A COMPARISON OF THE ATTITUDES OF THE MICHIGAN COOPERATIVE EXTENSION STAFF TOWARD MARKETING, AGRICULTURAL POLICY, AND FARM ORGANIZATION

By
Herbert H. Hadley

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ABSTRACT

A COMPARISON OF THE ATTITUDES OF THE MICHIGAN COOPERATIVE EXTENSION STAFF TOWARD MARKETING, AGRICULTURAL POLICY, AND FARM ORGANIZATION

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The primary objective of this study is to compare the attitudes of commercial farmers and Cooperative Extension agricultural field staff and their administrators toward marketing problems, farm organizations, and agricultural policy. Comparisons were made concerning farmers' and Extension's views of the general farm situation; the effects of government price supports on farm prices; the existing market structure and acceptable ways of bargaining for increased farm product prices; and views of the general farm organizations and how they should be organized and run. The study is based on the mail response of 140 Michigan Extension staff members and a sample of 331 Michigan farmers.

Both the Extension staff and committed farmers said that Michigan farm income was too low and that government price supports were not effective in increasing farm income. Generally, Extension was more optimistic than farmers about the ability of the family farm to adjust through individual action. Farmers believed that the marketing system needed to be changed and favored collective, voluntary action rather than relying on government for changes in the system.

Bargaining for higher prices was favored by Extension and farmers. However, a much larger membership will be needed for bargaining to be effective. Education was the preferred method expressed by farmers and Extension for influencing nonmembers to become members of a bargaining organization. This presents a challenge to Extension, farm organizations, and bargaining organizations to conduct challenging, effective educational programs.

While Michigan farmers believe that prices are too low, they are very reluctant to impose restricting controls, either by government or collectively, upon their freedom for individual action. This presents a dilemma for agricultural policy.

With the changing political power structure, the Extension staff will need to identify and educate young farm leaders in the social sciences as well as production technology. Education in pricing principles, inter-regional competition, and foreign trade is needed as evidences by the lack of understanding expressed by farmers on these subjects.

Income considerations are stronger than perpetuation of the family farm. Exit from farming particularly for younger farmers either on a part-time or full-time basis is relatively easy in an industrialized state like Michigan. Although farmers express dislike to this alternative it will probably continue for some time as the way Michigan farmers will solve individual income problems. An adequate educational program to educate young people in rural communities so that they can

take a significant place in society is important. Opportunity for entry in farming will be limited due to high capitalization in farming. A majority will need to seek off-farm employment.

Finally, the Extension Service will need to examine its structure to see if it needs to be streamlined to serve modern agriculture. It must deal not only with a highly complex technical agriculture, but also will deal with changing communities if it is to be a factor in the change process of the institutions serving rural people and continue as a leader of the process rather than a follower.

PREFACE

This study was undertaken as part of the overall study of "Michigan Farmers in the Mid-Sixties." The author is very grateful to Dr. Dale E. Hathaway, my major professor, and Dr. L.L. Boger, Chairman of Agricultural Economics, Michigan State University, for the opportunity to do this part of the study. Although this report is by itself independent, it should be useful to also read the overall report.

My special thanks go to both graduate students and professors who made my graduate studies an interesting and stimulating experience.

I wish to express my appreciation to Extension Directors W.B. Wood, E.L. Kirby, and Dean and Director Roy M. Kottman of the Ohio Cooperative Extension Service, for granting leaves of absence from my position as district supervisor, and to the Farm Foundation for financial support. A thank-you also to Dr. Francis B. McCormick and Dr. Francis E. Walker of the Ohio State University Department of Agricultural Economics for providing computer time and facilities.

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Finally I want to especially thank my wife, Avalon, and sons Ronald, Randy, and Ricky for their encouragement and understanding during my graduate studies. Avalon undertook the typing of this manuscript.

Any errors either of commission or omission are, of course, entirely my own.

Herbert H. Hadley

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CHAPTER I

INTRODUCTION

Significant changes are occuring in the organization of farm production and marketing in Michigan. The number of farms in Michigan has declined from about 111,000 in 1959 to about 93,000 in 1964. This decline is expected to continue with about 55,000 farms projected for 1980. At the same time, the remaining farms are larger and more highly capitalized. Farmers are experiencing and will likely continue to experience, rising costs for labor, equipment, land and other inputs. Concurrently, prices which farmers receive for their products are rising less rapidly (and in some instances holding steady or declining) than costs. Increasing numbers of farmers are turning to nonfarm employment to supplement their farm incomes.

Processing, wholesaling, and retailing of farm products are progressively being handled by fewer but larger firms. Farmers and their leaders are searching for new and improved ways to increase their relative strength in the market. The recent growth of the National Farmer's Organization in Michigan is one example of effort in this direction.

An overall survey of Michigan farmer's views of marketing problems and organizations was made in 1965.[1] This thesis is

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[1] Hathaway, Dale E., Feltner, Richard L., Shaffer, James D., and Morrison, Denton, Michigan Farmers in the Mid-Sixties, Michigan State University Agricultural Experiment Station, East Lansing, Michigan, Research Report 54, August, 1966.

a part of the overall study and compares the views of a selected grouping of farmers with the views of the Michigan Cooperative Extension Service agricultural policy, and farm organization. In addition to the overall report, "Michigan Farmers in the Mid-Sixties," a study of factors relating to farmers' income satisfaction has been completed by Gary Seevers and a thesis on farmers' perceptions of the competitive structure has been completed by Frank McCalla.

The farm survey was designed to be representative of the farms in Michigan in mid-1965, and the attitudes represented are those of the decision-maker regarding those farm operations. For purposes of analysis the respondents were divided into groups according to certain characteristics of the farm or the farm operator. One group consisted of farmers under 65 years of age, not working off the farm more than 20 hours of the week. This will be the comparison group used in this study and will be referred to as "committed farmers" for lack of a better term. Fifty one percent of the committed farmers were on "high volume" farms that sold over $10,000 of farm products in 1964. This group was chosen as the primary comparison group with Extension because it constitutes the bulk of Extension's agricultural clientele for its educational program.

The Extension field staff in the positions of county director, agricultural agent, and district agent along with Extension administrators were surveyed by mail in May, 1965

by the Department of Agricultural Economics, Michigan State University.[2] Extension respondents were asked to respond to questions paralleling the farm study. Extension respondents were asked to respond as they thought farmers in their area would respond to certain question and in other cases, they were asked to express their own views directly.

Three general types of questions were asked. One group of questions dealt with how the Extension respondents perceived the agricultural situation. A second group of questions asked Extension staff members to respond to what Extension thought was the feeling of farmers. The third group provided an opportunity for Extension to react by agreeing or disagreeing to a list of statements. Opportunities were also provided for open end responses to some of the questions.

Purpose of the study

The Michigan Extension Service is the off-campus educational arm of Michigan State University. It is staffed in each of the program areas -- Agriculture, Natural Resources, Marketing of Agricultural and Natural Resources, Family Living Education, and 4-H - Youth programs.[3] The process of Extension program planning in each of the program areas is continuous.[4]

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[2] The Extension questionaire used in this study is shown in Appendix A.

[3] Ralston, N.P., Director, Cooperative Extension Service, State of Michigan, 1966 Plan of Work, Extension Administration Project 1.

[4] Musgrave, Bohn, Extension Program Planning: Organization and Process, Master's thesis, Michigan State University Extension Personnel Development Center, 1954.

The Extension Service provides guidance and leadership for the development and implementation of county and district programs directed toward meeting the needs of people. The process of program planning involves the collection of pertinent data, major problem identification, establishing objectives and goals as a guide to program action, and finally the implementation of programs. This study will present some of the attitudes of Extension staff members and compare them with the attitudes of farmers. The study will identify some of the problems in agriculture in the mid-sixties. The information should be useful to Extension administrators and the Extension field staff as they establish objectives and goals for program action, particularly in marketing and public affairs education. The information in the study should supplement the trends projected in "Project 80", an attempt to make a long range projection of what rural Michigan and its related institutions will look like in 1980, based upon present trends and situations.

Although based on Michigan's farmers and Extension staff, it is quite likely that the findings of this study could be duplicated in other North Central states. The study deals with attitudes of members of farm organizations regarding organizational goals and tactics and compares these with Extension's views. As a result of this information, the Extension Service can be better informed to understand, advise and otherwise serve Michigan agriculture. The Extension Service is a part of a university, and a university is an institution which has

in part, effecting and guiding change as its purpose.[5] Where Extension workers agree and where they disagree with farmers on their views of the future of agriculture can be useful in giving direction to the agricultural establishment[6] to solve agriculture's problems and in planning educational programs for and with the farm and agricultural industry audiences.[7] A number of studies in Extension program planning have been made. Agent performance in programming was shown by Utz to be greatly influenced by the scope of their personal environment relative to the local society and the organization. Agents rated high in programming effectiveness by their supervisor had a tendency to give more consideration to the total situation effecting people of their county than did those who were rated low.[8] The attitudes of people as well as Extension agents affect their behavior. Choices for the course of action taken in program development and implementation are the result of the response to the interpretations of the agent to the forces from the organization and the local society.

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[5] Hathaway, Dale E., "Problems Facing Rural America," Journal of Cooperative Extension, Vol. III, No. 3, 1965.

[6] Bonnen, James T. "Present and Prospective Policy Problems of U.S. Agriculture: As Viewed by an Economist", Journal of Farm Economics, Vol. 47, No. 5, December, 1965.

[7] Sower, Chris, "The Land Grant University Development Organization in Transition: The Case of the Cooperative Extension Service." Directing the Cooperative Extension Service, National Agricultural Extension Center for Advanced Study, Publication #15, September, 1962.

[8] Utz, Alan P. An Analysis of Selected Factors Relative to Programming Efforts of Kentucky County Extension Agents, Ph. D. thesis, University of Wisconsin, 1965.

In another study, Kimball found significant relationship for the values of recognition, religion and family life to the adoption rate of agricultural practices.[9] Probably similar relationships exist for marketing practices.

A number of studies in Michigan have been made concerning the role of the county chairman in programming, role expectations of agents in program planning and specific portions of county programs. Several studies have been made at the National Extension Center on the training needs of agents.

Objectives

The broad objectives of the study are:

1. To determine Extension's view of the general farm situation[10] and to compare their views with that of committed farmers.[11]
2. To determine Extension's perception of the effect of the Federal Government on future prices of agricultural products and the role of government in dealing with farm problems, and to compare this view with the one held by committed farmers.
3. To determine Extension's view of the existing market structure and acceptable ways for bargaining for increased prices for farm products, and to compare this view with the views of committed farmers.

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[9] Kimball, W.J. The Relationship between Personal Values and the Adoption of Recommended Farm and Home Practices, Ph. D. thesis, University of Chicago, 1960.

[10] Extension's view in the study is confined to the agricultural field staff and Extension administrators.

[11] Committed farmers as defined in the Michigan in the Mid-Sixties, are farmers under 65 years of age, not working off the farm more than 20 hours per week.

4. To compare the views of the Extension staff with the views of committed farmers toward the general farm organizations, and how farm organizations are and should be organized and run.
5. To determine implications of the study for Extension's program and training needs, and to point out the implications for public policies relating to agriculture.

Methods of Investigation

The report is based primarily on the answers from a mail questionaire entitled, "Michigan State University Marketing Survey," sent to the Michigan Extension staff holding the positions of county director, agricultural agent, district agent, and Extension administrator. One hundred forty Extension staff members responded to the questionaire, which represented 97 percent of the total staff in these positions as the time of the survey. The county director in Michigan is the chairman of the county Extension unit, and, as such, he has the overall leadership for Extension programming in the county. Over one-half of the respondents were in the category of county director. The district agent, representing a little over 12 percent of the sample, is more specialized in an area of agriculture and works across county lines in marketing and/or production problems. The agricultural agent, representing nearly one-fourth of the sample, works with educational programs in agriculture under the leadership of the county director. The Extension administrator category consists of the district directors or

supervisors, directors or associate directors of the Michigan Cooperative Extension Service. Nearly eight percent of the total were in this category. Table one shows the distribution by number of positions and percent of the total in each position.

The tenure of the Extension staff was considered to be a possible variable in their reaction to the questions in the survey. The largest tenure group consisted of those with six to ten years in Extension, while the smallest was that of 31 years or more. The median was in the 11 to 15 year range with the average tenure of the respondents in the sample being 12.8 years, (Table 2).

Another possible relevant classifying characteristic was the major field of interest in the formal education of the Extension staff members. Baccalaureate degrees were categorized on the basis of majors in agricultural education and Extension agricultural social sciences, technical agriculture, and other.[12] All Extension staff members had the Baccalaureate degree, with the largest percentage (44.3%) receiving their degree in education or Extension, closely followed by technical agriculture (41.4%).

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[12] Respondents listed the field in which they received their degree. For coding, the categories were used. Included in agricultural education and Extension were agents with degrees in one or the other; agricultural social sciences included rural sociology, resource development, etc; technical agriculture included the production areas such as dairy, horticulture, forestry, animal science, etc; other included business administration, general agriculture, industrial arts, journalism, etc.

Table 1 -- Extension staff members in Michigan responding to mail questionaire by position.

Position	Number	Percent of total
County Director	75	53.7
Agricultural Agent	36	25.7
District Agent	18	12.8
Extension Administrator	11	7.8
Total	140	100.0

Table 2 -- Extension staff members by tenure groups responding to mail questionaire.

Tenure groups	Number	Percent of total
1 yr. - less than 2 yrs.	6	4.3
2 yrs. - 5 yrs.	23	16.4
6 yrs. - 10 yrs.	39	27.9
11 yrs. - 15 yrs.	22	15.7
16 yrs. - 20 yrs.	28	20.0
21 yrs. - 30 yrs.	19	13.6
31 yrs. - or more years	3	2.1
Total	140	100.0

The most frequent specialization in the Master's degree (33.6%) was in "Education or Extension." Nearly the same percentage of the Extension staff had Master's degrees in "Agricultural Social Science" and "Technical Agriculture." Nearly one-fourth of the Extension staff did not have a Master's degree[13] (Table 3).

The average age of the Extension staff was 40 years. Only one staff member was over 65, none was under 25, with the largest group (37%) being in the 45 to 54 year range (Table 4).

It is interesting to note that the average Michigan farm operator was 57 years old in 1965. Committed farmers averaged 49 years, and 63.5 percent of them were over 45 years of age[14]. The average age of the Extension staff was 11 years less than that of the committed farmers.

The Extension staff response to questions and statements was compared with the response of 331 committed farmers in the "Michigan in the Mid-Sixties" study. Statistical comparisons were made using the general two-way chi-square program (Downey-Eiler)[15].

Differences were examined for the 52 attitude statements for the variables of Extension position, educational field for the Master's degree. The variable of Extension tenure was examined along with position and educational field for the income and related items section. The variable of Extension

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[13] The same categories were used for the master's degree with the addition of the category "none".

[14] Hathaway, et al, p. 2.

[15] The writer grants that a more powerful test than the Chi Square might have been used. The direction would be to make the differences of a greater magnitude.

Table 3 -- Field of Specialization in Formal Education for Extension staff.

Field	Baccalaureate Number	Baccalaureate Percent of total	Masters Number	Masters Percent of total
Education or Extension	62	44.3	47	33.6
Agricultural Social Science	12	8.6	26	18.6
Technical Agriculture	58	41.4	24	17.1
Other	8	5.7	9	6.4
None	N.A.	N.A.	34	24.3
Total	140	100.0	140	100.0

Table 4 -- Age of Extension Staff Respondents.

Age	Number	Percent of total
25 - 34 years	23	16.4
35 - 44 "	46	32.9
45 - 54 "	52	37.1
55 - 64 "	18	12.9
65 - or more years	1	.7
Total	140	100.0

Average age - 40 years.

staff members' age and educational field were examined for the cooperative supply organizations. Variables examined in relation to bargaining associations were Extension position, tenure, and educational field.

The following chapters will describe Extension's view of the general farm situation, the government's role in agriculture, market structure and bargaining, farm cooperatives, and general farm organizations; and a final chapter will deal with the implications of the study for Extension.

CHAPTER II

EXTENSION'S VIEW OF THE GENERAL FARM SITUATION

How does the Extension staff view the situation in farming today? Are they more or less optimistic about its future than the farmers for whom they provide educational programs? As Extension develops programs with and for farmers, the attitudes and beliefs of both farmers and Extension about the situation today, as well as in the future, is important.

A number of questions were asked relating to the beliefs of the Extension staff about the situation in farming today, as well as the prospects for the future of Agriculture. These questions related both to what Extension felt farmers thought individually, and what the farmers saw as the present situation and future prospects for agriculture. Answers to these questions give an idea of what Extension staff members consider problems and some of their concerns for the future.

Nearly nine-tenths of the Extension respondents (88.2%) answered "no" to the question, "Do you feel that farmers in your area had a satisfactory income from farming last year, taking into account their labor and investment?" There was very little difference within the Extension subgroups according to educational specialization at the B.S. or M.S. degree or according to positions. However, the 11 to 15 year tenure

group was unanimous in their belief that farm income was not adequate.

In the farm study, "the median net cash income in 1964 reported by farmers was $4,477. This median was raised substantially by the part-time farmers, who reported a median income of $6,547 while $3,003 was reported by farm families where the operator was a full-time farmer.

In total, 15 percent of the farmers interviewed reported a net family cash income before Federal taxes of less than $1,000, 19 percent had family incomes from $1,000 to $3,000 in 1964 and only 45 percent had family incomes of $5,000 or more. This compares very unfavorably with the urban income distribution in Michigan in 1959 reported in the 1960 census of population: Four percent had family incomes under $1,000, 13 percent had incomes from $1,000 to $3,000, and 65 percent had family incomes over $5,000. The nonfarm figures for 1965 would make the comparison even less favorable since the Michigan nonfarm economy advanced considerably from 1959 to 1964."[1]

It appears then, that the Extension staff is correct in their appraisal that farm income is lower than nonfarm income.

The prime clientele for the Extension staff involved in the study is the full-time farmers, defined as those committed to agriculture. Committed farmers in the study are defined as farmers under 65 years of age and not working off the farm more than 20 hours per week. This is the group that is the

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[1] Hathaway, et al, p. 4.

most likely to participate in the Extension program, although Extension does work with other groups.

In response to the question, if they as farmers felt that they had a satisfactory income from farming last year, taking into account their labor and investment, nearly 70 percent of the committed farmers answered "no". There was not a significant difference between the answers of the Extension staff and committed farmers to this question. The reaction of all groups of farmers to this question was virtually identical, regardless of gross farm income, work off the farm, or other factors. (Table 5).

About one-half (46%) of the farmers said they could make more from nonfarm work than they had made from farming the previous year. This feeling was especially noticed among part-time farmers, 60 percent of whom said they could make more from nonfarm work than from farming.[2]

Satisfaction with income was closely related to the individual's views regarding his alternatives. The higher the level of net farm income, the larger the proportion of respondents who were satisfied with their individual incomes. Farmers under 35 years of age are more satisfied than any other age group, while the 45-54 age category was the least satisfied, particularly with net family incomes below $3,000. Farmers who expected their incomes to increase if they quit farming entirely were significantly less satisfied than those

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[2] Hathaway, op. cit., p. 4.

Table 5 -- Reaction according to Extension tenure groupings to the question, "Do you think farmers had a satisfactory income from farming?"

Extension Tenure	Yes		No		Total
	number	percent	number	percent	
1 to 5 years	5	17.9	23	82.1	100
6 to 10 years	5	13.2	33	86.8	100
11 to 15 years	0	0.0	22	100.0	100
16 to 20 years	5	19.2	21	80.8	100
21 years or more	1	4.5	21	95.5	100

Distributions significantly different at the 20% level.
Chi square was 6.5 with 4 degrees freedom.

Table 6 -- Reaction by committed farmers and Extension to the statement, "On the average, farmers are faring about as well in terms of income as city workers at the present time."

