

# 1992 Summary Report

## Introduction

This survey marks the tenth year of the Iowa Farm and Rural Life Poll. Initiated in 1982, the polls are designed to solicit farm families' opinions on a wide variety of rural and agricultural issues. The project is jointly funded by the ISU Agriculture and Home Economics Experiment Station and ISU Extension, with the cooperation of the Iowa Department of Agriculture and Land Stewardship, Agricultural Statistics Service.

The data from the polls are provided to state and national policy makers, research and extension staff, and the public through the media. A debt of gratitude is owed to the respondents for participating in the poll, and for their continuing interest in the project.

## Who participated

In mid-February, mail questionnaires were sent to a statewide random sample of 3,564 Iowa farm operators. The sample was selected to provide a representative cross-section of the diversity of farm types in the state. Usable questionnaires were received from 2,370 respondents, yielding a response rate of 66 percent.

## Highlights from the 1992 Poll

### Woodlands

Forty-three percent of the respondents reported they have some woodland acres on their farms. Acres of woodland ranged from 1 to 1,000 acres, with an average of 31 acres. Of those with woodland acres, 36 percent reported owning

between 1 and 5 acres, 14 percent owned between 6 and 10 acres, 19 percent owned 11-25 acres, 10 percent owned 26-40 acres, and 21 percent owned more than 40 acres of woodlands (Figure 1). In terms of benefits provided by woodlands to the quality of life in the state, 70 percent ranked filtering pollution from the air as very important, and 65 percent ranked protection from soil erosion as very important (Table 1). Also ranked as very important by the respondents were providing cover and food for wildlife (59 percent) and protection of surface water in streams and lakes (56 percent).

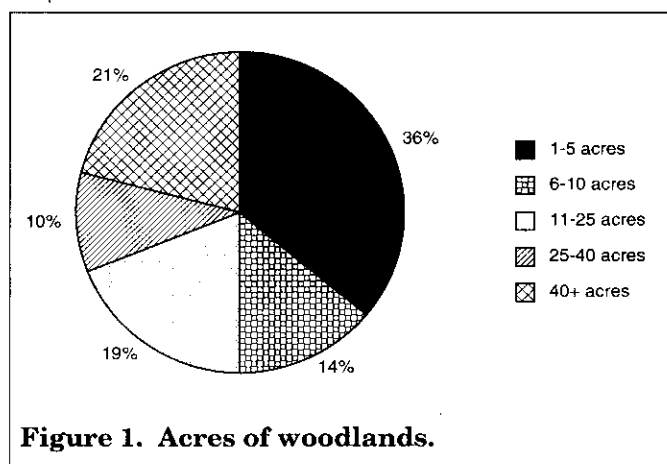


Figure 1. Acres of woodlands.

Only about 13 percent of the farmers with woodlands have enrolled in the Forest Reserve Program. Twelve percent of the farmers with woodlands have sold timber or firewood during the past three years. When asked to indicate what personal benefits they receive from owning woodlands, 50 percent ranked habitat for watching wildlife as very important, and 49

**Table 1. Importance of trees and woodlands.**

	Very Important	Somewhat Important	Not Important
	percent		
Act as pollution filter to purify air.....	70	27	3
Protect soil from erosion...	65	32	3
Provide cover and food for wildlife.....	59	37	4
Protect surface water in streams and lakes.....	56	39	5
Improve the appearance of Iowa landscape.....	49	45	6
Produce quality sawlogs...	21	55	24
Provide firewood for home heating.....	16	53	31
Supply lumber for on-farm use.....	14	44	42

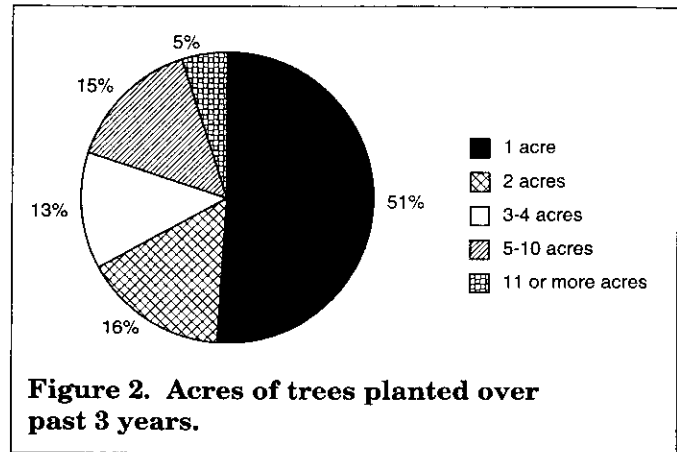
percent ranked soil protection as a very important benefit (Table 2). Of lesser importance were: a place to hunt (22 percent), a source of firewood (18 percent), and a source of income from the sale of timber/firewood (3 percent). Nine percent of the respondents have planted trees during the past 3 years and the average acreage planted to trees was 3 acres (Figure 2).

