



# 2003 Summary Report

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## Introduction

Major changes are occurring in the national and world economy that have important impacts on the lives of farmers and rural communities. This most recent Iowa Farm and Rural Life Poll provides insight into farmers' perceptions of the quality of their communities and the types of development they prefer to boost their local economies. These concerns are reflected in their opinions on state spending for various facilities and services. Also reported are their perceptions of their own families' economic situation and their opinions on biotechnology, and specifically, genetically modified organisms.

Created in 1982 as a partnership of Iowa State University Extension, the Iowa Agriculture and Home Economics Experiment Station, and the Iowa Department of Agriculture and Land Stewardship, the poll helps target Extension and research programs to the needs of farm families. Data on issues of importance to farmers are collected to provide input to local, state, and national leaders in their decision-making. We thank the many farm families who responded to the survey.

## Methods

Questionnaires were mailed to a statewide random sample of 2,268 farm operators followed by reminder postcards and replacement questionnaires to maximize the response rate. Useable responses were received from 1,747

operators for a response rate of 77 percent. This report summarizes the major findings of this year's poll. Additional copies of this report or any previous year can be obtained from your local county Extension office, by contacting the Extension Distribution Center at Iowa State University, or by contacting the authors.

## Highlights from the 2003 Poll

### Community Well-Being

#### Ratings of Community Services

Respondents were asked to rate their local communities on 23 dimensions that reflect adequacy of services and quality of life. Fourteen items were included in previous polls, thus allowing examination of changes over time. Table 1.1 indicates that most farmers have a high degree of satisfaction with local fire protection, the public library, and public schools. About 90 percent rated each of these services good or excellent. Quality of housing, health care and medical facilities, and police protection also were rated highly by a large majority of farmers. Health care and medical facilities showed an 18 percent increase in good or excellent ratings since 1993. Conditions of streets and roads, shopping facilities, and variety of recreation and entertainment were rated good or excellent by one-half or more of responding farmers, and all were rated about the same as in previous polls. Less than one-third of farmers rated job opportunities good or excellent. Even so, this was a 9 percent

**Table 1.1. Iowa Farmers' Ratings of Services In Their Communities**

		<u>Good/Excellent</u>
	--Year--	--Percent--
Fire protection	Spring 2003	92
	Spring 1983	89
The public library	Spring 2003	90
	Spring 1983	78
Public schools	Spring 2003	88
	Spring 1993	86
Quality of housing	Spring 2003	81
	Spring 2001	73
Health care and medical facilities	Spring 2003	80
	Spring 1993	62
Police protection	Spring 2003	74
	Spring 1993	65
Condition of streets and roads	Spring 2003	62
	Spring 1993	62
Shopping facilities	Spring 2003	55
	Spring 2001	52
Variety of recreation and entertainment	Spring 2003	52
	Spring 1993	51
Job opportunities	Spring 2003	31
	Spring 1993	22

increase over good or excellent ratings in 1993. In addition to those services already mentioned, there were substantial increases in the good or excellent ratings of the public library, quality of housing, and police protection.

Services included in a farm poll for the first time (Table 1.2) generally were rated well with four-fifths or more farmers rating water quality, condition of parks, and garbage collection good or excellent. Programs for youth, however, need improvement in the minds of many farmers. Only 41 percent rated local programs for youth good or excellent.

**Table 1.2. Iowa Farmers' Ratings of Their Communities**

	<u>Good/Excellent</u>
	--Percent--
Water quality	85
Condition of parks	83
Garbage collection	80
Local sources of news	74
Internet access	73
Overall quality of government services	71
Child care services	69
Senior citizens programs	68
Programs for youth	41

## Community Quality of Life

The percentage of farmers who gave high ratings to community civic spirit and acceptance of newcomers increased over time (Table 1.3). There was a small change in farm operators' perceptions of overall quality of life. In 2003, 87 percent rated the overall quality of life in their community good or excellent compared to 90 percent in 1993. The only item with a substantial decrease in rating over time was friendliness of your community. In 1993, 85 percent rated community friendliness as good or excellent compared to 78 percent in 2003.