Respondents	Agree Completely	Tend to Agree	Tend to Disagree	Disagree Completely	Total
Extension	2.1	7.1	37.1	53.6	100
Committed Farmers	4.0	8.6	30.0	57.5	100

Not significant at the 20% level.

who thought their earnings would remain the same or decrease. Those who had actually decided to quit farming were much less satisfied than respondents who planned to continue farming until retirement. Among respondents with net family incomes under $3,000, those farmers working 20 hours or more per week at nonfarm work were less satisfied than full-time (working less than 20 hours off-farm) farmers. Respondents in the upper income group, who expressed the view that farmers were not faring as well as city workers were significantly less satisfied than those who felt farmers and city workers were sharing equally in the productivity of the economy.[3]

Another way of looking at farmers' dissatisfaction with farm income is their relationship to non-farmers' income. Nearly all (90.7%) of the Extension staff disagreed with the statement that "On the average, farmers are faring about as well in terms of income as city workers at the present time." Differences according to Extension position, or educational level were not great.

The general response to the question concerning comparitive farm and city income both by committed farmers and Extension staff was nearly the same, with over one-half of both disagreeing with the statements completely. The differences were not significant. A sizeable majority of both felt that farmers were not receiving income comparable to city workers (Table 6).

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[3] Seevers, Gary. Factors Associated with Income - Satisfaction of Michigan Farmers, Research paper, Michigan State, 1966.

Therefore, we can say that committed farmers and Extension workers share the belief of a disparity in income levels between farmers and city workers.

Major Farm Problems

Immediately following the question as to whether farm income was satisfactory or not, the question was asked, "What changes would be needed in order for farm income to be satisfactory?" Over one-half of the Extension respondents, (54.5%) gave market action as the change most needed. Nearly one-third, (34.1%) said that individual action was the change needed. About five percent (4.9%) listed government action next while less than four percent (3.2%) listed group action by farmers. Fewer farmers and better weather were changes suggested by less than two percent (1.6%) of the Extension respondents. When asked to list the major problems facing farmers today, nearly one-half (43.6%) of the Extension staff listed problems that could be classified as economic problems. Problems caused by or related to farmers was listed second by over one-third (36.1%) of the Extension staff. In contrast, more than two-thirds of the farmers interviewed listed economic problems first and government or political problems second.

Extension respondents listed the market system as the third problem, with 16.5 percent saying it was a problem. Government or political problems were mentioned by only three percent of the Extension respondents.

The problems classified as economic were related to the low price, high-cost squeeze that has resulted in declining farm income. There were significant differences in the importance given to the different economic problems listed by farmers and Extension. Extension gave more importance to low product prices and high costs than farmers. Farmers listed high prices for non-labor inputs much more frequently than the Extension respondents (Table 7).

Government problems seen by Extension respondents were too much government intervention in operation of farms, too much government intervention in general, and loss of power by farmers. The number listing these problems was too small to test for significant differences, compared with farmers.

The problems of the market system were high marketing costs and excessive middleman profits according to nearly two-thirds of the Extension staff. The other third listed the lack of bargaining power by farmers as the problem. About the same percentage of farmers (31.7%) gave lack of bargaining power by farmers as a major problem in the marketing systems. High marketing margins, excessive middleman profits and inadequate markets were listed as major problems by over one-third (36.6%) of the farmers.

The attitude or actions of farmers was seen as another source of problems. Nearly three-fourths of the Extension respondents (74.5%) said that farmers are not good managers, they need more education. Less than ten percent (8.2%) of farmers listed inadequate management as a problem, however.

Table 7 -- Economic problems mentioned by farmers and Extension respondents. (a)

Economic problem	Percent mentioning this category Farmers	Extension
Low prices for farm products	38.0	32.4
High prices for non-labor inputs	30.3	5.4
Low product prices and high costs	9.1	37.8
Cost, availability and quality of hired labor	8.2	5.4
Low farm income	14.4	18.9
Total	100.0	100.0

(a) The number of responses in each category is presented as a percent of the total number of farmers and Extension respondents giving some economic problem as the greatest problem faced by farmers.

Distributions significantly different at the 1% level. Chi square was 365.599 with 4 degrees of freedom.

Much emphasis has been given by the Extension staff in Michigan to an educational program in management. Apparently, the Extension staff sees a much greater need for management improvement than farmers.

Lack of unity among farmers and their organizations was listed as a problem by nearly eleven percent (10.6%) of the Extension respondents. The large number of farmers was listed next by over eight percent (8.5%) of Extension, which was a much higher percent than farmers (1.6%) who listed this as a problem.

Table 8 compares the responses of Extension with that of farmers'. The number of responses within the categories was too small to test for significance, however.

Farming as a way of life

In our society, preservation of the family farm has been an important goal of our farm policy. President Eisenhower in a message to Congress in January, 1956, said, "In America, agriculture is more than an industry; it is a way of life. Throughout our history the family farm has given strength and vitality to our entire social order. We must keep it healthy and vigorous."[4] Most farm organizations have included the preservation of the family farm as one of their major objectives.

In order to test the reaction of the Extension respondents to the value of the family farm as a goal in our society, two

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[4] Hathaway, op. cit., p. 6.

Table 8 -- Attitudes or actions of farmers seen as creating problems, mentioned by farmers and Extension.

Attitude or action	Percent mentioning this category	
	Farmers	Extension
Inadequate management by farmers	8.2	74.5
Lack of unity among farmers and their organizations	42.7	10.6
Too many farmers	1.6	8.5
Independent attitudes of individual farmers	22.9	4.2
Existence of part-time or hobby farmers	11.5	2.2
Other	13.1	0.0
Total	100.0	100.0
	(N=61)	(N=47)

questions were asked. One related to income and one related to replacement of the family farm.

How important is the family farm in relation to income? Over three-fourths (77.1%) of the Extension staff said that it was more important that farm people earn satisfactory income than it is to maintain the family farm (Table 9). A slightly larger percentage of committed farmers (33.7%) agreed completely with the statement on satisfactory income than Extension (30.4%). A larger percentage of committed farmers (12.1%) disagreed completely with the statement compared with Extension (3.7%).

There were not important differences in Extension groups according to position or educational specialization in reply to the question.

Another way of considering farming as a way of life would be to replace the present family farm by some other type of farm structure. Over one-half of the Extension staff agreed with the statement, "The replacement of family farms by large-scale farms using hired labor would have undesirable economic and social consequences for the nation." There were differences in the response of Extension groups according to their specialization at the Master's level. Over one-half of Extension staff members with a Master's degree in technical agriculture agreed completely with the statement while only a little over eleven percent of those with degrees in either the agricultural social sciences or other fields agreed completely (Table 10).

Table 9 -- Reaction by committed farmers and Extension to the statement, "It is more important that farm people earn satisfactory incomes than it is to maintain the family farm system."

Respondents	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	33.7	35.0	19.3	12.1	100
Extension	30.4	46.7	19.2	3.7	100

Differences are significant at the 5% level.
Chi square is 10.56 with 3 degrees freedom.

Table 10 -- Reaction by Extension respondents according to masters degree to the statement, "The replacement of family farms by large-scale farms using hired labor would have undesirable economic and social consequences for the nation."

Masters degree	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
			percent		
Education or Extension	34.0	53.2	10.7	2.1	100
Agricultural Social Science	11.6	69.2	19.2	0.0	100
Technical Agriculture	54.2	25.0	20.8	0.0	100
Other	11.1	66.7	22.2	0.0	100
None	47.0	47.1	5.9	0.0	100

Differences are significant at the 5% level.
Chi square was 24.97 with 12 degrees freedom.

There were significant differences between committed farmers and Extension in response to the replacement of family farms. More than one-half of committed farmers agreed completely with the statement compared with one-fifth of the Extension respondents. Nearly one-half of Extension staff seems to feel that a change in farm organization will not have undesirable consequences (Table 11).

A related statement was, "If the economic situation for farmers continues like it is now, in a few years the family farm will be replaced by large farms run by hired labor." The responses to this statement were more divergent, with over half of committed farmers (52.7%) agreeing completely compared with less than one-tenth (7.9%) of Extension respondents. Over one-fourth (27.4%) of the Extension staff disagreed completely with the statement, while slightly over one-tenth (11.5%) of committed farmers disagreed completely (Table 12).

Extension seems to be very optimistic about the survival of the family farm if it is well managed. They are, in fact, more optimistic than farmers. While both Extension and farmers felt income was most important, Extension did not believe that the possible replacement of the family farm by large-scale farms using hired labor is likely. Neither was Extension so concerned as farmers that this, the disappearance of the family farm, would happen in the next few years if the economic situation did not change.

One of the solutions to farm income advocated by many is to move human resources out of agriculture. Fewer Americans

Table 11 -- Reaction by committed farmers and Extension to the statement, "The replacement of family farms by large-scale farms using hired labor would have undesirable economic and social consequences for the nation."

Respondents	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	57.0	22.7	15.4	4.9	100
Extension	19.8	35.3	39.0	5.9	100

Differences are significant at the 1% level.
Chi square is 56.15 with 3 degrees freedom.

Table 12 -- Reaction by committed farmers and Extension to the statement, "If the economic situation for farmers continues like it is now, in a few years the family farm will be replaced by large farms run by hired labor."

Respondents	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	52.7	19.9	15.9	11.5	100
Extension	7.9	23.7	41.0	27.4	100

Differences are significant at the 1% level.
Chi square is 91.21 with 3 degrees freedom.

are needed each year to supply the food and fiber needs due to the rapid adoption of technological advances and increasing capital investment.

One report states that, "The migration out of agriculture has been going on for 40 years, and at a rapid rate. Nevertheless, the movement of people from agriculture has not been fast enough to take full advantage of the opportunity that improving farm technology and increasing capital create for raising the living standards of the American people, including, of course, farms."[5]

Nearly three-fourths of the Extension staff agreed with the statement, "Those farmers who cannot earn a satisfactory income from farming under present conditions should plan to leave farming."

There were differences in the responses of Extension according to their Master's degree specialization. Of those without a Master's degree, about one-half (49%) agreed with the statement while one-fifth (20.8%) of those with a Master's degree in technical agriculture agreed. The differences according to the Bachelor's degree or position held were not great.

Differences between Extension and committed farmers were significant with more than thirty percent (31.6%) farmers compared with less than 20 percent (17.8%) of Extension respondents agreeing completely that farmers who cannot earn a satisfactory

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5 An Adaptive Program for Agriculture, The Committee for Economic Development, 711 Fifth Ave., New York, N.Y., Oct., 1962.

income should leave farming. On the other end of the scale, four percent of Extension and 13 percent of farmers disagreed completely with the statement. More than one-half of committed farmers and Extension agreed with the statement (Table 13).

Farm ownership

The future ownership of farms is a concern of many, particularly as it is related to the family farm. With larger farm units and new technology, larger amounts of capital are required. Commercial farm units represent investments of $100,000 and more in many cases. Investment in machinery increase as the acreage handled per farm worker increases. Entry into farming was relatively simple when the farm unit was small and capitilization was much less than it is now. The traditional farm unit in the midwest has been the owner-operator unit. Some people think ownership should be limited to the farmer operators.

The majority (89.6%) of Extension staff respondents disagreed with the statement, "The ownership of farms ought to be restricted to those dependent upon farming for their income." The differences according to position or educational subgroups were not appreciably different.

On the other hand, over one-half (52.7%) of the committed farmers agreed with the statement to restrict farm ownership to those dependent upon farming for their income. The dif-

Table 13 -- Reaction by committed farmers and Extension to the statement, "Those farmers who cannot earn a satisfactory income from farming under present conditions should plan to leave farming."

Respondents	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	31.6	31.6	23.4	13.4	100
Extension	17.8	55.0	23.6	3.6	100

Differences are significant at the 1% level.
Chi square is 20.12 with 3 degrees freedom.

Table 14 -- Reaction by committed farmers and Extension to the statement, "The ownership of farms ought to be restricted to those dependent upon farming for their income."

Respondents	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	34.4	18.3	26.8	20.5	100
Extension	1.5	8.9	42.6	47.0	100

Differences are significant at the 1% level.
Chi square is 78.73 with 3 degrees freedom.

ferences between the opinions of committed farmers and Extension were significant (Table 14). Possibly committed farmers felt there was enough competition for agricultural land and resources among farmers without the investments of nonfarmers so they, therefore, favored restricting ownership. Extension has many contacts with business and professional people who own farms and apparently did not feel outside ownership was a threat to agriculture. Committed farmers also feel the threat of the part-time farmer who derives his primary income from some other source than farming. He may be in a position to bid up the price of land and thwart land consolidation by full-time farmers.

The average age of committed farmers in the study was 49 years of age in 1965. About one-third of them will be at retirement age in ten years. Some countries in the world limit entry to farming to the sons of farmers. The Extension staff overwhelmingly disagreed (92.2%) with the statement, "Entry into farming ought to be restricted to young men with a farm background." There were not large differences between Extension groups according to position or educational specialization. There were, however, significant differences between the Extension staff responses and those of committed farmers. Of the latter, over one-fourth (25.9%) agreed with the statement, indicating that committed farmers place some value on young men with a farm background entering farming. The Extension respondents felt quite strongly that entry should not be

restricted to young men with a farm background since nearly one-half of them (49.3%) disagreed completely with the statement (Table 15).

From the responses to these two statements we can conclude that some committed farmers would be willing to put restrictions on ownership and entry into farming. Extension, however, was not in favor of restricting ownership to those dependent upon farming or entry to young men with a farm background.

Solutions for farming in the future

Farmers did not view their situation as hopeless although they were dissatisfied with their income and believed the present system of farming might not survive. Nearly three-fourths (79%) of committed farmers agreed that, "Some simple and workable solutions to the problems of agriculture could be found if people would just think about it more." However, either the Extension staff was less optimistic or they didn't feel solutions would be simple. Less than one-half (40.9%) of Extension agreed with the statement. The differences between Extension respondents and committed farmers were significant at the one percent level. Differences were the greatest in the "agree completely" column (Table 16).

Within the Extension group there were differences according to the Extension position held. A higher percentage of district agents agreed completely with the statement on simple,

Table 15 -- Reaction by committed farmers and Extension to the statement, "Entry into farming ought to be restricted to young men with a farm background."

Respondents	Agree Completely	Agree with some Reservations	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	15.6	10.3	38.1	35.0	100
Extension	0.0	7.8	42.9	49.3	100

Differences are significant at the 1% level.
Chi square is 27.38 with 3 degrees freedom.

Table 16 -- Reaction by committed farmers and Extension to the statement, "Some simple workable solutions to the problems of agriculture could be found if people would just think about it more."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	50.3	28.7	14.7	6.3	100
Extension	6.1	34.8	34.1	25.0	100

Differences are significant at the 1% level.
Chi square was 93.29 with 3 degrees freedom.

workable answers than any other group. Extension administrators had more faith than the field agents that simple answers to the problems could be found (Table 17).

Extension staff disagreed (82.1%) with the statement that farmers can't do much to determine the way things turn out for them. On the other hand, a majority of the committed farmers (63.4%) agreed with the statement. Perhaps Extension was thinking of the individual action of farmers rather than farmers collectively. If so, this would be consistent with their earlier responses regarding solutions to farm problems. Committed farmers are more pessimistic about their abilities to change the situation although they felt there were simple and workable solutions to the problem (Table 18). There were not great differences between Extension groups on this question.

The Extension staff also disagreed (92.0%) with the statement, "We shouldn't waste our time on discussions of farm problems which don't offer clear solution." A majority (55.2%) of Extension disagreed completely with the statement. Committed farmers, on the other hand, agreed with the statement by a bare majority (51.6%) and only a little over 20 percent of them disagreed completely with the statement (Table 19). Apparently farmers feel they can't change things much by further discussion even though they believed there were some simple solutions to their problems.

There were differences according to the Master's degree field of specialization. Greatest disagreement with the state-

Table 17 -- Reaction according to Extension position to the statement, "Some simple and workable solutions to the problems of agriculture could be found if people would just think about it more."

Position	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
		percent			
County Director	5.3	22.7	42.7	29.3	100
Agricultural Agent	8.6	17.1	42.9	31.4	100
Extension Administrator	---	54.5	18.2	27.3	100
District Agent	22.2	22.2	44.5	11.1	100

Differences are significant at the 1% level.
Chi square was 14.85 with 9 degrees freedom.

Table 18 -- Reaction by committed farmers and Extension to the statement, "Today farmers really can't do much to determine the way things turn out for them."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	42.3	21.1	25.6	11.0	100
Extension	3.6	14.3	46.4	35.7	100

Differences are significant at the 1% level.
Chi square was 95.25 with 3 degrees freedom.

Table 19 -- Reaction by committed farmers and Extension to the statement, "We shouldn't waste our time on discussion of farm problems which don't offer clear solutions."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	31.0	20.6	27.1	21.3	100
Extension	0.7	7.3	36.8	55.2	100

Differences are significant at the 1% level.
Chi square was 87.01 with 3 degrees freedom.

ment came from the groups who had their degree in the agricultural social sciences. Agents without a Master's degree were below the average level of disagreement for all agents.

Committed farmers seemed to be more willing than the Extension staff to look for charismatic leadership. Sixty percent of the committed farmers, compared to 30 percent of Extension respondents agreed completely with the statement, "What agriculture needs most, even more than laws and political programs, is devoted, tireless and courageous leaders in which farmers can put their faith." Agreement with the statement was 87 percent for farmers and 73 percent for Extension (Table 20). Leadership seems to be an important factor in the solution of farm problems.

Committed farmers and Extension differed on their views in response to the statement, "Farmers should raise all of the crops and livestock possible as long as there are hungry people," with 74 percent of committed farmers agreeing with the statement while only 25 percent of Extension agreed (Table 21). It would seem that Extension is more conscious than farmers of the problem of market demand.

Within Extension there were differences at the Master's level. A majority of Extension respondents with a degree in education and Extension agreed with the statement, while all others disagreed. Disagreement with the statement was expressed by the largest percentage by Extension staff with a degree in technical agriculture (Table 22).

Table 20 -- Reaction by committed farmers and Extension to the statement, "What agriculture needs most, even more than laws and political programs, is devoted, tireless and courageous leaders in which farmers can put their faith."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
		percent			
Committed Farmers	60.1	27.0	8.1	4.8	100
Extension	26.9	46.9	22.1	3.1	100

Differences are significant at the 1% level.
Chi square was 46.91 with 3 degrees freedom.

Table 21 -- Reaction by farmers and Extension to the statement, "Farmers should raise all of the crops and livestock possible as long as there are hungry people."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	41.7	32.5	18.2	7.6	100
Extension	8.9	28.1	45.9	17.1	100

Differences are significant at the 1% level.
Chi square was 67.96 with 3 degrees freedom.

Table 22 -- Reaction by Extension respondents according to masters degree to the statement, "Farmers should raise all of the crops and livestock possible as long as there are hungry people."

Masters degree	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Education and Extension	11.9	57.2	21.4	9.5	100
Agricultural Social Science	0.0	44.0	36.0	20.0	100
Technical Agriculture	8.7	13.1	56.5	21.7	100
Other	11.1	22.2	55.6	11.1	100
None	2.9	44.1	47.1	5.9	100

Differences are significant at the 5% level.
Chi square was 22.81 with 12 degrees freedom.

Summary

The Extension staff thought that income from farming was not satisfactory and that farmers' income was less than non-farm income. Extension's view was shared by committed farmers. The evidence supports their viewpoint.

Extension differed with farmers on the causes of the income problems and needed action to change the situation. Economic problems for farmers, both agreed, resulted from low prices for farm products. Farmers also blamed the high prices for non-labor inputs while Extension thought the combination of low product prices and high costs or the "cost-price squeeze" was another cause. More farmers than Extension believed the cost, availability, and quality of hired labor was a cause. Both believed low farm income was an economic problem.

Extension and farmers differed greatly on the ability of the individual manager to alter the situation. Nearly three-fourths of Extension compared to less than one-tenth of farmers saw inadequate management as a problem. Farmers believed that the whole system needed to be changed rather than individual action. Sixty-five percent of farmers, compared to 15 percent of Extension workers, saw lack of unity and independent attitudes of farmers and their organizations as an attitude creating the problem. While Extension thought a part of the problem was too many farmers, farmers did not agree. Farmers also thought that part-time farmers were a problem but Extension did not share this view.

