically depressed relative to the rest of society have arisen exceptionally powerful and active political forces to represent the farmers' interests. The farm depression of the early 1920's gave birth to the "farm bloc," fed the meteoric rise of the Farm Bureau and jarred many of the other farm organizations into new heights of political activity.

Thus, a powerful combination of political forces were set in being. These forces began to pressure for "direct-help"

programs rather than simply government programs to "help the farmer help himself." However, not until after the New Deal philosophers had created both the atmosphere and machinery for "direct-help" programs were the "farm bloc" and farm organizations able to solidify their power and translate their demands into actual programs.

These agricultural special interests were able to successfully establish--through the Agriculture Act of 1938--price control as the primary technic in government "direct-help" programs. Successfully translating parity price into a symbol of fairness and justice these special interests have been able to perpetuate a government subsidy program that currently looms as the largest single item in the Federal budget, aside from the national defense appropriations.

The power and prestige of the agricultural interests result from three primary factors: (1) With agriculture comprising a large segment of the economy and with the old, widely held belief that all depressions are "farm led and farm fed" the economic plight of the farm population has been a national concern; (2) Although the farm population has continued to decline its political representation has remained relatively constant. Under the provisions of state and federal constitutions, agriculture is over-represented in the legislature of each of the states and in Congress. The farmers political representation has been further enhanced by the fact that farmer-

supported congressmen have controlled several of the key congressional committees. This arises from the tendency of rural constituencies to return the same representatives to Congress term after term, thus, giving them the seniority needed for key committee assignments. (3) These two factors have been fortified by the formerly wide-spread appeal and acceptance of the agricultural fundamentalism theory which has lent greater authority to the arguments for special agricultural legislation.

Purpose of This Study

One of the primary purposes of this study is to determine the Michigan farmers' attitude--their beliefs and valuations--toward the Soil Bank program as it operated in 1956 and 1957.

The Soil Bank like the other "direct-help" programs was created in the name of the farmer. The soil-bank plan was attributed to a grassroots idea, its passage was attributed to a widespread demand among the nation's farmers for government aid in the face of sagging farm income. It would therefore seem of some value to attempt to determine the farmers' position regarding the Soil Bank.

This study of the farmer's attitudes will include an accounting of the farmer's position toward the Soil Bank--whether he favored or opposed it. It will also encompass an analysis of farmer understanding of the Soil Bank, considering such questions as whether he understood its important provisions,

what he thought the purpose of the program to be, whether he thought that purpose would be achieved and his general expectations and recommendations as to its future.

This study is particularly timely in that the farmers were interviewed one year after the Bank had been created and at the same time that Congress was voting to abolish the acreage reserve portion of the program. Thus, the study offers an excellent opportunity to compare farmer desires with congressional legislation.

This study takes on even greater timeliness when considering that the beginning of a new trend in attitudes toward agricultural legislation may now be under way. The transfer of nonfarm tax monies into the farm segment of the economy has reached such a scale that it can probably be increased--or even maintained--only through an ever increasingly powerful agricultural political force. However, there is evidence that this political force is not increasing its power, but losing it.

Although agriculture is still a significantly large segment of our economy ever fewer observers still accept the old belief that all depressions are "farm led and farm fed." Likewise, although the farm population is still overrepresented recent studies have indicated that the farm vote may no longer be capable of "swinging" an election. It also appears that a number of urban Senators and Representatives have served a sufficient length of time to gain seniority in a number of

committees, thus, being in a position to challenge the farm-state representatives. Another changing factor is the demise of the agricultural fundamentalist. As the bulk of our population becomes further and further removed from the farm the credo that the farmers are the "backbone of the nation" tends to fall on deaf ears. Another important factor is that the agricultural interests who once formed a relatively solid and cohesive front are being splintered by conflicting commodity interests and differing ideological values.

Thus the 1956 Soil Bank,—barring a war,—may well be the last big "direct-help" program to agriculture--using big in the relative sense.

Another purpose of this study is to determine what type of farmer participated in the Soil Bank and his stated reasons for doing so. This giving some basis for assessing what can be accomplished by a soil-bank type program.¹

¹This has largely been covered in a study by James B. Roof, Some Effects of the Soil Bank on Corn and Wheat Cropping Practices In Four Michigan Farming Areas, (unpublished Masters thesis, Michigan State University, 1958). However, this study extends the Roof analysis by relating participation to such factors as knowledge of the Soil Bank, sources of information, attendance of county agent meetings, etc.

CHAPTER II

HISTORY AND REVIEW OF LITERATURE

Part I. The Soil Bank in Perspective

The soil-bank principle is not original to the 1956 legislation. The basic soil-bank concept was first embodied in the Agricultural Adjustment Act of 1933, which provided a system of "benefit" payments to those farmers who voluntarily reduced their acreage of "basic" crops (wheat, cotton, corn, rice, tobacco) below a previously established base acreage for each farm. The benefit payments were to be made as quickly as possible, thus providing the farmer with some immediate cash income.

The Agricultural Adjustment Act of 1933 like the Soil Bank Act of 1956 sought to attack the problem of surplus production and its bedfellow--low income--along two general lines: (1) curtailment of production through reduction of crop acreage in an effort to stabilize and/or raise commodity prices; (2) directly buttressing sagging farm income through the immediate injection of benefit payments into the farm sector. The idea of reducing acreage to cut production is, of course, not peculiar to just the 1933 Act and the 1956 Act. This idea has been found in most of the major farm legislation since the 1930's.

In certain respects the Soil Bank Act of 1956 represents the completion of a cycle in agricultural legislation concerned

with the surplus and the accompanying low farm income problem-- a cycle that began with the original Agricultural Adjustment Act.

Aside from the ill-fated Federal Farm Board, the Agricultural Adjustment Act of 1933 represented the first major attack on the twin-headed problem. It sought to bolster farm income by injecting payments in the farm sector in return for pledges from the farm to cut acreage of surplus crops. The reduced acreage, it was hoped, would reduce production to the extent that commodity prices would rise and further improve the farm income situation.

However, with the Agricultural Adjustment Act of 1938 the basis for increasing farm income was shifted primarily to the market through the system of parity-supported prices. This being accompanied by acreage allotments and marketing quotas. In the years after 1938 parity price became a goal in itself. The maintenance of high, rigid price support system with necessary production controls dominated the scene until 1954. In 1954, with the adherents of high, rigid supports no longer able to withstand the pressure for a system more accurately reflecting the supply situation, a flexible price support system was put into effect. The hold on price as a goal had to be loosened. Congress this year enacted legislation which--subject to grower approval--will abolish parity, except as protection against disaster prices, as the basis for price supports for corn,

cotton, and rice. This further weakens the practice of relying solely on high parity price supports to protect commercial farm income. Under this legislation production controls are also to be abolished for corn.

The Agricultural Adjustment Act of 1933 came at a time when the parity price support had not yet gained significant support. The Soil Bank Act comes at a time when after almost 20 years of supremacy the parity price support system--particularly the non-flexible type--has been seriously challenged.

In certain respects the same general attitude that produced the original Agricultural Adjustment Act is manifested in the Soil Bank Act. This attitude placed the emphasis on tailoring production to fit the market with direct compensation to the farmer for accomplishing the tailoring job. But whereas the Soil Bank Program was enacted after almost 20 years of parity-price legislation the original Agricultural Adjustment Act was prior to the ascendancy of the parity-price philosophy.

Both Acts were short lived. Both might be viewed as being transitional programs. The 1933 Act was a phase-in program culminating in the high, rigid parity-price legislation that dominated policy between 1938 and 1954.

Legislation of 1954 and 1958 indicate that we may now be in a transition period--that we may be in the process of phasing out of the dominating price philosophy which has characterized the agricultural scene during these interim years.

The Soil Bank Act of 1956, then, might be looked upon as being a phase-out program--as a by-product of this transition. In part it represents a political offering to the farmers who must endure the pain of the phasing-out process. The Soil Bank also represents the tenacity of the idea that production can be reduced through semi-mandatory acreage restrictions. The Soil Bank might well be the last big fling at this type of production control.

The Interim Years

In January 1936 a Supreme Court ruling invalidated the two major features of the Agricultural Adjustment Act of 1933. The provision authorizing the levying of processing taxes (the method of financing the benefit payments) and the provision empowering the government to enter into acreage-reduction contracts with individual farmers were declared unconstitutional.

As a stop-gap measure the Soil Conservation and Domestic Allotment Act was enacted in a matter of weeks after the court ruling. Under this Act farmers were paid--from Federal appropriations--for shifting their acreage of "soil-depleting" crops into "soil-conserving" crops. These payments were made largely to encourage farmers to reduce production of surplus commodities and to maintain the flow of financial aid to agriculture while at the same time promoting soil conservation.

As originally conceived the Commodity Credit Corporation,

created in 1933, was to serve essentially as a price stabilizer. The Agriculture Adjustment Act of 1938, however, reflecting the appealing power of parity prices among farmers and their representatives, firmly established in the Commodity Credit Corporation the function of continuously maintaining prices above their free-market levels.

During the late 1930's farm organization leaders and farm-state congressmen were quite successful in translating parity-price into "just" or "fair" price. As the popularity of the concept grew the demand that prices be supported at ever higher percentages of what was considered a fair and just parity price likewise grew. By the early 1940's rigid, high level price supports had become the major element in the American agricultural program.

In 1942 mandatory supports at 90 percent of parity were established for the basic commodities (wheat, corn, tobacco, cotton, peanuts) and the Steagall commodities.² This support level was to be maintained for two years after the war--actual expiration date, December, 1948.

The Agricultural Act of 1948 was approved in the closing

²The Steagall commodities were those for which the Secretary of Agriculture had called for increased production to meet wartime demands. They derived their names from Representative Steagall of Alabama who authored the bill.

hours of the first Republican Congress in 16 years. It was largely a compromise between those favoring the retention of mandatory price supports and those desiring a return to a freer market. The resulting act, in addition to reducing the mandatory support level on the Steagall commodities, provided that "basic" commodities would be supported at 90 percent of parity until 1950 at which time the supports were to be placed on a flexible scale--the support level to vary between 60 and 90 percent of parity in accordance with the supply relationships of the commodity.

The Democratic Presidential and Congressional victories in the fall of 1948 were widely interpreted as being heavily influenced by a "farmer revolt" against the return to freer-market as embodied in the Agricultural Act of 1948. In 1949 the Administration, viewing its victory as mandate for retention of high supports, supported a program commonly referred to as the "Brannan Plan"--after the Secretary of Agriculture Charles E. Brannan. The Brannan Plan called for an increase in the level of support for most commodities. It also provided for direct payments on perishable products. It was strongly opposed by the two major farm organizations, the Farm Bureau and the Grange, and the more conservative farm-state representatives. It did not pass. However, the resulting Agricultural Act of 1949 which had been offered as a compromise, was viewed as a victory for those favoring high mandatory supports. The flexible

provisions of the 1948 Act were maintained but the range was limited to 75 to 90 percent of parity. It also redefined the supply relationship so that a greater quantity of carry-over was required before the flexible system could go into effect. However, with the eruption of the Korean War support levels were frozen before the flexible system could be put into effect.

Farm legislation in 1954 actually put into effect policies that represented the first significant change of direction since 1938. The Agricultural Act of 1954 and the Agricultural Trade Development Act tended to shift the emphasis away from reliance on high mandatory price supports toward efforts to adjust farm production to market demands and to expand the agricultural export markets. The Agricultural Act put into effect, on a transitional basis, the flexible supports of the 1949 Act in addition to reinstituting acreage allotment and marketing quotas--subject to farmer approval in a referendum. The Agricultural Trade Development Act sought to expand agricultural exports primarily through the sale of surplus commodities for foreign currencies.

The political forces that shaped the legislation during this period were undergoing some modifications. Since the inception of the "farm bloc" in 1921 most major farm legislation had been a product of bipartisan action among the farm-

state representatives.³ Likewise there had been general concurrence among most of the farm organizations, and they in turn with the farm representatives, on the programs to be inaugurated. However during the debate that produced the Agricultural Acts of 1948 and 1949 a few cracks began to appear in the heretofore solid front of the agricultural interests.

Hardin points out that although the final voting on both acts was strongly bipartisan much of the preliminary voting was along party lines. As a result the Democrats became identified with price supports for basic commodities at 90 percent of parity, the Republicans with flexible price supports. Differences among the farm organizations were also manifested. The Farm Bureau--overriding heavy opposition from its Southern members--came out in favor of the flexible price support system, they were followed by the National Grange. The National Farmers'

³On May 9, 1921, Gary Sliver, Washington representative for the Farm Bureau, and Senator Kenyon of Iowa sponsored a meeting of a bipartisan group of experienced and powerful Senate leaders to consider ways of effectuating the legislative program desired by the agricultural organizations. Those attending were Norris of Nebraska, Kendrick of Wyoming, Gooding of Idaho, Capper of Kansas, Smith of South Carolina, Fletcher of Florida, La Follette of Wisconsin, Sheppard of Texas, Ladd of North Dakota, Ransdell of Louisiana and Heflin of Alabama. A newsman reporting the meeting dubbed the group the "farm bloc"--a term which stuck throughout the years. The "bloc" reached a peak strength of 55 Senators in the 1920's. A similar but less formal organization was formed in the House: Murray R. Benedict, Farm Policies of the United States, 1790-1950, Twentieth Century Fund, New York, 1953. p. 181.

Union, however, took a firm stand against flexible supports and in 1949 actively backed the Brannan Plan. This tended to widen the schism as the Farm Bureau opposed the Plan.⁴

The Farm Bureau has continued its vigorous support of the flexible system--with current proposals calling for almost the complete abolition of supports, except as props against disaster prices. The Farmers Union continues to back a system of full parity supports while the Grange has taken somewhat of a middle position.