## Sense of Community

Respondents were asked how strongly they agreed or disagreed with a series of statements on having a local sense of community. Friendship, kinship, and mutual help of neighbors are important qualities of communities, as indicated

**Table 1.3. Iowa Farmers' Ratings of Quality of Life in Their Communities**

	<u>Good/Excellent</u>	
	<u>-Year-</u>	<u>-Percent-</u>
Overall quality of life	Spring 2003	87
	Spring 1993	90
Friendliness of your community	Spring 2003	78
	Spring 1993	85
Community civic spirit	Spring 2003	74
	Spring 1993	68
Acceptance of newcomers	Spring 2003	67
	Spring 2001	61

by the 75 percent or higher agreement with these statements in Table 2. A large majority of the respondents also believed that their community is a safe place for them to live (79 percent)

**Table 2. Iowa Farmers' Sense of Community**

	<u>Agree or Strongly Agree</u>	<u>Undecided</u>	<u>Disagree or Strongly Disagree</u>
		<u>-Percent-</u>	
My neighbors can always count on me when they need help	89	8	3
I can always count on my neighbors when I need help	80	11	9
I can think of no other place to live where I would feel safer	79	13	8
Family ties and friendships make this community special to me	75	14	12
People in this community enjoy each others' friendship	75	18	7
I don't worry too much about theft because my neighbors keep a watchful eye on my property	57	24	19
I feel I need to keep the doors locked when no one is at home	52	9	39
Compared to other communities, my neighbors have more trust in each other	43	41	16
Our neighborhood is closely knit	39	29	32
I don't have time to visit with my neighbors	32	13	55
This community is not a safe place to raise kids	4	6	91

and raise kids (91 percent). Over one-half agreed that they do not worry about theft because their neighbors help watch their property, and only 52 percent agreed that they need to keep the doors locked when no one is at home.

On “neighboring,” almost as many respondents disagreed as agreed (about one-third) that their neighborhood is closely knit and about one-half seem to have sufficient time to visit with their neighbors. Less than one-half (43 percent) of respondents agreed that in their community neighbors have more trust in each other with an almost equal percentage being ambivalent about their community’s status on that quality.

### **Directions of State Economic Development**

Farm operators were asked to indicate their support for 20 different options for economic development in the state (Table 3). All but one option had been included in at least one previous poll. It is interesting that for many of the most popular options support either remained stable or declined across time. It may be that the continuing poor economic conditions in rural Iowa have made farmers more skeptical about the efficacy of economic development in general.

Despite the decreases, 13 strategies still received support from two-thirds or more of the respondents. More than three-fourths or more of respondents supported emphasizing more local processing of grains and livestock, retaining and expanding existing businesses, improving and maintaining rural infrastructure, more agricultural exports, more manufacturing jobs in nonagricultural industries, funding more biotechnology research, and diversify agricultural production with specialty crops.

Although economic development strategies emphasizing agriculture continued to be supported by most farmers, the percentage of farmers supporting agriculturally based economic development declined somewhat and nonagricultural economic development strategies gained support.

Other options with fairly strong support included encouraging universities and colleges to focus on economic development, main street business development, providing venture capital to new home-grown businesses, providing incentives and rewards for employers who hire Iowa graduates, raising wages, attracting biotechnology industries, and tourism.

Only about one-half of the responding farmers supported tax incentives for companies moving into the state, providing modern telecommunication technologies to every town, increasing sales tax to provide property tax relief, and consolidating county government (although the latter was another option for which there was increasing support). Only 18 percent of respondents supported an increase in gambling opportunities, but 35 percent supported increasing the state’s population to match neighboring states’ growth rates. Both of these reflect an increase in support from the previous poll.