Satisfactory income for farm people was more important than maintaining the family farm was a belief held by Extension and farmers, although Extension was slightly more income-oriented than farmers. Farmers thought the present system of farming was threatened and although they thought income was important, they thought the family farm was an important social and economic institution. Extension was more optimistic than farmers that the family farm will be maintained. They did not think the family farm would be replaced by some other form of operation such as large farms run by hired labor. Extension thought that the present system would and could survive. They thought farmers who couldn't earn a satisfactory income should leave farming, a belief shared by committed farmers to a lesser degree.

Extension believed farm ownership and entry should not be restricted. Committed farmers favored restriction of ownership to those dependent on farming and entry to young men with a farm background. Farmers believed their farm production should not be limited, but Extension disagreed with this viewpoint.

Although committed farmers believed that there were simple solutions to the farm problem they also said they didn't want to waste their time on discussions of farm problems that didn't offer solutions. They looked to their leadership to provide solutions to the problems rather than to government.

Extension, however, believed strongly that time should be spent on discussion of farm problems, that there weren't

simple solutions, and farmers could do something about how things turned out for them. They believed there was a need for dedicated leaders but didn't rate them as highly as farmers did. Perhaps Extension was less directly involved so they look at it differently; or as leaders themselves, put more faith in government action and the individual actions of farmers themselves.

CHAPTER III

THE GOVERNMENT'S ROLE IN AGRICULTURE

Parity or equality in income for farmers compared with non-farmers is generally associated with the New Deal of the thirties. Actually, there were many efforts of government prior to that time to improve the economic situation of farmers. The establishment of Land Grant Colleges as a result of the Morrill Act in 1962, the subsequent Hatch Act establishing agricultural research, and the establishment of the Agricultural Extension Service through the Smith-Lever Act contributed to providing educational services and opportunities for farm people. The Extension Service had the immediate task of increasing agricultural production to meet the increased demands of World War I. Following the war and through the thirties, the Extension Service was heavily involved in the many U.S.D.A. emergency farm programs to bring economic relief to farmers. As the educational arm of the U.S.D.A., the Extension Service has had responsibility for the educational program to explain various Federal farm programs for farmers.

In 1958, the Extension Committee on Organization and Policy appointed nine task forces of Extension administrators and specialists to delineate the scope and responsibility of the Cooperative Extension Service. The report commonly

referred to as "The Scope Report",[1] outlined for nine program areas, a statement on subject matter, clientele, Extension responsibilities and objectives, how these are to be accomplished, and requirements if Extension is to accomplish them. One of the nine areas was public affairs.

In 1954, Congress appropriated funds to expand Extension work and specified public affairs education as one of three areas where work was to be expanded. Congressional hearings stressed the need for helping people understand the economic background so important to an intelligent approach to many public issues.[2]

Asst. Secretary Peterson said, "Extension work in public affairs requires more than objective fact presentations. This must be more than a cafeteria line of facts from which people can select only those they want. The people must be given all the facts and they must be stimulated to analyze these facts and apply them to their particular problems. Then the people can act in line with the decisions they have reached. It is through concerted public opinion that public policy is established."[3]

One of the areas of a public affairs educational program is dealing with agricultural policy particularly as it relates

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1 A Guide to Extension Programs for the Future, July, 1959, Published by Agricultural Extension Service, N.C. State College.

2 Scope Report, p. 45.

3 Peterson, E.L. Extension Service Review, U.S.D.A., Federal Extension Service, Dec., 1959. p. 253.

to government action. The impact of this policy is much greater than on farmers alone. The related business of agriculture, the non-farmers in the community, and consumers all are affected. This is a broad educational program transcending the mere dissemination of information of agricultural production and homemaking. Utz found in his research that, "Agents who think of themselves as technologists and who merely impose preconceived solutions to problems limit the scope of their programs. The most effective agents seem to be those who view their job as that of contributing to the objectives of the Service by dealing with complex, interdisciplinary problem."[4] His findings help substantiate the need for Extension programming in areas such as public affairs.

The Extension specialist is in a leadership position as educational programs are developed and presented. He has the responsibility of not only knowing the latest research, but to be able to present it to people in understandable terms. The Administrator of the Federal Extension Service sees the role of Extension as,"-- strictly one of education - to provide people with reliable information about the problem and the policy alternatives, together with a framework of principles within which to analyze this information; to motivate them to analyze the problem and the alternatives and reach their own conclusions within the framework of their own

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[4] Utz, Alan P. Agent Performance in Programming, Journal of Cooperative Extension, Volume III, Number 3, Fall, 1965.

value system and goals; and to encourage them to participate in the decision-making process on the basis of their evaluations. Our role is strictly objective, helping people understand all facets of the problem and the alternatives."[5] Another aspect of the agricultural policy educators' responsibility was pointed out by Dale Hathaway at a workshop held in 1960 for Extension educators in agricultural policy, when he stated, "With completely different statements of fact regarding crucial elements in the structure of the agricultural industry, we shall probably continue to get highly differing solutions to the farm problem. However, policy specialists like yourselves, would not seem to be doing your job, unless you speak out to correct irresponsible, irrelevant errors of fact, upon which competent economists agree."[6]

In his discussion, he points out the need to work vigorously to improve our understanding of the basic structure of the agricultural economy and the changes and pressures that are likely to arise in it in the decades ahead.

The basic structure of our agricultural economy has been undergoing change. At the annual meeting of the American Farm Economic Association in August, 1965, James T. Bonnen discussed "Present and Prospective Policy Problems of U.S.

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[5] Davis, Lloyd H. Farm Policy Extension Work, Increasing Understanding of Public Problems and Policies, Farm Foundation, Chicago, Ill., 1962.

[6] Hathaway, Dale E. Agricultural Policy: The 1950's in Retrospect, Increasing Understanding of Public Problems and Policies, Farm Foundation, 1960.

Agriculture: As Viewed by an Economist." He states, "Clearly we are at another node in agricultural policy. Over the decade ending in 1963, two alternative approaches to the farm problem were attempted. Both failed for lack of political acceptance. During the Eisenhower years, Secretary Benson made a valiant attempt, as he would put it, to return the farmer to the free market. Following that, the Kennedy Administration attempted to implement a system of government-run supply management controls. Both of these approaches are now denied us. What is left?" He discusses the changing structure of our political, economic, and social institutions. He points out that the price-support payment and the diversion payment techniques tend to separate the income-support operation from the pricing mechanism. He further states that, "This gives one a fighting chance to maintain farm income while cutting surplus stocks and letting prices move toward a level that reduces the incentive for overproduction and allows the farmer to compete in world markets without export subsidies."[7]

He suggests the entire web of rural institutions have broken down and become disfunctional and that this is particularly critical in commercial agriculture.

Another economist, Murray Thompson, in an article entitled, "The Search for Parity," says in part, "Farm programs are supporting farm income, but more consideration should be given to the causal factors of the farm problem. Programs

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[7] Bonnen, James T. Journal of Farm Economics, Vol. 47, No. 5, Dec., 1965, p. 1116.

should be of a type easily altered to permit rapid adjustments of supply to meet changing conditions and to prevent accumulation of stocks greatly in access of needed reserves. - - Operators of efficient family farms should be assured the opportunity of achieving parity of income without exploiting either the taxpayer or the consumer."[8]

Thompson says in his concluding paragraph that the search for parity has not been achieved, but it must go on. John A. Schnittker, Under Secretary of Agriculture, at the American Farm Economics Association meeting spelled out today's farm policy as follows:[9]

"1. It is geared to commercial agriculture - to farmers who depend on farming for most of their incomes, and who have enough resources to earn a good living by farming. It also helps small farmers, but being geared to bushels and acres and products, it can't help them enough.
2. It is a market-oriented policy, consciously designed to reduce the role of the Commodity Credit Corporation in market operations.
3. It contributes to achievement of the broader objectives of economic policy.
4. It is adapted to the growing importance and the exploding opportunities in commercial world trade in U.S. farm products.
5. It is an integral part of our food assistance program.
6. It is a potential major force in world affairs in the next decade."

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[8] Thompson, Murray. The Search for Parity, Yearbook of Agriculture, U.S.D.A., 1962, p. 556.

[9] Schnittker, John A. Farm Policy-Today's Direction, Journal of Farm Economics, Vol. 45, No. 5, Dec., 1966, p. 1092.

Dr. Hathaway in his book, Government and Agriculture, talks about "The Gap between Desires and Reality." This is the difference between aspirations or values and reality or 'what is'. In this chapter an attempt will be made to describe some of the beliefs of both the Extension staff and the committed farmers. This can be useful to the Extension Service as it develops its goals and objectives for an educational program in public affairs and agricultural policy in particular.

The effect of various types of government programs on farm operations are an important factor in management decisions. What would happen if price supports were removed? How favorable are the Extension staff and committed farmers to various government programs?

Price Support

Low prices for farm products was one of the economic problems listed by over one-third of both committed farmers and Extension. Price support programs are the largest single item in terms of government expenditures for agriculture. Price support and land retirement have been credited by many as major factors in supporting farm level prices and income in the U.S. Questions were asked regarding both the immediate effect and the longer run effect on farm net income if support prices by the government were removed.

The first question asked was "Suppose that all government price support programs were ended in 1966. Compared with 1965, do you think that average net income per farm in the U.S. could be about the same, lower, or higher in 1967?"

Income would be lower, according to over four-fifths (83.2%) of the Extension respondents. Only two percent thought it would be higher. Differences were not great in the subgroups according to Masters' degree, but there were differences by tenure groups. Ninety three percent of the group with less than five years of tenure thought income would be lower. Sixty seven percent of those in the 21 or more years of tenure group thought income would be lower. Eighty two and 85 percent of the other tenure groupings thought income would be lower.

Differences according to the Extension position held, were noticeable. Eighty nine percent of district agents thought income would be lower, and 81 percent of county directors thought it would be lower. A higher percentage of county directors (17.6%), compared to all Extension staff (14.5%) thought income would be the same in 1967 compared to 1965, if the price support program was ended in 1966. Nearly six percent of agricultural agents and one percent of county directors thought income might be higher (Table 23).

There were significant differences between committed farmers and Extension in their answers to the effects of price support removal on future income. Nearly 60 percent of the committed farmers thought income would be lower compared with

Table 23 -- Response to the question according to Extension position, "Suppose that all government price support programs were ended in 1966. Compared with 1965, do you think that; Average net income per farm in the U.S. would be about the same, lower or higher in 1967?"

Position	Same	Higher	Lower	Total
		Percent		
County Director	17.6	1.3	81.1	100
Agricultural Agent	11.4	5.7	82.9	100
Extension Administrator	9.1	0.0	81.9	100
District Agent	11.1	0.0	88.9	100

Differences are significant at the 5% level.
Chi square was 15.61 with 6 degrees freedom.

Table 24 -- Response by farmers and Extension to the question, "Suppose that all government price supports were ended in 1966. Compared with 1965, do you think that; Average net income per farm in the U.S. would be about the same, higher, lower in 1967?"

Respondents	Same	Higher	Lower	Total
		Percent		
Committed Farmers	29.6	11.3	59.1	100
Extension	14.6	2.2	83.2	100

Differences are significant at the 5% level.
Chi square was 25.4 with 2 degrees freedom.

over 80 percent of the Extension workers who thought it would be lower. While only two percent of Extension respondents thought income would be higher, 11 percent of the committed farmers thought it would be higher, as seen in Table 24.

Extension respondents seemed to feel that price supports have a greater short-run effect on average net farm income in the U.S. than committed farmers do. However, a majority of both committed farmers and Extension thought that farm income would be lower the first year after price supports were ended.

Another set of questions asked Extension respondents what they thought would be the situation five years after price supports were ended. The question was "Suppose that all government price support programs were ended in 1966. Compared with 1965, do you think that average net income per farm in the U.S. in 1972 would be the same, higher, or lower?" Extension responded much differently to this question. Over 60 percent (62.5%) thought income in 1972 would be higher, about one-fifth (21.3%) thought it would be about the same, while 16 percent thought it would be lower. There were differences among Extension groups according to Extension position held. Seventy percent of county Extension directors thought income would be higher in 1972. Extension administrators were divided on the question, with 45 percent saying income would be higher, while an equal percent said it would be lower. Forty one percent of the district agents thought income would be the same (Table 25).

However, the majority of both committed farmers (56.5%)

Table 25 -- Response to the question according to Extension position, "Suppose that all government price supports were ended in 1966. Compared with 1965, do you think that; Average net farm income in the U.S. in 1972 would be the same, higher, or lower?"

Position	Same	Higher	Lower	Total
		percent		
County Director	20.3	70.3	9.4	100
Agricultural Agent	17.6	55.9	26.5	100
Extension Administrator	9.0	45.5	45.5	100
District Agent	41.2	52.9	5.9	100

Differences are significant at the 1% level.
Chi square was 17.12 with 6 degrees freedom.

and Extension (62.5%) thought income would be higher in five years with the removal of price supports. The differences were not significant at the 20 percent level. A little more than one-fourth (28.6%) of committed farmers and less than one-fourth (21.3%) of Extension respondents thought income would be the same in 1972. Around 15 percent (14.9% of committed farmers and 16.2% of Extension) thought income would be lower in 1972. Apparently both Extension respondents and farmers think that net farm income in the U.S. will be reduced considerably in the short run, but given a longer run, net farm income will increase after the removal of government price supports.

Average farm income on Michigan farms in 1967 would be lower with the removal of price supports in the opinion of nearly 64 percent (63.8%) of the Extension respondents. About one-fourth of the Extension staff (23.9%) thought Michigan farm income would be the same, while the remainder (11.6%) said it would be higher. Ninety percent of Extension administrators thought farm income in Michigan would be lower compared to 57 percent of agricultural agents who thought it would be lower. One-third of district agents thought income would be the same (Table 26).

A statement released in March, 1967 by the United States Department of Agriculture, concerning farm program needs for 1968 to 1970 states:

Table 26 -- Response to the question according to Extension position, "Suppose that all government price supports were ended in 1966. Compared with 1965, do you think that; Average net income per farm in Michigan would be about the same, lower, or higher in 1967?"

Position	Same	Higher	Lower	Total
		percent		
County Director	23.0	10.8	66.2	100
Agricultural Agent	25.7	17.1	57.2	100
Extension Administrator	0.0	10.0	90.0	100
District Agent	33.3	11.1	55.6	100

Differences are significant at the 5% level.
Chi square was 16.97 with 6 degrees freedom.

Table 27 -- Response to the question by committed farmers and Extension, "Suppose that all government price supports were ended in 1966. Compared with 1965, do you think that; Average net income per farm in Michigan in 1967 would be about the same, lower, or higher?"

Respondents	Same	Higher	Lower	Total
		percent		
Committed Farmers	56.9	16.0	27.1	100
Extension	24.1	11.7	64.2	100

Differences are significant at the 1% level.
Chi square was 55.60 with 3 degrees freedom.

"American farm products today are in a much better supply-demand balance than at any time in the past 12 years. Except for cotton, the burdensome surpluses of all crops accumulated in earlier years have been liquidated and domestic and export demand for farm products now is at record levels.

This does not mean, however, that the commodity price support and adjustment programs can safely be discontinued. In the absence of such programs for feed grains and cotton, production of these crops could exceed available market outlets, at prices near current levels, by as much as 25 million tons of feed grains and 4 million bales of cotton. Within a few years wheat production might again exceed desirable levels, depending on weather conditions here and elsewhere in the world.

Oversupplying markets with this unneeded production could cause corn prices to fall to around 70 cents a bushel, cotton prices to between 18 and 20 cents a pound, soybeans to about $2.00, and wheat to around $1.00 a bushel. Within a year or two, livestock supplies would increase and livestock prices would fall.

Despite larger output, farmers' cash receipts from marketings would decline. Net farm income could drop about one-third below the 1966 level. Government payments also would be lower, but the drop in net farm income might well be nearly twice as much as the reduction in government costs.

If, however, weather conditions should be unfavorable, resulting in a short harvest, or if exports increased more than expected, the acreage adjustment programs could be modified as necessary to assure continued ample supplies for all domestic and export needs."

The report prepared by analysts in the Department benefitted from the advice and counsel of nationally recognized agricultural economists at nine universities. The report continues:

"During the period 1968 through 1970, an imbalance is expected to continue between the production capacity of our farm plant and market outlets at stable farm prices. Most of this excess in production capacity exists in feed grains and cotton.

<u>Conditions Making Adjustment Programs Unnecessary</u> . . .

If market requirements were greater, or because of unfavorable weather crop yields were lower than estimated in this analysis -- or if a combination of these two should occur -- then acreage diversion programs might not be needed.

Conclusion . . .

Agriculture's surplus problem has been significantly diminished, as a result of the elimination of the surplus carryover stocks. According to earlier studies, if farm programs -- both annual and long-term diversion -- had been terminated in earlier years while these large surplus carryover stocks were hanging over the market, net realized farm income would have been reduced about 50 percent. This analysis indicates that with the elimination of surplus grain stocks, if the annual programs were now terminated (while continuing the long-term cropland diversion programs), realized net farm income would be reduced by over 30 percent.

Net farm income would fall by more than $5 billion from the 1966 level. But government costs of the farm programs would be reduced by only $3 billion. Thus the decline in farm income would be substantially greater than the reduction in government costs.

Such a decline in net income obviously would have an adverse effect on farm land values. Farmers' net worth probably would decline much more than the reduction in net income."

Farmers and Extension staff were more optimistic than the experts who predicted a decline of 32 percent by 1968-70 in realized net income without government programs. By 1972, both Extension and farmers thought that income would be improved over present levels if price supports were removed.

Over one-half of committed farmers in Michigan thought their income in 1967, if price supports were removed, would be the same and about one-fourth (27.1%) thought it would be lower. It seems quite unrealistic to think that there would be such a difference in the effect on Michigan farm income compared to U.S. farm income. Nearly 60 percent of committed farmers thought U.S. farm income would be lower compared to the 27 percent who thought Michigan farm income would be lower in 1967 if price supports were removed. Differences between the responses of

Extension and committed farmers were significant. While 27 percent of committed farmers thought income in Michigan in 1967 would be lower, 64 percent of Extension thought this would happen. A majority of committed farmers thought income would be the same and only one-fourth of Extension respondents thought so (Table 27).

About two-thirds (66.7%) of the Extension staff thought the average net income of Michigan farms would be higher five years after the removal of price support. This was about the same response as was given to the question on U.S. farm income for the same time period. Seventeen percent thought farm income in Michigan would be the same and 16 percent thought it would be lower. There were differences in response to the question according to Extension position. Differences according to grouping on the basis of Masters' specialization were not as great.

Three-fourths of the county directors thought Michigan net farm income would be higher in 1972, and only ten percent of them thought income would be lower. Forty five percent of Extension administrators thought income would be higher while an equal percentage thought it would be lower (Table 28).

Extension respondents differed appreciably with committed farmers on this question. While two-thirds of Extension respondents thought Michigan farm income would be higher in 1972, slightly less than a majority of committed farmers agreed. Forty percent of committed farmers thought income would be the

Table 28 -- Response to the question according to Extension position, "Suppose that all government price supports were ended in 1966. Compared with 1965, do you think that; Average net income per farm in Michigan in 1972 would be about the same, lower, or higher?"

Respondents	Same	Higher	Lower	Total
		percent		
County Director	14.9	74.3	10.8	100
Agricultural Agent	15.1	66.7	18.2	100
Extension Administrator	9.0	45.5	45.5	100
District Agent	35.3	47.1	17.6	100

Differences are significant at the 5% level.
Chi square was 13.57 with 6 degrees freedom.

Table 29 -- Response to the question by committed farmers and Extension, "Suppose that all government price supports were ended in 1966. Compared with 1965, do you think that; Average net income per farm in Michigan in 1972 would be about the same, lower, or higher?"

Respondents	Same	Higher	Lower	Total
		percent		
Committed Farmers	40.7	49.6	9.7	100
Extension	17.0	66.7	16.3	100

Differences are significant at the 1% level.
Chi square was 23.3 with 3 degrees freedom.

same compared with 17 percent of Extension respondents (Table 29).

