

1993 Summary Report

Introduction

The purpose of the Iowa Farm and Rural Life Poll is to annually survey Iowa producers on major agricultural and rural issues, and to provide their input to public discourse. Started in 1982, the project seeks farmers' opinions on a wide set of issues that affect farming and farm life. The project is jointly funded by the Iowa State University Agriculture and Home Economics Experiment Station and Iowa State University Extension, with the cooperation of the Iowa Department of Agriculture and Land Stewardship-Agricultural Statistics Service. We wish to acknowledge the continuing participation of Iowa producers who respond to the polls; without their involvement this project would not be possible.

Who Participated

Mail questionnaires were sent to a statewide random sample of 3,543 producers in late February and the data collection continued through April. Usable questionnaires were received from 2,390 producers, yielding a response rate of 67 percent.

Highlights from the 1993 Poll

Issues Impacting the Future of Agriculture

Respondents were asked to indicate the importance of seven issues on the future of Iowa agriculture (Table 1). More than 50 percent of the respondents indicated that loss of competitive markets, the declining viability of rural communities and declining

	Not Important		Moderately Important percent		Very Important	Mean
loss of competitive markets	1	1	8	26	64	4.5
the declining viability of rural communities	1	2	12	24	61	4.4
declining number of farms in the state	2	3	17	21	57	4.3
market concentration of large scale agribusiness	2	3	21	31	43	4.1
vertical integration (contracting) that links farming with processors	2	3	24	34	37	4.0
the influence of international corporations	3	8	27	28	34	3.8
changing food habits and preferences of consumers	2	5	31	33	29	3.8

numbers of farms in the state would have a very important impact on the future of agriculture. Market concentration of large scale agribusiness, vertical integration, the influence of international corporations, and the changing food habits and preferences of consumers were judged as being very important by about one-third of the respondents. All seven items were judged as having moderate to very important impacts on the future of agriculture. Only a small proportion of the sample indicated these issues were not important.

Issues Affecting Farm Income

When asked their opinions on factors affecting farm income, 56 percent indicated that unfair trade practices of other countries has a lot of influence (Table 2). Inadequate markets and too cozy relationships between agribusiness and government officials were judged as having a lot of influence by about one-half of the respondents. Forty-five percent identified the lack of competition among agricultural buyers, and overproduction as major influences on farm profits. Market concentration of food processors, too heavy reliance upon purchased inputs, and lack of competition

among agricultural suppliers were viewed as having a lot of influence on farm profits by about one-third of the respondents. Lack of farm management skills and opportunities for off-farm work were judged as having a lot of influence of farm prices by less than one-fifth of the producers.

Trade Policy

About one-fifth of the respondents indicated they had read or heard a great deal about the GATT and NAFTA trade agreements, and over 40 percent reported they had read some about them (Table 3a). About one-fourth indicated they read or heard only a little about these proposals. When asked to indicate their level of support for these trade proposals, nearly identical patterns of support were found (Table 3b). Forty-three percent either somewhat or strongly support GATT compared with 42 percent supporting NAFTA. More than four of out ten respondents were not sure about either trade proposal. Eleven percent oppose GATT compared with 13 percent that oppose NAFTA.

Marketing Activities and Issues

Effective marketing strategies are important

Table 2. Factors affecting farm income.

	LEVEL OF INFLUENCE ON FARM INCOME			
	None	A Little	Some	A Lot
	percent			
unfair trade practices of other countries	1	9	34	56
inadequate markets	2	10	36	52
too cozy relationship between agribusiness and government officials	4	16	31	49
lack of competition among agricultural buyers.....	2	12	41	45
overproduction	3	14	38	45
market concentration of food processors.....	1	12	48	39
too heavy reliance upon purchased inputs such as fuel, fertilizer, etc.....	3	17	43	37
lack of competition among agricultural suppliers.....	3	17	45	35
lack of farm management skills	8	35	39	18
lack of opportunities for off-farm work.....	12	30	42	16

Table 3a. Knowledge about trade policies.