**Table 2. Personal benefits from owning woodland.**

	Very Important	Somewhat Important	Not Important
	percent		
Habitat for watching wildlife, including birds.....	50	34	16
Soil protection.....	49	39	12
Place to hunt.....	22	38	40
Source of firewood for own use.....	18	32	50
Source of income from sale of timber/firewood.....	3	14	83

Only 6 percent of those respondents with woodlands have a professionally developed management plan and nearly one-half (45 percent) reported they allow livestock to graze their woodlands. Seventeen percent report they have participated in some government program to encourage tree planting and/or woodland improvement. Sixty-eight percent of the

respondents reported they have a windbreak around their farmstead.

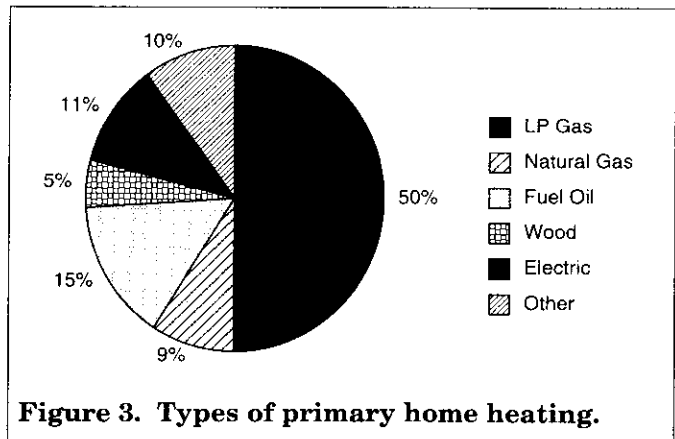


**Figure 2. Acres of trees planted over past 3 years.**

### Home safety and heating issues

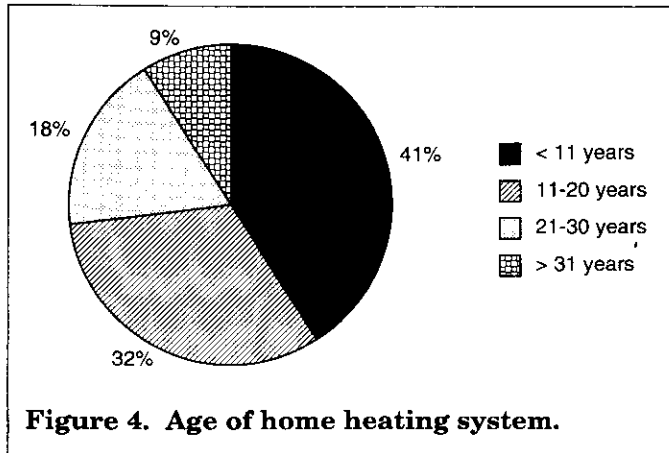
Eighty-three percent of the farm households included in the poll were equipped with smoke detectors. Eight percent reported at some time in the past they had a fire in their house. Forty-nine percent of those that had a house fire had a smoke detector at the time and one-third indicated the detector had alerted them.

One-half of the farm homesteads covered in the poll use LP gas as the primary heating fuel (Figure 3). Fuel oil (15 percent) and electricity (11 percent) were the next most frequently used sources of energy. The average age of the home heating system was 15 years, although 9 percent were more than 30 years old (Figure 4).



**Figure 3. Types of primary home heating.**

Less than 10 percent of the respondents reported home heating problems in the past five years (Table 3). The most common occurring problems



were cracks in the chimney (8 percent), cracked or broken heat exchanger (6 percent), and blocked or plugged chimney (6 percent). Twenty-six percent reported they have their heating system professionally checked and cleaned annually. Seventeen percent have their system checked every other year, and 25 percent have this done every 3 to 5 years. One-third (32 percent) reported they have never had their home heating system professionally checked and cleaned.