The 1954 legislation, which put the flexible support system into effect, adds to the evidence that farm legislation is losing some of its bipartisan flavor. In that year both the Senate and House Committees on Agriculture produced bills providing for the continuation of 90 percent supports. However, the Administration succeeded in reversing the committee positions on the House and Senate floors by securing as a substitute a modified flexibility--ranging from 82.5 to 90 percent of parity. The crucial votes were on the substitute of flexible supports for the flat 90 percent contained in both committee bills. In the House flexible supports carried by a vote of 227 to 170; 182 Republicans and 45 Democrats voting "aye", 23 Republicans and 147 Democrats voting "nay." In the Senate,

⁴Charles M. Hardin,; Farm Price Policy and the Farm Vote, Journal of Farm Economics, November, 1955. pp. 602-610.

flexible supports carried by a vote of 49 to 43; 39 Republicans and 10 Democrats voting "aye" with 8 Republicans and 35 Democrats voting "nay."⁵

This partisanship is further evidenced by the voting record of the 84th Congress. During the first session (1955) the House passed 206-201 an omnibus farm bill (HR 12) which provided for a return to high, rigid supports for three more years. Voting "aye" were 185 Democrats and 21 Republicans; Voting "nay" were 29 Democrats and 172 Republicans.⁶ The Senate, anticipating a Presidential veto, did not act on the bill.

A similar omnibus bill (also titled HR 12) but incorporating the soil-bank plan along with rigid price supports was passed by both the House and the Senate during the second session (1956). In the House the bill was passed by a 237-181 vote; 189 Democrats and 48 Republicans voting "aye", 35 Democrats and 146 Republicans voting "nay."⁷ In the Senate HR 12 was passed by a 50-35 vote; 35 Democrats and 15 Republicans voting "aye"; 4 Democrats and 31 Republicans voting "nay."⁸ This bill was vetoed by the President.

⁵Hardin, Charles M., op. cit., pp. 604-606.

⁶Congressional Quarterly Almanac, Vol. XI, 84th Congress, 1st Session, 1955, Washington, D.C., p. 146.

⁷Congressional Quarterly Almanac, Vol. XII, 84th Congress, 2nd Session, 1956, Washington, D.C., p. 194.

⁸Ibid., p. 162.

The Soil Bank Movement

The carryover of surplus stocks remained high in 1956. Production controls were proving ineffective and the slow transition to lower support levels had yet to cause any significant shifts in production. Along with the burdensome surplus problem facing the administration, farm income was continuing to worsen.

Because of lower commodity prices and higher production costs the parity ratio (1910-14 base) had dropped from a 1947-48 average of 112 to 84 in 1955.⁹ Because of off-farm migration net income per capita remained fairly stable--actually showing a slight increase. However, with a rapid rise in nonfarm per capita net income the farmers' relative income position had continued to worsen. Expressed as a percentage of the nonfarm counterpart the farm per capita net income dropped from a 1947-48 average of 61 percent to 45 percent in 1955.¹⁰

Not only were farmers caught between lower prices and higher costs but many Midwestern and Southwestern states were being hard hit by drought.¹¹ Grass-root demand for some type of government aid was growing stronger.

⁹Agricultural Statistics, 1956, U.S.D.A., Washington 1957, p. 424.

¹⁰The Farm Income Situation, Agricultural Marketing Service, F 16-169, Washington, July 1958, p. 24.

¹¹In December 1956 all or parts of eight states were designated by President Eisenhower as drought disaster areas. The states; Oklahoma, Texas, Colorado, Kansas, Arizona, New Mexico, Missouri and Utah.

During extensive field trips in 1954 the House Agricultural Committee heard various proposals and recommendations embodying the soil bank principle from Midwest farmers. The most detailed plan had been offered by Melvin P. Gehlback a farmer from Lincoln, Illinois.¹²

In 1955 Democratic Senator Hubert Humphrey of Minnesota introduced a soil-bank bill. This was opposed by the Administration on the grounds that it would be too difficult to administer and that farmers should not be paid for not producing. However, the idea continued to have appeal. Midwestern governors meeting in Des Moines, Iowa in October demanded action by the Administration to bolster sagging farm income. A soil-bank program was suggested. The Administration soon reversed its position on the soil-bank idea and President Eisenhower made a special address to Congress in January, 1956 calling for its enactment.¹³

After once taking a stand for the plan the Administration desired a speedy enactment so as to be able to pump payments into depressed farm areas yet in 1956. President Eisenhower also asked for special authorization to make soil-bank payments to farmers in 1956 on their promise to take a specified acreage out of production in 1957.

¹²New York Times, History of the Soil Bank, January 10, 1956, p. 5.

¹³Ibid., p. 5.

With many Democrats feeling that the Administration's primary goal was that of putting cash into the farmers' hand so as to influence the farm vote in the fall election, the soil-bank bill was not afforded a speedy passage. In April, Congress passed an omnibus farm bill which, although, containing provisions for a soil-bank also provided for an extension of rigid price supports. It was vetoed by the President. Late in May, after most crops had been planted, Congress, in a bipartisan vote, passed a soil-bank bill acceptable to the Administration, although it did not contain the President's pre-payments provision. President Eisenhower in signing the bill into law on May 28, 1956, stated that it was "a concept rich with promise for improving our agricultural situation."¹⁴

All the major farm organizations--except for the National Farmers Union--stood in favor of the soil-bank plan. The Farmers' Union although favoring the conservation reserve opposed the acreage reserve on the grounds that it was based on the false premise that surpluses are a factor in the depressed farm income situation.¹⁵

¹⁴Congressional Quarterly Almanac, Vol. XII, 84th Congress, 2nd Session, 1956, Washington, D. C. p. 36.

¹⁵General Farm Legislation, U.S. Congress, House, Part II, Hearings before the Agriculture Committee, 84th Congress, 2nd Session, Government Printing Office, 1956, p. 557.

Provisions of the Soil Bank

The Soil Bank as passed provided for an annual allotment, through the 1959 crop year, of \$1.2 billion dollars--\$750 million to the acreage reserve, \$450 million to the conservative reserve.¹⁶ Officially the three main purposes of the Act were to; (1) reduce burdensome surpluses of agricultural commodities, (2) strengthen farm income, (3) promote soil and water conservation. Thus, the Soil Bank Act held forth the appealing promise that such a program might help retard the growth of surplus stocks while at the same time bolstering farm income and promoting soil conservation.

Acreage Reserve

This study is primarily concerned with the acreage reserve portion of the soil bank--only three of the farms in this sample participated in the conservation reserve. The acreage reserve was a shortrun program providing payments to farmers who under planted their allotments of "basic" crops; corn, wheat, short staple cotton, rice and tobacco. The payments were intended to be of such a size as to compensate farmers for the average net income they would have received had they planted the "basic" crops on the reserved acres. Payments were in the

¹⁶The acreage reserve fund was divided as follows: wheat, \$375 mil.; cotton, \$300 mil.; corn, \$300 mil.; peanuts, \$7 mil.; rice, \$23 mil.; and tobacco, \$45 mil.

form of negotiable certificates which could be cashed in at a bank or redeemed in surplus commodities at 5 percent above the face value of the certificate.

In Michigan the only crops involved were wheat and corn. A farmer could place in the acreage reserve 20 acres of corn or 30 percent of his allotment, whichever was higher. He could place in reserve 50 acres of wheat or 50 percent of his allotment, whichever was higher. Corn payments were 90 cents per bushel, wheat payments were \$1.20 per bushel, both times the average county yield. Participation in the Soil Bank was not a prerequisite for price support eligibility.

Conservation Reserve

The conservation reserve is long-term in nature and designed primarily to encourage farmers to shift acres from production of non-allotment crops to soil conserving practices such as grass, trees, wild-life cover and water storage. It is still in effect. Any land which in the previous year has been in regular rotation or from which tame hay or silage has been harvested in the previous two years may be put in the conservation reserve. Contracts are for three, five or ten years depending on the type of conservation practices to be applied. Payments for the 1956 to 1958 crop years averaged \$10 per acre nationally--\$11 per acre for Michigan. For the 1959 crop payments are to average \$13 per acre nationally--\$14 per acre in Michigan. In addition to the acreage payments

the government will pay up to 80 percent of the cost of establishing permanent conservation practices.

Record of the Soil Bank

The acreage reserve portion of the Soil Bank was rather short-lived. In the first session of the 85th Congress (1957) the House, led by the Democrats, passed an amendment to the Agricultural Department appropriations bill denying the allocation of funds to the acreage reserve for the 1958 crop. Voting "aye" on the amendment were 154 Democrats and 38 Republicans, voting "nay" were 46 Democrats and 141 Republicans.¹⁷ The Senate, by a solid bi-partisan vote, later restored \$500 million to the acreage reserve for the 1958 crop. This was accepted by the House. Funds for the 1959 crop, however, was denied.

The Soil Bank has not proved effective in significantly reducing crop production--too few acres were placed in reserve, acres reserved tended to be of low productivity, and acres not placed in reserve were farmed more intensely.

Bottum estimates that to bring about a 4 to 6 percent reduction in production a shift of 30 to 50 million acres of grain, cotton and tobacco into grass, fallow, idle or trees would have to be effectuated. As the Soil Bank did not become

¹⁷ Congressional Quarterly Almanac, Vol. XIII, 85th Congress, 1st Session, 1957, Washington, D.C., p. 706.

effective until late in the 1956 planting season only 12.3 million acres were put into the acreage reserve and 1.3 million acres into the conservation reserve that year. In 1957, the biggest year of the Soil Bank, approximately 20 million acres were put in the acreage reserve and seven million in the conservation reserve--total 27 million acres. However, Bottum points out that acreage of the basic crops was reduced by only 16 million acres below 1955, while the acres of other cultivated and grain crops were up 4.5 million acres--thus an effective reduction in cotton, tobacco and grain crops of only 12.5 million acres was attained.¹⁸

¹⁸ J. Carroll Bottum, The Soil Bank as a Solution to the Farm Price and Income Problem, Policy for Commercial Agriculture, 85th Congress, 1st Session, Joint Economic Committee Print, Washington, D.C., November 22, 1957, pp. 708-709.

Part II. The Farmers' View

A Paradoxical Record

The farmer is commonly pictured as a strict adherent to the principle of laissez-faire, a rugged individualist, who fears or distrusts central government. To a considerable extent this is true, yet, in view of the farmer's political activity over the past hundred years it is obvious that he is not adversely disposed to calling on the government to protect or to better his lot. Farmers have asked the government to act as an economic regulator, they have requested that the government to help them maintain a position of economic equality with other groups.¹⁹

Farmer political attitudes have been an important factor in the evolution of the so-called "welfare state." Yet, at the same time they have acted as a brake to its development; through their general anti-labor bias and through their very real but seemingly paradoxical fear of "big" government. The farmer would appear to have a dual set of standards--one for himself and one for others. This trait is not peculiar to the farmer for all individuals tend to see their position in a different light than he sees others'. There are other factors which

¹⁹Robert W. Parks, Historical Goals and Political Behavior, Agricultural Adjustment Problems in a Growing Economy, editors Earl O. Heady, Howard G. Diesslin, Harold R. Jansen, Glen L. Johnson, Iowa State College Press, Ames, Iowa, pp. 270-274.

should be kept in mind when describing the huge government subsidy programs to the "conservative" farmer.

First, the legislation, of particularly the last ten years, does not necessarily wholly represent the desires and attitudes of all farmers. For example, the farm congressmen's assumption that farmers desired high parity supports above all else even if it meant severe production controls is open to serious question.

Second, although farmers may--during periods of economic adversity--actively campaign for government aid the temporary, short-run nature that has characterized much of the farm legislation, in part, probably reflects a general reluctance on the part of farmers to commit themselves to what might be called permanent welfare-state type legislation.

Third, although the Department of Agriculture has the largest single cut of the Federal budget, aside from national defense, it does not necessarily follow that agriculture is more protected--is more tightly embraced by welfare statism than any other segment of economy. Even though agriculture is highly subsidized the farmer, because of his relatively more exposed economic position, may yet be closer to being a practicing adherent of the principle of laissez faire than any other comparable socio-economic group in our society.

Hardin comments on this seeming paradox between attitudes and actual legislation as follows:

There is a tendency for "farm-bloc" Congressmen and agricultural pressure group leaders to think in classical economic terms. Their belief here is in the free market; the market really is honest, they think, in distributing economic rewards among men according to their contributions--so long as there is no interference with its operations. This belief is related to valuations: first, that a man ought to get what he is worth, and second, that he ought to get this reward from his own efforts: therefore, there should be no government subsidy. As farm leaders put it, "The farmer should get a fair price in the market place." This statement is offered by farm leaders as descriptive of the results of the present agricultural adjustment (and related) programs which rig the market in favor of the farmer but leave enough of the old forms to support the fiction: "A fair price in the market."²⁰

The political attitudes and actions that have spawned the farm legislation during the past century have been formed by the interaction of a widely divergent set of forces. It would be impossible in these few pages to identify and discuss all these forces, however, a brief look will be taken at some of these forces which seem to be within the context of this study.

Demand For Parity

During the past hundred years the farmer has found that not only is his income subject to rather violent fluctuations but that--even in periods of considerable national prosperity--his income status has been almost continually inferior to incomes in the nonfarm segment of the economy. The fluctuations

²⁰Charles M. Hardin, The Bureau of Agricultural Economics Under Fire, Journal of Farm Economics, August 1946, pp. 635-637.

in income have caused the farmer to become security conscious to a considerable extent. The tendency for his income to be inferior to the nonfarm segment has caused him to be concerned with measures to establish some kind of equality with other groups. Farm organization leaders and farm congressmen, recognizing these forces, have claimed to be representing the farmer's expressed desire by pushing for legislation that attempts to assure the farmer security and equality in the market place.

During the late 1930's the agricultural interests in working for farm legislation began to popularize these two factors under the general concept of parity prices. In an effort to influence legislation guaranteeing ever higher prices for agricultural commodities, parity was translated to mean "justice" and "equality." And in a society which promises justice to all full "justice" in the market place was soon being asked for.