Both in the short and long run, committed farmers seem to feel the effect on Michigan farm prices would be different than on U.S. farm prices. Michigan does not have a monopoly on the production of any farm product. An educational program on trade and the interrelationship of markets would seem to be appropriate. Extension in the short run was more pessimistic than farmers, but in the long run was more optimistic. The views of Extension administration followed more closely the view held by the experts regarding the effects of price supports.

Government programs

It was reported in the previous chapter, Extension respondents felt there were no simple and workable solutions to the problems of agriculture to be easily found. Over two-thirds (70.9%) of them agreed with the statement, "Farmers cannot count on government assistance in solving their marketing and price problems." Committed farmers also agreed with the statement. However, there were significant differences in their responses. While 45 percent of committed farmers agreed completely with the statement, only nine percent of Extension respondents agreed completely (Table 30). Further evidence of farmers' lack of faith in government support prices as a means of income improvement was shown by the recent wheat referendum in which Michigan farmers defeated soundly extending government control of wheat acreages.

Table 30 -- Response to the statement by committed farmers and Extension , "Farmers cannot count on government assistance in solving their marketing and price problem."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	45.1	30.2	14.9	9.8	100
Extension	9.3	63.6	19.3	7.8	100

Differences are significant at the 1% level.
Chi square was 64.33 with 3 degrees freedom.

Table 31 -- Response to the statement by committed farmers and Extension, "The market power of farmers can best be achieved by the use of the market price system. Under this system, supply and demand become the primary factors in determining the true market level for agricultural commodities."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	57.6	29.6	9.7	8.1	100
Extension	20.7	43.0	30.4	5.9	100

Differences are significant at the 1% level.
Chi square was 47.89 with 3 degrees freedom.

Extension is the educational arm for the United States Department of Agriculture. In this role they are expected to explain government programs of the U.S.D.A. to farmers. It would seem that Extension does not expect government assistance to solve marketing and price problems of farmers. There were some differences within Extension according to the field of specialization at the Baccelaureate level, but not according to the Masters' level. Those respondents holding a degree in technical agriculture had the smallest percentage agreeing with the statement. Agricultural social science majors had the largest percentage agreeing.

Part of the reason for the response to the statement on government assistance may be related to the following statement, "The marketing power of farmers can best be achieved by the use of the market price system. Under this system, supply and demand become the primary factors in determining the true market value for agricultural commodities." Nearly 64 percent of Extension respondents agreed with the statement. This would indicate that the Extension staff felt that the market system itself should operate to set prices without government interference. However, there was some disbelief on how well the market system was operating since only one-fifth (20.7%) of the respondents agreed completely with the statement (Table 31). In a later chapter more attention will be given to the marketing system.

Within Extension in response to the statement, differences were not great according to position or B.S. degree major. However, there were differences within the masters' degree level of specialization. The largest percentage (72) agreeing with the statement had their master's degree in the agricultural social science field. The smallest percentage agreeing (37.5) had their degree in the "other" fields category.

Differences between Extension and committed farmers were significant. A majority (52.6%) of committed farmers agreed completely with the statement compared with one-fifth (20.7%) of Extension respondents. Therefore, committed farmers have more faith than Extension in the market price system and less in government assistance.

Market information

One of the tenets of pure competition is adequate knowledge by both buyers and sellers. A function of government has been to provide crop estimates at prescribed dates. A very careful procedure is worked out in the release of this information. A majority (61%) of the Extension respondents agreed with the statement, "Government estimates of crop production and of livestock receipts are accurate and unbiased." Differences within the sub-groups of Extension were not great. A majority (60.5%) of committed farmers, however, disagreed with the statement, although a larger percentage (12.9%) of committed farmers agreed completely with the statement than did Extension respondents (6.6%), (Table 32).

Table 32 -- Response to the statement by committed farmers and Extension, "Government estimates of crop production and of livestock receipts are accurate and unbiased."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	12.9	26.6	38.4	22.1	100
Extension	6.6	54.4	34.5	4.4	100

Differences are significant at the 1% level.
Chi square was 40.25 with 3 degrees freedom.

Table 33 -- Response to the statement by committed farmers and Extension, "Government estimates of crop production and of livestock receipts tend to strengthen the position of the buyers and weaken the position of the farmers in farmer bargaining arrangement."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	36.5	36.2	22.7	4.6	100
Extension	4.8	33.3	50.8	11.1	100

Differences are significant at the 1% level.
Chi square was 59.29 with 3 degrees freedom.

The direction of the bias was indicated by the statement, "Government estimates of crop production and of livestock receipts tend to strengthen the position of the buyers and weaken the position of the farmers in farmer bargaining arrangements." In response to the statement, a majority (60.9%) of Extension respondents disagreed with the statement while a majority of committed farmers (73.6%) agreed with the statement. This response was consistent with the response to the previous statement; that is, Extension thought the estimates were unbiased while farmers did not (Table 33).

From the two statements regarding government estimates it would seem that while Extension staff members feel the reports are accurate and unbiased, committed farmers feel the reports weaken their position in bargaining. In the absence of government reports, it would seem likely that many of the larger buyers would have their own information system, whereas farmers would not. Therefore, government estimates should tend to even out the differences between buyers and sellers, which could be to the advantage of the seller of agricultural products.

Summary

Extension believed that if government price supports were removed in the short run net farm income would be lower, but had faith that farmers could make rapid adjustments and that net farm income in five years would be higher. Committed farmers believed also that net farm income would be lower in

1967 if government price supports were removed, but a smaller percentage shared this belief compared to Extension. Nearly twice as many farmers, percentage-wise, as Extension believed income would be the same in the short run. More farmers than Extension believed income would be higher in 1967. The effectiveness of government assistance through price support was seriously questioned.

The beliefs of what the income situation would be, five years after the removal of price supports, for U.S. farms held by committed farmers and Extension were similar. A majority of both believed income would be higher with Extension a little more optimistic than farmers. About one-fourth of farmers and Extension believed that income would be about the same.

The situation for Michigan farmers was much different. Two-thirds of Extension believed that Michigan farm income in 1972 would be higher while slightly less than a majority of Michigan committed farmers shared this view assuming price support removal in 1966.

County Extension directors were more optimistic that income would be higher in 1972 for both U.S. and Michigan farms if government suppotts prices were removed than agricultural agents, district agents, or Extension administrators. The county directors were more optimistic, however, that this would happen on U.S. farms than on Michigan farms. The same percentage of Extension administrators believed that income would be higher that believed it would be lower.

Experts in the U.S.D.A. believed that income would be lower by 1968-1970 without the government programs. It seems that the Extension staff are more optimistic about the farm adjustments that might take place by 1972 than the experts.

The Extension staff, compared to farmers, placed greater reliance on government crop and livestock reports. Committed farmers believed strongly that the government could not solve their marketing and price problems. Extension agreed, but by a lesser degree. Committed farmers compared to Extension, believed more strongly that the answer to their problems was in the market price system rather than by government action while Extension leaned more heavily on government action.

CHAPTER IV

COOPERATIVE BUYING AND SELLING ORGANIZATIONS

One of the institutions created in an earlier period to provide a more favorable economic situation for the farmer was the Cooperative. Michigan farmers have an opportunity to deal with 247 farmer cooperatives doing a volume of approximately one-half billion dollars.[1] These include supply cooperatives as well as marketing cooperatives.

The cost-price squeeze was mentioned by Extension staff as one of the major farm problems. This is a combination of a high cost for farm inputs and a low price for farm products. A majority of farmers interviewed felt that high prices for non-labor inputs was a major problem for them. Over 75 percent of the Extension staff felt that either low product prices or high cost were the greatest economic problems of farmers. High prices for non-labor inputs purchased was listed as a problem. What, then, is the attitude of the Extension staff toward farm supply cooperatives?

Most cooperatives are organized to serve both members and non-members. Patrons in some cooperatives become members whenever they make purchases from the cooperative. The question was asked, "Do you think that the services and

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[1] Feltner, Richard L. Michigan Farmers in the Mid-Sixties, p. 30.

products of a farm supply should be limited to members only?" Thirty one percent of the Extension respondents answered affirmatively, and 56 percent answered in the negative, with the remaining answering they didn't know. A little less than one-third of the Extension staff, therefore, felt that the present framework of supply cooperatives should be altered. Committed farmers also said that cooperatives should not be limited to members only. The difference between Extension and committed farmers was significant, with more farmers favoring unlimited cooperatives (Table 34).

Over one-third of the Extension staff felt that farm cooperatives should expand the items and services offered to farmers that they are not now providing. Marketing, storage, and handling of products was mentioned the most frequently as an additional service. Others mentioned were insurance and credit services, farm machinery, bargaining for farmers, feeds and livestock supplies and services, and consumer goods such as groceries and appliances.

One of the basic principles of Cooperatives has been equal treatment for all members. Many private business firms offer discounts for large quantities of a product. The question was posed, "Do you believe a farm supply cooperative should sell at quantity discounts? That is, as a member, would you favor a pricing policy for your cooperative which resulted in lower prices for larger purchases?" The response to this question, by the Extension staff was yes, 82 percent,

Table 34 -- Response to the question by committed farmers and Extension, "Should services and products of a farm supply cooperative be limited to members only?"

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	13.8	76.8	9.3	100
Extension	31.4	55.7	12.8	100

Differences are significant at the 1% level.
Chi square was 23.33 with 3 degrees freedom.

Table 35 -- Response to the question by committed farmers and Extension, "Do you believe a farm supply cooperative should sell at quantity discounts?"

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	73.5	22.5	4.0	100
Extension	82.1	13.6	5.3	100

Differences are significant at the 10% level.
Chi square was 4.92 with 3 degrees freedom.

and no, 14 percent with 'don't know', four percent. Seventy three percent of the committed farmers interviewed also said yes to this question (Table 35).

Both farmers and Extension staff favored quantity discounts. The chief reasons given by Extension staff who answered yes to the question were: Large buyers deserve to have savings passed on to them that are due to low handling costs. This is a customary business practice necessary for cooperatives to compete. Extension staff answering no to the question felt that this practice would not be fair to small buyers; everyone should pay the same price.

Another question dealt with cooperatives selling some items at a loss. Nearly 54 percent of the Extension staff answered yes to the question, "We know that some items a supply cooperative sells are more profitable than others. If it meets competition on some items, it will actually sell them at a loss. Should the cooperative do this?" Only about one-fourth of the farmers favored such a policy. The majority of the Extension staff favoring this policy did so because they felt the cooperative must do it to meet competition or to stay in business. Some looked upon it as a method to attract farmers by using loss-leaders. Others favored the policy as long as it contributes to or maintains profits overall. The chief reasons given by the 33 percent of the Extension staff answering no to this question, were that such a policy is not necessary or desirable for a cooperative, and nothing should be sold for a loss that this is unsound business (Table 36).

Table 36 -- Response to the question by committed farmers and Extension, "We know that some items a supply coop sells are more profitable than others. If it meets competition on some items, it will actually sell them at a loss. Should a coop do this?"

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	25.7	64.0	10.3	100
Extension	53.6	33.3	13.1	100

Differences are significant at the 1% level.
Chi square was 39.49 with 2 degrees freedom.

Table 37 -- Response to the question by committed farmers and Extension, "If it could be shown that significant savings in total costs of farm supplies could be obtained through very large volume, would you be willing to sign a binding contract agreeing to buy all supplies from the coop set up on this basis?"

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	39.7	55.8	4.6	100
Extension	48.5	37.7	13.8	100

Differences are significant at the 1% level.
Chi square was 19.50 with 2 degrees freedom.

Nearly one-half of the Extension staff favored a binding contract agreement for purchase of all supplies from the cooperative. The statement and question was, "If it could be shown that significant savings in total costs of farm supplies could be obtained through very large volume, would you advise farmers to sign a binding contract agreeing to buy all supplies from the cooperative set up on this basis?" About 38 percent of all farmers and 49 percent of the Extension staff said yes to the question. There were significant differences between Extension and committed farmers (Table 37).

The primary reason given by Extension respondents for favoring this proposal was that they felt it would help farmers. The Extension staff answering no (38%) said that they felt farmers preferred independence, liked to be able to shop around and were not willing to sign binding contracts. Some also mentioned they felt this proposal destroyed the free enterprise system or they felt quality of the products or services might be inferior. Differences within Extension groupings were not great.

The possibilities of such a proposal, contracting total farm inputs, should be of interest to cooperatives, either through their existing organization or through the creation of an organization to handle a full line of supply items and services on a contractural arrangement.

Nearly one-fourth of the Extension staff felt that the net cost of most items sold by farm cooperatives was less than those of other stores or companies. The percentage of

committed farmers answering yes to the following question, "Do you think the net cost (including dividends) of most items sold by farm supply cooperatives in your area is lower than the prices of the same items sold by other stores or companies?" was nineteen percent. A majority of both Extension (61.8%) and committed farmers (61.6%) did not feel that the net cost of most items was lower in supply cooperatives than in other stores in the community.

However, another question was asked, "Do you feel that the prices of many items in the other stores in your area are probably lower than they would be if there were no farm supply cooperatives to provide competition?" A majority of both Extension staff (53.2%) and committed farmers (52.6%) answered yes. They felt that cooperatives effected price even though they didn't necessarily have the lowest price. Around one-third of committed farmers (34.1%) and Extension (28.1%) answered no to the question.

On the basis of age groups in Extension, the highest percentage (63.2%) saying yes was in the 55-64 age group while the lowest percentage (34.8%) was in the 25-34 age group. This may indicate that cooperatives are more highly regarded by older Extension workers, whereas younger workers are less convinced that cooperatives play a significant role in reducing farm cost.

Summary

A primary aim of farm supply cooperatives has been to provide needed supplies and services to farmers at lower net costs than available elsewhere. In accomplishing this, the cooperatives hope to increase the competitive climate for all supply firms in the area. Both Extension staff members and farmers expressed agreement that cooperatives were more nearly achieving the second objective than the first. Cooperatives through competition, were thought to cause prices to be lower but were not necessarily the lowest themselves.

Extension staff and farmers felt that cooperatives should deal with both members and non-members. Extension staff felt that if a cooperative was to be competitive, some items might have to be handled at a loss. This may be an educational need for cooperatives and Extension to consider to help members and directors of cooperatives understand the pricing of farm supplies.

The possibility of contractural agreements for the purchase of farm supplies is an area that could hold great promise for potential savings for farmers, thereby effecting the cost-price squeeze. Pricing based on volume purchased was favored more by Extension than by farmers.

CHAPTER V

COLLECTIVE BARGAINING INSTITUTIONS

Lack of bargaining power by farmers was listed by the Extension staff as one of the problems in the market system. Various attempts have been made by groups within the American economy to increase their power by collective bargaining. Collective action for workers to bargain with employers has been mentioned by Federal legislation such as the Wagner and Taft-Hartley Acts. Farmers are permitted to join together in cooperatives and bargain for price under provisions of the Capper-Volstead Act.

Collective bargaining by farmers presents an alternative to government action to increase farm income. One of the early attempts to effect the price of grain was the Farm Board of 1929. Although this particular effort was not very successful, the argument remains that farmers can get increased income through the market place by cooperative, voluntary action, rather than through government payments. Such a program might be more efficient, thereby returning more money to the community and enhancing the farmers income position.

Many people argue also that with large scale organizations in labor and business, farmers also need to band together in large scale organizations. It would appear logical that if farmers are to capture any of the benefits from their increased

productivity, they must either rely on government programs or they must effectively organize to bargain collectively.

Many differences exist between the problems of obtaining labor or business.[1] One of the important factors is the attitude of the farmers involved toward bargaining collectively. Questions concerning attitudes, tactics, legislation, etc., will be covered in this chapter. Similar questions or statements were asked of Extension staff and farmers regarding methods and tactics employed by a bargaining group. In answer to the question, "Have you ever been a member of a labor union?", a little over one-fifth (21.4%) of the Extension staff answered yes, while about one-third (33.2%) of the committed farmers had been union members. Within Extension, according to position held, there were differences with a larger percentage of county directors having been members.

About two-thirds of all Michigan farmers have had experience as members of a collective bargaining group, the chief one being the Michigan Milk Producer's Assn., and the National Farmer's Organization. Forty seven percent of all farmers reported they have been or were members of a labor union, while 11 percent have been members of both an agricultural bargaining association and a labor union during the past five years.

Interest in bargaining power for farmers, according to a group of Purdue economists,[2] is due to the continuing and

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[1] Shaffer, James D. Michigan Farmers in the Mid-Sixties, p. 17.

[2] Kohls, R.L., Chairman, Bottum, J.C., Farris, P.L., Farris, W.S., French, C.E., Hardin, L.S., Wilson, R.B., Moore, H.L., Mimeo EC 214, Purdue University, Agricultural Extension Service, Lafayette, Indiana.

growing disparity of income between the farm and non-farm sectors. They list the following changes in the marketing of farm and farm food products which are focusing attention on the farmer's relative market position:

"1. The increase of selling by farmers direct to production area buyers and the resulting deterioration of the importance of the terminal or central market.
2. The growing 'bigness' in agricultural marketing.
3. The increasing use of contracts and integration arrangements for the selling of farm products.
4. The increasing pace of changes and innovations with the resulting problems of how the costs and benefits will be shared."

Prices

The distribution of the costs and benefits as a result of innovations is related to farmer's beliefs about the fairness of farm prices. This in turn would influence their attitude toward bargaining. For example, if they believed that consumers should pay more for farm products, they are likely to be more willing to bargain for an increased price.

A majority of both committed farmers (66.8%) and Extension (73.2%) agreed with the statement, "Consumers ought to pay more for the farm products than they are now paying." Although a larger percentage of Extension agreed with the statement than farmers, a larger percentage of committed farmers (44.2%) agreed completely with the statement (Table 38). Over one-fourth (26.8%) of Extension respondents agreed completely with the statement. There were no great differ-

Table 38 -- Response to the statement by committed farmers and Extension, "Consumers ought to pay more for the farm products than they are now paying."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	44.2	22.3	21.6	12.0	100
Extension	26.8	46.4	18.8	8.0	100

Differences are significant at the 1% level.
Chi square was 28.21 with 3 degrees freedom.

Table 39 -- Response to the statement by committed farmers and Extension, "The government should step in and protect the public interest whenever organized groups get enough power to substantially raise prices and the cost of living."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	23.7	32.0	27.8	16.5	100
Extension	6.8	41.3	39.1	12.8	100

Differences are significant at the 1% level.
Chi square was 21.06 with 3 degrees freedom.

ences within Extension in response to the statement.

Extension respondents did not agree with the statement, "The government should step in and protect the public interest whenever organized groups get enough power to substantially raise prices and the cost of living." A majority of farmers (55.7%) did agree with the statement. This would seem to pose problems with bargaining. Although farmers felt consumer prices should be increased, they supported government action if an organized group was able to effect higher prices (Table 39).

Who determines prices is a question often discussed by farmers. Both farmers and Extension respondents agreed that, "Farm prices are largely determined by large processors and retailers." A majority of committed farmers (52.4%) agreed completely with the statement while only eight percent of Extension staff agreed completely with the statement (Table 40). It would seem then, that bargaining efforts employed by farmers would be largely directed toward large processors and retailers. There were not great differences within Extension in response to the statement. However, although a majority of both Extension and farmers agreed with the statement, there were significant differences between them with Extension respondents agreeing by a bare majority (51.1%) and a larger percentage (83.2%) of committed farmers agreeing, thus farmers believed more strongly that the large processor and retailer was the determiner of farm prices.

Both Extension and farmers agreed also with the statement, "Large supermarket chains tend to use their bargaining

Table 40 -- Response to the statement by committed farmers and Extension, "Farm prices are largely determined by large processors and retailers."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	52.4	30.8	12.9	3.9	100
Extension	8.1	43.0	34.8	14.1	100

Differences are significant at the 1% level.
Chi square was 88.24 with 3 degrees freedom.