**Table 3. Home heating problems during past five years.**

	Yes	No	Don't Know
	percent		
Cracks in chimney.....	8	90	2
Blocked or plugged chimney .....	6	93	1
Cracked or broken heat exchanger.....	6	92	2
Back draft.....	5	92	3
Holes in vent pipe .....	3	95	2
Fire or explosion .....	1	98	1
Carbon monoxide sickness (poisoning) .....	<1	97	2

### Farm record keeping

Twenty percent of the respondents use or subscribe to a service to keep some or all of their farm business records. Of those using a farm record service, nearly one-half (45 percent) indicated it was a record keeping business or association, 34 percent use an accountant, 14

percent use an attorney, and 7 percent use some other source of assistance.

Thirteen percent rely solely on outside assistance to keep their farm business records. Among the 87 percent who keep their own farm business records as either the primary or supplementary source, 61 percent of the operators indicated they are responsible for the records, 30 percent of the records are managed by their spouse, and 7 percent indicated it was a joint responsibility between themselves and their spouse.

Eighty-two percent of the respondents described their financial record system as a manual system, 7 percent described it as a computer-based record system, and 10 percent use both a manual and computer-based system. Seventy percent of the farm record systems represented in the poll were single-entry accounting, 19 percent indicated they use double entry methods, and 11 percent were unsure of which method is used. Sixty-two percent indicated they spend four hours or less per month keeping and analyzing their farm financial records, 28 percent spend between 5 and 10 hours per month, and approximately 10 percent spend more than 10 hours per month (Figure 5). The average hours spent keeping and analyzing farm records per month among all respondents was 1.6.

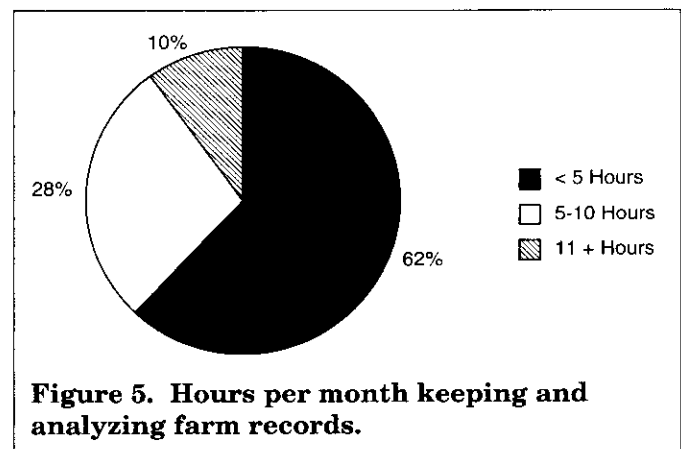


Table 4 provides the proportion of farmers who use their farm financial records to assist them in a variety of decisions, as well as the importance of the records to each decision. Seventy-five percent use farm records to monitor cash flow,

**Table 4. Use and importance of farm records.**

	Percent who use farm records to:	Importance of these records					Average Score
		Low (1)	(2)	(3)	(4)	High (5)	
		percent					
Monitor cash flow .....	75	9	6	20	26	39	3.8
Identify unprofitable parts of the operation .....	69	11	6	20	26	37	3.7
Provide financial information to lenders .....	59	22	8	18	20	32	3.3
Market planning and analysis .....	57	15	9	22	26	28	3.4
Evaluate government program options .....	56	20	11	26	22	21	3.1
Provide information to government agencies, such as ASCS, Worker's Comp., etc. ....	54	26	12	25	18	19	2.9
Provide information to landlords .....	20	53	12	15	10	10	2.1
Provide information to potential investors .....	8	69	11	10	4	6	1.7

and 69 percent use records to help identify unprofitable parts of their operations. The importance of farm records for decision making is reflected in the average scores associated with each item. Farm records were moderately important for monitoring cash flows and had an average score of 3.8. Identifying unprofitable parts of their operations received an average score of 3.7. Fifty-nine percent use their farm records to provide information to lenders and the records were judged as moderately important — an average score of 3.3.

**What farmers enjoy about farming**

Respondents were given a list of nine farm tasks and asked to indicate on a five-point scale how

much they enjoy doing these tasks (Table 5). Crop and field work received the highest average score of 4.3, followed closely by working with livestock (mean score 3.9). Fifty-one percent indicated they greatly enjoy crop and field work, and 37 percent indicated they greatly enjoy working with livestock.

Going to farm meetings and record keeping were the two most disliked farming activities; 35 percent indicated they disliked going to farm meetings, and 37 percent disliked record keeping. Only 29 percent indicated they enjoy going to farm meetings and enjoy record keeping which is reflected in the low average scores on both items.