So effectively did the farm organizations sell the parity price concept that in 1948 and 1949 when the Farm Bureau and the Grange took a stand for flexible supports they found themselves at odds with the bulk of the farm-state congressmen who felt they were best representing the wishes of their constituents by supporting a system of high, rigid parity supports. Parity, a concept that the farm organizations had used so successfully in early years, now appeared to be acting as a block in their fight for a flexible price support program.

Economic Literacy

Hathaway suggests that the dilemma faced by the farm organization leaders might in part be explained by the fact that the farmers had accepted parity as synonymous with "equality" and "justice" without any real understanding of its true meaning and value. To demonstrate Hathaway found that in a 1950 survey of Michigan farmers only 20 percent had any idea of how support prices were related to parity.²¹

This lack of understanding of the parity-support relationship, considering that parity is probably the most used economic term in the farmers' vocabulary, would seem to indicate a low level of economic literacy among the farmers. Earl Butz, Assistant Secretary of Agriculture, points out that this relatively low level of economic understanding among the farmers as well as the nonfarm population is "one of the most critical factors limiting sound agricultural policy formulation."²²

A specific example of this point is brought out by the Michigan study which shows that as understanding of the parity concept increased opposition to a high fixed parity support also increased. The same study also showed that at a time when it appeared likely that the Secretary of Agriculture might

²¹Dale E. Hathaway, Farmers' Knowledge, Attitudes and Agricultural Policy, (Unpublished thesis, Harvard University) May 1952, pp. 52-58.

²²Earl L. Butz, Policy Formulation and Economic Literacy, Journal Farm Economics, December, 1955, p. 127.

request authority to apply marketing quotas only 4 percent of the farmers had a "good" understanding of what the marketing quotas involved, while another 26 percent had "some" understanding. Those who did understand marketing quotas were more strongly opposed to them and were less willing to accept this type of control so as to achieve price security via high rigid parity supports. Farmers with little or no understanding were more willing to accept marketing quotas in an effort to receive price security.²³

Other studies substantiate that the economic literacy is, indeed, rather low. They serve to emphasize the importance of a strong educational program to assure that the farmer has a fuller understanding of the economic forces that affect his well-being and of the programs designed to alter the free play of those forces.

The Farmers' Opinions On Price Supports And Production Controls

During the crucial legislative periods of the late 1940's and 1950's extensive and heated congressional debates have developed over what type of price programs the farmers desired their representatives to enact. Congressmen who thought they were best representing their constituents desires in backing

²³Dale E. Hathaway, E. E. Peterson, Lawrence Witt, Michigan Farmers and the Price Support Program, Michigan State College Agriculture Experiment Station, East Lansing, Michigan, Technical Bulletin 235, December, 1952, p. 9.

high parity price supports have, in large part, won out. How well have policies reflected farmer desires?

A 1952 study shows that 45 percent of the New York farmers thought that prices should be supported while 46 percent thought that they should not. Of those who thought that prices should be supported 54 percent favored a flexible system, 26 percent thought price should be supported at a fixed percent of parity--preferably 90 percent. Production controls were opposed by 60 percent of the farmers. Direct payments were rejected as a possible type of support program by 55 percent of the farmers, while 35 percent thought they they were a "good idea."²⁴

Rather similar results were obtained in the 1950 Michigan study. Forty-six percent of the farmers thought that price supports were needed while 46 percent felt they were not needed. However, 67 percent of the farmers stated, in response to another question, that there should be a floor under farm prices to protect against disaster conditions. Sixty-two percent of the farmers in this study indicated that they were not willing to accept more production controls to achieve price security. Twenty-seven percent considered price security important enough to accept strict production controls.²⁵

²⁴Edward O. Moe, New York Farmers' Opinions On Agricultural Programs, New York College of Agriculture at Cornell University, Ithaca, New York, Cornell Extension Bulletin 864, November, 1952, pp. 56-57.

²⁵Hathaway, Peterson, Witt, op. cit., pp. 11-29.

At the time of the Michigan study the Brannan Plan was still the center of considerable controversy. The study showed that 49 percent of the farmers opposed the plan while only 7 percent favored it, 44 percent were undecided. One of the primary reasons why certain agricultural leaders objected to the Brannan Plan was because of the provision for direct payments for perishable products. Fifty percent of the Michigan farmers said they had never heard of the direct payments plan. Thirty-three percent said they had heard of it, but only 14 percent said they had heard of it and knew that it was a part of the Brannan Plan. When asked whether they favored the current diversion and storage method or the direct payment plan for supporting perishable products 34 percent said they favored the diversion method, 32 percent favored the direct payment plan.²⁶

In a 1954 study of Michigan farmers the percentage of those who had heard of direct payments increased to 52 percent. The study also showed an increased attraction to the direct payment plan. Thirty-nine percent of the farmers favored a direct payment program for supporting perishable products, 22 percent favored the diversion and storage program.²⁷

²⁶Ibid., pp. 33-40.

²⁷Delmar Murphy and Lawrence Witt, Attitudes of Michigan Farmers Toward Control Programs, Quarterly Bulletin, Michigan Agricultural Experiment Station, Michigan State University, Vol. 38, No. 4, May 1956, pp. 506-510.

The 1953-54 Iowa-Northern Illinois study shows a considerably higher percentage of the farmers in favor of a government farm price or income support programs. In an October, 1953 survey 69 percent of the farmers said there was need for a government price or income support program. In January, 1954, 74 percent of the same farmers said that a support program was needed. During the survey period--April, 1953 to January, 1954--there was a very small but gradual tightening of the farm price-cost squeeze.²⁸

However, when asked about the necessity for supports for specific commodities, only in the case of corn and wheat was there a clear majority who thought a program was needed. Sixty-four percent favored a support program for corn, 55 percent for wheat, 40 percent for cotton, 47 percent for livestock products, 43 percent for livestock and 46 percent for soybeans. The majority of those who favored support programs favored the then current 90 percent of parity support.²⁹

In 1955, Donald Hayworth, Democratic Representative of Michigan's sixth congressional district, sponsored a survey of his farmer-constituents to determine their attitudes toward

²⁸ Donald R. Kaldor, Views of Iowa and Northern Illinois Farmers on Price Support Policy, Iowa State College Agricultural Experiment Station, Ames, Iowa, Research Report No. 4, pp. 4-10.

²⁹ Donald R. Kaldor, Views of Iowa and Northern Illinois Farmers on Price Support Policy, Iowa State College Agricultural Experiment Station, Ames, Iowa, Preliminary Report No. 2, op. cit., pp. 7-10.

the price support program. The survey showed that 35 percent of the farmers favored a 90 percent of parity support program, 42 percent favored a flexible support program, while 23 percent said they were not in favor of any support program. On the basis of this survey Representative Hayworth voted against the omnibus farm bill which would have restored price supports to 90 percent of parity.³⁰

A mail-in survey of readers of the Farm Journal, a national farm magazine with a 2.5 million farm circulation, shows that many farmers are disturbed with government intervention in farming operations. Fifty percent felt that the government should get "clear out of farming." Twenty-seven percent said that the government should help the farmer more, 12 percent were satisfied with the present program, 11 percent felt that the government was helping the farmer somewhat more than it should.³¹

The results of the above studies show that there has been considerable farmer support for price and production control programs of the 1950's. However, if they accurately reflect the farmers' position there has been no definite mandate for the continuation of a high, rigid price support program with stringent production controls--an assumption that many farm congressmen have been working under.

³⁰This information was received via a telephone conversation with Mr. Hayworth.

³¹Farm Journal, How Our Readers Voted, February 1958, p. 10.

Actually these studies would indicate that congressmen representing farmer interests have had a much greater leeway on policy positions than many of them had supposed. This is further borne out in a study of 1954 election results in Iowa and Illinois. The study covered a number of adjacent farm townships, one having a Republican Representative who had taken a stand for rigid price supports during the preceding legislative session, the other township being represented by a Republican who had taken a stand for flexible supports. The results failed to show any significant vote differential between the townships compared. The author states:

The lack of differential in the vote does not mean, necessarily, that price support policy was an inconsequential issue for rural votes in 1954, but it does show that public commitment either for or against flexible price support policy by congressmen responsible for final policy determination did not result in an uneven punishment or reward at the polls.³²

Farmer Attitude Toward The Income Problem

Agricultural economists have long pointed to excessive production as one of the major causes of the low farm income. They have also pointed out that too many farmers are trying to split the agricultural-income pie. They have, therefore, recommended a more rapid shifting of resources out of agriculture and a shift of resources within agriculture from the

³²Thomas V. Gilpatrick, The Midwest Farm Vote and Agricultural Price Policy: Sub-County Analysis, (Unpublished Ph.D. Thesis, University of Chicago) 1956, pp. 76-77.

surplus to the non-surplus areas. How do these views jibe with farmer opinion?

In a 1957 national survey 70 percent of the farmers interviewed rejected the suggestion that "too many people are trying to farm" as an important cause of the low farm income problem. Also, only about 20 percent of the farmers thought that over-production was an important cause of the low income problem. The responsible factors listed by the farmers were; high costs of production, high profit margin taken by the middle man, and the influence of labor unions in continually raising wages.³³

Just as the farmers were unwilling to accept "too many farmers" as a cause of the income problem they likewise rejected programs for "moving people out of agriculture" as a solution. Expansion of foreign and domestic demand for farm products was recommended by a majority of the farmers as being important solutions to the problem. About 40 percent thought that incentive soil-bank payments and direct income payments would be important factors. About 40 percent suggested stiffer production controls. Thirty percent thought that by returning to a free market condition farm incomes would be improved.³⁴

³³Gene McMurtry, J. C. Bottum, R. I. Kohls, and J. O. Dunbar, Farmer's Attitudes Toward the Income Problem and Its Solutions, Purdue University, Lafayette, Indiana Agricultural Experiment Station, Mimeo EC-157, August 1958, p. 6.

³⁴Ibid, p. 8.

CHAPTER III

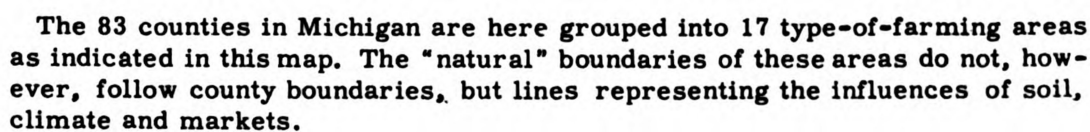
PROCEDURE AND METHOD

The Sample

The sample for this study was originally selected in 1954.³⁵ The sample was selected to represent four major commercial farming areas in Michigan (See Figure I). Kalamazoo county was selected to represent the small grain and livestock area. Major alternatives in this area are beef cattle, hogs, and corn. Livingston county represents the dairy and general farming. Off-farm employment is a major alternative in the county. Gratiot and Isabella counties were selected to represent an area where the emphasis is on cash crops with dairy in a secondary position. This area is further away from any industrial concentration than any of the other sample counties. Sanilac is a dairy and cash grain area.

The 19 townships (Figure I) were selected to maintain an approximately uniform soil type within each of the areas. This requirement made it necessary to combine townships from both Gratiot and Isabella counties.

³⁵The 1954 sample was used to determine the effect of production controls on the farmer's operation and his general attitudes towards those controls. See the Roof thesis, page 33, for a list of studies that have been completed using the data from this sample.



O-1503

The farms were randomly selected from the wheat listing sheets of the county Agricultural Stabilization and Conservation Committees. To assure a fairly representative sample of commercial farmers in Michigan only those farms with a 15 acre or more wheat allotment were selected.

The 1954 sample contained 414 farms. The 1957 sample consisted of only 364 farms. Farms were dropped from the 1954 sample if over 50 percent of the total farm acreage had been split in such a manner as to create a new management unit. Approximately the same number of farms were dropped from each county. The average crop acreage of the farms dropped was slightly lower than the average crop acreage of the farms used in this sample. However, it is assumed that the drop in the number of farms was random and will not bias the results of the 1957 survey.

Analysis

The three main objectives of the 1957 survey was to provide data; (1) to determine the characteristics of Soil Bank participants, (2) to determine the effect of the Soil Bank program on the farmers' corn and wheat cropping practices, (3) to determine the farmers' attitudes toward the Soil Bank and their understanding of its provisions and purposes. This study is primarily concerned with the attitudes and knowledge

of farmers; secondarily concerned with characteristics of the Soil Bank participants.³⁶

The portion of the questionnaire which was used for this study consisted primarily of open-ended questions. The pertinent questions are listed in Appendix I. All answers were coded for IBM purposes by the author to get as much uniformity as possible. The Chi square statistical test was used in reporting significant relationships.

³⁶An analysis of the affect of the Soil Bank on corn and wheat cropping practices and a partial analysis of the characteristics of Soil Bank participants is the subject of the Roof study.

CHAPTER IV
FARMER ATTITUDES TOWARD THE SOIL BANK
AND RELATED CHARACTERISTICS

This chapter is concerned with the general attitudes of Michigan farmers toward the Soil Bank. The farmer's opposition or favorability to the Soil Bank, his understanding of it and his expectations and recommendations as to its future will be discussed. Where appropriate these attitudes will be analyzed to point out the effect of farm and farmer characteristics on attitudes expressed.

Although this study covers the whole of the Soil Bank the ensuing discussion should be prefaced with the reminder that the farmers in this survey were almost entirely concerned only with the acreage reserve. Of the 117 farmers who participated in the Soil Bank--32 percent of the sample--only three participated in the conservation reserve.³⁷ Also at the time of the survey the acreage reserve was the key and, of course, the largest phase of the Soil Bank. Consequently the acreage reserve was given far more attention and was publicized to a much greater extent than was the conservation reserve.

The above factors bear on the following discussion in two important respects. First, when we speak of Soil Bank participants we are speaking almost solely of acreage-reserve

³⁷This ratio (.82%) corresponds with a ratio of 1.73% participation for all Michigan farmers.

participants. Second, because of the relative insignificance of the conservation reserve at the time of the survey it should be kept in mind that the farmer in answering questions about the Soil Bank was probably, in most cases, thinking almost entirely in terms of the acreage reserve.