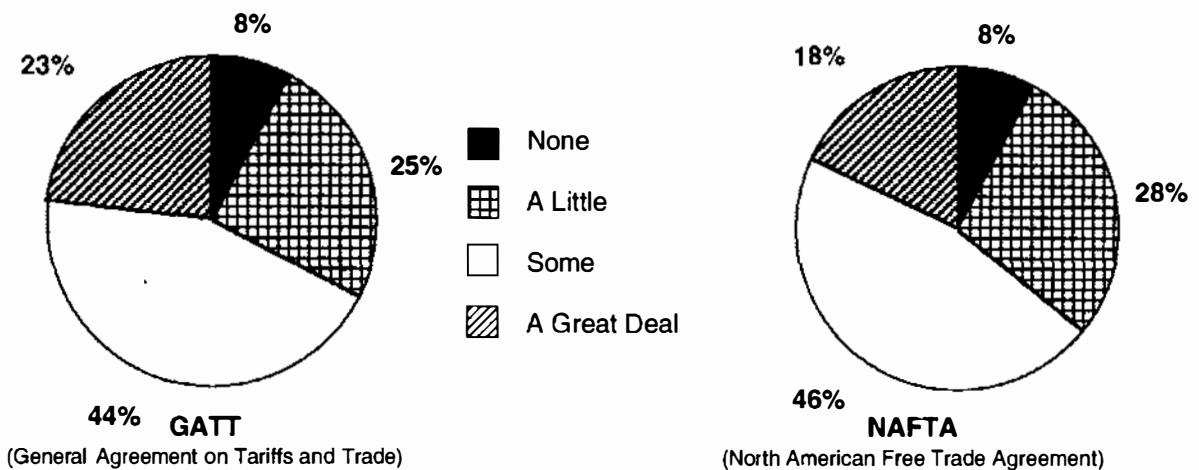
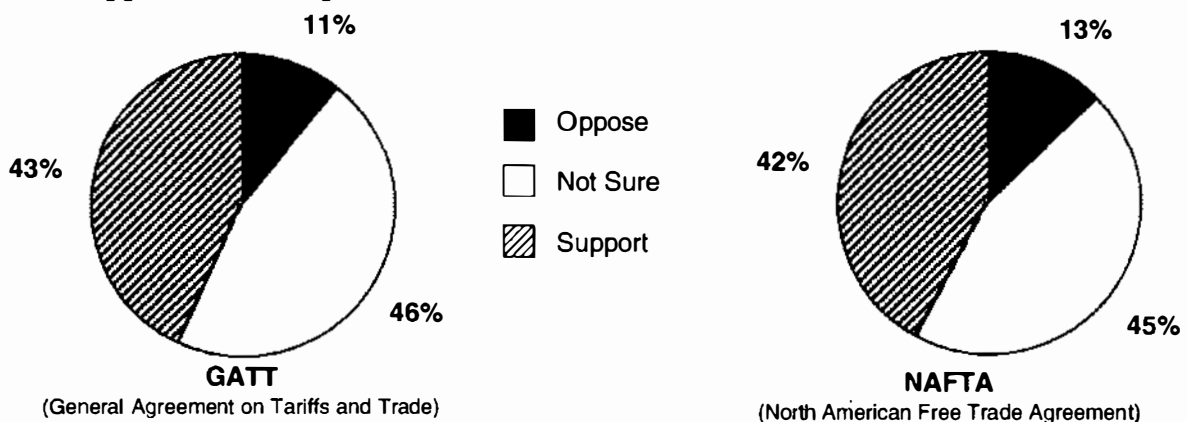


Table 3b. Support for trade policies.



to farm profitability. To better identify marketing problems, respondents were asked about their current marketing practices and needs. In several cases, the same questions were asked on the 1988 Iowa Farm and Rural

Life Poll and are presented in the tables for comparison. Table 4 examines marketing behavior. Nearly two-thirds report checking the cash market at least once per day, and an additional 29 percent do so on a weekly basis.

Table 4. Farmers' use of market information (1988/1993 comparison).

How frequently do you:		At Least Once Per Day	Weekly	Once or Twice a Month	Never
		percent			
check the cash market	1993.....	62	29	6	3
	1988.....	70	21	6	3
follow the futures market	1993.....	43	33	15	9
	1988.....	45	30	15	10
follow the general market trend	1993.....	30	47	15	8
	1988.....	37	42	14	7
chart the daily market	1993.....	15	15	12	58
	1988.....	17	12	10	61
try to forecast the market	1993.....	11	30	25	34
	1988.....	14	27	24	35

Checking the futures market at least once a day is done by 43 percent, and weekly checks are made by one-third. In the five year period (1988-1993) there has not been major changes in farmers' marketing behaviors.