**Table 5. Tasks that farmers enjoy.**

	<u>Dislike Greatly</u> (1)	(2)	<u>Indifferent</u> (3)	(4)	<u>Enjoy Greatly</u> (5)	<u>Average Score</u>
	percent					
Crop/field work.....	0	2	11	36	51	4.3
Working with livestock .....	5	6	19	33	37	3.9
Exploring new ideas.....	2	6	25	42	25	3.8
Working on machinery .....	4	11	27	39	19	3.6
Marketing/purchasing crops.....	4	11	32	39	14	3.5
Marketing/purchasing livestock.....	9	10	27	33	21	3.5
Purchasing equipment' .....	7	13	35	31	14	3.3
Going to farm meetings.....	14	21	36	22	7	2.9
Record keeping/paperwork .....	15	22	34	22	7	2.8

**Livestock siting issues**

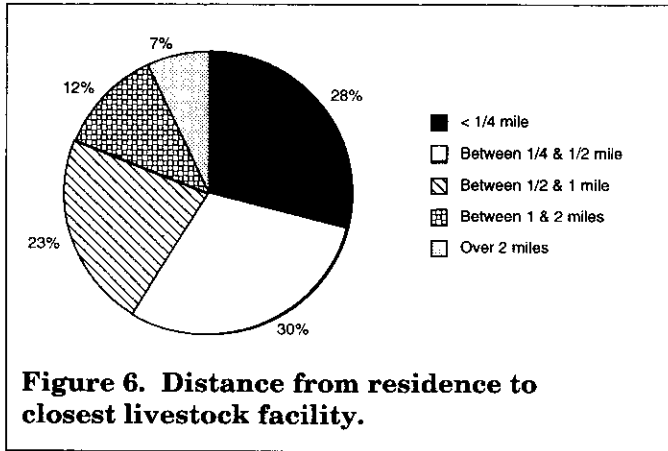
Ninety-two percent of the farmers in this year's survey agreed with the statement, "if people choose to live in the country then they must accept the presence of livestock" (Table 6).

Seventy-six percent agreed that most livestock producers do a good job of controlling odors and noises from their livestock operations. Eighty-two percent agreed that they don't care if their neighbor raises livestock as long as this doesn't affect their quality of life.

When asked the distance to the closest livestock facility from their residence, excluding their own operation, the survey found that farmers generally live fairly close to neighbors' livestock facilities. Twenty-eight percent indicated neighbors had livestock facilities less than one-fourth mile away, 30 percent lived between one-fourth and one-half mile from neighbors' livestock facilities, and 23 percent were between one-half and one mile. Nineteen percent indicated the closest livestock facility was farther than one mile away from their residence (Figure 6).

**Table 6. Opinions on livestock issues.**

	<u>Strongly Agree</u>	<u>Somewhat Agree</u>	<u>Uncertain</u> percent	<u>Somewhat Disagree</u>	<u>Strongly Disagree</u>
If people choose to live in the country then they must accept the presence of livestock.....	66	26	3	3	2
Most livestock producers do a good job of controlling odors and noises from their livestock operations .....	32	44	11	10	3
I don't care whether my neighbor raises livestock, as long as this doesn't affect my quality of life .....	46	36	9	6	5

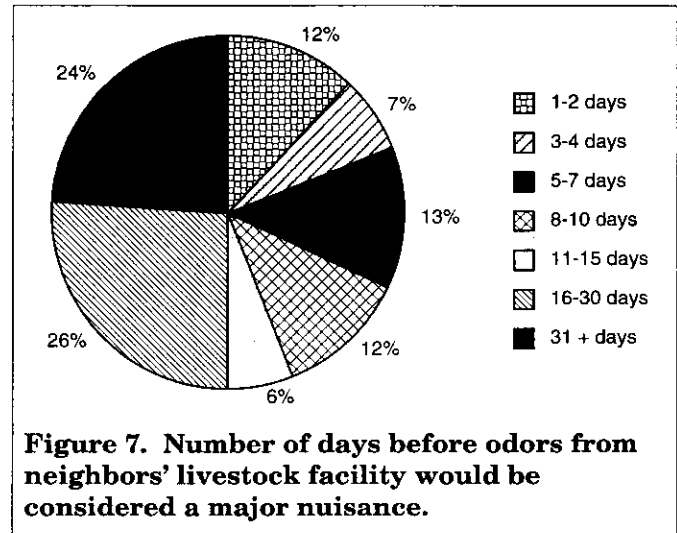


**Figure 6. Distance from residence to closest livestock facility.**

Eighty-two percent reported neighbors' livestock facilities did not detract from their quality of life. Only two percent indicated that neighbors' livestock facilities detracted "a great deal" from their quality of life, and 16 percent indicated that these facilities detracted "some" from their quality of life.