Favorable or Opposed

The survey upon which this study is based was being conducted at the time (spring, 1957) Congress was voting to abolish the acreage reserve portion of the Soil Bank. This of course, only one year after the program had been created. The acreage reserve was created in a Presidential election year and sought to cut production of surplus crops and to bolster farm income via direct benefit payments. It was abolished in a non-election year because "it was not effective" in reducing production.

Thus, this study provides an opportunity to compare the Michigan farmers' attitudes toward the Soil Bank with the actions of congressmen who created it and then subsequently dismembered it.

The farmers were asked to indicate whether they were generally favorable to or opposed to the idea of the Soil Bank. Almost a half of the farmers said they were opposed to the idea. Only a third of the farmers said they were in favor of the program. Quite a large portion--22 percent--said that they didn't know whether they were in favor of or opposed the Soil Bank. These results are shown in Table I.

The relatively large number of farmers who had not made up their mind about the Soil Bank is probably due to the newness of the program and also to the fact that many of the farmers were not affected by the Soil Bank enough to cause them to form an opinion.

However, of those farmers who had made up their minds those who opposed the Soil Bank lead by a comfortable margin. This would indicate that the majority of the farmers were in agreement with--or at least not unduly concerned over--Congress's action in the spring of 1957 to abolish the acreage reserve portion of the Soil Bank.

TABLE I

FARMERS BASIC POSITION TOWARD THE SOIL BANK

Response	Percent
Favorable to the Soil Bank	32
Opposed to the Soil Bank	46
Don't know	22
Number of respondents	364

It would appear then that representatives directly involved in the Soil Bank legislation, at least those from Michigan, had a fairly clear hand--in relation to the desires of

their farmer constituents--to vote their consciences' both in the creation of the Soil Bank and in the subsequent abolition of its major portion--the acreage reserve.³⁸

It should be pointed out that Table I represents the opinion of farmers one year after the Soil Bank had been put into effect. It is quite possible that farmers would have expressed a different opinion had they been questioned prior to the initiation of the Soil Bank.

Reasons For Favoring or Opposing

After being asked whether they favored or opposed the Soil Bank the farmers were asked to tell why they took such a position. The most common reason given by 40 percent of the participants--for favoring the Soil Bank was that it would "help solve the surplus problem" (Table 2). Thirty percent of the 115 farmers simply said they favored the Soil Bank because "the idea sounds pretty good." It is not at all clear just why they thought that the idea "sounded pretty good," although due to the high percentage of the farmers who thought that the

³⁸The counties of this survey are located in four separate congressional districts. All four of the Representatives concerned voted for the enactment of the Soil Bank. All four also voted against the Harrison Amendment to the 1958 Agricultural Appropriation bill which would have denied funds for the 1958 acreage reserve. The other 14 Michigan Representatives, including the 6 Democratic Representatives of Wayne County (Detroit), voted for the Soil Bank in 1956. All except the Wayne County Representatives and the Representative of the 12th district (Upper Peninsula) voted against the Harrison Amendment in 1957. Both Senators voted for the Soil Bank bill but split on the Harrison Amendment--the Democratic Senator voting "aye"; the Republican voting "nay."

purpose of the Soil Bank was to reduce surpluses (see Table 14) it might be assumed that many of these farmers were thinking in terms of surplus reduction.

Eight percent favored the Soil Bank because it "helps me," while 5 percent favored it because it "helps farmers generally." Along the same line 3 percent stated that they favored the Soil Bank because it gave the farmer a chance to improve his land while getting paid for it.

Thus, although, the farmers were not very specific in their reasons for favoring the Soil Bank it is apparent that they saw in the Soil Bank a technic that would help bolster farm income in the long run by reducing surpluses, in the short-run via the benefit payments.

Those farmers who were opposed to the Soil Bank were much more specific--although more varied--in stating their position. The most common basis for opposition to the Soil Bank was the farmers' concern over "too much government interference" in farming (Table 3).

Forty percent of those who opposed the Soil Bank gave this as their primary reason for doing so. Along the general line of opposition to "government in farming" another seven percent stated that they were opposed to the Soil Bank because "you shouldn't get something for nothing." As Soil Bank payments are in lieu the farmers' ordinary crop receipts these particular farmers were apparently thinking in the context that farmers shouldn't get paid for not working their land.

TABLE 2

REASONS GIVEN BY FARMERS FOR FAVORING THE SOIL BANK

Reason	Percent
It will help solve the surplus problem	40
The idea sounds pretty good	30
It helps me	8
Helps farmers generally	5
Farmer has a chance to improve his land while getting paid for it	3
Others	11
Don't know	3
Number of respondents	115

That such a large portion based their opposition on these two related points is rather unusual in that although the Soil Bank program does entail a type of subsidization it does not restrict the farmers freedom of operation against his own desires. This opposition to the Soil Bank then would seem to stem from the farmers' concern over the encroachments on their freedom precipitated by government programs in general and the subsidization by these programs of the non- working farmer.

TABLE 3

REASONS WHY FARMERS WERE OPPOSED TO SOIL BANK

Reasons	Percent
Generally opposed to so much government interference	40
Doesn't help me	13
It won't accomplish anything beneficial for agriculture	10
A person shouldn't get something for nothing	7
It won't accomplish its intended purpose of surplus reduction	7
Administration poor and lax	5
Payments are inequitable	4
Payments are not high enough	3
Other	11
Number of respondents	169

This serves to point out the inner conflict among farmers, who although, tending to believe in the classical ethic of free enterprise an economic reward according individual effort, have felt compelled on past occasions to request governmental aid. This aid often being dispensed via programs that curtail the farmers' freedom of operation, programs that entail subsidizing of the "non-working" farmer.

The farmers, who were concerned with "big" government usually operated a livestock enterprise on farms that were above average in size. Most of them were full owners. They also earned all their income from the farm and were members of the Farm Bureau. Age was not an influencing characteristic.

Full-time farmers operating a relatively large enterprise--particularly the livestock producers who have operated without government supports and controls in the past--are more likely to feel that they can compete successfully in a relatively free market. The Farm Bureau, representing the commercial farmer, although supporting the Soil Bank has, since the late 1940's recommended a return to freer farm-market conditions. Presumably farmers who favor a freer market are more likely to be members of the Farm Bureau.

The next most common reason--given by 13 percent of the respondents--for opposing the Soil Bank was simply that the farmer did not believe that he as an individual would gain anything from the Soil Bank and was therefore opposed to it. This could mean that the farmer felt that it was impossible for him to participate in the Soil Bank or if he did that the payments would not be high enough. Seven percent of the farmers based their opposition on the fact that they thought the rates of payments were either too low or inequitable.

Another seven percent of those opposed to the Soil Bank took the position because they didn't think it would achieve

its intended purpose--that of surplus reduction. Five percent said they were opposed to the Soil Bank because of its poor and lax administration.

Characteristics Influencing Attitudes

As would be expected those who participated in the Soil Bank were much more likely to be in favor of it and less likely to be opposed to it than were those farmers who didn't participate (Table 4). Each group, however, contained about an equal percentage of farmers who hadn't made up their minds.

TABLE 4

ATTITUDE TOWARD THE SOIL BANK RELATED TO SOIL BANK PARTICIPATION*

Response	Soil Bank Participants	Non-Soil Bank Participants
	Percent	Percent
Favorable to the Soil Bank	42	27
Opposed to the Soil Bank	37	51
Don't know	21	22
Number of respondents	117	247

*Significant at the 1 percent level of Chi square.

It is interesting to note that those farmers who participated in the Soil Bank were by no means consistently in favor

of it--almost as many of the participants opposed the Soil Bank as favored it. This was clearly not the case among the non-participants where 51 percent were opposed to the Soil Bank while only 27 percent favored it. Thus, attitude toward the Soil Bank was apparently not a significant factor with those farmers who decided to participate (See Table 27 for farmers' reasons for participating in the Soil Bank).

Attitudes toward the Soil Bank were also found to be related to the size of the farmers' crop acreages. This relationship is shown in Table 5. It will be noted that as the number of crop acres increased both the percentage of farmers favoring the Soil Bank and the percentage of farmers opposing it also increased--the percentage favoring the Soil Bank

TABLE 5

ATTITUDE TOWARD THE SOIL BANK RELATED TO CROP ACREAGE*

Response	Crop Acreage		
	0-139	140-259	260-over
	Percent of farmers		
Favorable to the Soil Bank	26	34	38
Opposed to the Soil Bank	43	49	49
Don't know	31	17	13
Number of respondents	151	150	63

*Significant at the 5 percent level of Chi square.

increased the most, however. This simultaneous increase occurred because more of the farmers with larger crop acreages had actually formed an opinion about the Soil Bank. Thirty-one percent of the farmers who farmed less than 140 acres of crop land said they didn't know whether they were in favor of or opposed to the Soil Bank. In comparison this same type of answer was given by only 13 percent of the farmers who operated 260 or more acres of crop land.

Farmers with larger crop acreages were apparently more aggressive in their study of the Soil Bank, or at least more concerned about the program, and thus more willing to definitely state whether they favored or opposed it.

Farmers who were in the habit of attending meetings conducted by the county agent were more likely to favor the Soil Bank than those who weren't in the habit of attending (Table 6). This again, is due to the fact that farmers who attended county agent meetings were more likely to have made up their mind about the Soil Bank. These farmers apparently made up their mind in favor of the Soil Bank as the percentage opposed to the Soil Bank did not vary with attendance.

Regular attendance of county-agent meetings indicates a fairly close relationship between the farmer and the extension service. Presumably these farmers had a good opportunity to get detailed explanations of the Soil Bank. It may be, then, that these farmers had more information about the Soil Bank and

TABLE 6

ATTITUDE TOWARD THE SOIL BANK RELATED TO ATTENDANCE
OF COUNTY-AGENT MEETINGS*

Response	Attendance of County-Agent Meetings		
	Yes	Sometimes	No
	Percent of farmers		
Favorable to the Soil Bank	41	31	25
Opposed to the Soil Bank	45	44	49
Don't know	14	25	26
Number of Respondents	125	78	161

*Significant at 5 percent level of Chi square.

that this information helped them to make up their minds in favor of the Soil Bank. On the other hand it may well be that farmers who had made up their minds in favor of the Soil Bank were simply more inclined to attend these county-agent meetings.

If the farmers are to voice an opinion on the desirability or undesirability of such a program as the Soil Bank it is important that they have a reasonable understanding of the Soil Bank concept and how the program is to function. Previous studies have shown that farmers are often uninformed of the concepts and of the functioning of the government programs that directly affect their welfare. These studies have also shown that the farmers' attitudes toward these programs have

been significantly influenced by their degree of understanding about how they operate and what they are designed to achieve.

It would therefore be expected that the level of understanding of the sample farmers would influence their attitudes toward the Soil Bank. Although the farmers of this sample showed a good understanding of the soil-bank concept relatively few successfully answered questions designed to test their understanding of how the Soil Bank functioned. However, as pointed out on pages 66 to 71 there are certain limitations to the testing procedure used in this study. Therefore, the results of Table 7, which shows that the farmers who expressed a correct understanding of the term "acreage reserve" were much more likely to favor the Soil Bank than the farmers who didn't express an understanding, are subject to considerable qualification and should be viewed with caution.

TABLE 7
ATTITUDE TOWARD THE SOIL BANK RELATED TO UNDERSTANDING
OF THE ACREAGE RESERVE*

Response	Understanding of Acreage Reserve		
	Essentially Correct	Incomplete or Erroneous	Don't Know
	Percent of farmers		
Favorable to Soil Bank	41	35	26
Opposed to Soil Bank	47	45	46
Don't Know	12	20	28
Number of Respondents			

*Significant of 1 percent level of Chi square.

Table 7 also suggests that the farmer who was able to express an essentially correct understanding of the acreage reserve was more likely to have made up his mind and made it up in favor of the Soil Bank. The level of understanding did not affect the distribution of those opposed to the Soil Bank. The same general relationship applied to the farmer's understanding of the conservation reserve.

Characteristics Not Affecting Attitude

Source of income and type of farm, two farm characteristics which were significantly related to Soil Bank participation, showed no significant relationship to the operator's attitude toward the Soil Bank. That these two characteristics were associated with participation but unassociated with attitude is probably explained by the fact that the participants themselves were about evenly divided in their attitude toward the Soil Bank.

Farmer characteristics such as ownership status, membership in a farm organization and age of operator did not have any affect on attitude toward the Soil Bank. These characteristics were not related to Soil Bank participation either.

Summary of Attitudes

Forty-six percent of the farmers stated that they were opposed to the Soil Bank while 32 percent stated that they were in favor of it. The major reason for opposing the Soil

Bank stemmed from the farmers' concern over "big" government in farming. The major reason of favoring the Soil Bank was that the farmers thought that it would help to alleviate the surplus problem.

Characteristics found to be related to attitude were; Soil Bank participation, number of crop acres, attendance of county-agent meetings and understanding of the terms acreage reserve and conservation reserve. The relationship of attitude and participation is to be expected, however, less than half of the farmers who participated in the Soil Bank actually stated that they were in favor of it. Attendance of county-agent meetings and the farmers' understanding were related to attitudes in that farmers in these groups were less likely to be undecided about the Soil Bank and more likely to be in favor of it.

Source of income, type of farm, ownership status, membership in farm organizations, nor age of operator appeared to influence attitude toward the Soil Bank. Thus aside from the level of understanding--which must be carefully qualified--no one particular characteristic can be said lead to a generally favorable or generally opposed attitude to the Soil Bank.

Changes In the Soil Bank

Another indication of the farmers' satisfaction with the Soil Bank can be found in their suggestions for changes in

the program. Two-thirds of the farmers in this sample thought that there should be changes made in the program--only 10 percent believed that none should be made (Table 8).