It appears that farmers are making more use of marketing alternatives in 1993 than in 1988 (Table 5). In the latest survey, 53 percent indicated they had used forward cash contracts at least once, compared with 46 percent in 1988. Forty-four percent used price later contracts in 1993, compared with only 28 percent in 1988. Using agricultural commodity options was reported by 26

percent of the respondents in 1993, compared to 19 percent in 1988. Twenty-four percent reported using the future market hedge at least once in 1993, compared with 18 percent in 1988, and use of minimum price contracts has increased from only 8 percent in 1988 to 18 percent in 1993.

Table 6 presents farmers' assessments of the seriousness of marketing problems they encounter. Conflicting market information was identified as a major problem for 20 percent of the respondents, compared with 19 percent in the 1988 survey. Twelve percent indicated that lack of understanding about

Table 5. Use of marketing tools by Iowa farmers (1988/1993 comparison).

	1993				1988	
	Never	Once or Twice	3-5 Times	More than 5 Times	Yes	No
	percent				percent	
forward cash contract.....	47	21	16	16	46	53
price later contract.....	56	20	14	10	28	72
agricultural commodity options	74	14	7	5	19	81
futures market for hedging.....	76	11	7	6	18	82
minimum price contract.....	82	12	4	2	8	92

Table 6. Marketing problems encountered by Iowa farmers (1988/1993 comparison).

		Not a Problem	Minor Problem	Moderate Problem	Major Problem
		percent			
conflicting market information	1993	16	29	35	20
	1988	19	30	32	19
lack adequate understanding about marketing alternatives	1993	19	33	36	12
	1988	22	29	32	17
not taking enough time to watch the markets	1993	26	34	31	9
	1988	26	33	30	11
not enough <u>timely</u> information on market prices and trends	1993	28	35	29	8
	1988	33	32	26	9
not enough <u>accurate</u> information on market prices and trends	1993	29	34	29	8
	1988	35	31	25	9
knowing your cost of production	1993	41	34	19	6
	1988	NA	NA	NA	NA
lack of objective, third party reporting of current prices	1993	32	36	25	7
	1988	NA	NA	NA	NA

marketing alternatives was a major problem, and this is down from 17 percent in the 1988 study. Not taking enough time to watch the markets, accurate and timely market information were seen by less than 10 percent as major marketing problems. Knowing your cost of production and lack of objective, lack of objective third party reporting of prices were viewed as either not a problem or only a minor problem by the respondents.

When asked about their level of need for marketing educational programs, there was little shift in opinions between 1988 and 1993 (Table 7). Based upon the data presented in the table, there appears to be continued need for broad based programs that discuss marketing alternatives and demonstrates their effectiveness. About 40 percent judged each of the 10 marketing topics as high priority, indicated by a score of four or five.

Community Issues

Farmers are quite divided in their opinions about the directions of their communities (Table 8a). Forty percent thought things were

Table 8a. Perceptions about community.

Do you think that things in your community are generally going in the right direction today, or do you feel that things have pretty seriously gotten off on the wrong track?

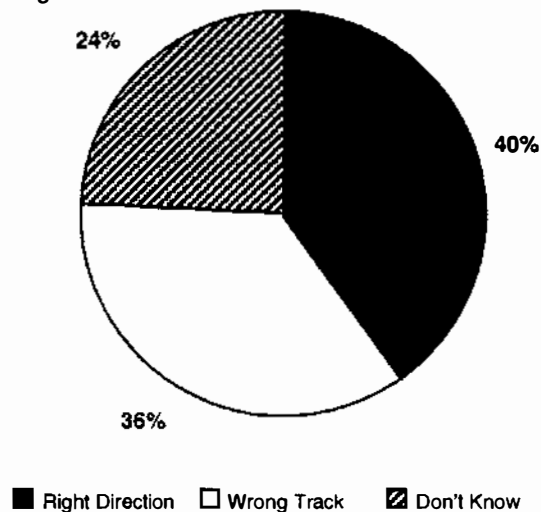


Table 7. Farmers' assessments of marketing education (1988/1993 comparison).