Table 41 -- Response to the statement by committed farmers and Extension, "Large supermarket chains tend to use their bargaining power to hold down farm prices."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	53.6	27.7	14.9	3.8	100
Extension	23.9	51.5	22.4	2.2	100

Differences are significant at the 1% level.
Chi square was 36.74 with 3 degrees freedom.

power to hold down farm prices." A majority of committed farmers (53.6%) agreed completely with the statement compared to less than one-fourth of Extension respondents (23.9%) in this category. Overall agreement was 81.3 percent for farmers and 75.4 percent for Extension (Table 41).

Both Extension respondents and committed farmers seemed to believe that farm prices do not adequately reward farmers. They further believed that consumers should pay more for food. Also, they believed the bargaining power of processors and retailers not only determines prices, but also holds down farm prices. These beliefs about prices provide a strong motivation for bargaining.

Need for bargaining

The Extension respondents felt that farmers need to act collectively since nearly all (97.7%) agreed with the statement, "Farmers must get together in bargaining organizations to deal effectively with processors and retailers." There were some differences according to the position held by the Extension respondent. A larger percentage of district and agricultural agents agreed with the statement than Extension administrators.

Ninety percent (91.4%) of committed farmers also agreed on the need for bargaining associations. However, more of them (63.4%) than Extension (42.7%) agreed completely with the statement. Although there are differences, it seems important that there is consensus on the need for bargaining

organizations to deal with processors and retailers (Table 42).

The Extension Service has been criticized for devoting its major effort toward production practices and giving little attention to marketing. However, eighty five percent of the Extension staff disagreed with the statement, "Farmers should be primarily concerned with producing farm products and let someone else worry about the marketing problems." The Extension staff is, therefore, concerned about the marketing problems of farmers. Differences in the response according to Extension positions held varied with 84 percent of agricultural agents, eighty two percent of district agents, seventy eight percent of county directors, and seventy one percent of Extension administrators disagreeing with the statement. All groups in other words, felt marketing problems were their concern.

Committed farmers also disagreed with the statement. Nearly forty two percent of them disagreed completely with the statement that farmers should be primarily concerned with producing farm products and let someone else worry about the marketing problems. A larger percentage (65.7%) of Extension respondents than committed farmers disagreed completely with the statement. Less than one percent of Extension agreed completely with the statement compared to nearly eight percent of committed farmers. Nearly two-thirds of Extension respondents disagreed completely with the statement (Table 43). They feel, therefore, quite strongly that farmers need to be concerned about marketing their farm products.

Table 42 -- Response to the statement by committed farmers and Extension, "Farmers must get together in bargaining organizations to deal effectively with processors and retailers."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	63.4	28.0	7.0	1.6	100
Extension	42.7	55.1	1.5	0.7	100

Differences are significant at the 1% level.
Chi square was 32.39 with 3 degrees freedom.

Table 43 -- Response to the statement by committed farmers and Extension, "Farmers should be primarily concerned with producing farm products and let someone else worry about the marketing problems."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	7.9	8.3	41.5	41.8	100
Extension	0.7	4.3	29.3	65.7	100

Differences are significant at the 1% level.
Chi square was 26.56 with 3 degrees freedom.

Supply control

One of the minimum conditions for bargaining is to have some way of controlling the supply of the product. Farmers and Extension recognized this condition.

In response to the statement, "Farmers must reduce the total amount of products going to market if they are going to receive a higher price for those products," over two-thirds (68.6%) agreed with the statement. There was no appreciable difference within Extension according to educational specialization or position.

About the same percentage of committed farmers as Extension agreed with the statement that total product going to market must be limited. The number of committed farmers agreeing completely with the statement, however, was higher (33.3%) than for Extension (14.6%). Although there were differences in responses, both Extension and farmers felt that it was important to reduce supply to receive a higher price (Table 44).

The importance of a means of cutting off the supply of product for bargaining was asked through another statement. Again about two-thirds of Extension (66.1%) agreed that "The producers cannot make their bargaining power felt and will always be forced to yield, unless they can and do cut off the available supply to the processor." Differences with Extension were not great. A larger percentage of committed farmers (39.2%) compared with Extension (10.9%) agreed completely with the statement giving further support to their belief that supply control is necessary.

Table 44 -- Response to the statement by committed farmers and Extension, "Farmers must reduce the total amount of products going to market if they are going to receive a higher price for those products."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	33.3	33.3	23.8	9.6	100
Extension	14.6	54.0	27.0	4.4	100

Differences are significant at the 1% level.
Chi square was 25.99 with 3 degrees freedom.

Table 45 -- Response to the statement by committed farmers and Extension, "Withholding products from the market in order to fix prices above the true market level cannot achieve a lasting improvement in farmers' market power."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	45.6	26.4	21.9	6.1	100
Extension	35.3	41.2	16.2	7.3	100

Differences are significant at the 5% level.
Chi square was 10.72 with 3 degrees freedom.

One of the proposed means for increasing price has been to set a holding time during which the product is not marketed. Extension respondents agreed (76.5%) with the statement, "Withholding products from the market in order to fix prices above the true market level cannot achieve a lasting improvement in farmers' market power." A slightly lower percentage of committed farmers (72.0%) agreed with the statement. There were, however, differences between Extension and committed farmers with a higher percentage of the latter agreeing completely with the statement (Table 45).

Findings of the study by Helmberger and Hoos support the belief of farmers and Extension. They state, "The distribution of the benefit and costs of the associations' short-run operations between nonmembers and members is basic to our conclusion that cooperative bargaining cannot in the long-run enhance grower price above the long-run purely competitive equilibrium level."[4]

Nearly 64 percent of the Extension staff respondents agreed with the statement, "The marketing power of farmers can best be achieved by the use of the market price system. Under this system, supply and demand become the primary factors in determining the true market value for agricultural commodities." This would indicate that the Extension staff felt that the market system itself should operate to set prices without government interference. However, there was

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[4] Helmberger, Peter G., and Hoos, Sidney. Cooperative Bargaining in Agriculture, University of California, 1965.

some disagreement on how well the market system was operating since only one-fifth (20.7%) of the respondents agreed completely with the statement (Table 46).

Within Extension, there were differences within the Masters degree level of specialization. The largest percentage (72%) agreeing with the statement had their masters degree in the agricultural social science field. The smallest percentage (37.5%) had their degree in the "other" category.

Differences between Extension and committed farmers were significant. A majority (52.6%) of committed farmers agreed completely with the statement compared with one-fifth (20.7%) of Extension respondents.

A majority of Extension respondents believed that the supply must be reduced and also believed that the market price system should operate. They may believe that at present the farmer is not getting a fair return and, thus, they favor influencing supply and demand in order to produce fair market prices. They may believe that it is possible to use supply control measures to arrive at a fair but not an unreasonable price.

Bargaining Actions

How can supply control be achieved? One method would be to limit by contract the amount produced or sold.

Eighty seven percent of Extension respondents and 80 percent of committed farmers agreed with the statement, "In order to be effective, bargaining associations that attempt to get

Table 46 -- Response to the statement by committed farmers and Extension, "The market power of farmers can best be achieved by the use of the market price system. Under this system, supply and demand become the primary factors in determining the true market level for agricultural commodities."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	57.6	29.6	9.7	8.1	100
Extension	20.7	43.0	30.4	5.9	100

Differences are significant at the 1% level.
Chi square was 47.89 with 3 degrees freedom.

higher prices for farmers must be able to control the output that individual farmers market." They agree that output must be controlled but apparently are not ready to favor a contractual arrangement to do it (Table 47).

Less than one-fourth (21.3%) of Extension and (22.4%) of committed farmers answered "yes" to the question, "Do you think farmers in your area would accept a contract with a bargaining association if it required that they limit the production or sale of certain commodities?" A sizeable percentage of both farmers and Extension answered they "didn't know or depends" to the question, with a larger percentage of farmers in this category. It would seem that it might be difficult to get a sizeable number of farmers under contract with a bargaining association. The major difference between Extension and farmers is in the "don't know" category. The outcome for limiting production by contract is very uncertain with two-thirds of farmers in the "don't know" category, (Table 48).

Less than a majority of farmers (48.8%) and Extension (43.1%) answered "yes" to the question, "Do you think farmers can work together to solve this problem (referring to price and income problems) through their own organization?" The chief difference was in the "don't know" category with nearly 20 percent of Extension and seven percent of farmers in this category. Effective bargaining depends upon a large share of the producers participating. Unless a number of the "no" and

Table 47 -- Response to the statement by committed farmers and Extension, "In order to be effective, bargaining associations that attempt to get higher prices for farmers must be able to control the output that individual farmers market."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	36.5	33.8	23.1	6.5	100
Extension	26.5	61.0	10.3	2.2	100

Differences are significant at the 1% level.
Chi square was 30.36 with 3 degrees freedom.

Table 48 -- Response to the question by committed farmers and Extension, "Do you think farmers in your area would accept a contract with a bargaining association if it required that they limit the production or sale of certain commodities?"

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	22.4	11.2	66.4	100
Extension	21.3	36.8	41.9	100

Differences are significant at the 1% level.
Chi square was 22.15 with 2 degrees freedom.

"don't know" respondents favor working together voluntarily, collective bargaining cannot be effective (Table 49).

Methods used in bargaining

How can nonmembers of bargaining associations be influenced to become members? Influencing nonmembers to become members of the bargaining organization is necessary if the organization is to have an effective proportion of the commodity under its control. Extension members were asked, "Please indicate whether or not you believe the following are acceptable ways of influencing other farmers to join a bargaining association." The responses may be summarized as follows:

100.0 percent - Accepted efforts to educate

97.8 percent - Accepted advertising

40.0 percent - Accepted pressure by neighbors

37.0 percent - Accepted refusal to deal with firms which deal with nonmembers

16.2 percent - Accepted picketing

2.2 percent - Accepted road blocks, and

0.7 percent - Accepted threats of property damage

It is apparent that most of the Extension staff do not accept coercive means for obtaining members for bargaining associations. Farmers responded in much the same way with acceptance of advertising, 95 percent, and acceptance of efforts to educate, 94 percent. Coercive methods listed ranged from acceptance of refusal to deal with firms which deal with nonmembers, 28 percent, to acceptance of threat of

Table 49 -- Response to the question by committed farmers and Extension, "Do you think farmers can work together to solve this problem through their own organization?"

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	48.8	44.5	6.7	100
Extension	43.1	37.2	19.7	100

Differences are significant at the 1% level.
Chi square was 17.38 with 3 degrees freedom.

Table 50 -- Response to the statement by committed farmers and Extension, "Buyers of farm products who sign a contract with a bargaining association should not be allowed to buy from farmers who do not belong to the bargaining association."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	25.2	23.7	35.6	15.5	100
Extension	14.2	39.4	33.1	13.3	100

Differences are significant at the 1% level.
Chi square was 12.71 with 3 degrees freedom.

property damage, four-tenths of one percent. Picketing was accepted by 12 percent of farmers.[5] Committed farmers did not differ from all farmers.

Picketing was an acceptable practice to 15 percent of the farmers who were members or would join a bargaining group, but to only seven percent of those who would not join.

A majority of Extension respondents (53.5%) agreed with the statement, "Buyers of farm products who sign a contract with a bargaining association should not be allowed to buy farm products from farmers who do not belong to the bargaining association." Differences existed between Extension positions, with the district agents having the largest percentage in favor and Extension administrators the smallest.[6] Around one-fourth (25.2%) of committed farmers agreed completely with the statement while a lesser percentage (14.2%) of Extension agreed completely. A majority of committed farmers agreed with the statement. Although there were differences between Extension and farmers, both favored negotiations of exclusive contracts with processors. This may be one of the most effective means of recruiting members for a bargaining organization. If the bargaining organization had sufficient control of supplies to obtain exclusive contracts, then membership in the association would offer access to an otherwise restricted market. This might make membership more attractive (Table 50).

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[5] Hathaway, op. cit., p. 28.
[6] Differences were significant at the 5% level. Chi square was 17.82 with 9 degrees freedom.

Some differences between the attitude of farmers and Extension agents toward bargaining might be attributed to their past experience in bargaining in other organizations. Forty one percent of the Extension staff and 53 percent of committed farmers agreed with the statement, "Farmers should use the same methods to get higher prices that make it possible for organized labor to get higher prices," while nearly one-fourth of committed farmers (24.0%) agreed completely with the statement and only about four percent (3.7%) of Extension agreed completely (Table 51).

Extension did not favor union methods and tactics as a means for farmer bargaining, whereas a majority of farmers did.

Some economists believe that the organizational potentials of laborers and farm operators are different, therefore farmers can't use "labor style" bargaining.[7]

The exclusive contract is similar to the union shop, whereby persons employed in a factory with a union shop contract must join the union. The union shop has been an important means of maintaining union membership. Extension respondents, when asked to respond to the statement, "Union contracts that make it possible for a company to only hire union members are a good idea," disagreed with it by a four-fifths (82.4%) majority. Over one-third of the Extension staff disagreed completely with the statement, with no great differences according to Extension position or educational specialization. In contrast,

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[7] Cravens, M.E. Why Farmers Can't Use 'Labor Style' Bargaining, Better Farming Methods, June, 1964.

Table 51 -- Response to the statement by committed farmers and Extension, "Farmers should use the same methods to get higher prices that make it possible for organized labor to get higher wages."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	24.0	29.3	29.6	17.1	100
Extension	3.7	37.0	40.8	18.5	100

Differences are significant at the 1% level.
Chi square was 27.10 with 3 degrees freedom.

Table 52 -- Response to the statement by committed farmers and Extension, "A union contract that makes it possible for a company to only hire union members are a good idea."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	16.4	17.5	33.2	32.9	100
Extension	3.8	13.7	48.1	34.4	100

Differences are significant at the 1% level.
Chi square was 17.41 with 3 degrees freedom.

one-third of the committed farmers agreed with the statement. Extension's lack of experience in unions may have had an effect on their reactions. However, nearly one-third of committed farmers (32.9%) disagreed completely with the statement. Extension staff were unwilling to accept union tactics or the closed shop idea. Differences between the attitudes of farmers and Extension were significant, with farmers more willing to accept the closed shop idea, although less than a majority favored it (Table 52).

Another aspect of union tactics is the idea that some strikes, particularly where perishable food products may be involved, are not in the public interest. A small majority (52.9%) of the Extension respondents agreed with the statement, "It should be illegal to strike where the strike conflicts with the public interest."

There were differences within the Extension staff according to the field of specialization for a master's degree. Those with a master's degree in the agricultural social sciences had the lowest percentage agreeing with the statement. The highest percentage of staff agreeing were those with no masters degree and those with a degree in the "other" category.

Nearly three-fourths (71.4%) of committed farmers agreed with the statement concerning the legality of strikes that conflict with the public interest with almost half (46.1%) of them agreeing completely, compared with 16 percent of Extension.

Should government intercede in bargaining? Extension respondents and farmers varied greatly on their views of whether or not the government should do something to prevent the big unions and big companies from negotiating wage contracts that bring increases in consumers' prices. Nearly 70 percent of committed farmers agreed that the government should do something while only 25 percent of Extension agreed. In fact, 23 percent of Extension disagreed completely with the statement. There were no great differences within Extension in reply to the statement (Table 53).

One of the proposals by a farm organization is the purchase of a major food chain. Such a project would call for considerable financing. The Extension respondents disagreed with the statement, "It would be to the farmer's advantage to gain control over one of the large retail food chains." A majority of committed farmers also disagreed with the statement. However, the percentage of farmers disagreeing was less than for Extension. Farmers seem to feel that the retail food chain has an effect on prices, but they do not seem to be willing to use this method, purchase of a chain store, for bargaining (Table 54).

Collective bargaining and legislation

Both Extension staff and farmers indicated they did not like to limit the production of agricultural products although they agreed that they must, if farmers are to receive higher prices for their products. The bargaining organization must

Table 53 -- Response to the statement by committed farmers and Extension, "The government should do something to prevent the big unions and big companies from negotiating wage contracts that bring increases in consumers prices."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	35.7	33.6	18.9	11.8	100
Extension	3.1	21.9	51.6	23.4	100

Differences are significant at the 1% level.
Chi square was 80.42 with 3 degrees freedom.

Table 54 -- Response to the statement by committed farmers and Extension, "It would be to farmer's advantage to gain control over one of the large retail food chains."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	16.9	26.8	28.9	27.4	100
Extension	4.9	32.5	40.6	22.0	100

Differences are significant at the 1% level.
Chi square was 15.03 with 3 degrees freedom.

control a large quantity of the product to be effective so it strives for a large membership. The nonmember receives the same benefits of an increase in price without paying for any of the organizational costs. This so called "free rider" plagues the bargaining organization.

Marketing orders are an attempt to solve this problem. Set up by law, the marketing order provides enabling legislation whereby a specified group of growers (and processors) may vote to require all members of the group to participate in and contribute to a set of activities under the general supervision of a government agency. Although a great variety of provisions are possible under a marketing order, the usual ones are to provide for collective action for promotion, quality control, and sometimes supply management.

Extension respondents were asked, "Do you believe that a vote of a majority of the producers should legally bind all producers to participate in a joint effort to restrict the level of production or marketings?" Fifty six percent said "yes", 34 percent said "no", and ten percent said "don't know, or depends." According to the position held by the Extension worker, the largest percentage saying "yes" were district agents while agricultural agents had the lowest percentage. There were no great differences according to specialization at the baccalaureate or master's degrees levels. While a majority of Extension staff favored the proposal, this was not the case for committed farmers. Forty six of them said "yes", 44 percent said "no", and ten percent said "don't know, or depends."

Therefore, if enabling legislation were to be passed by a vote of committed farmers (differences between all farmers and committed farmers were not appreciably different) for a marketing order including supply management provision a part of the ten percent uncommitted vote would be needed. The differences between the answers of Extension and committed farmers were significant (Table 55).

A much larger percentage (80%) of Extension respondents favored a vote of the majority of producers to legally bind all producers in a joint effort: "To control quality marketed?" There were not significant differences within Extension according to position or educational specialization. Although committed farmers also favored the proposals, the percentage was less (70%).

Apparently both Extension and committed farmers were more in favor of quality control than restricting the quantity of product marketed.

In answer to a third question, "Do you believe that a vote of the majority of producers of a commodity should legally bind all producers to participate in a joint effort for promotion of their products?", 69 percent of the Extension staff said "yes", 23 percent said "no", and eight percent said "don't know, or depends." There were no great differences within Extension groupings according to position or educational degrees.

A bare majority of committed farmers (50%) favored the promotion of their products with 42 percent saying "no" and eight percent saying "don't know". Further evidence of interest

Table 55 -- Response to the question by committed farmers and Extension, "Do you believe a majority of the producers of a commodity should legally bind all producers to participate in a joint effort for:

A. Promotion of their products?

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	50.6	41.6	7.8	100
Extension	68.6	22.9	8.6	100

Differences are significant at the 1% level.
Chi square was 65.38 with 2 degrees freedom.

B. Control of the quality marketed?

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	70.1	22.6	7.2	100
Extension	80.0	15.0	5.0	100

Differences are significant at the 1% level.
Chi square was 65.36 with 3 degrees freedom.

C. Restricting the level of production or marketings?

Respondents	Yes	No	Don't know	Total
		percent		
Committed Farmers	45.6	44.1	10.3	100
Extension	56.4	33.6	10.0	100

Differences are significant at the 1% level.
Chi square was 68.36 with 2 degrees freedom.

in the promotion of farm products comes from a favorable answer to the question, "All farmers should contribute to a fund to help advertise their farm products." Eighty four percent of committed farmers and 81 percent of the Extension staff agreed with the statement. Fifty eight percent of farmers agree completely with the statement, while a lesser percentage (31%) of Extension agreed completely. Although there was a sizeable majority of both Extension and farmers in favor, there were significant differences between them (Table 56).

The answers of committed farmers to the question on advertising would seem to indicate they were interested in all farmers contributing to a fund for advertising, but may be less in favor of the legally binding action.