TABLE 8
FARMERS' OPINION AS TO WHETHER THERE SHOULD
BE ANY CHANGES MADE IN THE SOIL BANK

Response	Percent
Yes	66
No	10
Don't Know	24
Number of respondents	364

The suggestions for improving the Soil Bank were numerous and varied, however, two suggestions appear to be particularly significant (Table 9). The most significant suggestion, submitted by 43 percent of the respondents, was the one calling for the abolition of the program. As this was completely unsolicited it indicates a rather widespread dissatisfaction with the Soil Bank.

Only 17 percent of the farmers suggesting changes thought that the payments should either be adjusted or increased. Thus, as was demonstrated in Table 3, the rates of payment did not seem to be a primary factor in the farmers' dissatisfaction with the Soil Bank.

TABLE 9

CHANGES IN SOIL BANK RULES SUGGESTED BY THE FARMERS

Suggestions	Percent
The whole program should be dropped	43
Adjust inequality of payment ratio	12
Program should be better policed	9
Payments increased	5
Allow feed to be produced on Soil Bank acreage	3
Make regulations easier to understand	3
Make participation mandatory	1
Limit payments per farm	1
General changes (respondent felt there should be changes but did not specify any)	7
Other	16
Number of respondents	239

In addition to being asked the open-ended question of what changes they would like to see made in the Soil Bank, the farmers were asked to voice their opinion as to whether a series of possible changes listed in the questionnaire would actually be effectuated. They were asked whether they thought:

- (1) the payment rate for the acreage and conservation reserves would be increased (Table 10).

- (2) acreage reserve payments would be made available for other crops (Table 11).
- (3) acreage reserve regulations would become more stringent (Table 12).

TABLE 10

FARMERS OPINION AS TO WHETHER SOIL BANK
PAYMENTS WOULD BE CHANGED

Expected rates	Acreage Reserve	Conservation Reserve
	Percent	Percent
Smaller	21	20
Larger	7	14
About the same	33	12
Don't know	31	53
No answer	8	1
Number of respondents	364	364

TABLE 11

FARMERS OPINIONS AS TO WHETHER ACREAGE RESERVE PAYMENTS WOULD
BE MADE AVAILABLE FOR OTHER CROPS IN THE NEXT FEW YEARS

Response	Percent
Yes	26
No	37
Don't know	35
No answer	2
Number of respondents	364

TABLE 12

FARMERS' EXPECTATIONS AS TO WHETHER ACREAGE RESERVE REGULATIONS
WOULD BECOME MORE STRINGENT--SUCH AS HAVING TO
SPECIFY FIELDS SEVERAL YEARS IN ADVANCE

Response	Percent
No change	12
More difficult	50
Less difficult	4
Don't know	34
Number of respondents	364

Two characteristics of these answers stand out. First, of those who voiced an opinion few seemed to think that if the changes were effectuated, they would favor the individual farmer. Second, about a third of the farmers were unwilling to venture a guess as to whether the changes would actually be brought about.

One-half of the sample farmers thought that it would become more difficult to participate in the acreage reserve in future years, while only 4 percent actually thought that participation would become easier. Almost none of the farmers expected the acreage reserve payments to be increased, only a few more thought that the conservation reserve payments would be increased. Only a fourth of the farmers thought that acreage reserve payments would be made available for other crops.

TABLE 13
FARMERS' OPINIONS AS TO WHETHER EVERYONE SHOULD BE
REQUIRED TO PARTICIPATE IN THE SOIL BANK

Reason	Percent
Yes--only way that it can reduce production	7
Yes--everyone should get equal treatment	2
Yes--no explanation	<u>1</u>
Total in favor of a mandatory Soil Bank	10
No--would destroy farmer freedom	60
No--cattlemen need acreage for feed production	6
No--won't work on all farms and/or in all areas	6
No--no explanation	<u>15</u>
Total opposed to a mandatory Soil Bank	87
Don't know	3
Number of respondents	364

Mandatory Soil Bank

The farmers were quite definite in their opinion about one suggested change. When asked whether Soil Bank participation should be made mandatory 87 percent answered with a no (Table 13). Most of the 10 percent who favored a mandatory Soil Bank took this position because they thought that it was

the only way the Soil Bank could actually reduce production. Most of the opposing farmers rejected mandatory participation because it would "restrict farmer freedom." Most of these farmers were quite emphatic in their answers--using such phraseology as; "we are restricted too much already," "there is too much socialism in this country," and "this isn't Russia."

Purpose of the Soil Bank

The farmers in this survey were quite definite in what they thought the Soil Bank was primarily intended to accomplish. Eighty-five percent of the farmers voiced the belief that Soil Bank was intended to reduce the production of surplus crops (Table 14). Although Soil Bank participants were somewhat more inclined to believe that the Soil Bank was intended to reduce production than the non-participants the difference was not found to be significant.

As shown in Table 14 two percent of the farmers thought the Soil Bank was primarily intended to influence the farm vote. An attempt was made to determine whether the farmers thought that political appeasement was a factor in the passage of the Soil Bank Act by asking them, "what in your opinion was the reason behind the passage of the Soil Bank Act?" However, relatively few of the farmers differentiated between this question and the question on what the Soil Bank was intended to accomplish. Most of them passed the first and answered the

latter. However, enough did answer to indicate that a considerable portion of the farmers saw the passage of the Soil Bank Act primarily an attempt to appease the farmer and therefore influence his vote. Seventeen percent of the sample said that the passage of the Act was primarily a "political scheme."

TABLE 14

FARMERS' OPINIONS AS TO WHAT THEY THOUGHT THE
SOIL BANK WAS INTENDED TO ACCOMPLISH

Response	Percent
To reduce surpluses through reduced production	80
To raise/stabilize agricultural prices	4
To reduce production--at same time build up the soil.	<u>1</u>
Total that thought the purpose of the Soil Bank was to reduce production	85
To influence the farmer vote	2
To help farmers generally	1
Other	2
Don't know	10
Number of respondents	364

Although a large majority of the farmers thought the Soil Bank was intended primarily to bring about a reduction in the production of the surplus crops, considerably less than half believed that a reduction would actually be accomplished (Table 15).

TABLE 15

FARMERS' OPINIONS AS TO WHETHER THE SOIL BANK WOULD
BE SUCCESSFUL IN REDUCING PRODUCTION

Response	Percent
Yes, production will be reduced	41
No, production will not be reduced	32
Don't know whether production will be reduced	27
Number of respondents	309

The primary reason why the farmers didn't think production would be reduced was that land not in the Soil Bank would be farmed more intensely thus increasing yields (Table 16). About a fourth of the farmers thought that the Soil Bank could effectively reduce production only if it was compulsory. One-fifth of the farmers thought that the Soil Bank would be unsuccessful in reducing production as only poor quality land would be put in reserve.

Who Benefits

Although most of the farmers were doubtful that agriculture as a whole was benefiting from the Soil Bank 70 percent thought that there were certain groups within agriculture which were benefiting relative to other groups (Table 17).

TABLE 16

REASONS GIVEN BY FARMERS AS TO WHY THEY THOUGHT
THE SOIL BANK WOULD NOT REDUCE PRODUCTION

Reason	Percent
Land not in Soil Bank will be farmed more intensely	47
As it isn't compulsory not enough will participate	24
Only poor unproductive land will be put in Soil Bank	21
Soil Bank land will be more productive when put back into production	6
Washington won't be able to administer it properly	2
Number of respondents	99

Although almost every type of farmer received some nominations the bulk--39 percent--of the respondents thought that the big farmer was benefiting the most from the Soil Bank. Of those who voted for the big farmer about one-third of them thought that the big Western farmer benefited most.

The next highest group on the Soil Bank benefit list were the part-time farmers. Sixteen percent of the respondents thought that this group benefited more from the Soil Bank than any other group in agriculture. It is interesting that three-fourths of those who thought the part-time farmers benefited most were themselves full-time (90 to 100 percent income from farming) farmers.

TABLE 17

FARMERS' CHOICE AS TO WHICH GROUPS WITHIN AGRICULTURE
WERE BENEFITING THE MOST FROM THE SOIL BANK

Response	Percent
Yes, big farmers	39
Yes, part-time farmers	16
Yes, farmers with poor land	5
Yes, older or retired farmers	4
Yes, grain farmers	3
Yes, small farmers	1
Yes, others	<u>2</u>
Total that thought a specific group in agriculture was benefiting more from the Soil Bank	70
No group benefiting from the Soil Bank	13
Don't know	14
No answer	3
Number of respondents	364

Farmer Understanding of the Soil Bank

During the past few decades there has been a tremendous growth in the number and complexity of government programs that have direct effect on the farmer's economic and social well being. This growth has spawned two critical problem areas that plague both the farmer and society.

Under our system of government where day to day public opinion--or what is thought to be the public opinion--more and more plays a significant role in the determination of public policy it is of considerable importance that public opinion be an informed one. This is not to say that the public should be of one opinion but that the individual and groups who make up that public should be aware of and have some understanding of the major factors that are pertinent to the policy position in question.

Certainly a farmer cannot be expected to be an economist (even if he were this would not guarantee informed legislation). Even so, it would be hoped that he have some awareness of the factors which give rise to the economic problems confronting agriculture, and that he have an understanding of the programs proposed to alleviate those problems--that he be in a position to make informed decisions. As pointed out in Chapter II many farmers are unaware of many of the basic factors that give rise to their economic problems. In addition, it has been found that many farmers have only a vague conception of how government programs operate or what they are intended to accomplish.

Second, not only is it desirable that the farmer be able to make an informed decision about governmental programs, but also that once the programs have been put into operation that the farmer know enough about these programs so that he may

effectively participate in them if he finds such action desirable.³⁹

One of the problems of farmer participation in government programs is simply an unawareness of their existence. The New York study showed, for example, that only about half of the farmers in the sample knew about the Farm and Home Administration and the Federal Crop Insurance. Six out of 10 knew about the Rural Electrification Administration. About 8 out of 10 knew of the Soil Conservation Service and the Production and Marketing Administration.⁴⁰

The farmers in this study were asked several direct questions in an effort to determine their understanding of how the Soil Bank functioned. They were asked to describe what the terms acreage reserve and conservation reserve meant to them. They were also asked to indicate whether they thought the acreage reserve and conservation reserve were a part of the same program. Other indirect questions such as the one asking the farmers to state what they thought the Soil Bank was intended to accomplish were useful in determining the farmers' knowledge of the general soil-bank concept.

³⁹ It is also important that he be informed to the extent that he knows whether participation in the program is optional or necessary. For example, many wheat farmers have stayed within their allotment because they thought that to overplant was a criminal offense.

⁴⁰ Edward O. Moe, op. cit., p. 14.

The following discussion of the data obtained from the questions on farmer knowledge of the Soil Bank should be prefaced with several words of caution. The questions on the acreage and conservation reserves were of the open-end type. This type of question is used to prevent the interviewer's bias from affecting the respondent's answer--to assure that the answer given by the respondent accurately reflects, as nearly as possible, his own opinion or knowledge. However, this type of question is not without fault for the open-end question raises the problem of communication. In reference to this study the use of this type of question assumes, (1) that the farmer fully understood what the interviewer was asking him and (2) that if the farmer did possess the correct knowledge he was able to communicate that knowledge to the interviewer.

Both of the assumptions, however, are complicated by several factors. First, the trained economist and the farmer do not organize their thoughts in the same manner. This, first of all, complicates the communication of the intent of the question asked and the answer given. Secondly, the knowledge that the economist may think the farmer should possess in order to make a decision may not be in agreement with the knowledge the farmer actually uses in making that decision.

Second, even though the farmer may know the correct answer he may not be able to communicate that knowledge. It takes

training and practice to be able to articulate one's thoughts on the spur of the moment, so to speak, in a few concise sentences--abilities which few farmers can be expected to have.

Third, if the farmer does find it somewhat of an effort to answer the question he may be tempted to give a "don't know" answer simply to take him off the spot. Particularly if the interview is a long one--which this one was.

Fourth, the farmer may have studied the question enough a year ago to make a decision, however, at the time of the interview had forgotten the details but remembered the decision.

Fifth, specifically in regard to this study, it must be remembered that the majority of the farmers did not participate in the Soil Bank. Many of these probably based their decisions on the fact that they did not want to reduce their crop acreage in any way and therefore did not investigate any further as to how that acreage was to be reduced.

Sixth, also in specific reference to this study, it must be remembered that the farmers were participating only in the acreage reserve. Therefore, a great many of them simply thought of this as participating in the Soil Bank--not as participating in the acreage reserve portion of the Soil Bank.

Thus it may well be that a multi-choice type question would have more accurately reflected the farmers' knowledge of the Soil Bank. The only assumption of this type of question would be that the results would not be unduly influenced by

guessing on the part of the farmer. As most farmers are not well versed in the art of test taking and are not competing for a mark this assumption would seem to be realized more easily than the assumptions of the open-end type question.

As shown in Table 18 only about one-fourth of the farmers expressed a correct understanding of the term acreage reserve, 53 percent gave the interviewer a "don't know" answer. Only one-fifth of the farmers expressed a correct understanding of the term conservation reserve, while 56 percent said that they didn't know what it meant.

The criteria used for classifying an answer as correct was extremely liberal. If in reply to the question about the acreage reserve the farmer stated that it involved a reduction of crop acreage, with compensation, on a short term basis he was considered to have an "essentially correct understanding." Less than five farmers specified that this involved a reduction below the farm's allotted acres. If in reply to the question on the conservation reserve the farmer stated that it involved the placement of a certain portion or entire farm acreage into long term, non-productive conservation practices, with compensation, he was considered to have an "essentially correct understanding."

TABLE 18

FARMERS' UNDERSTANDING OF THE TERMS ACREAGE
RESERVE AND CONSERVATION RESERVE

Response	Understanding of the Term	
	Acreage Reserve	Conservation Reserve
	Percent of farmers	
Essentially correct understanding	26	20
Incomplete or erroneous understanding	21	24
Don't know	53	56
Number of respondents	364	364

As shown in Table 19, only 43 percent of the farmers thought the acreage reserve and conservative reserve were a part of the same government program. Twenty-six percent thought they were separate programs while 31 percent said they didn't know.