		Low 1	2	3	4	High 5
		percent				
how to keep up-to-date on market conditions and prospects	1993.....	15	15	29	25	16
	1988.....	15	14	26	26	19
how to combine options markets and futures for price protection	1993.....	17	13	25	23	22
	1988.....	21	12	24	22	21
making the marketing decision: how to develop discipline to make sales	1993.....	13	13	28	29	17
	1988.....	16	14	28	26	16
basis patterns and how to use them	1993.....	18	14	29	22	17
	1988.....	20	14	28	22	16
developing a marketing strategy based on production costs and financial risk-bearing ability	1993.....	14	16	30	25	15
	1988.....	19	15	28	23	15
use of options markets for price insurance	1993.....	22	14	24	21	19
	1988.....	27	14	25	17	17
use of futures markets for hedging	1993.....	24	17	25	19	15
	1988.....	29	16	24	17	14
delayed pricing and forward pricing contracts	1993.....	21	18	29	20	12
	1988.....	25	16	28	19	12
technical analysis: charting, chart buy and sell signals, moving averages, chart formations	1993.....	22	16	26	21	15
	1988.....	28	17	26	17	12

going in the right direction, 36 percent felt things were going on the wrong track, and 24 percent were not sure.

Respondents were asked to evaluate their home towns on a set of 16 dimensions (Table 8b). Ninety-three percent indicated their community was a good to excellent place to raise children, and 86 percent judged their public schools as good to excellent. Other dimensions that were rated as good to excellent by over 80 percent of the respondents included: friendliness of people, free from pollution, overall quality of life, and privacy from neighbors. However, respondents indicated some problems exist. Forty percent identified job opportunities as poor in their communities; 25 percent felt public transportation was poor; recreational facilities were viewed as poor by 16 percent; the responsiveness of elected officials was judged as poor by 11 percent; and 10 percent indicated that health care services were poor.

These findings suggest that while respondents feel their communities have many strong attributes, there is need to address some important issues. For example, only 22 percent felt that job opportunities in their communities were good or excellent, and 74 percent judged them as poor or fair.

Economic Development Directions

Based upon some of the issues identified earlier, it is not surprising that the majority of respondents are supportive of economic development. The survey included a list of 16 economic development ideas. The ideas are rank ordered by level of support from highest to lowest in Table 9. Placing more emphasis on agricultural exports, and emphasizing more local processing of grains and livestock were supported by over 90 percent of the respondents. Improving and maintaining rural infrastructure, retention and expansion of existing industries, emphasizing more

Table 8b. Evaluation of community.

How does your home town rate in terms of the following:

	Poor	Fair	Good	Excellent	Don't Know	Not Available
	percent					
a place to raise children.....	1	6	42	51	0	0
public schools	2	8	47	39	1	3
friendliness of people.....	2	13	51	34	0	0
free from pollution	2	14	48	34	2	0
overall quality of life	1	10	59	30	0	0
privacy from neighbors	3	15	55	26	1	0
health care services.....	10	24	42	20	0	4
personal values	3	20	56	19	2	0
police protection.....	7	23	47	18	2	3
community or civic spirit	5	26	50	18	1	0
recreational facilities	16	30	37	15	0	2
local leaders	8	31	49	11	1	0
condition of streets and roads	8	30	52	10	0	0
responsiveness of elected officials	11	34	43	9	3	0
public transportation	25	17	22	8	3	25
job opportunities	40	34	17	5	1	2

manufacturing jobs in nonagricultural industries, and funding more biotechnology research for new products and for use of existing agricultural products were supported by 80 percent or more of the respondents. Create and maintain a world class educational system encouraging Iowa universities and colleges to focus on economic development, focus on main street business development, provide investment capital to small business and entrepreneurs, emphasize

tourism in the state, and diversify agricultural production to include specialty crops received support from at least 70 percent of the respondents.

Economic development directions that received the greatest opposition were promoting gambling opportunities for tourism (66 percent opposed), and identifying and promoting a select number of growth cities in the state (43 percent opposed).