### **Desirability of Selected Industries for Development**

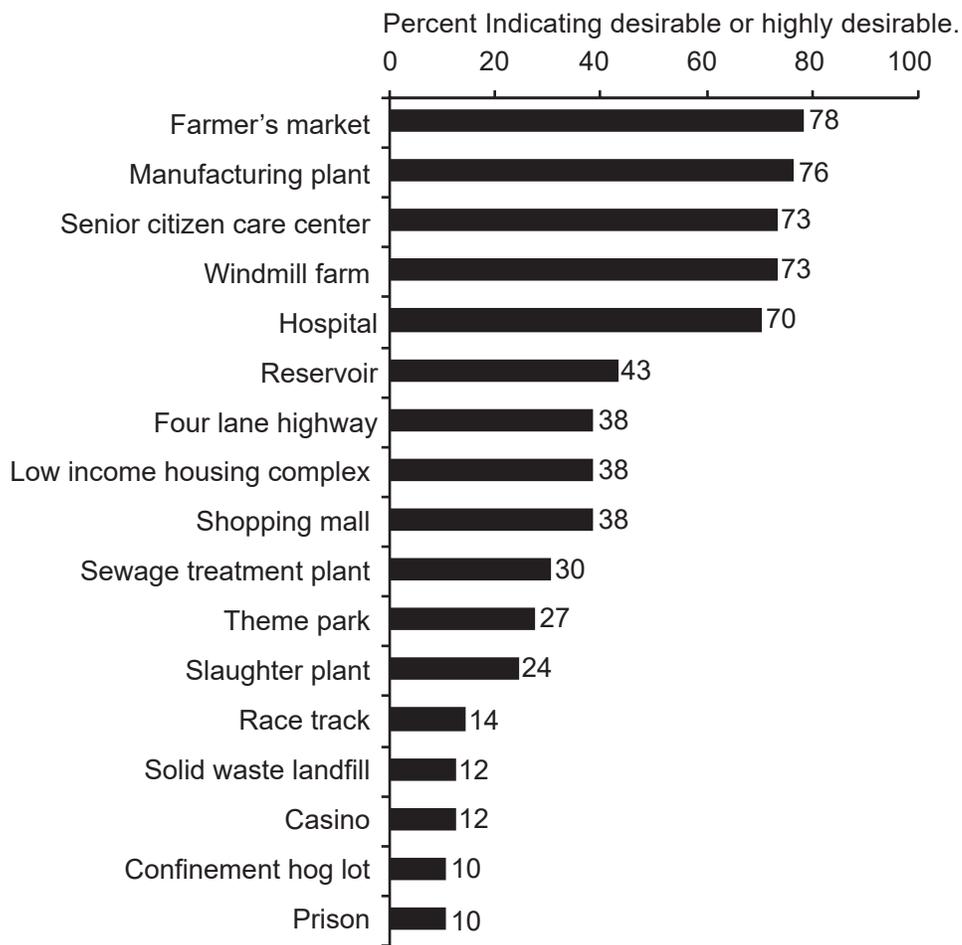
In addition to asking about their support for a variety of economic development strategies, we asked producers how desirable or undesirable various industries would be as local employers. Figure 1 shows the percentage of respondents who found each industry desirable. The top five industry types that were considered desirable by 70 percent or more of respondents are farmer’s market, manufacturing plant, senior citizen care center, windmill farm, and hospital. All are “clean” industries and provide a local service beyond simply providing jobs, with the possible exception of manufacturing plants. After these five the percentage of farmers finding industries desirable dropped rapidly to 43 percent for reservoir, and between 30 and 40 percent for four-lane highway, shopping mall, housing complex, and sewage treatment plant. The least desirable industries were race track, solid waste landfill, casino, confinement hog lot, and prison. It is surprising that sewage treatment plants and slaughter plants were considered more desirable than casinos.

**Table 3. Iowa Farmers' Opinions on the Direction of State Economic Development**

There is much discussion over the direction of economic development in the state. We would like your opinion on what directions you think the state should pursue. Please circle the number corresponding to your opinion for each of the following economic development ideas.

		<b>Somewhat or Strongly Support</b>
		<b>–Percent–</b>
Emphasize more local processing of grains and livestock	Spring 2003	90
	Spring 1998	95
Focus on retention and expansion of existing industries	Spring 2003	88
	Spring 1998	85
Focus on improving and maintaining rural infrastructure such as roads, schools, housing, etc.	Spring 2003	87
	Spring 1998	92
Place more state emphasis on agricultural exports	Spring 2003	85
	Spring 1998	93
Emphasize more manufacturing jobs in nonagricultural industries	Spring 2003	84
	Spring 1998	79
Fund more biotechnology research for new products and uses for agricultural produce	Spring 2003	80
	Spring 1998	84
Diversify agricultural production to include specialty crops	Spring 2003	77
	Spring 1998	80
Encourage Iowa's universities and colleges to focus on economic development	Spring 2003	72
	Spring 1998	74
Focus on main street business development	Spring 2003	70
	Spring 1998	73
Provide venture capital for new home-grown businesses	Spring 2003	69
	Spring 1998	68
Offer tax incentives or other financial rewards to employers who hire Iowa graduates to help retain the young population in the state	Spring 2003	68
	Spring 2001	67
Raise wages to attract and retain people	Spring 2003	67
	Spring 2001	76
Attract biotechnology industries	Spring 2003	66
	Spring 1998	74
Emphasize tourism in the state	Spring 2003	61
	Spring 1998	78
Provide tax incentives to companies to locate in the state	Spring 2003	52
	Spring 1998	46
Provide funding for access to modern telecommunications technology in every town in Iowa	Spring 2003	51
	Spring 2001	48
Consolidate county governments to provide better efficiency for the taxpayer	Spring 2003	51
	Spring 2001	45
Increase sales tax to provide property tax relief	Spring 2003	51
Increase the state's population to match the growth rate in neighboring states	Spring 2003	35
	Spring 2001	30
Provide gambling opportunities for tourism	Spring 2003	18
	Spring 1998	12