This, of course, seems to indicate a poor farmer understanding of the administration of the Soil Bank. It also probably suggests that the farmer did not think of the Soil Bank in terms of an acreage reserve and a conservation reserve. Thus, when directly confronted with those two terms, he was somewhat at a loss to come up with an answer.

TABLE 19

UNDERSTANDING THAT ACREAGE RESERVE AND CONSERVATION RESERVE
ARE PARTS OF ONE PROGRAM OR ARE TWO SEPARATE PROGRAMS

Response	Percent
Part of same government program	43
Separate government programs	26
Don't know	31
Number of respondents	364

Understanding Related To Soil Bank Participation

It must be assumed that those farmers who participated in the Soil Bank--by the mere fact of their participation--knew what was involved. Yet according to Table 20 only 38 percent of the farmers who participated in the acreage reserve expressed a correct understanding when asked what the term acreage reserve meant. Twenty-three percent gave incomplete or erroneous answers while 39 percent said they didn't know what the acreage reserve entailed. To take these results literally one would have to conclude that 62 percent of the Soil Bank participants didn't know what they were doing--this, of course, is obviously not the case.

Table 20 does show that farmers who participated in the Soil Bank more frequently expressed a correct understanding of

TABLE 20

UNDERSTANDING OF THE ACREAGE AND CONSERVATION
RESERVE RELATED TO SOIL BANK PARTICIPATION

Understanding of the acreage reserve*	Soil Bank Participant	Non-Soil Bank Participant
	Percent of farmers	
Essentially correct understanding	38	21
Incomplete or erroneous understanding	23	20
Don't know	39	59
Understanding of the conservation reserve**	Percent of farmers	
Essentially correct understanding	29	16
Incomplete or erroneous understanding	21	26
Don't know	50	58
Understanding of same or separate programs***	Percent of farmers	
Part of same program	51	39
Separate programs	27	26
Don't know	21	35

*Significant at the 1 percent level of Chi square

**Significant at the 5 percent level of Chi square

***Significant at the 5 percent level of Chi square

both the acreage reserve and conservation reserve and more frequently identified the two as being a part of the same government program than did the non-participating farmers.

On the other hand the results of Table 20 emphasizes the fact that one cannot conclude that most of the farmers didn't know enough about the Soil Bank--as Table 18 would seem to suggest--to make an informed decision as to whether or not to participate in the Soil Bank or to pass judgement on it.

It is evident that most of the farmers made no distinction between the specific terms acreage and conservation reserve and the general term Soil Bank. This, in part resulting from the fact that only three farmers took part in the conservation reserve, was probably quite influential in causing many farmers to misunderstand the intent of the questions.

These results also suggest that many farmers had difficulty in communicating or did not try to communicate their knowledge to the interviewer. The participant, however, was somewhat more likely to distinguish between the specific and general terms. Participants, probably because of this first-hand knowledge, were also better able to express and communicate their knowledge to the interviewer.

Understanding Related To Attendance Of County-Agent Meetings

The above considerations should also be kept in mind when viewing Table 21, which shows that those farmers in the habit of attending meetings conducted by county agents were more likely to express a correct understanding of the term acreage reserve and less likely to give a "don't know" answer or one that

was incomplete or erroneous than the farmers who were not in the habit of attending such meetings. They were also slightly more likely to recognize that the acreage reserve and conservative reserve were a part of the same government program.

TABLE 21
UNDERSTANDING OF ACREAGE AND CONSERVATION RESERVE RELATED
TO ATTENDANCE OF COUNTY AGENT MEETINGS

Acreage Reserve*	Attendance of Meetings		
	Yes	Sometimes	No
	Percent of farmers		
Essentially correct understanding	35	22	21
Incomplete or erroneous understanding	19	18	25
Don't know	46	60	54
Conservation Reserve**	Attendance of Meetings		
	Yes	Sometimes	No
Essentially correct understanding	27	20	15
Incomplete or erroneous understanding	22	27	25
Don't know	51	53	60
Part of same or separate programs***	Attendance of Meetings		
	Yes	Sometimes	No
Part of same program	51	42	37
Separate program	27	25	27
Don't know	22	33	36
Number of respondents	124	79	161

*Significant at 5 percent level of Chi square

**Insignificant at 10 percent level of Chi square

***Significant at 5 percent level of Chi square

It will be noted that there was no significant relationship between an understanding of the conservation reserve and attendance of county-agent meetings even at the 10 percent level of Chi square. In coding the answers to this question it appeared that many farmers were able to give an essentially correct answer not because they associated the term with the Soil Bank but merely because they were able to elaborate on the general meaning of the term conservation. This may have tended to obscure any relationship between understanding and attendance of county-agent meetings.

Understanding Related To Sources Of Information

As might be expected the more information sources the farmer used in his study of the Soil Bank, the better able he was to correctly answer questions about how the Soil Bank functioned.

Table 22 shows that the more sources of information used by the farmer the more likely he was to express a correct understanding of the acreage and conservative reserve and to identify them as being a part of the same program. The association between farmers giving a "don't know" answer and the number sources used was most significant. The more sources the farmer used the more likely he was to at least attempt to answer the questions.

Even so, the improvement in "knowledge" with increasing number of sources was relatively slight, only one-third of the

farmers who had solicited information from four separate sources were rated as having a correct understanding of the two terms. This would again seem to emphasize that the actual knowledge of the farmer was not accurately tested.

TABLE 22
UNDERSTANDING OF ACREAGE AND CONSERVATION RESERVE RELATED
TO NUMBER OF SOURCES OF INFORMATION

Acreage Reserve*	Number of Sources Used				
	None	One	Two	Three	Four
	Percent of farmers				
Essentially correct understanding	5	23	24	32	34
Incomplete or erroneous understanding	18	21	16	24	26
Don't know	77	56	60	44	40
Conservation Reserve**	Number of Sources Used				
	None	One	Two	Three	Four
Essentially correct understanding	5	14	21	18	36
Incomplete or erroneous understanding	13	20	20	35	27
Don't know	82	66	59	47	37
Part of same or separate program***	Number of Sources Used				
	None	One	Two	Three	Four
Part of same program	18	35	45	45	58
Separate program	37	25	24	34	21
Don't know	45	40	31	21	21
Number of respondents	22	101	96	76	73

*Significant at 5 percent level of Chi square.
 **Significant at 1 percent level of Chi square.
 ***Significant at 1 percent level of Chi square.

Sources of Information

In the question concerning sources of information the farmer was asked to indicate from a list of nine possible sources the ones he used in studying about the Soil Bank. In addition to the nine listed on the questionnaire the farmers added two more; bank newsletters and the Farm Bureau. The sources and their frequency of use are shown in Table 23.

The Agricultural Stabilization and Conservation Committee was the source most consistently utilized by the farmers. The fact that so many of the farmers said they contacted the A.S.C. Committee indicates that a large number of farmers had given the Soil Bank some serious thought. This would seem to be the case because of the fact that the A.S.C. Committee would be the only source where the farmer could obtain specific information as to how the Soil Bank would apply to his individual farm. In most cases the farmer would have had to make a special effort--at least in comparison to reading a farm magazine--to contact the A.S.C. office. It would probably be unlikely that he would exert this special effort unless he was seriously considering participating in the Soil Bank.

The mass media sources, the newspapers, farm magazines and radio were the next most frequently listed sources. The county agent, extension literature and Michigan State University specialists were used relatively little.

TABLE 23

SOURCES OF INFORMATION USED AND THOSE
CONSIDERED MOST RELIABLE

Source	Used by Farmers	Considered Most Reliable By Farmers
	Percent of farmers	
A.S.C. Committee	60	40
Newspaper	45	6
Farm Magazine	44	14
Radio	29	4
County Agent	19	6
Neighbor	16	4
Extension Literature	6	1
Other Government Agency	2	-
M.S.U. Specialist	2	1
Farm Bureau	1	-
Bank Newsletter	1	3
Don't know which is most reliable		13
None are reliable		8
Number of respondents	364	364

Table 23 also shows the farmer's opinions as to which sources he thought were the most reliable. The farmer did not always consider the particular source or sources he may

have used as the most reliable. For example, while the county agent was ranked fifth in frequency of use he was ranked third in reliability.

About one-fifth of the farmers said they didn't know which was the most reliable or didn't think that any of them were reliable.

Ninety-four percent of the farmers indicated that they got information about the Soil Bank from at least one source (Table 24). Six percent of the farmers did not indicate that they had got any information about the Soil Bank. Although this probably indicates that these farmers knew very little about the Soil Bank it doesn't necessarily indicate that they had never heard of the Soil Bank. Five percent of this group expressed a correct understanding of the acreage and conservation reserve and 18 percent identified the two reserves as being parts of the same government program. Probably most of these farmers had heard or read about the Soil Bank, but simply failed to indicate the source on the questionnaire.

TABLE 24
NUMBER OF SOURCES USED BY FARMERS FOR
INFORMATION ABOUT THE SOIL BANK

Number	Percent
Listed at least one	94
Listed at least two	68
Listed at least three	41
Listed at least four	36
Number of respondents	364

Summary

Almost half of the farmers of this sample stated that they were opposed to the Soil Bank. About a half of these farmers said they were opposed to the Soil Bank because they were concerned about the ever increasing encroachments by government programs on their freedom of operation. They also expressed concern about the subsidization of the non-working farmer.

A third of the farmers said they were in favor of the Soil Bank. Most of these farmers favored the Soil Bank because they thought it would help reduce surpluses.

The age, type of operation, source of income, ownership status or farm organization membership of the farmers did not affect their attitude toward the Soil Bank. However, those farmers who participated in the Soil Bank and had larger crop acreages were more likely to favor the Soil Bank than their counterparts. The farmers' attitudes toward the Soil Bank were also related to their understanding of the term acreage reserve and their attendance of the county-agent meetings.

Most of the farmers thought there should be changes made in the Soil Bank. Of those suggesting changes only 20 percent suggested changes in payments while 43 percent suggested that the whole program should be dropped.

Very few of the farmers thought the Soil Bank would be made more attractive in future years. Only 10 percent of the

farmers thought the Soil Bank should be mandatory.

Although eighty-five percent of the farmers thought that the purpose of the Soil Bank was to reduce production less than half of these thought this would actually be accomplished as only poor quality land would be put in the Soil Bank and the land not put in reserve would be farmed more intensively. Big farmers and part-time farmers were thought to be benefiting most from the Soil Bank.

The data in this study which seems to indicate that the majority of the farmers knew very little about how the Soil Bank functioned is open to rather severe qualifications. However, within the bounds of these qualifications those farmers who attended county-agent meetings, gathered information about the Soil Bank from several sources and participated in the Soil Bank were best able to express their knowledge of the program.

In general the attitudes of the vast majority of the farmers toward the Soil Bank can best be characterized as ranging from unconcern to outright opposition with no expressed belief that there would be any changes forthcoming which would make the Soil Bank more attractive. Even the participants were highly critical of the Soil Bank and had little hope that it would become permanent and useful program.

CHAPTER V

CHARACTERISTICS OF SOIL BANK PARTICIPANTS

AND THEIR REASONS FOR PARTICIPATING

The purpose of this chapter is; (1) to focus on certain characteristics of farmers relative to their participation or non-participation in the Soil Bank, (2) to consider their reasons for participation or non-participation, (3) and to look at the effects of the Soil Bank on off-farm employment.

One of the major objectives of the Soil Bank was to effect a significant reduction in the acreage of the "basic" crops so as to bring the aggregate production of those commodities into balance with demand. The success of the Soil Bank in achieving this objective, of course, depended on the number of farmers who would agree to put acreage into reserve. The Soil Bank has not achieved its objective of a significantly reduced production--too few farmers participated.

As participation in the Soil Bank has been voluntary only those farmers who have been willing have put portions or all of their acreage in reserve. The purpose of the first portion of this chapter is to determine whether certain types of farmers have been more willing to participate in the Soil Bank than others--to determine the characteristics of the participants and non-participants.

Characteristics of Participants

Although in Chapter IV the focus was on a different problem it was shown that Soil Bank participation was significantly related to two farmer characteristics. First, as would be expected farmers who favored the Soil Bank were more likely to participate (Table 4) than those who were opposed to it. This is not to say that all those who participated in the Soil Bank expressed themselves to be in favor of it. Actually only 42 percent of the participants said they favored the Soil Bank. The other 58 percent were either opposed to the Soil Bank or hadn't made up their mind about it.

Second, those farmers who expressed a correct understanding of how the Soil Bank functioned through the acreage and conservation reserves were more likely to be participants than farmers who expressed an incorrect understanding or simply said they didn't know.

The Roof study of this sample showed intensive livestock farmers were much less likely to participate in the Soil Bank than were extensive livestock or cash grain farmers. The majority of the Soil Bank participants were farmers with few or no livestock--the intensive livestock producer being relatively unwilling to participate (Table 25).

Roof states that the reluctance on the part of livestock producers to participate in the Soil Bank probably is due to the fact that these farmers feel that the value of

land used in the production of livestock feed (corn) is much greater than the value of that land in the Soil Bank. Intensive livestock production requires a proportionately larger fixed investment in the livestock enterprise than does the extensive livestock production and the producer would be more unwilling to accept a decrease in their primary feed source--corn. Also the intensive livestock setup is much more likely to be a full-time operation than either the extensive livestock or cash grain operation. This further discourages participation.⁴¹

TABLE 25

SOIL BANK PARTICIPATION RELATED TO TYPE OF FARM*

	Intensive Livestock	Extensive Livestock	General Farm	Cash Grain
	Percent of farms			
Soil Bank participant	14	34	36	54
Non-Soil Bank participant	86	66	64	46
Number of respondents	138	102	28	96

*Significant at 1 percent level of Chi square

⁴¹James Bergen Roof, op. cit., pp. 43-44.