When asked, "Would you favor state or federal legislation which would authorize and enforce such joint efforts (promotion, quality control, and restriction of quantity marketed) if voted into effect by a majority of the growers?", a slight majority (52.5%) of Extension respondents said "yes", 20 percent said "no", and 18 percent said "don't know, or depends." Differences within Extension were not great. However, less than a majority (45%) of committed farmers said "yes", 47 percent said "no", and eight percent said "don't know, or depends". The differences between Extension and farmers were not significant. The eight percent of farmers in the "don't know, or depends" category represent the votes to pass or defeat the issue should it come to a vote. Extension had 18 percent uncommitted on the question.

Table 56 -- Response to the statement by committed farmers and Extension, "All farmers should contribute to a fund to help advertise their farm products."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	58.1	25.9	10.0	6.0	100
Extension	31.1	49.6	14.8	4.5	100

Differences are significant at the 1% level.
Chi square was 32.31 with 3 degrees freedom.

Table 57 -- Response to the statement by committed farmers and Extension, "Federal marketing orders should be expanded over more Michigan products."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	30.4	21.1	20.8	27.8	100
Extension	14.6	40.6	35.8	8.9	100

Differences are significant at the 1% level.
Chi square was 40.64 with 3 degrees freedom.

Federal market orders can include provisions for collective effort for promotion, quality control, and within limits, supply management. Probably, due to milk marketing orders, Extension respondents were somewhat familiar with Federal marketing orders. When asked to reply to the statement, "Federal marketing orders should be expanded to cover more Michigan products," a majority (55.2%) of Extension respondents agreed. There were differences in their responses according to Extension position held with a majority of committed farmers (51.5%) also agreed with the statement. Differences were significant in the degree of approval with nearly twice the percentage (30.4%) of committed farmers agreeing completely with the statement compared with 15 percent of Extension respondents (table 57).

It would seem that the expansion of Federal marketing orders to cover more Michigan products would be questionable if a vote of producers were held to put it in effect. Whether this indicates dissatisfaction with present marketing orders or lack of knowledge as to how the orders would apply to other commodities is hard to ascertain.

Extension respondents did not believe that the government should limit the size of food processing. They did not agree with the statement, "Some legal limit should be put on the size of food processing companies, retail food chains and other marketing organziations." They also did not agree with the statement, "Large retail food chains should be prohibited

by law from owning food processing facilities."

Committed farmers agreed with the statement limiting the size of marketing firms but did not agree with prohibiting the ownership of food facilities (Tables 58 and 59).

The National Food Commission stated, "Controlling concentration in the various branches of the food industry is essential to maintaining a competitive environment favoring an acceptable distribution of market power and a socially useful employment of resources."[8]

Extension's viewpoint is supported by some who say, "The purpose of competition is not furthered by small, inefficient firms but rather by large, efficient firms. - - - Regulations should be for the sole purpose of preventing practices which are known to react to the detriment of consumers."[9]

Farm organizations

Farm organizations are faced with a dilemna in developing bargaining programs. Most of the general farm organizations were organized when the majority of their farmer members were general farmers. As farms have become more specialized, organizations representing a type of farming have developed. From a bargaining standpoint, there is merit in a single organization representing all farmers. However, there are at times

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[8] Gibson, Phil S. Food from Farmer to Consumer, Report of the National Commission on Food Marketing, June, 1966, p. 102.

[9] Sherman, R.W. Amount of Food Regulations needed is Controversial, Economic Information for Agriculture, Dept. of Agricultural Economics and Rural Sociology and Ohio Cooperative Extension Service, Columbus, Ohio, April, 1967.

Table 58 -- Response to the statement by committed farmers and Extension, "Some legal limit should be put on the size of food processing companies, retail food chains and other marketing organizations."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	38.4	23.6	20.8	17.2	100
Extension	6.6	25.4	42.6	25.4	100

Differences are significant at the 1% level.
Chi square was 47.89 with 3 degrees freedom.

Table 59 -- Response to the statement by committed farmers and Extension, "Large retail food chains should be prohibited by law from owning food processing facilities."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	21.8	17.7	41.7	18.8	100
Extension	2.3	12.3	45.4	40.0	100

Differences are significant at the 1% level.
Chi square was 38.77 with 3 degrees freedom.

conflicts of interest among farmers producing different commodities. For example, hog farmers want to advertise pork while beef farmers want to advertise beef.

Extension respondents (81.3%) agreed with the statement, "Farmer organizations which concentrate on the marketing of one commodity are likely to be more effective in serving member interest than organizations which deal with several commodities." They disagreed (60.3%) however, with the statement, "Farmers would be better off if there was only one farm organization representing all farmers." This would lead to the conclusion that the Extension staff favored the commodity organizational approach (Tables 60 and 61).

Committed farmers on the other hand saw a need for both types of organizations since a majority of them agreed with both statements. Apparently farmers see different purposes for a general farm organization and a bargaining organization.

A larger percentage of farmers than Extension agreed completely with the idea of the commodity approach. On the other hand, fewer Extension respondents than farmers disagreed completely.

The following chapter will deal with some of the problems of the farm organizations and their relationship to the Extension service.

Table 60 -- Response to the statement by committed farmers and Extension, "Farmer organizations which concentrate on the marketing of one commodity are likely to be more effective in serving member interest than organizations which deal with several commodities."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	40.4	24.5	22.7	12.4	100
Extension	29.2	52.1	16.1	1.5	100

Differences are significant at the 1% level.
Chi square was 32.39 with 3 degrees freedom.

Table 61 -- Response to the statement by committed farmers and Extension, "Farmers would be better off if there was only one farm organization, representing all farmers."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	36.2	18.1	26.0	19.7	100
Extension	15.3	24.4	44.3	16.0	100

Differences are significant at the 1% level.
Chi square was 25.64 with 3 degrees freedom.

Summary

Nine out of ten committed farmers and Extension respondents believed that farmers must get together in bargaining associations to deal effectively with processors and retailers. Committed farmers compared with Extension were in complete agreement that bargaining should occur. A slightly higher percentage of Extension compared with farmers believed that farmers needed to be concerned with marketing as well as production of the products. Dissatisfaction with farm compared to nonfarm income provided motivation for bargaining. Two out of three committed farmers as well as Extension believed that consumers should pay more for the farm products than they are now paying. Again, more farmers than Extension were in complete agreement on this belief. However, committed farmers believed that there were limits to the prices of farm products, and that the government should step in if the prices and cost of living was raised substantially. Extension differed with committed farmers on this point and Extension disagreed by a small majority.

Chain stores tend to hold farm prices down and the processors and retailers largely determine farm prices was the belief of committed farmers. Extension shared this belief but was not as completely in agreement with it as farmers. Both agree that the price that consumers pay for farm products is increased, farmers will need to be organized to bargain with the processors and chain stores for a share of the increase.

Some control of the supply of farm products is necessary if a higher price is to be achieved and this must occur on the individual farm, was agreed to by Extension and committed farmers with farmers being in more complete agreement. They believed a temporary withholding action would not have a lasting effect. Whether or not farmers would accept a contract with a bargaining association is indeterminate due to the large number who were undecided. About one-fifth of farmers and an equal number of Extension staff felt that such a contract was a good idea. Over one-third of Extension compared with about one-tenth of committed farmers said "no" to such a contract. Nearly a majority of committed farmers and Extension believed that farmers can work together through their own organization. However, nearly one-fifth of the Extension staff were undecided.

Extension differed with committed farmers on the use of organized labor's methods to achieve increased prices for farm products. Both favored education and advertising to influence nonmembers to become members of the bargaining organization. Extension favored contact by neighbors to a greater extent than farmers. Neither favored coercive measures to influence nonmembers. Only 12 percent of committed farmers and 16 percent of Extension accepted picketing. The recruitment and maintenance of members is a major problem for any bargaining group. The use of an exclusive contract was favored more by Extension than farmers as a way to deal with the "free rider".

Extension favored the promotion, control of quality, and restriction of marketing through a legal means such as a marketing order while committed farmers favored promotion, quality control but not restriction of production or marketings. In all cases the percent who favored the idea was higher for Extension than farmers. A majority of committed farmers as well as Extension believed that Federal marketing orders should be expanded to cover more products in Michigan.

While committed farmers favored both single farm organization representing all farmers and a single commodity organization, Extension believed more strongly in a commodity marketing approach and rejected the single farm organization idea.

CHAPTER VI

THE GENERAL FARM ORGANIZATIONS

The general farm organizations and the Agricultural Extension Services have been closely identified over the years. One of them, the farm bureaus, was the sponsoring group for Extension. The organizations form an important communication link for an educational service such as the Extension Service. One study conducted with rural leaders demonstrated that farmer's organizations are mentioned more frequently than other category as a channel for adult educational programs.[1]

Four functions performed by the farmer's organizations seem important. One is economic since the organizations grew up in response to the farmer's efforts to adjust price and related problems. This remains one of the most important functions. A second is the legislative function. Farm organizations constitute a pressure group of interested farmers. In this function it is hard to separate this from the economic function. Other functions are social and educational.[2]

In their function as pressure groups, farmer's organizations have been instrumental in securing appropriated funds for the operation of the Extension Service at the local, state, and national levels.

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[1] Loomis, Charles P., Beegle, J. Allan. Rural Sociology, Prentice-Hall, 1957, p. 297.
[2] ibid, p. 306.

A summary of the power structure in agriculture is described by Sower and Miller. . .

> "Organized agricultural power has formed at four levels of American society - - the national government, the major regions of the United States, the states (the state legislatures in particular), and the local units of communities and counties. At each of these levels three major types of organizations were perfected - agricultural administrative agencies, general farm organizations (especially the Farm Bureau), and legislative bodies. The elements of power were distributed with reference to these organizational types. The technical expertise was possessed by the administrative agencies - the organizational complex represented by the land-grant colleges, the Extension Service, and the USDA. The appropriation process was institutionalized in the legislative bodies, and the general farm organizations - the Farm Bureau, the Grange, and the Farmer's Union -- which possessed the element of access and the ability to influence large numbers of communities and voters by invoking the grass-roots ideology. Moreover, farm bureaus, state farm bureaus, and the American Farm Bureau Federation; the National Grange and the National Farmers Union and their state and local chapters; state legislatures, local county governing boards, and the Congress; and, by reason of formally constituted memoranda of agreement, the land-grant colleges, the Extension services, and the USDA.
>
> This deployment of the elements of power provided for coalition-formation at each of the levels between members of the three types of organizations; between the Extension Service and the Farm Bureau; between the farm organizations and the rural component of state legislatures; between the farm organizations and the rural component of the Congress, notably the House of Representatives; and between the regions of the United States as embodied in the earlier farm bloc."[3]

Political power in agriculture is changing. The increasing importance of the executive branch of the federal government particularly through the Bureau of the Budget and Council of Economic Advisors is one factor in determining policy.

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[3] Sower, Christopher, Miller, Paul A. "Changing Power Structure in Agriculture." Our Changing Rural Society, Ames: Iowa State University Press, 1964.

another is the shifts in power within the legislative branch with re-apportionment and the make-up of the agricultural committee with more "city" legislators. The success of the general farm organizations as political pressure groups has been documented.[4] Can present farm organizations maintain their effectiveness as new ones appear on the scene? Public support for agriculture has been favorable because of the abundance of relatively cheap food. This has been related to agricultural fundamentalism. As generations become further removed from the farm this will undoubtably wane.

Rogers lists the following criteria for evaluating the relative effectiveness of a farm organization: leadership, membership, legislative tactics, and ability to resolve internal conflicts by natural and material resources.[5] The leadership must be able to represent their followers fairly and honestly, speak effectively, be expert at working with people, be able to make wise decisions that will effect the membership of their organizations. The most effective pressure group is one that has a high and stable membership. The characteristics of the people who are members of the pressure group, may also be important. The method that is utilized to apply the pressure may have as much to do with the relative success of the pressure group as we look at legislative tactics. A pressure group

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[4] Smith, Robert F., The New York Farm and the Legislative Processes; A Study in Agricultural Politics, Journal of Farm Economics, Vol. 48, No. 4, 1966, p. 811.

[5] Rogers, Everett. Social Change in Rural Society, Appleton - Century - Crofts, Inc., N.Y., 1960 p. 260.

position becomes influential only when legislatures become convinced that a substantial part of their constituency are in favor of it. Therefore, it is essential that the membership be together and not segmented. It takes time and money to operate a successful pressure group, therefore the financial resources of a farm organization become rather important.

The Farm Bureau developed from the local organizations that originally sponsored the Extension Service in each county. To this extent the Farm Bureau was unlike the other major farm organizations which were founded to protest unfavorable economic conditions.

The relationship of the Extension Service to general farm organizations were studied in regard to participation by Extension in the organizations and what Extension believed were farmer's reasons for joining farm organizations. They were also asked what they thought were some dissatisfactions of farmers with their farm organizations. Leadership, financing, and policy formation questions or statements were other items considered.

When asked, "Are you currently a dues-paying member of one of the four major Michigan general farm organizations: Farm Bureau, Grange, The National Farmers' Organization (NFO), and Farmers' Union?", 49 percent of the Extension respondents were Farm Bureau members, two percent were Grange members and none were members of NFO or Farmers' Union. About one-half of the farm operators in the sample reported that they currently held membership in one or more of the four Michigan general

farm organizations.[6] The Farm Bureau is by far the largest general farm organization, with 43 percent of the farm operators interviewed reporting membership. In second place with six percent of the farmers in the sample, was NFO, followed by Grange with four percent of the sample. Less than one percent of the sample reported membership in the Farmers' Union. All of the general farm organizations have more members than are indicated by the procedures used in the study.[7]

Of Extension respondents who were not currently members of one of the farm organizations, 31 percent were former Farm Bureau members, 23 percent were formerly Grange members, and three percent had been members of the Farmers' Union. None had been NFO members. It should be pointed out that special provisions are made for Extension workers to be associate Farm Bureau members. Also, they are eligible for membership in the Grange. The Extension staff members are not eligible for NFO membership by virtue of their official capacity.

Farm Bureau participation by Extension staff exceeded the other organizations. When asked, "Have you ever attended a meeting of Farm Bureau?", 94 percent of Extension respondents answered "yes". Grange attendance by Extension respondents was 75 percent, attendance at a NFO meeting was 37 percent, and 31 percent had attended a Farmers' Union meeting. Therefore,

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[6] Hathaway, et al, op. cit., p. 40.
[7] Morrison, Denton. Michigan Farmers in the Mid-Sixties, p. 40.

the Extension staff has some acquaintance with farm organizations.

Initially farmers may join an organization for one reason and over time maintain membership for another reason. Extension respondents were asked to list the importance of each of twelve items as a reason why farmers in their area are members of each of the four general farm organizations. The Extension respondents were asked to list whether the statement was of major importance, some importance, little importance, and no importance are combined. Comparisons of Extension views with farmer members of the Grange, Farm Bureau, and NFO were made.

Grange

The first three ranked items listed as reasons for Grange membership by farmers as perceived by Extension respondents, were first, "sociability and fellowship" with 97 percent rating this is important. The second ranked items were "habit" and "support organization's philosophy" with an 84 percent rating. Ranked third was "expression and leadership opportunities" with 74 percent indicating its importance.

Farmers agreed on the first ranked item, "sociability and fellowship". However, the items of "support organization's philosophy" and "habit" ranked second by Extension were ranked fourth and seventh by farmers. The item ranked third by Extension, "expression and leadership opportunities" was also ranked third by farmers.

Farm members gave much greater importance to the "information, education" reasons for membership in the Grange than Extension. Farm price improvement and selling advantages were ranked low among the reason for membership in the Grange by both farmer members and Extension (Table 62).

Apparently the economic function of the Grange was not perceived as being important by either farmer-members or Extension. The social function rated very high by both groups of respondents. The legislative function ranked fairly high by both. Farmer members rated information and education very high while Extension respondents felt it was less important.

Farm Bureau

"Support for legislative programs" was ranked as the most important reason for farmer's membership in the Farm Bureau by Extension respondents. Second in ranking was "promote opinions" and "information, education", and third was "expression and leadership opportunities". Farm members, on the other hand, ranked "promote opinions" and "buying advantages" first, "support legislative program" and "expression and leadership opportunities" second, and "support leaders" third. The item "promote opinions" ranked second by Extension was ranked fourth by farm members.

Farm Bureau was perceived by both members and Extension as a legislative, informational organization. Buying advantage ranked at the top by farmers referred mainly to advantages in

Table 62 -- Reasons for membership in the Grange given by Extension respondents[1] and current Grange members.

Reason for membership	Extension respondents Percent[a]	Extension respondents Rank	Grange members Percent	Grange members Rank
Sociability membership	97	1	97	1
Support organization's philosophy	84	2	84	4
Habit	84	2	63	7
Expression, leadership opportunities	74	3	89	3
Support legislative programs	70	4	76	6
Promote opinions	65	5	84	4
Support leaders	62	6	82	5
Information, education	60	7	92	2
Buying advantages	45	8	47	8
Community expectation	34	9	34	9
Farm price improvement	14	10	43	8
Selling advantages	4	11	13	10

(a) Percent of respondents rating the reason of some importance or major importance.

1 Extension respondents were asked the importance of the reasons which cause farmers to be members of the Grange.

buying insurance.[8] "Habit", as a reason for membership was at the lower end of the ranking. "Selling" advantages and "farm price improvement" were ranked eleventh and tenth, respectively, by Extension respondents. Apparently they did not believe these were major reasons for membership in the Farm Bureau.

Economic and legislative functions were ranked high by both farmer members and Extension. Education was again ranked higher by members than by Extension. Sociability was less important relatively for Farm Bureau members than other functions (Table 63).

NFO

Extension respondents ranked "promote opinions" in first place as a reason for membership by farmers. "Farm price improvement" was ranked second by Extension as well as farm members who also ranked "support leaders" in second place. This reason was ranked fourth by Extension, "Expression, leadership opportunities" was ranked third by Extension and fourth by farmers. Ranked last by farmer members and next to last by Extension staff was "habit". This is to be expected with a relatively new organization.

NFO members, and Extension's perception of them, were clearly distinctive from members of other organizations in the much greater importance they assigned to obtaining improved farm prices and advantages in selling farm products as reasons

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[8] Morrison, op. cit., p. 44.

Table 63 -- Reasons for membership in the Farm Bureau given by Extension respondents[1] and current Farm Bureau members.

Reason for membership	Extension respondents		Farm Bureau Members	
	Percent[(a)]	Rank	Percent	Rank
Support legislative programs	98	1	86	2
Promote opinions	96	2	84	4
Information, education	92	3	87	1
Expression, leadership opportunities	92	3	86	2
Sociability fellowship	91	4	75	6
Buying advantages	85	5	87	1
Support leaders	84	6	85	3
Support organizations philosophy	79	7	77	5
Habit	74	8	30	10
Community expectation	64	9	31	9
Farm price improvement	54	10	57	7
Selling advantages	44	11	32	8

(a) Percent of respondents rating the reason of some importance or major importance.

[1] Extension respondents were asked the importance of the reasons which cause farmers to be members of Farm Bureau.

for membership. Education, ranked third by farm members, was ranked seventh by Extension. Extension did not relate closely to this newest of the general farm organizations, nor did they see the role of the organization in an educational function. Sociability was much less important than the legislative and economic functions. The leadership support by members was rated much higher by farmer members than Extension. NFO's plan of action necessitates support for their leaders[9] (Table 64).

When looking at the three organizations, it is interesting to note that "information, education" was ranked first, second and third by members of their respective organization, but no higher than third for Farm Bureau and seventh for Grange and NFO by Extension workers. Extension's primary purpose is to provide information and education to its audiences so many Extension respondents may have felt that this was not of as great importance for members as other reasons. Extension and Farm Bureau's cooperation over the years might account for Extension ranking this reason, "information, education" much higher for Farm Bureau than for Grange or NFO. Also Extension and Farm Bureau members may tend to hold similar points of view, so that Extension views Farm Bureau information as education.

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[9] Brandsberg, George. The Two Sides in NFO's Battle, Iowa State Univ. Press, Ames, Iowa, 1964, p. 4.

Table 64 -- Reasons for membership in NFO given by Extension respondents[1] and current NFO members.