Table 9. Economic development directions.

	Strongly Disagree	Somewhat Disagree	Not Sure	Somewhat Agree	Strongly Agree
	percent				
place more emphasis on agricultural exports	1	2	6	35	56
emphasize more local processing of grains and livestock	1	2	7	36	54
focus on improving and maintaining rural infrastructure, such as roads, schools, housing, etc.	1	3	8	49	39
focus on retention and expansion of existing industries.....	1	3	10	49	37
emphasize more manufacturing jobs in non-agricultural industries.....	1	4	13	48	34
fund more biotechnology research for new products and for use of existing agricultural produce	2	4	14	40	40
create and maintain a world class educational system	4	6	15	36	39
encourage Iowa universities and colleges to focus on economic development.....	2	4	19	51	24
focus on mainstreet business development.....	2	6	19	51	22
provide investment capital to small business and entrepreneurs	3	7	18	47	25
emphasize tourism in the state.....	3	8	17	54	18
diversify agricultural production to include specialty crops	1	6	22	49	22
attract biotechnology industries	2	4	26	44	24
provide tax incentives to companies to locate in the state	8	16	23	36	17
identify and promote a select number of growth cities in the state	17	25	36	18	4
promote gambling opportunities for tourism	43	23	17	12	5

Threats to Rural America¹

Respondents were asked to indicate the degree to which 14 frequently cited issues pose a threat to rural America (Table 10). Seventy-six percent indicated that the loss of family farms severely threatens the future of rural America. Two-thirds indicated that closing of small business presents a severe threat. Increased use of illegal drugs and lack of jobs were judged as presenting severe threats by about 60 percent of the respondents. Changes in traditional values, decline in the American work ethic, and changes in traditional family structure were identified as severe threats by about one-half of the respondents. Over 40 percent rated increase in crime, alcohol abuse, and migration into cities as posing a severe threat to rural America. Less than one-third felt that school consolidation, depletion of natural resources, inadequate work force for today's employers, and declines in the quality of the environment severely threatens the future of rural America.

Opportunities to Achieve the American Dream¹

When asked who has the best opportunities

to achieve the American dream, respondents were quite diverse in their opinions (Table 11). One-fourth felt that people who live in big cities had fewer opportunities to achieve the American dream, 39 percent felt people in big cities had the same opportunities, and 27

Table 11. Who has opportunities to achieve American dream?

	Fewer	Same	More	Don't Know
	percent			
people who live in big cities.....	25	39	27	9
middle class people	22	60	15	3
people who live in small towns and rural areas.....	40	41	17	2
blue collar workers.	31	52	12	5
younger people	33	44	20	3
farm youth.....	40	41	17	2
farm families	42	42	14	2
men.....	10	70	16	4
women.....	21	62	12	5

Table 10. Threats to rural America.

	Doesn't Threaten	Somewhat Threatens	Severely Threatens	Don't Know
	percent			
loss of family farms	2	21	76	1
closing of small businesses	2	30	67	1
increased use of illegal drugs.....	6	30	61	3
lack of jobs	3	36	60	1
changes in traditional values	3	37	56	4
decline in the American work ethic	5	37	55	3
changes in traditional family structure	5	41	52	2
increase in crime.....	11	40	47	2
alcohol abuse.....	11	40	45	4
migration into cities	9	45	43	3
school consolidation	22	44	30	4
depletion of natural resources	29	45	22	4
inadequate work force for today's employers	41	36	16	7
decline in the quality of the environment	36	46	14	4

percent felt they had more opportunities. Middle class people were judged to have fewer opportunities by 22 percent of the respondents, the same opportunities by 60 percent, and more opportunities by 15 percent. People who live in small towns and rural areas were judged as having fewer opportunities by 40 percent of the respondents compared with 41 percent who felt they had the same opportunities, and 17 percent felt people in small towns had fewer opportunities. Blue collar workers were judged as having fewer opportunities by 31 percent of the respondents, but 52 percent felt they had the same opportunities, and 12 percent thought these persons had more opportunities to achieve the American dream. One-third felt that younger people had fewer opportunities, 44 percent the same opportunities, and 20 percent felt they had more of a chance to achieve the American dream. Forty percent thought that farm youth had fewer opportunities, while 41 percent thought their chances were the same, and 17 percent felt they had more opportunities.