Among the 18 percent of the respondents (322 respondents) who indicated that neighbors' livestock facilities detracted from their quality of life, a follow-up question asked what problems existed. The principal problems associated with neighbors' livestock operations that detracted from their quality of life included odors (91 percent), flies (47 percent), manure run-off (26 percent), noise (14 percent), and dust (13 percent).

And finally, respondents were asked how many days per year they would tolerate odors from a neighbors' livestock operation before they would consider it a major nuisance (Figure 7). Twelve percent indicated after one or two days they would consider it a major nuisance, 7 percent responded between three and four days, 13 percent reported between five and seven days, 12 percent responded between 8 and 10 days, 6 percent reported between 11 and 15 days, 26 percent would consider it a nuisance between 16 and 30 days, and 24 percent reported that it would be a major nuisance if odors persisted more than 30 days per year. The average number of days per year of odors that respondents were willing to tolerate before they would consider a neighbor's livestock facilities a major nuisance was 52 days; the most frequently cited number was 30 days.



**Figure 7. Number of days before odors from neighbors' livestock facility would be considered a major nuisance.**

### Expansion of the livestock industries

Respondents were quite mixed in their opinions about whether farmers in their neighborhood should expand livestock production to assist in economic development (Table 7). Thirty-four percent agreed that local farmers should be encouraged to raise more hogs. However, 36 percent were uncertain and 30 percent disagreed with the statement. Forty-one percent agreed that local farmers should be encouraged to raise more cattle, while 35 percent were uncertain and 24 percent disagreed. Twenty-four percent agreed that farmers should be encouraged to raise more poultry, 42 percent were uncertain, and 34 percent disagreed.

While respondents were mixed in their opinions about farmers expanding their livestock operations, there was strong disagreement about encouraging non-farm investors to invest in livestock production. Across all three classes of livestock there was nearly identical and strong disagreement to the statement, "non-farm investors should be encouraged to invest money in their community to raise: hogs (73 percent disagreed), cattle (72 percent disagreed), and poultry (73 percent disagreed)."

Twenty-nine percent of the farmers in the survey indicated that expanding livestock production in their community would create more jobs for local people. However, 22 percent were uncertain as to whether more jobs for local people would result from expanding livestock

**Table 7. Expansion of livestock industry.**

	Strongly Agree	Somewhat Agree	Uncertain	Somewhat Disagree	Strongly Disagree
	percent				
Farmers in my neighborhood should be encouraged to raise more:					
hogs.....	12	22	36	18	12
cattle.....	16	25	35	14	10
poultry.....	8	16	42	18	16
Non-farm investors should be encouraged to invest money in my neighborhood to raise:					
hogs.....	4	5	18	17	56
cattle.....	5	6	17	16	56
poultry.....	3	5	19	17	56

production, and 49 percent did not think that more jobs for local people would result.

The 51 percent (1,176 farmers) who either agreed or were uncertain that more jobs for local people would result from expanding the livestock industry were asked to indicate how this would help the local community (Table 8). Fifty-three percent indicated that expanding the livestock industry would help local communities retain their population base. Forty-eight percent felt expansion of the livestock industry would provide diversification for local economies. Thirty-nine percent felt expansion of the livestock industry would provide quality jobs for local people.

**Livestock waste management and environmental issues**

Eighteen percent of all farmers in the survey

indicated they would be interested in purchasing manure if local markets were available. Fifty-four percent were not interested in purchasing manure and 28 percent were uncertain. Among livestock producers, 8 percent indicated they would be interested in selling manure if markets were available, 80 percent indicated they were not interested, and 12 percent were uncertain.

Only 11 of the 1,576 livestock producers (less than 1 percent) indicated they had ever had problems meeting government regulations or guidelines concerning manure storage or application. Sixty-six producers (4 percent) reported they had received complaints about odors, noise, or flies from their neighbors. Forty-three percent of the producers indicated they had neighbors within one-quarter of a mile of their facilities, and an additional 38 percent had neighbors between one-fourth and one-half mile.