**Figure 1. Desirability of selected industry types for development**



### State Spending on Services and Facilities

Farm operators were asked whether Iowa taxpayers currently spend too much, about the right amount, or not enough on a variety of different public services and facilities. As seen in Table 4, about one-half or more of the operators answered the amount of spending was about right for all but two of the services. Services and facilities for which one-fifth or more of the

respondents indicated too much was being spent include prisons and jails (32 percent), state colleges and universities (29 percent), public schools (23 percent) and promoting tourism (21 percent). Services and facilities for which one-fifth or more of the respondents indicated not enough was being spent include attracting new business and industries to the state (37 percent), programs that help with health care costs for those who can't afford them (27 percent) and economic development (23 percent).

**Table 4. Farmers' Opinions on State Spending on Services and Facilities**

Do you think Iowa taxpayers currently spend too much, about the right amount, or not enough money on...

	<u>Not enough</u>	<u>About right</u> –Percent–	<u>Too much</u>
Attracting new business and industries to the state	37	44	11
Programs that help with health care costs for those who can't afford them	27	46	11
Economic development	23	50	18
Social services for the elderly	19	67	6
Vocational training	19	67	4
State highways and road systems	18	70	10
Programs that assist low-income working parents with the costs of child care	17	53	12
Public schools	17	57	23
Environment and conservation programs	15	63	18
Programs that provide assistance to poor families	14	60	15
Promoting tourism	10	60	21
Community Colleges	10	62	18
State colleges and universities	9	52	29
Support of county government	9	68	17
Prisons and jails	9	51	32

## Biotechnology, Food Safety, and GMOs

### Biotechnology and Food Safety

In responding to the items on biotechnology and food safety the respondents demonstrated much uncertainty with one-third to one-half indicating “not sure” for eight of the thirteen items (Table 5). Only a few farmers indicated they would not eat genetically modified meat products (21 percent), and over one-half saw no difference between genetically modified corn and traditionally bred corn. But majorities of respondents did not feel that cloning livestock will produce safer food, felt that government should regulate biotechnology to regulate food safety, and agreed with the statement that it's difficult to know whether biotechnology will improve food safety. In an inconsistent pattern over 80 percent agreed that it is dangerous

to have so much of the nation's food supply in the hands of just a few firms, yet more disagreed than agreed with the statement that consolidation of biotechnology agribusiness firms will make it more difficult to produce safe food. Also, more agreed than disagreed with the statement that a domestic biotechnology industry will protect against safety problems arising from imported foods.

Two-thirds of respondents saw a major role for state universities in preserving the integrity of the food supply, and 41 percent indicated that new discoveries by university scientists should be available to companies wishing to market the products. Fifty-seven percent of responding farmers agreed that biotechnology will enable farmers to become less dependent on agricultural chemicals, but an almost equal percentage agreed that larger farms will benefit more than smaller farms from biotechnology.