Forty-two percent felt that farm families had fewer opportunities to achieve the American

dream, 42 percent felt that farm families had the same opportunities, and 14 percent felt they had more opportunities to achieve the American dream. Perceived gender differences were relatively small with 70 percent of the respondents indicating that men have the same opportunities, and 62 percent indicating that women have the same opportunities to achieve the American dream. Taken as a whole, those perceived as most unlikely to achieve the American dream include people who live in small towns and rural areas, farm families, farm youth, and younger people.

Ethics and Society

In response to many comments about perceived changes in ethical behavior, several questions were included in the poll to assess farmers' opinions about whether ethical standards have changed. Eighty-eight percent agreed that, in general, ethical standards in society have declined (Table 12a). Ninety-three percent agreed with the statement, "at one time a person's word was as good as a signed contract; now you must first get it in writing." Eighty-nine percent agreed that now-a-days you can't always accept what a person tells you. When asked

Table 12a. Opinions about ethics.

	Strongly Disagree	Somewhat Disagree	Not Sure percent	Somewhat Agree	Strongly Agree
the general, ethical standards in society have declined	2	4	6	44	44
at one time a person's word was as good as a signed contract; now you must first get it in writing	1	4	2	37	56
I used to take a person's word as a measure of his/her honor, but now-a-days you can't always simply accept what a person tells you	1	7	4	47	41
even among friends and neighbors, I am concerned that they no longer feel obliged to honor their word	9	27	10	39	15
often people admit they are not being ethical in paying the full amount of their taxes	5	16	30	37	12
one reason ethical standards have declined is that people have lost respect for authority	3	8	11	45	33
farmer's ethical standards have declined	9	22	17	42	10

about their neighbors, 54 percent agreed with the statement, "even among my friends and neighbors, I am concerned that they no longer feel obliged to honor their word," whereas 36 percent disagreed with the statement and 10 percent were not sure. Forty-nine percent agreed that often people admit they are not being ethical in paying the full amount of their taxes, although 30 percent were not sure and 21 percent disagreed. There was strong agreement (78 percent) that one reason ethical standards have declined is that people have lost respect for authority. Fifty-two percent agreed that farmers' ethical standards have declined, although 31 percent disagreed and 17 percent were not certain.

When asked how ethical standards have changed over the past 10 years among selected groups, the greatest decline was noted among elected officials and youth and young adults (Table 12b). Seventy-eight percent believe that ethical standards among elected officials has declined in the past 10 years, compared with only 3 percent who indicated ethics among officials has improved. Two-thirds (66 percent) indicated that ethical standards among youth and young adults has declined in the past 10 years, with about one-third (29 percent) reporting they had remained the same, and only five percent reporting an improvement. Forty-nine percent believe that ethical standards among lenders has declined in the

past 10 years, although 39 percent felt they had remained the same, and 12 percent indicated ethics had improved among lenders. Other reported declines in ethical standards were equally troubling among local merchants (-39 percent), farmers (-41 percent), cooperatives (-35 percent), local agribusiness (-30 percent), elevator managers (-28 percent), and neighbors (-26 percent).

Health of the Planet²

Respondents were asked to indicate how serious 17 issues are in affecting the world (Table 13). The 17 issues are ranked by the proportion indicating they pose a very serious problem. AIDS and other sexually transmitted diseases were judged as posing a very serious problem to the world by 76 percent of the respondents. The lack of respect for authority (57 percent), and the breakdown in family structures (56 percent) were judged as very serious threats to the world. More than four out of ten rated pollution of rivers, lakes and oceans, concentration of economic power and wealth, and the loss of rain forests and jungles as very serious to the world. About one-third judged soil erosion, polluted land and loss of farmland, air pollution and smog, too many people, and racism and bigotry as serious problems confronting the world. Among the 17 items, global warming was viewed as not serious at all by 18 percent of the

Table 12b. Changing ethics.