**Table 8. Impact of livestock industry jobs.**

Will the new jobs that are created by expanding the livestock industry:

	Yes, Definitely	Yes, Probably	Maybe	No, Probably Not	No, Definitely Not
	percent				
help local communities retain their population base.....	19	34	31	14	2
provide economic diversification for the local economies.....	15	33	34	15	3
provide quality jobs for local people...	13	26	35	22	4

While the majority of livestock producers agreed that manure management is a major issue in the livestock industry (61 percent), only 8 percent agreed that “personal concerns about state and federal regulations prevents them from expanding their operations.” Only four percent agreed that “if they expanded their livestock operation, they would likely receive complaints from their neighbors” (Table 9).

**Table 9. Concerns about livestock expansion.**

Some producers feel that manure handling problems, such as groundwater protection, present barriers to expanding the livestock industry in the state. Others fear that nuisance suits and complaints from neighbors are barriers to expanding their livestock operation. Please provide your opinion on the following statements.

	<u>Agree</u>	<u>Not Sure</u>	<u>Disagree</u>
	----- percent -----		
Increasingly, manure management is a major issue in the livestock industry .....	61	26	13
Personal concerns about state and federal regulations prevent me from expanding my livestock operation .....	8	29	63
If I expand my livestock operation, I would likely receive complaints from my neighbors .....	4	26	70

## State land ownership laws

Since 1984, the project has monitored farmers’ opinions about changing state laws concerning farmland ownership (Table 10). Across the four surveys conducted since 1982, there has been little change in farmer opinion concerning these laws. This spring, 83 percent were either strongly or somewhat opposed to relaxing state laws limiting non-resident aliens (foreign investors) from owning farmland. Eighty-one percent were either strongly or somewhat opposed to relaxing state laws limiting non-farm corporations from owning farmland. Thirty-six percent support limiting absentee ownership of farmland by individuals, although 30 percent were uncertain, and 34 percent were opposed to this suggestion. Fifty-five percent of this year’s respondents supported requiring all farmland

owners to report the amount of land they own, while 21 percent were uncertain, and 24 percent were opposed to this idea. Sixty-four percent supported limiting the amount of farmland that speculators can own to 1,500 acres, although 18 percent were uncertain about this proposal, and 18 percent were opposed to it.

## Quality of life indicators

Every other year the poll has included five quality of life measures. Table 11 provides the responses for each of the surveys. This spring, 24 percent indicated that the quality of life for farm families in their communities had become either much or somewhat better over the past five years, 43 percent believed it had remained the same, and 33 percent indicated it had become worse. The proportion indicating an improved quality of life for farm families has declined 12 percentage points since 1990.

When asked to describe their own family’s quality of life over the past five years, one-third (33 percent) reported it had improved, 45 percent indicated it had remained the same, and 22 percent reported it had declined. This is an 8 percentage point decline in the proportion describing their families’ quality of life as improved over the past 5 years since 1990.

When asked about the next five years, 17 percent were projecting an improved quality of life for farm families, 49 percent expected no change, and 34 percent project a declining quality of life for farm families. Compared with 1990, this is a 7 percentage point decline in the proportion indicating an improved quality of life for farm families in the next five years.

For their own families, 28 percent of this year’s respondents were projecting an improved quality of life in the next five years, compared with 32 percent in 1990. Twenty-one percent indicated their family’s quality of life in the next five years will become worse compared to 15 percent in 1990.

When asked about the overall economic prospects of farming in the next five years, 19 percent indicated things would get better, 32 percent expected no change, and 49 percent pre-



**Table 10. Changes in farmers' opinions about state land ownership laws.**

Listed below are some state farmland policy issues. How do you feel about each of these proposals?

<u>Proposal</u>	<u>Strongly</u> <u>Support</u>	<u>Somewhat</u> <u>Support</u>	<u>Uncertain</u>	<u>Somewhat</u> <u>Oppose</u>	<u>Strongly</u> <u>Oppose</u>
	percent				
Relaxing current state laws limiting non-resident aliens (foreign investors) from owning farmland:					
Spring 1992.....	5	4	8	18	65
Spring 1988.....	6	4	8	15	67
Spring 1986.....	7	8	7	18	60
Fall 1984.....	7	4	6	15	68
Relaxing current state laws limiting non-farm corporations from owning farmland:					
Spring 1992.....	4	5	10	21	60
Spring 1988.....	6	5	8	19	62
Spring 1986.....	6	8	8	20	58
Fall 1984.....	6	5	6	19	64
Limiting absentee ownership of farmland by individuals:					
Spring 1992.....	18	18	30	20	14
Spring 1988.....	20	17	25	23	15
Spring 1986.....	19	21	21	22	17
Fall 1984.....	19	21	24	21	15
Requiring all farmland owners to report the amount of land they own:					
Spring 1992.....	32	23	21	11	13
Spring 1988.....	37	21	19	9	14
Limiting the amount of farmland that speculators can own to 1,500 acres:					
Spring 1992.....	44	20	18	8	10
Spring 1988.....	51	16	17	7	9