**Table 5. Farmers' Opinions on Biotechnology and Food Safety**

		<u>Agree or Strongly Agree</u>	<u>Not Sure</u>	<u>Disagree or Strongly Disagree</u>
		–Percent–		
It is dangerous to have so much of the nation's food supply in the hands of just a few firms	Spring 2003	81	13	6
	Spring 2000	85	10	5
State universities should play a major role in preserving the integrity of our nation's food supply	Spring 2003	67	25	9
	Spring 2000	73	19	8
Government should regulate biotechnology to ensure food safety	Spring 2003	62	28	11
	Spring 2000	53	26	21
Biotechnology will enable farmers to become less dependent upon agricultural chemicals	Spring 2003	57	32	11
	Spring 2000	56	29	15
Larger farms will benefit more from biotechnology	Spring 2003	55	24	21
	Spring 2000	53	22	24
Genetically modified corn is no different from corn produced by more traditional crop breeding methods	Spring 2003	55	26	19
	Spring 2000	51	27	22
It's difficult to know whether biotechnology will improve food safety	Spring 2003	48	38	14
	Spring 2000	59	28	13
New discoveries by university scientists should be available without restriction to companies that wish to market these products	Spring 2003	41	36	23
	Spring 2000	46	29	25
I am bothered that it is illegal to label milk that has been produced through biotechnology	Spring 2003	34	37	29
	Spring 2000	40	33	27
A domestic biotechnology industry will protect against safety problems arising from imported foods	Spring 2003	28	52	19
	Spring 2000	24	48	28
The consolidation of biotechnology agribusiness firms will make it more difficult to produce safe food	Spring 2003	24	41	35
	Spring 2000	29	36	34
I wouldn't eat meat products that I knew were produced by genetic modification	Spring 2003	21	33	46
	Spring 2000	19	35	46
Cloning livestock, like calves and sheep, will produce safer food	Spring 2003	9	34	58
	Spring 2000	10	42	48

**Table 6. Iowa Farmers' Opinions Regarding Genetically Modified Organisms**

Genetically modified organisms (GMOs) are created by inserting a modified gene or a gene from another variety or species. Please indicate whether you agree or disagree with the following statements on GMO production and its impacts.

	<b>Agree or Strongly Agree</b>	<b>Undecided</b>	<b>Disagree or Strongly Disagree</b>
	–Percent–		
Better acceptance of GMOs throughout the world will open new markets for Iowa crops	75	19	5
Companies that reject the use of GMO grains for their products contribute to feelings of concern about the safety of GMOs among the general public	72	22	7
Weeds, insects, and plant diseases will find a way to develop resistance to GMO crops	70	24	6
The production of GMO crops will provide new opportunities for Iowa farmers	46	40	14
All products made from GMO crops should be labeled to tell them apart from non-GMO products	45	28	28
Increased planting of GMO crops is just adding to the problem of overproduction	33	34	32
Laws should be enacted to segregate GMO crops from non-GMO crops	30	40	30

## Genetically Modified Organisms

As with biotechnology and food safety, there was considerable uncertainty demonstrated by the farm operators in relation to GMOs (Table 6). Strongest agreement (75 percent) was with the statement that better acceptance of GMOs throughout the world will open new markets for Iowa crops. However, 46 percent agreed and 40 percent were undecided that production of GMO crops will provide new opportunities for Iowa farmers. Seventy-two percent agreed that companies that reject the use of GMO grains for their products contribute to concern about GMO safety, but 45 percent agreed that GMO crops should be labeled to tell them apart from non-GMO products. Along with a large undecided contingent, an almost equal percentage agreed and disagreed that laws should be enacted to segregate GMO crops from non-GMO crops, and that increased planting of GMO crops is just adding to the problem of overproduction. A large percentage (70 percent) of farmers were skeptical about the long range viability of GMO crops, agreeing that weeds, insects, and plant

diseases will find a way to develop resistance to them.

## Farm Family Financial Situation

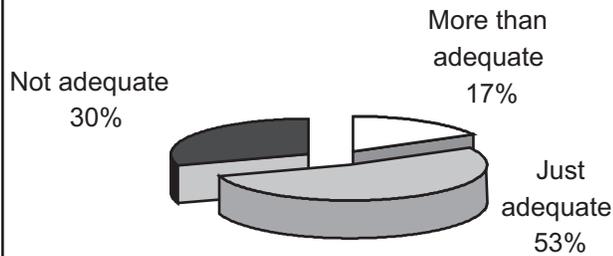
### Retirement

An important issue for farm families is their current financial situation and its impact on long-term financial security. Table 7 shows that the expected retirement age for Iowa farm operators has increased from 65 in 1984 to 69 in 2003. When asked whether they were setting aside money for retirement, about four-fifths (79