Source of Income and Participation

Many observers have seen the Soil Bank as providing an opportunity for part-time farmers to make a smoother and faster transition into full-time, off-farm employment. This argument is supported by a 1957 Wisconsin study which concluded that many farmers were using the Soil Bank payments to overcome transitional problems of insecurity in the shift to industrial employment. Farmers were using the Soil Bank payments to replace a large part of their crop income and were making no attempts to make shifts within the farm operation itself.⁴²

The Wisconsin observations would seem to be substantiated by the data from this study. Table 26 shows that farmers who had farm incomes of less than 40 percent of their total incomes were much more likely to participate in the Soil Bank than farmers whose farm income comprised 90 to 100 percent of their total income. The percentage of the farmer's income earned from farming was also found to be closely related with the intensity of livestock production. Thus the part-time farmer, because he had few or no livestock to maintain would seem to be in a favorable position to use the Soil Bank payments as an aid in his transition to full time nonfarm employment.

It has also been anticipated that elderly farmers would use the Soil Bank to ease or to speed up his retirement.

⁴²A. Allan Schmid, An Appraisal Of The Soil Bank in a Corn and Dairy Area of Wisconsin, Journal of Farm Economics, February, 1958, pp. 152-153.

TABLE 26

SOIL BANK PARTICIPATION RELATED TO SOURCE OF INCOME*

	Percent of Income from Farming		
	0-39	40-89	90-100
	Percent of farmers		
Soil Bank participant	44	37	27
Non-Soil Bank participant	56	63	73
Number of respondents	88	46	230

*Significant at 1 percent level of Chi square

Participation To Reduce Farm Operations

It might be expected then that many Michigan farmers participated in the Soil Bank so as to have more time for off-farm work. It might also be expected that elderly farmers were using the Soil Bank to reduce their work load and possibly speed up retirement. Table 27 shows that the reason given by farmers for participating in the Soil Bank were numerous and varied. The second most often mentioned reason--23 percent--was that the Soil Bank provided an opportunity to reduce the scale of farm operation. The reasons for desiring a reduction in scale were, "because of a shortage of labor and/or capital," "because a part-time farmer", and "because of old age."

Only seven percent of the Soil Bank participants said that they participated in the Soil Bank because it worked in

TABLE 27

REASONS GIVEN BY FARMERS FOR PARTICIPATING IN THE SOIL BANK

Reason	Percent
Soil Bank provided an opportunity to maintain income from acreage that would have otherwise been non-productive because:	34
Climate conditions prevented planting or caused failure of regularly scheduled crop	15
Wanted to take land out of production to adjust rotations, put in tile, build up soil, etc.	10
Under allotment anyway; unspecified	<u>9</u>
Soil Bank provided opportunity to reduce scale of operations because:	23
Shortage of labor and/or capital	14
Part-time farmer-- worked in well	7
Old Age--wanted to reduce work load	<u>3</u>
Figured Soil Bank payments would be as high or higher than crop income	21
Wanted to help surplus situation	5
Other	17
Number of respondents	128*

*This includes 11 farmers who participated in the Soil Bank in 1956 but not in 1957.

well with their part-time farming situation. Of these nine farmers, six of them earned less than 50 percent of their income from the farm.

In the group that participated because of a "shortage of labor and/or capital" 8 farmers earned less than 50 percent of their income from the farm. The other 10 earned all or practically all of their income from the farm. Thus 17 of the 109 farmers who earned less than 50 percent of their income from the farm specifically stated that they were using the Soil Bank as a means of reducing their farming operations still further.

Three percent of the participants stated they were participating in the Soil Bank to reduce their work load because of old age. In response to another question, however, in which the older farmers were asked whether the Soil Bank program would affect their retirement plans if it continued to remain in effect all of these particular farmers stated that their retirement plans would not be affected. However, seven other elderly farmers did reply to the effect that if the Soil Bank continued in operation it would affect their retirement plans.

Participation and Off-Farm Employment

Were these particular participants planning to do more off-farm work and/or make permanent changes in their farming operations? In an attempt to determine whether the Soil Bank was influencing off-farm employment, the participants were asked if they were working more days off the farm because of the Soil Bank.

None of the 31 farmers who said they were participating in the Soil Bank in an effort to reduce their scale of farm operations said they were working more days off the farm because of the Soil Bank. Only 2 of these farmers said they were looking for off-farm employment. It might be that these farmers already had as much off-farm work as they could handle.

TABLE 28

EFFECT OF SOIL BANK PARTICIPATION ON OFF-FARM EMPLOYMENT

Response	Percent
Not working more days off the farm	96
Working more days off the farm	4
Number of respondents	117

However, five participants did say they were actually working more days off the farm because of the Soil Bank (Table 28). Four more participants were looking for off-farm work. These farmers gave assorted reasons for participating in the Soil Bank.

These nine farmers were rather unusual in that all except one earned 70 percent or more of their present income from the farm. All those who were looking for off-farm employment currently earned 100 percent of their income from the farm.

None of the farmers who said they were participating in the Soil Bank in an effort to reduce their scale of farm operations planned any reduction in total farm acreage. The same applies to the nine participants who were working more days off the farm or who were looking for more off-farm employment.

TABLE 29

CHANGES IN TOTAL ACREAGE BECAUSE OF THE SOIL BANK

Response	Percent
Yes, have bought or planning to buy more land	1
Yes, have dropped rented land	1
Yes, am renting extra land	1
No	92
Don't know	5
Number of respondents	364

Table 29 shows that only one percent of the farmers were planning to make any reductions in total acreage because of the Soil Bank. Two percent had or were planning to increase the total acreage farmed. They did not explain why the Soil Bank would be an inducement to expand operations.

Aside from the question of the effect of the Soil Bank on off-farm employment but conceived with the subject of off-farm employment in general, it was found that 80 farm operators

and/or members of his family had taken off-farm jobs during the past two years. Another 20 operators and/or members of his family were seeking off-farm work. Only 30 percent of these families were associated with the Soil Bank. Table 30 gives the reasons why members of these families had taken or were seeking off-farm employment.

TABLE 30

REASONS WHY MEMBERS OF THE FARM FAMILIES HAD
TAKEN OR WERE SEEKING OFF FARM EMPLOYMENT

Reason	Percent
Need extra money to provide adequate family living	38
Son can earn more money working off the farm	14
Not enough work to keep son fully occupied	12
Need extra money to buy farm equipment	10
Son/daughter going to high school and working part-time	10
Not enough work to keep wife fully occupied	9
Not enough farm work to keep operator fully occupied	5
No reason given	2
Number of respondents	100

Other Reasons for Participating

Actually the most common reason for participating in the Soil Bank was not to facilitate a reduction in the scale of farming operation. Thirty-four percent participated in the Soil Bank in an effort to maintain income from allotted acreage that would have otherwise been non-productive--at least wouldn't have produced the "basic" crop. Fifteen percent of the participants stated they took part in the Soil Bank because climatic conditions had prevented the planting or caused the failure of the regularly scheduled crop. To these farmers the Soil Bank was serving as a type of insurance against crop failure.

Ten percent of the participants were using the Soil Bank as a financial crutch in making changes in farming operations such as adjusting rotations and putting in tile. Thus the Soil Bank here served the purpose of providing financial aid to farmers desiring to make certain improvements in their farming operations. Nine percent of the farmers simply stated they participated because they were under the allotment anyway--without specifying why they were under-planted.

Thus the Soil Bank, although serving a specific purpose in each of the above cases, was not serving as a technic for reducing acreage of the "basic" crop in question below what would have otherwise been realized.⁴³

⁴³This needs to be qualified to the extent that some of the farmers probably would not have attempted to make these disruptive changes in operation had it not been for the Soil Bank.

Only 21 percent of the farmers specifically stated that they participated in the Soil Bank because they thought the payments would be as high or higher than the crop income. It might be expected that due to the nature of many of the part-time farming operations that this group was primarily made up of part-time farmers; however, this was not found to be the case. The majority of the farmers in this group earned 60 percent or more of their income from their farm--the largest single group were the full-time farmers.

Reasons for Not Participating

Farmers were also asked why they didn't participate in the Soil Bank. Corresponding to an earlier finding that intensive livestock producers were the least likely to participate, the most common reason given by farmers for not joining the Soil Bank was that they "needed the land for feed production." Table 31 shows that 27 percent of the non-participants gave this reason.

Twenty-five percent of the respondents stated they didn't participate on grounds of principle--they were opposed to the Soil Bank. This is related to an earlier finding which showed that the majority of the non-participants were opposed to the Soil Bank.

Somewhat related was a group of farmers who said their main reason for not participating was because they "never paid

TABLE 31

REASONS GIVEN BY FARMERS FOR NOT PARTICIPATING IN THE SOIL BANK

Reason	Percent
Needed the land for feed production	27
Opposed the Soil Bank	25
Because too much government interference in farming	13
Don't like the basic idea of soil bank	<u>12</u>
Payments not high enough	17
Not enough land to make it worthwhile	13
Never pay much attention to government programs	10
Other	8
Number of respondents	236*

*Excludes 11 farmers who did not participate in the Soil Bank of 1957 but did participate in 1956.

any attention to government programs." Some of this group are probably basically opposed to all government "interference" in farming, some probably don't exert enough effort to find out about government programs. In all they are probably a group fairly well immune to government programs whether they be positive or negative in nature.

It is interesting to note that only 17 percent of the respondents said that their main reason for not participating was because the payments were too low. In general the farmers

in this survey didn't show much concern about the payment rates. Only a few suggested that they be increased. This would indicate that the then current rates of payments were not a major factor in farmers' decisions as to whether they opposed or favored the Soil Bank or in their decisions whether or not to participate. However, this only indicates that with the then given rates the farmers' position toward the Soil Bank was influenced by factors other than the rate of payments. It cannot be construed to mean that higher rates would not have brought about greater participation.

Characteristics Not Affecting Participation

Such farmer characteristics as attendance of meetings conducted by county agents, membership in a farm organization or age failed to show any relationship to Soil Bank participation even at the 10 percent level of Chi square. The farm ownership status and the size of the farm were likewise found to show no significant relationship with participation.

The lack of relationship between age and Soil Bank participation is significant by the fact that many rural leaders and interested observers tended to look on the Soil Bank as a possible income alternative to retiring farmers; therefore, expecting higher participation among the elderly farmers. However, it is quite possible that if the Soil Bank--now only the conservation reserve--remains in effect for several more years that

elderly farmers will come more and more to use the Soil Bank payments as an alternate source of income. For example, several of the farmers in this sample said that the Soil Bank would affect their retirement plans if it remained in effect for several more years.

Summary

Two types of farming operations appear to be best suited for Soil Bank participation. Cash grain farmers and part-time farmers were found to be much more likely to participate than their counterparts. For example, 54 percent of the cash grain farmers participated but only 14 percent of the intensive livestock producers did so. It was found that 44 percent of those farmers earning under 40 percent of their income from the farm participated in the Soil Bank compared to only 27 percent of those farmers earning over 90 percent of their income from the farm. Other characteristics related to participation were understanding of the Soil Bank and attitude toward the Soil Bank.

Such characteristics as age, farm ownership status and size of farm were not found to be related to participation. Twenty-three percent of the farmers participated in the Soil Bank because they desired to reduce their scale of operations. They wanted to reduce their farming operations because of a shortage of labor, because they were part-time farmers or because of old age. It might be expected then that aside from the elderly farmers several would be attempting to increase their

off-farm employment.

Also of significance is the fact that only three farmers said they were participating in the Soil Bank to reduce their work load because of old age. None of these participants thought that the Soil Bank would affect their retirement plans. However, seven other elderly farmers did state that, if continued, the Soil Bank would probably affect their retirement plans.

Thirty-four percent of the farmers participated in the Soil Bank in an effort to maintain income from land that would otherwise have been non-productive--due to crop failures and other factors. Twenty-one percent said they participated because they thought that Soil Bank payments would be as high or higher than crop income.

CHAPTER VI

SUMMARY AND CONCLUSIONS

Summary

In the spring of 1956 the Eisenhower Administration faced a worsening farm situation. With falling commodity prices and rising operating costs farm income was continuing to drop. Widespread drought conditions were plaguing the Midwest and Southwest. To top it all off the surplus problem continued to persist.

In view of these conditions and reminded that a presidential election was coming up in the fall, the Administration reversed an earlier position and asked Congress to enact a soil-bank program.

The Soil Bank Act of 1956 meant all things to all people. First, it was hoped that the reserve payments would bolster farm income and thus placate politically disgruntled farmers. For those who sought a solution to the surplus problem, the Soil Bank held forth the promise of reduced production. And for the soil conservationists the Soil Bank was promising.

What did it mean to the farmer? This study has attempted to describe what the Soil Bank meant to a representative sample of Michigan farmers. It is based on a survey of 364 Michigan farmers in the spring of 1957. This was one year after the Soil Bank had been enacted and concurrent with congressional action to abolish the major portion of the program--the acreage reserve.

In an attempt to determine how the Michigan farmers regarded the Soil Bank this study explored not only the farmers' basic position toward the Soil Bank--whether they favored or opposed it--but also their general outlook on the program. Consideration was given to such questions as farmers' understanding of the Soil Bank's important provisions, what they thought the purpose of the program to be, whether they thought that purpose would be achieved and their general expectations and recommendations as to its future.

Forty-six percent of the Michigan farmers in this study stated that they were opposed to the Soil Bank program. About a half of these farmers seemed to be opposed to the Soil Bank because they were concerned over the tendency of government programs in general to restrict their freedom of operation. This concern is further dramatized by the fact that only 10 percent of the farmers thought that participation in the Soil Bank should be made mandatory. They also expressed concern that the Soil Bank subsidized the non-working farmer.

Farmers opposed the Soil Bank for numerous other reasons. For example, 13 percent opposed it because it "doesn't help me," another 10 percent were opposed because they didn't think it would accomplish anything beneficial to agriculture.

Of those farmers who favored the Soil Bank, 40 percent said they did so because they thought it would help solve the surplus problem. Another 30 percent said they favored the Soil

Bank for the ambiguous reason that "the idea sounds pretty good." Presumably many of these farmers thought that the "idea sounded pretty good" because the Soil Bank was heralded as a technic for effecting a reduction in the production of surplus commodities.