dicted conditions would get worse. This compares to 1990, when 24 percent indicated improved prospects for the next five years, 38 percent indicated no change, and 38 percent indicated worsening prospects. Since 1990, there has been an 11 percent point increase in the number of respondents indicating that the overall economic prospects for farmers will worsen over the next five years.

**Perceptions of farm financial conditions**

The decline in optimism about improved quality of life is reflected in farmers' perceptions of farm financial conditions (Table 12). This spring, 16 percent described the financial condition of farmers as a "very serious problem," and 41 percent indicated it was a "moderate problem."

Forty-five percent described the financial conditions of local agribusiness as either a moderate or very serious problem. About one-fifth (21 percent) described financial institutions in their communities as having either a moderate or serious financial problem.

Nine percent indicated they have a "very serious" financial problem on their farm, and 21 percent reported they have a "moderate problem." Twenty-eight percent indicated they have a slight problem, and 41 percent reported they do not have a financial problem. Across these four measures of perceptions of financial conditions, there is virtually no change since 1990, however, there is significant improvement since 1988.

**Table 11. Farmers' perceptions of quality of life for 1982 to 1992.**

	Become Much <u>Better</u>	Become Somewhat <u>Better</u>	Remained the <u>Same</u>	Become Somewhat <u>Worse</u>	Become Much <u>Worse</u>
	percent				
<i>During the past five years, has the quality of life of farm families in your community:</i>					
Spring 1992.....	2	22	43	27	6
Spring 1990.....	3	33	35	24	5
Spring 1988.....	2	22	28	35	13
Spring 1986.....	1	4	21	51	23
Spring 1984.....	4	20	34	34	8
Fall 1982.....	6	27	32	28	7
<i>During the past five years, has the quality of life of your family:</i>					
Spring 1992.....	4	29	45	18	4
Spring 1990.....	5	36	40	15	4
Spring 1988.....	6	28	39	19	8
Spring 1986.....	3	13	40	34	10
Spring 1984.....	6	26	38	23	7
Fall 1982.....	8	30	37	19	6
<i>In the next five years, will the quality of life of farm families in your community:</i>					
Spring 1992.....	1	16	49	29	5
Spring 1990.....	1	23	50	22	4
Spring 1988.....	2	32	45	17	4
Spring 1986.....	1	11	27	44	17
Spring 1984.....	1	18	41	33	7
Fall 1982.....	2	18	38	31	11
<i>In the next five years, will the quality of life of your family:</i>					
Spring 1992.....	2	26	51	18	3
Spring 1990.....	3	29	53	13	2
Spring 1988.....	4	36	47	11	2
Spring 1986.....	2	20	45	26	7
Spring 1984.....	3	25	49	19	4
Fall 1982.....	*	*	*	*	*
<i>In the next five years, will the overall economic prospects for Iowa farmers:</i>					
Spring 1992.....	1	18	32	40	9
Spring 1990.....	1	23	38	32	6
Spring 1988.....	3	37	33	21	6
Spring 1986.....	1	20	16	38	25
Spring 1984.....	1	20	27	41	11
Fall 1982.....	2	21	23	37	17

\* Data not available.

### Debt-asset ratio

Farm operators were asked to estimate the current market value of their farm assets and liabilities. The resulting ratio achieved by dividing the liabilities by the assets provides a useful indicator of financial conditions.

Multiplying the ratio by 100 then provides the dollars owed for each \$100 of assets. Thus, a debt-to-asset ratio of .30 means that for every \$100 of assets, the farmer owes \$30.