Reason for membership	Extension respondents Percent[(a)]	Extension respondents Rank	NFO members Percent	NFO members Rank
Promote opinions	87	1	97	1
Farm price improvement	85	2	96	2
Expression, leadership opportunities	77	3	87	4
Support leaders	69	4	96	2
Support legislative programs	53	5	74	7
Selling advantages	47	6	80	5
Information, education	45	7	92	3
Support organization's philosophy	32	8	79	6
Sociability, fellowship	31	9	44	8
Community expectations	30	10	35	10
Habit	9	11	4	11
Buying advantages	5	12	25	9

(a) Percent of respondents rating the reason of some importance or major importance.

[1] Extension respondents were asked the importance of the reasons which cause farmers to be members of NFO.

Sources of satisfaction and Dissatisfaction with farm organizations

Extension respondents were asked to respond to some things about belonging to an organization that do not satisfy every member. These may be, in fact, the same things that keep some farmers from joining an organization. For each of the general farm organizations, respondents were asked to check whether farmers were completely satisfied, generally satisfied, somewhat dissatisfied, or very dissatisfied with each of eleven statements. In the following discussion, responses of "completely satisfied" and "generally satisfied" are combined when reference is to "satisfaction", while "somewhat dissatisfied" and "very dissatisfied" are combined and designate "dissatisfaction."

Grange

In general, Extension respondents felt that farmers in the area were fairly well satisfied with the Grange. All of the eleven items were listed as being satisfactory. Dissatisfaction was the largest in response to the statement regarding the number of other farmers in the community who belong to the Grange, for Extension respondents and Grange members. Second in dissatisfaction was the program or "What the Grange is trying to do for farmers". Satisfaction was very high, on the other hand for "The cost of membership", "The way the Grange goes about getting people to join", "The way the Grange spends their members' money", and "What the Grange stands for politi-

cally". Members satisfaction was highest for recruitment practices, membership composition, leaders, and organization's policies[10] (Table 65).

Farm Bureau

A majority of Extension respondents thought farmers were satisfied with all the aspects of Farm Bureau. Highest percentage of satisfaction was expressed for "the way their family feels about Farm Bureau". The highest percentage of dissatisfaction was for "What Farm Bureau is trying to do for farmers", with one-third of Extension and 23 percent of members expressing dissatisfaction with this aspect. The "organization's methods" was second in dissatisfaction by Extension and fourth by members and "membership size" ranked third in dissatisfaction for Extension and second for members. In general, a good sized majority of members, supported by Extension's perception of farmers' feelings, felt that all of the aspects listed were being performed at a satisfactory level (Table 66).

NFO

Extension respondents thought farmers were dissatisfied with NFO "membership size", "organization's methods", "recruitment practices" and "membership composition". On the satisfaction side, "the time required to go to NFO meetings" ranked highest, followed by "what the organization is trying to do for farmers". Members satisfaction ranking was for the program of their organization first, followed by cost of membership,

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[10] Morrison, op. cit., p. 46

Table 65 -- Dissatisfaction with selected aspects of the Grange expressed by Extension respondents[1] and current Grange members.

Organizational aspect	Extension respondents Percent[a]	Rank	Farmer members Percent	Rank
Membership size	41	1	32	1
Programs	31	2	22	2
Leaders	21	3	8	7
Organization's methods	19	4	22	2
Membership composition	17	5	5	8
Opinion of member's families	12	6	9	6
Time taken for meetings	11	7	14	4
Organization's policies	10	8	8	7
Recruitment practices	9	9	5	8
Spending practices	6	10	18	3
Cost of membership	1	11	11	5

(a) Percent of respondents expressing dissatisfaction with the various aspects of the organization.

[1] Extension respondents were asked to rate the degree of satisfaction or dissatisfaction they believed farmers in their area had toward organizational aspects of the Grange.

Table 66 -- Dissatisfaction with selected aspects of the Farm Bureau expressed by Extension respondents[1] and current Farm Bureau members.

Organizational aspect	Extension respondents Percent[a]	Extension respondents Rank	Farmer members Percent	Farmer members Rank
Programs	33	1	23	1
Organization's methods	29	2	17	4
Membership size	26	3	22	2
Organization's policies	23	4	15	5
Leaders	22	5	15	5
Time taken for meetings	20	6	10	7
Membership composition	15	7	11	6
Spending practices	14	8	18	3
Cost of membership	13	9	8	9
Recruitment practices	12	10	9	8
Opinion of member's families	5	11	9	8

(a) Percent of respondents expressing dissatisfaction with the various aspects of the organization.

[1] Extension respondents were asked to rate the degree of satisfaction or dissatisfaction they believed farmers in their area had toward organizational aspects of the Farm Bureau.

spending practices, and membership composition. Members expressed the most dissatisfaction with membership's size (60%) followed by organizational methods which was identical with the ranking of Extension. A much larger percentage of Extension expressed dissatisfaction on all aspects, however, compared to farmer members. In fact, only five of the organizational aspects of NFO were given a satisfactory rating by a majority of Extension respondents while all but one were rated satisfactory by a majority of members (Table 67).

The differences between Extension's perception of farmers' opinions of NFO and NFO members own views may be largely due to limited contact with NFO members by Extension. It is quite important that NFO membership be large for its methods to be effective. The policy of NFO is not to release membership figures. Therefore, the total members in the state are not known. Probably the contacts of Extension over Michigan directly with NFO members is limited, although 37 percent of the Extension workers had attended an NFO meeting. The Extension's responses are more nearly similar to non-NFO members than to NFO members.[11] A majority of NFO nonmembers have a positive regard for its program and negative opinion of its organizational methods.

Extension's perception of why farmers are members is inconsistent with the reasons given by farmer members. This could hold serious consequences for Extension. The average

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[11] Ibid., p. 46.

Table 67 -- Dissatisfaction with selected aspects of the NFO expressed by Extension respondents[1] and current NFO members.

Organizational aspect	Extension respondents Percent[a]	Extension respondents Rank	NFO members Percent	NFO members Rank
Membership size	78	1	60	1
Organization's methods	69	2	21	2
Recruitment practices	68.5	3	8	6
Membership composition	68.5	3	2	8
Leaders	60	4	9	5
Cost of membership	52	5	2	8
Organization's policies	49	6	12	3
Opinion of member's families	40	7	10	4
Spending practices	34	8	2	8
Programs	32	9	0	9
Time taken for meetings	17	10	6	7

(a) Percent of respondents expressing dissatisfaction with various aspects of the organization.

[1] Extension respondents were asked to rate the degree of satisfaction or dissatisfaction they believed farmers in their area had towards organizational aspects of the NFO.

NFO member started managing a farm in 1946. He is younger, on the average, than Farm Bureau members and considerably younger than Grange members. These are the future commercial farm operators and potential rural leaders in many cases.

Comparing all three farm organization, Extension thought farmers were the most dissatisfied with membership size, programs, and organization's methods. The east dissatisfaction of Grange and Farm Bureau was with the cost of membership and with time taken for meetings for NFO members. There was little dissatisfaction with the recruitment methods used by the Grange and Farm Bureau, but there was a high degree of dissatisfaction posed by Extension of NFO recruitment methods.

Farm organization leadership

The percentage of dissatisfaction with the leaders of the three farm organizations range from third to fifth place in ranking by Extension. What kind of leaders should they be? That is, should they be operating farmers or professionals? When asked to respond to the statement, "A farm organization should have only operating farmers as elected officers," a majority (64.2%) of Extension respondents agreed. There were no significant differences within Extension according to educational specialization or position. However, there were differences between the response of Extension and committed farmers. Nearly three-fourths of committed farmers agreed completely with the statement (Table 68). Apparently farmers

Table 68 -- Response to the statement by committed farmers and Extension, "A farm organization should have only operating farmers as elected officers."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	72.7	14.3	11.1	1.9	100
Extension	27.5	37.0	29.0	6.5	100

Differences are significant at the 1% level.
Chi square was 81.17 with 3 degrees freedom.

Table 69 -- Response to the statement by committed farmers and Extension, "A farm organization should have well-educated experts on its staff, who are not necessarily farmers."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	31.2	34.4	18.8	15.6	100
Extension	46.4	47.9	4.3	1.4	100

Differences are significant at the 1% level.
Chi square was 42.35 with 3 degrees freedom.

feel more strongly that they should be represented by operating farmers than does Extension. The highest percent of farmers agreeing with the statement were NFO members who had 98 percent in agreement. Farm Bureau had 86 percent in agreement, while both Grange and nonmembers had 85 percent agreeing. It seems quite obvious, then, to conclude that farmers want to be represented in their general farm organization by farmers. In the previous section, support of leaders was consistently ranked higher by farmer members than Extension. This gives further emphasis to the importance of farm leadership.

One of the problems raised by some observers has been the educational level of farm leaders. In the study, only three percent of all farmers had completed four or more years of college. With the strong feeling for farm operators as officers, how can well-trained leaders be selected? This poses a challenge for the Extension Service to provide adequate educational opportunities for farm leaders.

One way to supplement the educational level of the elected farm officers is to hire staff people to assist them in conducting the business of the organization. Over 90 percent of the Extension staff agreed with the statement, "A farm organization should have well-educated experts on its staff, who are not necessarily farmers." There were differences within Extension respondents, the largest percentage agreeing with the statement did not have a master's degree, in the other field category. Differences according to position held were not great.

Two-thirds of committed farmers (65.6%) agreed with the statement on a professional farm organization staff and committed farmers favored the idea of an expert staff more than all farmers. Slightly less than a majority of all farmers agreed with the idea. Although both committed farmers and Extension respondents agreed with the idea, there were significant differences between them. Forty six percent of Extension agreed completely with the idea compared to 31 percent of committed farmers. Fifteen percent of committed farmers disagreed completely with the statement while less than two percent of Extension disagreed completely (Table 69).

Another item of interest is who determines the policy of the farm organization. A majority of the Extension respondents disagreed with the statement, "In most general farm organizations the policies are determined by the rank and file farmer members." Only one-third (31%) of Extension respondents agreed with the statement. A majority of committed farmers (65.6%), however, agreed with the statement with 28 percent agreeing completely. Committed farmers believed their leaders were in touch with the "grass roots" while Extension did not. Differences between Extension and farmers were significant. Sixty eight percent of the Extension staff expressed the belief that policies were not set by the rank and file members (Table 70).

While farmers felt that policy was determined by the rank and file in farm organizations, they did not feel this was true in labor unions. A majority of both committed farmers and Ex-

Table 70 -- Response to the statement by committed farmers and Extension, "In most general farm organizations, the policies are determined by the rank and file farmer members."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	27.9	37.7	23.5	10.9	100
Extension	3.0	28.4	52.2	16.4	100

Differences are significant at the 1% level.
Chi square was 55.34 with 3 degrees freedom.

Table 71 -- Response to the statement by committed farmers and Extension, "In most labor unions, the policies are determined by the rank and file members."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	18.4	21.1	33.2	27.3	100
Extension	0.0	6.1	53.8	40.1	100

Differences are significant at the 1% level.
Chi square was 49.18 with 3 degrees freedom.

tension disagreed with the statement, "In most labor unions the policies are determined by the rank and file members." Forty percent of Extension respondents disagreed completely with the statement, compared to 27 percent of committed farmers (Table 71). On the basis of Extension position held, the largest percentage disagreeing with the forming of labor policy by the membership was by district agents. The smallest percentage in disagreement were the county directors. It is quite apparent that the Extension staff does not feel labor union policy is determined by the rank and file members.

Eighteen percent of committed farmers agreed completely that union policy was set by the rank and file members while no Extension respondents agreed completely with the statement.

Finances

Extension workers believed there was very little dissatisfaction with the present cost of membership of general farm organization. Some people think that a farm organization should be limited in its membership. In response to the statement, "A farm organization should have dues high enough that only farmers serious about the organization will join it," about 46 percent of Extension respondents agreed. Nearly the same percentage of committed farmers agreed with the proposal. Although nearly the same percentage of farmers and Extension agreed with the statement, there were significant differences between Extension respondents and committed farmers. The per-

centage of farmers agreeing completely with the statement was larger than the percentage of Extension respondents. On the other end of the scale, a larger percentage of farmers (29.0%) than Extension (10.5%) disagreed completely with the statement. There does not seem to be clear-out agreement or disagreement for limiting membership of farm organizations through high membership dues (Table 72).

Support of legislative programs ranked high as a reason for membership in general farm organizations. The legislative activity in relation to its cost was referred to by the following statement, "It is proper for farm organizations to use members' dues to try to get legislation that agrees with the organization's official position." Nearly four-fifths of both Extension (85.2%) and committed farmers (78.5%) agreed with the statement. The percentage of Extension respondents agreeing completely was less than that of farmers, however. Thus, they believe it is a legitimate and an apparently well-accepted use of funds since there was very little dissatisfaction with the spending practices of the general farm organizations. Differences did exist between Extension and committed farmers, but they were not great (Table 73).

When asked to react to a similar statement regarding labor unions, "It is proper for labor unions to use members' dues to try to get legislation that agrees with the union's official position," the percentage of Extension respondents agreeing was 73 percent while a bare majority (53%) of committed farmers

Table 72 -- Response to the statement by committed farmers and Extension, "A farm organization should have membership dues high enough so that only farmers serious about the organization and its purpose would join."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	20.7	24.5	25.8	29.0	100
Extension	14.3	31.6	43.6	10.5	100

Differences are significant at the 1% level.
Chi square was 26.80 with 3 degrees freedom.

Table 73 -- Response to the statement by committed farmers and Extension, "It is proper for farm organizations to use members' dues to get legislation that agrees with the organization's official position."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	44.0	34.5	15.0	6.5	100
Extension	32.3	52.9	8.8	6.0	100

Differences are significant at the 1% level.
Chi square was 13.78 with 3 degrees freedom.

agreed (Table 74). In both groups the percentage was less than that expressed for farm organizations. This is consistent perhaps with the feeling that the rank and file of membership does not participate in policy formation. Differences existed between Extension and committed farmers in reply to the statement. Nearly the same percentage of farmers and Extension were in the "agree completely" column. However, a larger number of Extension respondents appeared in the "tend to agree" category. About one-fourth of farmers compared to one-tenth of Extension respondents disagreed completely with the statement. While both Extension and farmers favored the use of union funds for legislative activities, they were not as much in favor of this practice as they were for farm organizations.

Differences in attitudes toward farm problems

There was a significant difference between Extension respondents and committed farmers in answer to the question, "Do you think any of the present farm organizations have programs that will effectively deal with the problem?"[12] "Yes" answers were given by 39 percent of committed farmers and 19 percent of Extension. However, the "don't know" answers of both were substantial enough to effect the outcome with 17 percent of farmers and 22 percent of Extension in this category. This would indicate some changes in program are needed if farm organizations are to deal effectively with what farmers see as their major problems.

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[12] Differences were significant at the 1% level. Chi square was 16.34 with 2 degrees freedom.

Table 74 -- Response to the statement by committed farmers and Extension, "It is proper for labor unions to use members' dues to try to get legislation that agrees with the union's official position."

Respondents	Agree Completely	Tend To Agree	Tend to Disagree	Disagree Completely	Total
			percent		
Committed Farmers	21.9	31.4	21.5	25.2	100
Extension	20.6	52.2	17.6	9.6	100

Differences are significant at the 1% level.
Chi square was 21.28 with 3 degrees freedom.

Table 75 -- Response to the question by committed farmers and Extension, "Which of the following groups would you say has the most in common with the farmer with respect to economic problems?"

Group	Committed Farmers	Extension
	percent	
Organized labor	5.7	0.7
Unorganized labor	7.0	7.3
Big businessmen	7.3	6.6
Small businessmen	80.0	85.4
Total	100.0	100.0

Differences are significant at the 1% level.
Chi square was 14.21 with 6 degrees freedom.

There was a very high consensus among farmers as well as Extension respondents that farmers have the most in common with small businessmen with respect to economic problems. Farm Bureau members had a higher percentage feeling this way than Grange, NFO, or nonmembers. Eighty five percent of Extension and 84 percent of Farm Bureau members agreed on this point. The primary difference between Extension and farmers was in regard to their views of similarity between organized labor and farmers in relation to economic problems with less than one percent of Extension and nearly six percent of farmers expressing this belief (Table 75).

Taylor and Jones in a recent book point out that the relationship of farmers to major farm research and regulatory directives are centered in the Federal government. Therefore, farm business men, in spite of their idealogy, are less free in their total occupational situation than are many non-agricultural businessmen. They postulate that "Many types of farmers are beginning to develop occupational identifications and images similar to those found in other areas of agribusiness."[13]

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[13] Taylor, Lee, and Jones, Arthur R., jr. Rural Life and Urbanized Society, Oxford University Press, N.Y., 1964, p. 92.

Summary

Extension respondents and farm organization members were in agreement that agriculture's problems demand production and market system changes, not just individual farmer changes. They further agreed that government assistance alone will not solve farmer's economic problems. Therefore, the solutions must be found in some sort of group action. It is important, therefore, to analyze the organizational aspects of the major farm organizations, the Michigan Farm Bureau, the Grange, and the NFO, as well as the reasons members join them. The program of their organizations were rated higher in terms of satisfaction by members of the organizations than by Extension in all cases. NFO members appeared to be more satisfied with the NFO program than were members of Farm Bureau and Grange with their programs.

Extension did not agree with NFO members about the organizational aspects of NFO, although the beliefs held by both on food prices, need for marketing as well as production concern, government assistance in solution of the problem, and changes needed in the marketing system were similar. Extension did not agree with NFO members on the reasons for membership generally, although they did agree that the promotion of opinions and farm price improvement were satisfactory organizational aspects. Due to the make-up of the NFO, essentially young commercial farmers, it would seem that Extension should make a greater effort to work more closely with the leadership

of NFO to develop an understanding of the organizational objectives.

Extension and Farm Bureau members were closer together in their ratings on reasons for membership and satisfactions with the organization. Farm Bureau members rated the educational function higher than Extension, a fact Extension should be aware of in their conduct of programs. Farm Bureau members beliefs were more toward the market price system and less toward government help than Extension. Farm Bureau members generally had larger farms than Grange and nonmembers of farm organizations, and used more technologically advanced farming operations. They, therefore, probably had more contacts with Extension. A majority of Farm Bureau members shared the belief of Extension that single commodity bargaining associations are more effective than multiple.

Both agreed that farmers should not use labor union methods and that educational efforts should be used to influence others to join the association. They disagreed on the effectiveness of the present program.

While economic reasons came to the forefront for NFO and Farm Bureau, the sociability reason was foremost for the Grange by both members and Extension. Grange members were generally older farmers than Farm Bureau and NFO. Farm price improvement as a reason for membership, was ranked low by both Grange members and Extension. The Grange, the oldest of the farm organizations does not seem to be shifting its program in the direction of bargaining.

A considerably higher percentage of members of farm organizations compared with Extension believed their officers should be operating farmers and they were less in favor of having experts on the farm organization staff. If Extension is to help effect change in the institutions of agriculture, it needs to look at its own structure to see if it can alter some of its beliefs concerning bargaining to work effectively with the leadership of farm organizations. Extension could serve as the catalyst in the change process. Moreover, as educational specialists, Extension workers have a major task in pointing out the positive role that experts may play in making the programs of farm organizations more effective.

CHAPTER VII

IMPLICATION FOR EXTENSION EDUCATION AND AGRICULTURAL POLICY

The comparison of the attitudes and beliefs of the Extension staff and committed farmers of Michigan would appear to have implications for Extension's program and staff training. There are also implications for public policies in agriculture and for the policies of the organizations serving agriculture.

There was agreement by both Extension and committed farmers that average farm income in Michigan was too low and that the prices of the items used in production were too high. Both felt that the government support price was ineffective in bringing about increased farm income. Extension was more optimistic than farmers that prices would be higher in five years if support prices were removed. In general, Extension was more optimistic about the ability of the family farm to adjust through individual action. Farmers on the other hand tended to be pessimistic about the future of the family farm and felt more strongly than Extension that the whole system of marketing was unsatisfactory and that large processors and retailers were using their buying power to hold prices below a true market level.

It would seem that Extension has not fully recognized the amount of unrest of committed farmers, particularly members of the NFO.