Another indication of how these Michigan farmers regarded the Soil Bank is demonstrated by the fact that 66 percent of them definitely thought that there should be changes made in the program. The most frequently suggested change was to the effect that the entire program should be dropped. Other questioning brought out that only a fraction of the farmers thought that the Soil Bank would become more attractive in future years.

As would be expected the farmers who participated in the Soil Bank were more inclined to favor the program than the non-participants. However, the most significant feature of this association was that even the participants were not particularly enthusiastic about the program. Only 42 percent said they favored the Soil Bank, 38 percent said they opposed it and 20 percent hadn't made up their minds.

The amount of the farmers' crop acreage was also related to their attitude toward the Soil Bank. Farmers operating larger crop acreages were more likely to favor the Soil Bank--they were also more likely to be opposed to it. This phenomena was possible because of the fact that farmers with larger crop acreages were much more likely to have made up their mind about the Soil Bank.

Farmers who were in the habit of attending county-agent meetings and farmers who were able to express a correct understanding of the term acreage reserve also were more likely to have made up their mind about the Soil Bank and apparently deciding in favor of the program.

None of the following factors were found to be associated with attitude toward the Soil Bank; source of income, type of farm, ownership status, membership in a farm organization or age of operator.

The vast majority of the farmers thought that the Soil Bank was primarily intended to curtail the production of surplus commodities. However, less than half thought that production would actually be reduced.

Better than 50 percent of the farmers responded with a "don't know" when asked what the terms acreage reserve and conservation reserve meant to them. Only about a fourth of the farmers expressed an "essentially correct understanding" of these terms. Likewise only 43 percent of the farmers identified the two reserves as being part of the same program.

Care must be taken in interpreting these results. For example, in analyzing the answers to the acreage-reserve question in relation to Soil Bank participation, it was found that only 38 percent of those participating in the acreage reserve were able to express an "essentially correct understanding" of the term.

This, of course, suggests that any statement about the farmers' knowledge of how the Soil Bank functioned is open to rather severe qualifications. However, within the bounds of these qualifications those farmers who attended county-agent meetings, gathered information about the Soil Bank from several sources and participated in the Soil Bank were better able to express their knowledge of the program.

The ability of the Soil Bank to bring about a significant reduction in production depended upon the willingness of enough farmers to participate. This study in addition to analyzing the attitudes and general outlook toward the Soil Bank has described the characteristics of participants and non-participants.

Thirty-three percent of the sample farmers participated in the 1957 Soil Bank. Only three farmers in this group participated in the conservation reserve.

Cash grain farmers and part-time farmers were found to be more willing to participate in the Soil Bank than intensive livestock producers or farmers who earned most of their income from the farm. For example, only 14 percent of the intensive livestock producers compared to 54 percent of the cash grain farmers participated. As for the association between participation and source of income it was found that 44 percent of those farmers who earned less than 40 percent of their total income from the farm participated in the Soil Bank. In comparison only 27 percent of those farmers earning 90 to 100 percent of their income from the farm were found to be participants.

The farmers' attitudes toward the Soil Bank and their understanding of it were also found to be associated with participation. Participation was not related to the age of the farmer, farm organization membership status, attendance of county-agent meetings or farm ownership status.

The fact that there was no association between participation in the Soil Bank and the age of the farmer is significant in that the Soil Bank was seen by some as providing retirement alternatives to elderly farmers. Several of the elderly farmers did indicate, however, that the Soil Bank would probably affect their retirement plans if continued for several years.

The principal reason given for participating in the Soil Bank was to maintain income from allotted acreage that would not be producing a crop that year. Farmers said these acres would be non-productive because of crop failures or because of certain changes in the farming operation which necessitated taking the land out of production. Thirty-four percent of the farmers participated in the Soil Bank for this reason.

Twenty-three percent of the farmers said they participated in the Soil Bank because it gave them an opportunity to economically reduce their scale of farming operations. It might be expected that these farmers would be taking steps to increase their off-farm work. However, none of them said they were working more days off the farm because of the Soil Bank and none of them were looking for off-farm work. It might be, of course, that these farmers already had as much off-farm work as they could handle.

Several farmers said they participated in the Soil Bank because they were old and wanted to reduce their work load. However, none of these said that the Soil Bank would affect their retirement plans. Seven other farmers did state that if continued for several years the Soil Bank would affect their retirement plans.

Peculiarly the farmers who did state that they were working more days off the farm because of the Soil Bank all earned 70 percent or more of their total income from the farm. None of these farmers were planning to reduce their total farm acreage because of the Soil Bank. Only 3 farmers in the entire sample said they were planning to reduce their total farm acreage because of the Soil Bank.

Twenty-one percent of the farmers said they participated because the Soil Bank payments would be as high or higher than crop income. Five percent said they participated for the altruistic reason that they wanted to help the surplus situation.

The farmers had many reasons for not participating in the Soil Bank. Slightly over a fourth of them said they didn't participate because they needed the land for feed production. Another one-fourth said they refused to participate because they were generally opposed to the Soil Bank. About 17 percent said they declined to participate because the rates of payments were too low.

Conclusions

Probably the most striking feature of this study is the general lack of enthusiasm for the Soil Bank exhibited by Michigan farmers. Only about a third of the farmers said they favored the Soil Bank. Almost a half of the farmers said they were opposed to the program, the remaining were unconcerned. Not even a majority of the participants favored the program. Hardly any farmers expected the Soil Bank to be improved to a sufficient extent to cause them to change their mind.

It is concluded, therefore, that Michigan farmers were substantially in agreement with the action of Congress in the spring of 1957 to abolish the acreage reserve portion of the Soil Bank. As all of Michigan's Congressional Representatives with farm constituencies voted against the abolishment of the acreage reserve it must be concluded that they probably alienated more farm voters through such action than they ingratiated.

If it is assumed that these farmers' attitudes toward the Soil Bank were not drastically different in 1957--when the Soil Bank was a year old--from their general attitude in 1956 it is obvious that there was no mandate from Michigan farmers for the enactment of the Soil Bank. It would appear then that, at least as far as Michigan farmers were concerned, Senators and Congressmen directly involved in the Soil Bank legislation had a fairly clear hand to vote their consciences' both in the creation of the Soil Bank and in the subsequent abolition of the acreage reserve.

At first it would seem that one would be forced to conclude that Michigan farmers really know very little about the Soil Bank. It is probably quite true that many Michigan farmers in 1957 didn't know as much about the Soil Bank as is desirable for informed decision making. However, the real value of the data presented in this study lies with the fact that the actual operational knowledge of the farmers was apparently not successfully tested.

Other studies have concluded that the Soil Bank would be significant factor in hastening the transition of part-time farmers into full-time nonfarm work. Although Michigan part-time farmers were the most likely farmers to participate in the Soil Bank, there is no clear evidence in this study that these farmers were using the Soil Bank to hasten their transition into full-time nonfarm work. Some farmers did appear to be using the Soil Bank to help start a transition into off-farm employment.

Only three farmers said they participated in the Soil Bank because of old age and the need to reduce their work load. Although none of these three thought that the Soil Bank would affect their retirement plans, there were seven other farmers who did think their retirement plans would be affected.

It is quite clear that the Soil Bank was serving as a type of ex post insurance against crop failures and as an

financial crutch in making changes in farming operations. In this case the Soil Bank was not reducing production. Most of this land would normally have been non-productive anyway.

Thus, although the Soil Bank has not successfully reduced production, it has been an aid to part-time farmers. It helped some elderly farmers reduce their farm work. It has also served as a type of crop insurance.

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_____, Agricultural Marketing Service, The Farm Income Situation, F. IS-169, p. 24. Government Printing Office, July 1958.

APPENDIX

APPENDIX A

EXCERPTS FROM THE QUESTIONNAIRE USED IN THIS STUDY

MICHIGAN STATE UNIVERSITY
FARM MANAGEMENT SURVEY

The information obtained in this questionnaire is intended to be used only for the purpose of research. All information pertaining to individuals will remain confidential and the names of persons cooperating in this survey will not be made public.

County _____ Township _____ Farm No. _____

Interviewer _____ Date _____ Time begun _____ Time ended _____ Completed _____

1a. How many total acres are in the farm or farms you are operating in 1957?

_____.

2. How many acres of cropland (tillable acres)? 1957

7. What proportion of your total income is from farming?

_____ percent.

8a. What is your ownership or tenure status on the land you farm?

1. Own all the land you farm _____
 2. Own some land and rent additional land _____
 3. Rent all of the land you farm _____
 4. Manage farm for someone else as hired manager _____
 5. Operate land in partnership with someone else _____
 6. Is this a father-son partnership? Yes ___ No ___
 7. Other _____
-

16a. Have you participated in any part of the Soil Bank Program?

Yes _____ No _____
(Why did you) (Why did you not) participate in the program?

- b. (If yes) How many total acres did you put in the acreage reserves in 1957? _____ acres.

How many total acres did you put in the conservation reserve in 1957? _____ acres.

Now I would like to ask some questions about the Soil Bank program in relation to this farm

- 19b. What does the term "acreage reserve" mean to you? _____

- c. What does the term "conservation reserve" mean to you? _____

- d. As you understand it are the "conservation reserve" and the "acreage reserve" part of the same government program, or are they different programs run by different agencies for different purposes?

Part of the same program _____ Different program _____

Comments: _____

- 20c. Do you think there will be any change in the payment rate per acre under the acreage reserve in the next few years?
Smaller _____ Larger _____ About the same _____

- d. Do you expect that acreage reserve payments will be made available for other crops in the next few years?

Yes _____ No _____ Don't know _____

- e. Do you expect that there will be any changes in the rules on the acreage reserve which will make it more difficult to comply? For example, do you think it may be necessary to specify the field in advance for several years?

No change _____ More difficult _____ Less difficult _____
Don't know _____

- f. Do you expect that the rate of payment of the conservation reserve will change?

No change _____ Larger _____ Smaller _____ Don't know _____

- g. Do you think the Government will enforce the rules on non-pasturing of conservation reserves in the future?

Yes _____ No _____ Don't know _____

- h. Are there any other rules likely to be changed? _____
Which one? _____

- i. Are there any changes that you think ought to be made in the Soil Bank? _____ Explain _____

- 21a. Have any members of your family taken off-farm jobs in the last two years? Yes _____ No _____ Who? _____
Why have they done so? _____
- b. Are you looking or planning to look for an off-farm job? Yes _____ No _____
If yes, what are the reasons? _____
- c. Are any members of your family looking or planning to look for off-farm jobs? Yes _____ No _____ Explain _____
If not in Soil Bank go to part e.
- d. Are you working more days off the farm because the Soil Bank requires less time on the farm? Yes _____ No _____
What kind of changes have you made in your off-farm work? _____
- e. Have you made or are you planning to make any changes in total acres farmed because of the Soil Bank? _____
Explain _____
- f. (For older farmers) If the Soil Bank program is continued is it likely to affect your retirement plans? Yes _____ No _____
In what way _____
- 22a. Where did you get your information about the Soil Bank?
- | | | | |
|----------------------|-------|-------------------------|-------|
| Radio | _____ | Farm magazine | _____ |
| Newspaper | _____ | Neighbor | _____ |
| ASC Committee | _____ | County Agent | _____ |
| Extension Literature | _____ | MSU specialist | _____ |
| | | Other government agency | _____ |
- b. Which source of information do you consider the most reliable? _____
- 23a. What in your opinion, was the reason behind the passage of the Soil Bank Act? _____
What is it intended to accomplish? _____
Do you think it will do so? _____
Why or why not? _____

- b. Are you generally favorable to or opposed to the idea of the Soil Bank? Favorable to ___ Opposed ___ Don't know ___
- c. Why? _____
- 24a. Are there any specific groups that are more likely to benefit from the Soil Bank Program? _____
- Which ones? _____
- b. Is there any specific group within agriculture that appears to be benefiting more from the Soil Bank? Which one? _____
- c. Do you think that everyone should be required to participate in the Soil Bank? Yes ___ No. ___. Any comments? _____
27. Would you mind telling me your age?
- | | |
|----------|----------|
| _____ 1. | Under 25 |
| _____ 2. | 25-35 |
| _____ 3. | 36-45 |
| _____ 4. | 46-55 |
| _____ 5. | 56-65 |
| _____ 6. | Over 65 |

FROM THE 1954 QUESTIONNAIRE

45. Do you usually go to the meetings held by your county agricultural agent if they deal with a product you produce? Yes _____ No _____ N.A. _____
46. Do you belong to one or more of the general farm organizations?
- | | | | |
|----------|------------------------|----------|------------------|
| _____ 1. | Farm Bureau | _____ 6. | Grange and F. U. |
| _____ 2. | Grange | _____ 7. | All three |
| _____ 3. | Farmers Union | _____ 8. | Other |
| _____ 4. | Farm Bureau and Grange | _____ 9. | None |
| _____ 5. | Farm Bureau and F. U. | | |

APPENDIX B

CONVERSION RATES FOR LIVESTOCK TO STANDARD ANIMAL UNITS

The animal units were converted using a cow as a standard unit. It is based primarily on manure produced in one year per 1,000 pounds of live weight as follows:*

	HEAD OF ANIMALS EQUAL TO ONE ANIMAL UNIT	TONS OF MANURE PRODUCED IN ONE YEAR PER 1,000 POUNDS OF LIVE WEIGHT
Cow	1	12.0
Steer	1	8.5
Horse	1	8.0
Sheep	8	6.0
Hogs	6	16.0
Chickens	250	4.5

*Illinois Agricultural Handbook, 1949, p. 206.

When reference is made to livestock intensity, the following criteria are applicable:

. Livestock intensive -- less than 10 acres per animal unit.

. Livestock extensive -- 10 or more acres per animal unit.

NOVA USE ONLY

~~MAY 9 1960~~

ref'd 6 May

~~JUN 11 1960~~

JAN 5 1962

~~JUN 11 1960~~