Table 13 shows the financial status of Iowa farmers by debt-to-asset ratios for 1988, 1990

**Table 12. Farmers' perceptions of farm financial conditions.**

How do you feel about the current financial condition of:

	<u>Not Sure</u>	<u>Not a Problem</u>	<u>Slight Problem</u>	<u>Moderate Problem</u>	<u>Very Serious Problem</u>
	percent				
farmers in your area:					
Spring 1992.....	6	7	30	41	16
Spring 1990.....	6	8	33	40	13
Spring 1988.....	5	3	12	50	30
Spring 1986.....	3	1	3	19	74
agribusiness firms in your area:					
Spring 1992.....	8	15	32	34	11
Spring 1990.....	7	15	35	34	9
Spring 1988.....	6	9	21	47	17
Spring 1986.....	6	2	7	37	48
financial institutions in your area:					
Spring 1992.....	8	41	30	17	4
Spring 1990.....	7	41	29	19	4
Spring 1988.....	8	28	30	28	6
Spring 1986.....	11	7	18	41	23
your own farm:					
Spring 1992.....	1	41	28	21	9
Spring 1990.....	1	44	26	21	8
Spring 1988.....	1	25	25	23	26
Spring 1986.....	1	17	19	22	41

\* In the 1986 and 1988 polls, the response categories were: "not sure, not concerned, slightly concerned, moderately concerned and very concerned."

**Table 13. Summary of debt-to-asset ratios among Iowa farmers.**

<u>Ratio</u>	<u>Year</u>	<u>Number of Farms Reporting</u>	<u>Percent of Farms Reporting</u>	<u>Total Amount of Assets (\$1,000)</u>	<u>Percent of Assets</u>	<u>Total Amount of Liabilities (\$1,000)</u>	<u>Percent of Liabilities</u>
Less than 11%	1992	205	16	\$ 93,134	17	\$ 5,313	3
	1990	204	17	94,949	19	5,303	3
	1988	370	27	120,957	25	4,762	3
11% - 40%	1992	564	43	241,399	46	59,220	32
	1990	521	42	225,474	45	54,840	31
	1988	494	35	184,772	38	46,352	26
41% - 70%	1992	348	27	153,833	29	80,963	44
	1990	327	27	138,836	27	74,059	42
	1988	303	22	125,220	25	67,580	38
71% or more	1992	182	14	41,275	8	38,722	21
	1990	178	14	44,824	9	42,007	24
	1988	219	16	57,261	12	57,680	33
TOTAL	1992	1,299	100	\$529,641	100	\$184,218	100

and 1992. Sixteen percent of this year's respondents had debt-to-asset ratios less than 11 and are considered to be in strong financial condition. Farmers in this category owned 17 percent of the farm assets and only about 3 percent of the debt. Farmers with debt-to-asset ratios between 11 and 40 percent represent 43 percent of all farmers and are considered to be in moderate to strong financial condition. Farmers in this category owned 46 percent of the assets and 32 percent of the debt.

Twenty-seven percent of the farm operators had debt-to-asset ratios between 41 and 70 percent. Operators in this category are likely to experience moderate financial stress which is reflected in their relatively high debt load. While farmers in this category owned 29 percent of the assets, they owe 44 percent of the debt. Farmers with debt to asset ratios greater than 70 percent are experiencing the greatest financial stress; this group makes up 14 percent of the respondents, yet owns 8 percent of the assets and 21 percent of the debt.

Comparing these data with results from the 1990 survey, there is considerable stability. Debt loads have remained fairly constant and proportionate across the four categories between 1990 and 1992.

### **Debt and financial concerns**

Twenty percent of the respondents indicated their farm debt had been restructured because of financial distress since 1985. In terms of operating capital at the time the survey was conducted, 35 percent had made credit

arrangements for this crop year, 21 percent reported that while credit had not been arranged they expected no problems in getting credit, and 39 percent reported they do not borrow money for operating capital. Six percent reported potential financial problems for operating capital this spring, 4 percent indicated credit had not been arranged and they expected some problems, one percent reported they had not been able to borrow for operating capital but thought they would get by, and one percent had not been able to get credit and thought they might have to quit farming.

When asked what would most likely occur in their farming operation in 1992, 90 percent indicated they would operate their farm pretty much as they have in the past 3 years, 9 percent indicated they would operate with limited credit, and less than one percent expected to be foreclosed upon or file for bankruptcy this year.

### **Farm characteristics**

In 1991, 16 percent of the farms had gross farm sales less than \$20,000, 21 percent had gross farm sales between \$20,001 and \$50,000, and 22 percent had sales between \$50,001 and \$100,000. Twenty-nine percent had sales between \$100,000 and \$250,000, and 11 percent had gross sales greater than \$250,000.

In terms of total family income (defined as income from all sources before taxes), 21 percent had incomes of less than \$20,000, 30 percent had incomes between \$20,001 and \$34,999, 21 percent had incomes between \$35,000 and \$49,999, and 27 percent had incomes greater than \$50,000.

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**B** File: CRD 7, Rural Development  
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