There is evidence of a need for education concerning the collective action of farmers for bargaining to achieve higher incomes for farmers. Both committed farmers and Extension agreed almost unanimously that education was the preferred method of influencing non-members to become members of a bargaining organization. Approximately one-third of the Michigan Farmers interviewed were members of an agricultural bargaining group, another third were not members but said they would join and the remaining third responded that they would prefer not to join. If agriculture bargaining is to be effective, a concerted educational effort is needed to motivate non-members to become members of bargaining associations. Furthermore, many of the present members of bargaining associations lacked complete understanding of the provisions of their contracts with the bargaining association. Whether the Extension staff is knowledgeable enough to conduct an educational program on the principles involved and the strategies needed for bargaining is questionable. Probably more training of staff is needed. There is some indication that staff members with a masters degree in the agriculture social sciences and Extension education are better equipped to do the job, but further study is needed in this area.

Another problem mentioned by farmers was the high cost of farm inputs. There would seem to be possibilities for some savings either through more shopping or through contractual arrangements. This could be another educational area, working both with farmers and with the agri-business complex on contracting agricultural inputs. Cooperatives were recognized as having a competitive influence on the pricing of inputs but no expansion of services were indicated by farmers.

A considerable credibility gap exists on the part of farmers toward government estimates of crop production and livestock receipts. At present, farmers believe such reports are advantageous to the buyer of farm products. Information on the supply of the product is essential for bargaining. Further study and dissemination of studies is needed to increase the reliability and confidence level of crop and livestock estimates in the minds of farmers. Whether such reports should be continued by the government or conducted in some other way is a policy question that bargaining associations need to study.

There apparently is still considerable isolationism in farmer's beliefs that the prices for Michigan farmers are different than for U.S. farmers. It would seem that educational programs in foreign trade, inter-regional competition, absolute and comparative advantage as well as basic economic pricing principles are needed. The Extension Service might well consider a cooperative educational program with farm organizations on such matters since members of farm organizations hold the

educational aspect of their organization in high regard. A realistic approach to farm product price levels needs to be taken by bargaining associations with respect to substitute products that are or might become available to compete with their products.

The farmers of Michigan and the Extension Service needs to be aware of the changing political power structure. As farmers become fewer in number, and their representatives are more urban, their mode of operation as a minority group needs to be directed toward the executive branches of government. An educational program designed to develop understanding of the changes needed in the agricultural establishment to cope with these power shifts needs to be developed. Staff members primarily trained in production techniques will need additional training in this respect. Identification and training of agricultural leaders has and will become extremely important for the Extension Service. There is evidence that the younger farm leaders have less formal training than older leaders. Extension will need to work closely with these young leaders to teach them more than the latest production technology. They will need to develop and promote an understanding of the social sciences of economics, political and social action processes. Farm leadership will need to become aware of the changing power structure to help restructure the institutions serving farm people.

While Michigan farmers believe that farm prices are too low, they seem reluctant to impose restrictions upon themselves

to restrict their individual actions either by government or by collective action. While a majority feels there is a need for bargaining they are reluctant to impose strong economic or social measures on all farmers to accept binding marketing contracts. They are unwilling to use tactics that will restrict the freedom of other farmers. Although dissatisfied with their present income, they appear unwilling to give up their individual freedom of farm operations to achieve higher income either through voluntary efforts or government control. This presents a dilemna for public policy.

Farmers generally held voluntary controls in higher esteem than government efforts for income improvement. However, the present membership in bargaining associations is not large enough to be effective and they are not willing to use tactics employed by other groups such as labor to recruit new members although they hold income aspirations similar to organized labor and a large number of Michigan farmers have been Union members. Thereby, the present ability of bargaining associations to achieve increased incomes seems to be limited.

Income considerations are stringent and stronger than perpetuation of the family farm. Farmers show some willingness to restrict entry into farming. Exit from farming particularly for younger farmers either on a part-time or full-time basis is relatively easy in an industrialized state like Michigan. Although farmers express dislike to this alternative it will probably continue for some time as the way Michigan farmers will solve individual income problems. An adequate education-

al program to educate young people in rural communities so that they can take a significant place in society is important. Opportunity for entry in farming will be limited due to high capitalization in farming. A majority will need to seek off-farm employment.

Finally, the Extension Service will need to examine its structure to see if it needs to be streamlined to serve modern agriculture. It must deal not only with a highly complex technical agriculture but also with changing communities if it is to be a factor in the change process of the institutions serving rural people and continue as a leader of the process rather than a follower.

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APPENDIX A

CONFIDENTIAL

MICHIGAN STATE UNIVERSITY MARKETING SURVEY

INSTRUCTIONS

Please respond to the questions as honestly as possible without discussing the questions or looking up references. It is not expected that you will study out answers, but that you will respond to the questions just as they strike you when read. This will most nearly duplicate the situation of the farmer respondents when replying to the questions in an interview.

Please return the completed questionnaire in the pre-addressed envelope enclosed.

Special Note: Some questions deal with commodities, problems, organizations, or situations in your geographic location. The term area is used in these questions. For example, "your area" for an Agricultural Agent or County Director should be interpreted as "your county." For a Specialist or Extension Administrator, "your area" might mean several counties or even the entire state.

The extra numbers appearing throughout the questionnaire are for later use in automatic data processing.

Office No._____ Card No.__01__
(1-4) (5-6)

.....

Special Information

7. Position (Circle one)
   1. County Director
   2. Agricultural Agent
   3. Specialist (Please indicate department_____)
   4. Extension Administrator
   5. District Agent (Please indicate field_____)
8. Approximate number of years in extension_____
9. In what field did you obtain your Bachelor's degree?____

10. In what field did you obtain your Master's degree, if any?_____

11. What was your age at your last birthday?

1	2	3	4	5	6
24 or less	25-34	35-44	45-54	55-64	65 or more

12. Have you ever been a member of a labor union?
    1. Yes 2. No 3. Don't Know

13. Do you feel that farmers in your area had a satisfactory income from farming last year, taking into account their labor and investment?

    1. Yes
    2. No

14. and 15.
    What changes would be needed in order for their income to be satisfactory?
    1._____
    2._____
    3._____

Suppose that all government price support programs were ended in 1966. Compared with 1965, do you think that:

16. Average net income per farm in the United States would be about the same, lower or higher in 1967?
    1. Same 2. Higher 3. Lower

17. About what percent change would you expect?_____%

18. In 1972?
    1. Same 2. Higher 3. Lower

19. About what percent change would you expect?_____%

20. Average net income per farm in Michigan would be about the same, lower, or higher in 1967?
    1. Same 2. Higher 3. Lower

21. About what percent change would you expect?_____%

22. In 1972?
    1. Same 2. Higher 3. Lower

23. About what percent change would you expect?_____%

What do you think are the major problems facing farmers today? (Not more than five)

a._____

b._____

c._____

d._____

e._____

For Office Use Only				
24.	29.	34.	39.	44.
25.	30.	35.	40.	45.
26.	31.	36.	41.	46.
27.	32.	37.	42.	47.
28.	33.	38.	43.	

Which of the above problems do you think is the <u>greatest</u> problem?_____

For Office Use Only					
48.	49.	50.	51.	52.	53.

Do you think farmers can work together to solve this problem through their own

54. organizations? 1. Yes 2. No 3. Don't know
Why do you

55. feel this way?_____

56. _____

_____

_____

Do you think any of the present farm organizations have programs that will

57. effectively deal with this problem? 1. Yes 2. No 3. Don't know

58. (IF YES) What programs do you have in mind?_____

_____

_____

_____

59. Which of the following groups would you say has most in common with the farmer with respect to economic problems: organized labor, unorganized labor, large businessmen or small businessmen?

1. organized labor
2. unorganized labor
3. big businessmen
4. small businessmen

60. Do you think that the services and products of a farm supply cooperative should be limited to members only?

1. Yes 2. No 3. Don't Know

Are there any items or services the farm coops do not now provide that you believe farmers would be likely to use if they were available from coops?

61. 1. Yes 2. No

62. What items or services do you have in mind?

a. _____

b. _____

_____

Do you believe a farm supply cooperative should sell at quantity discounts? That is, as a member would you favor a pricing policy for your coop which resulted in lower prices for larger purchases?

63. 1. Yes 2. No 3. Don't Know

64. Why do you feel this way? _____

65. _____

We know that some items a supply coop sells are more profitable than others. If it meets competition on some items, it will actually sell tham at a loss. Should the coop do this?

66. 1. Yes 2. No 3. Don't Know

67. Why do you feel this way? _____

68. _____

If it could be shown that significant savings in total costs of farm supplies could be obtained through very large volume, would you advise farmers to sign a binding contract agreeing to buy all supplies from the coop set up on this basis?

69. 1. Yes 2. No 3. Don't Know

70. Comments _____

71. _____

72. Do you think that the net cost (including dividends) of most items sold by farm supply cooperatives in your area is lower than the prices of the same items sold by other stores or companies?

1. Yes 2. No 3. Don't Know

73. Do you feel that the prices of many items in the other stores in your area are probably lower than they would be if there were no farm supply coops to provide competition?

1. Yes 2. No 3. Don't Know

Do you think farmers in your area would accept a contract with a bargaining association if it required that they limit the production or sale of certain commodities?

74. 1. Yes 2. No 3. Don't Know or depends (Comment,
75. if any)_____
76._____

Office No._____
(1-4)

Card No._____
(5-6)

Please indicate whether or not you believe the following are acceptable ways of influencing other farmers to join a bargaining association?

7.	1. Yes	2. No	Picketing?
8.	1. Yes	2. No	Efforts to educate nonmenbers?
9.	1. Yes	2. No	Road blocks?
10.	1. Yes	2. No	Advertising?
11.	1. Yes	2. No	Pressure by neighbors?
12.	1. Yes	2. No	Threats of property damage?
13.	1. Yes	2. No	Refusing to deal with firms that deal with nonmembers?

Others? 1._____
2._____

Do you believe that a vote of a majority of the producers of a commodity should legally bind all producers to participate in a joint effort for:

14. Promotion of their products?

1. Yes 2. No 3. Don't Know or Depends

15.

16. Comment _____

17. To control quality marketed?

1. Yes 2. No 3. Don't Know or depends

18.

19. Comment _____

20. To restrict the level of production or marketings?

21. 1. Yes 2. No 3. Don't Know or depends

22. Comment _____

Would you favor state or federal legislation which would authorize and enforce such joint efforts if voted into effect by a majority of the growers?

23. 1. Yes 2. No 3. Don't Know

24. Comment _____

25. _____

Office No._____
(1-4)

Card No.___03___
(5-6)

Listed below are a number of statements about farming that one sometimes hears these days. For each statement would you please circle a number to indicate which of the positions below represents your feeling about the statement.

1. I agree completely
2. I agree, with some reservations
3. I tend to disagree
4. I disagree completely
5. I have no opinion

7. 1 2 3 4 5 Farmers cannot count on government assistance in solving their marketing and price problems.

8. 1 2 3 4 5 On the average, farmers are faring about as well in terms of income as city workers at the present time.

9. 1 2 3 4 5 Consumers ought to pay more for the farm products than they are now paying.

10. 1 2 3 4 5 Some simple and workable solutions to the problems of agriculture could be found if people would just think about it more.

11. 1 2 3 4 5 If the economic situation for farmers continues like it is now, in a few years the family farm will be replaced by large farms run by hired labor.

12. 1 2 3 4 5 Consumers ought to pay enough for food to enable farmers to have an income equal to nonfarm workers.

13. 1 2 3 4 5 What agriculture needs most, even more than laws and political programs, is devoted, tireless, and courageous leaders in which farmers can put their faith.

14. 1 2 3 4 5 A farm organization should have membership dues high enough so that only farmers serious about the organization and its purposes will join it.

15. 1 2 3 4 5 It would be to farmers' advantage to gain control over one of the large retail food chains.

16. 1 2 3 4 5 It is more important that farm people earn satisfactory incomes than it is to maintain the family farm system.

17. 1 2 3 4 5 Farmer organizations which concentrate on the marketing of one commodity are likely to be more effective in serving member interest than organizations which deal with several commodities.

18. 1 2 3 4 5 Some legal limit should be put on the size of food processing companies, retail food chains, and other marketing organizations.

19. 1 2 3 4 5 The marketing power of farmers can best be achieved by the use of the market price system. Under this system, supply and demand become the primary factors in determining the true market level for agricultural commodities.

20. 1 2 3 4 5 A farm organization should have only operating farmers as members.

21. 1 2 3 4 5 A farmer should be proud if he can say he owes money to no one.

22. 1 2 3 4 5 Federal marketing orders should be expanded to cover more Michigan products.

23. 1 2 3 4 5 If you want to solve agriculture's problems it's the production and marketing system as a whole that needs to be changed, not just the practices of individual farmers.

24. 1 2 3 4 5 Those farmers who cannot earn a satisfactory income from farming under present conditions should plan to leave farming.

25. 1 2 3 4 5 The situation in agriculture today is so confusing that it is hard to tell what the future of farming in this country will be.

26. 1 2 3 4 5 The ownership of farms ought to be restricted to those dependent upon farming for their income.

27. 1 2 3 4 5 Government estimates of crop production and of livestock receipts are accurate and unbiased.

28. 1 2 3 4 5 In most labor unions the policies are determined by the rank and file members.

29. 1 2 3 4 5 The replacement of family farms by large-scale farms using hired labor would have undesirable economic and social consequences for the nation.

30. 1 2 3 4 5 It should be illegal to strike where the strike conflicts with public interest.

31. 1 2 3 4 5 Lawlessness and lack of respect for authority are major problems in the United States today.

32. 1 2 3 4 5 Entry into farming ought to be restricted to young men with a farm background.

33. 1 2 3 4 5 Today farmers can't really do much to determine the way things turn out for them.

34. 1 2 3 4 5 The producers cannot make their bargaining power felt and will always be forced to yield, unless they can and do cut off the available supply to the processor.

35. 1 2 3 4 5 A farm organization should have well-educated experts on its staff who are not necessarily farmers.

36. 1 2 3 4 5 Farmers should raise all of the crops and livestock possible as long as there are hungry people.

37. 1 2 3 4 5 The government should step in and protect the public interest whenever organized groups get enough power to substantially raise prices and the cost of living.

38. 1 2 3 4 5 Large supermarket chains tend to use their buying power to hold down farm prices.

39. 1 2 3 4 5 In most general farm organizations the policies are determined by the rank and file farmer members.

40. 1 2 3 4 5 When someone comes along with clear and simple ideas for solving some of agriculture's problems we should try to do what he says.

41. 1 2 3 4 5 It is a good idea to have a law that makes it illegal for dairy processors to sell any dairy products below cost.

42. 1 2 3 4 5 A farm organization should have only operating farmers as elected officers.

43. 1 2 3 4 5 Farmers ought to appreciate farming as a good way of life and be less concerned about their cash income.

44. 1 2 3 4 5 Large retail food chains should be prohibited by law from owning food processing facilities.

45. 1 2 3 4 5 Withholding products from the market in order to fix prices above the true market level cannot achieve a lasting improvement in farmers' market power.

46. 1 2 3 4 5 Farmers should be primarily concerned with producing farm products and let someone else worry about the marketing problems.

47. 1 2 3 4 5 Food processors and retail chains should not be allowed to own farm production facilities such as cattle feeding lots, dairy herds, and vegetable farms.

48. 1 2 3 4 5 Farmers must reduce the total amount of products going to market if they are going to receive a higher price for those products.

49. 1 2 3 4 5 It is proper for labor unions to use members' dues to try to get legislation that agrees with the union's official position.

50. 1 2 3 4 5 Government estimates of crop production and of livestock receipts tend to strengthen the position of the buyers and weaken the position of the farmers in farmer bargaining arrangements.

51. 1 2 3 4 5 In order to be effective, bargaining associations that attempt to get higher prices for farmers must be able to control the output that individual farmers market.

52. 1 2 3 4 5 Farm prices are largely determined by large processors and retailers.

53. 1 2 3 4 5 Farmers should use the same methods to get higher prices that make it possible for organized labor to get higher wages.

54. 1 2 3 4 5 Farmers must get together in bargaining organizations to deal effectively with processors and retailers.

55. 1 2 3 4 5 Buyers of farm products who sign a contract with a bargaining association should not be allowed to buy farm products from farmers who do not belong to the bargaining association.

56. 1 2 3 4 5 The ownership of both processing facilities and retail chain stores by the same company gives it the power to hold farm prices below what prices would be if processing and retailing facilities were independently owned.

57. 1 2 3 4 5 We shouldn't waste our time on discussions of the farm problems which don't offer clear solutions.

58. 1 2 3 4 5 The government should do something to prevent the big unions and big companies from negotiating wage contracts that bring increases in consumer prices.

59. 1 2 3 4 5 All farmers should contribute to a fund to help advertise their farm products.

60. 1 2 3 4 5 Farmers would be better off if there was only one farm organization representing all farmers.

61. 1 2 3 4 5 Union contracts that make it possible for a company to only hire union members are a good idea.

62. 1 2 3 4 5 It is proper for farm organizations to use members' dues to try to get legislation that agrees with the organization's official position.

Office No._____
(1-4)
Card No. 04
(5-6)

General Farm Organization Membership

(Please circle Yes or No)

	Grange	Farm Bureau	National Farmers' Organization	Farmers Union
I. Have you ever attended a meeting of. . .?	Yes No	Yes No	Yes No	Yes No
1A. (If Yes) During the past year have you attended more than half of the local meetings of. . .?	Yes No	Yes No	Yes No	Yes No
II. Are you currently a dues-paying member of. . .?	Yes No	Yes No	Yes No	Yes No
IIA. (If No) Have you ever been a dues-paying member of. . .?	Yes No	Yes No	Yes No	Yes No

Listed below are some of the things which cause farmers to be members of farm organizations. How important do you believe each statement is as a reason why farmers in your area are members of each of the four general farm organizations? Please indicate your answer by putting a number in the square according to the following code.

1 = Major importance
2 = Some importance
3 = Little importance
4 = No importance

Membership in. . .		Grange	Farm Bureau	NFO	Farmers Union
A. brings a chance to meet and associate with friends and neighbors.	A.				
B. makes it possible to have advantages in buying farm supplies, buying insurance, and so on.	B.				
C. is maintained because it has become a habit.	C.				
D. makes it possible to sell farm products through the organization's facilities.	D.				
E. helps improve market prices for farm products.	E.				
F. provides farmers an opportunity to organize to get their opinions heard.	F.				
G. brings information and educational materials on subjects of interest.	G.				
H. is something other farmers expect of them in this community.	H.				
I. gives the opportunity to support the basis philosophy of rural life the organization stands for.	I.				
J. is an effective way to work for local, state, and national legislative programs which are wanted or to oppose legislation which is not wanted.	J.				
K. gives individuals the opportunity to express ideas and be leaders on matters which concern farmers.	K.				
L. is a way of supporting leaders who have good ideas.	L.				

Office No._____
(1-4)

Card No. 05
(5-6)

There are some things about belonging to an organization that do not satisfy every member. In fact, these may be the same things that keep some farmers from joining an organization. For each of the general farm organizations, how satisfied do you believe farmers in your area are with the things below? Please indicate your answer by putting a number in the squares according to the following code.

1 = Completely satisfied
2 = Generally satisfied
3 = Somewhat dissatisfied
4 = Very dissatisfied

		Grange	Farm Bureau	NFO	Farmers Union
A. The cost of membership in. .	A.				
B. What the. . . stands for politically.	B.				
C. The methods used by. . . to get their programs into effect.	C.				
D. What. . . is trying to do for farmers.	D.				
E. The leaders of. . .	E.				
F. The way. . . spends their members' money.	F.				
G. The way. . . goes about getting people to join.	G.				
H. The kind of farmers who make up most of the membership of. . .	H.				
I. The way their family feels about. . .	I.				

	Grange	Farm Bureau	NFO	Farmers Union
J. The number of other farmers in the community who belong to. . .				
K. The time required to go to. . . meetings				

About what percent of the farmers in your area do you think are members of the following organizations?

51. Grange_____Percent
52. Farm Bureau_____Percent
53. National Farmers' Organization_____Percent
54. Farmers Union_____Percent