	Greatly Declined	Somewhat Declined	Remained the Same percent	Somewhat Improved	Greatly Improved
elected officials	36	42	19	3	0
youth and young adults.....	14	52	29	5	0
lenders.....	13	36	39	11	1
farmers.....	4	37	52	6	1
local merchants.....	5	33	55	6	1
cooperatives.....	6	29	54	10	1
agribusiness in your community	3	27	60	9	1
elevator managers.....	5	23	60	11	1
neighbors	3	23	66	7	1

Table 13. Health of the planet.

Listed below are several issues that many people believe are affecting the world as a whole. Please indicate how serious a problem you personally believe each to be in the world.

	Not Serious At All	Not Very Serious	Somewhat Serious percent	Very Serious	Don't Know
AIDS and other sexually transmitted diseases	2	4	15	76	3
lack of respect for authority	1	5	35	57	2
breakdown in family structures	1	6	34	56	2
pollution of rivers, lakes and oceans.....	1	10	43	45	1
concentration of economic power and wealth..	2	11	37	45	5
loss of rain forests and jungles	5	16	33	42	4
soil erosion, polluted land, and loss of farmland	2	14	49	34	1
air pollution and smog.....	3	14	51	31	1
too many people; overcrowding.....	6	21	40	30	3
racism and bigotry	3	17	48	29	3
loss of the ozone in the earth's atmosphere	14	24	31	22	9
natural disasters (floods, hurricanes, droughts)	7	25	44	22	2
realignment of world power	5	19	46	21	9
lack sense of local community	2	19	55	20	4
loss of animal and plant species.....	8	33	39	18	2
global warming or the "greenhouse" effect	18	29	30	15	8
lack of equal opportunities for women	9	35	40	13	3

respondents. Loss of ozone in the earth's atmosphere was perceived as not a serious problem by 14 percent of the respondents.

Soil Quality

When asked about how soil quality is changing, it is noted that the closer to home the less likely respondents perceive soil quality as declining (Table 14a). Fifty-eight percent of the respondents indicated that worldwide soil quality is declining, compared with 31 percent nationally, 21 percent in Iowa, 17 percent in their county, and only 9 percent on their own farm. Conversely, only eight percent viewed soil quality as improving worldwide, compared with 28 percent nationally, 44 percent in Iowa, 48 percent in their county, and 56 percent on their farm.

When asked to indicate what characteristics

they use to judge soil quality, 67 percent indicated that moisture holding capacity was very important, and 31 percent indicated this was moderately important (Table 14b). Fifty-nine percent indicated that compaction and results of soil tests were very important

Table 14a. Soil quality.

Increasingly, it is recognized that we should be concerned about our soil, including soil erosion and the overall health of the soil. The health of the soil refers to soil quality and its ability to be productive and support life. How is soil quality changing? In general, would you say that soil quality:

	Is Declining	Remaining the Same percent	Is Improving
worldwide.....	58	34	8
in the U.S.....	31	41	28
in Iowa.....	21	35	44
in your county	17	35	48
on your farm	9	35	56

characteristics in judging soil quality. About one-half indicated that the texture of the soil, presence of earthworms, and visible organic matter were very important traits in soil quality. Other dimensions that were less

important to respondents in making judgments about soil quality were the number of weed species present (39 percent), crusting (33 percent), color of the soil (25 percent), and smell of the soil (20 percent).

Table 14b. Soil quality.

When you judge the quality of soil, how important are the following characteristics:

	Not At All Important	Not Very Important	Moderately Important	Very Important
	percent			
moisture holding capacity	0	2	31	67
compaction	1	4	36	59
results of soil test	0	4	37	59
texture of the soil	1	2	44	53
presence of earthworms	1	6	43	50
visible organic matter	0	5	48	47
amount of species of weeds	3	14	44	39
crusting	1	15	51	33
color of the soil.....	4	20	51	25
smell of the soil	6	30	44	20

¹ These questions were adapted from *Public Attitudes Toward Rural America and Rural Electric Cooperatives, A Study for National Rural Electric Cooperative Associations* conducted by The Roper Organization Inc., 1992.

² These questions are from *The Health of the Planet Survey, A George H. Gallup Memorial Survey* conducted by Riley E. Dunlap, George Gallup Jr. and Alec Gallup, 1992.

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B File: CRD, Rural Development, Public Affairs, 1 Ag Policy

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