**Table 7. Iowa Farmers' Expected Retirement Age**

	<b>Average (Years)</b>
Expected retirement age reported in spring 2003	69
Expected retirement age reported in spring 1984	65

**Figure 2. Farmers' opinions on the adequacy of their retirement savings among those farmers setting aside money**

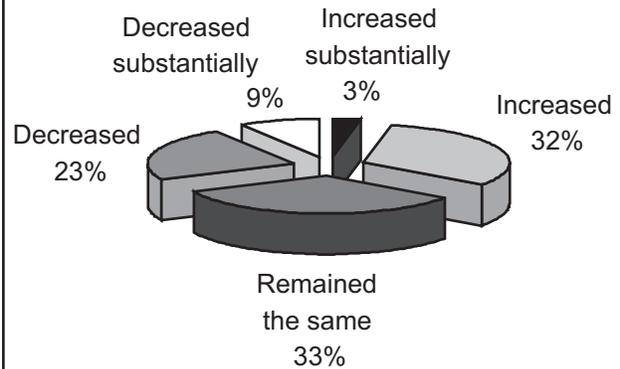


percent) said yes. For those who said they were setting aside money for retirement, just over one-half indicated it would be just adequate, 17 percent said it would be more than adequate, and nearly one-third said it would not be adequate (Figure 2).

### Savings

Of the farmers in the sample, 71 percent reported they have a savings account. Of those with a savings account, just over one-half (54 percent) regularly contribute to the account. The average proportion of total family income contributed to a savings account was 10 percent. Of those having a savings account about

**Figure 3. Savings balance trends in 2003 among farmers with a savings account**

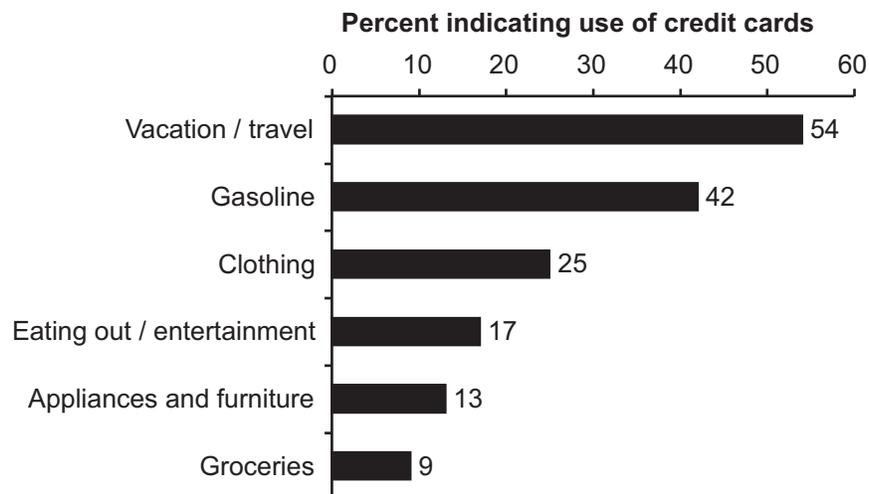


one-third of farm families had a balance that increased over the last year, one-third remained the same, and one-third decreased (Figure 3). Four percent of farm families had balances that increased substantially whereas nine percent had balances that decreased substantially.

### Credit Card Use

The average number of credit cards held by this sample of Iowa farmers was just over three. Among farmers with credit cards 89 percent stated they pay off their credit card balances nearly every month whereas the remaining 11 percent do not (Figure 4). In response to the types of purchases for which they used their

**Figure 4. Credit card usage patterns among Iowa farmers with credit cards**



credit cards, the top two uses were vacation/travel and gasoline with 54 and 42 percent respectively always or usually using their credit cards for those types of purchases. Clothing purchases was next with 25 percent, followed by eating out/entertainment (16 percent), appliances and furniture (13 percent), and groceries (9 percent).

### Farming Financial Conditions

Farmers were asked about the current financial well-being of farmers, agribusiness firms and financial institutions in their area as well as their own farm. The same question also had been asked in 1996 and 1986. Several patterns emerge. Of the three points in time represented by the data the most difficult period for agriculture was in the mid 1980s. Financial well-being improved in the mid 1990s when a greater number of respondents answered that financial well-being was not a problem. For 2003 there again was a considerable decline in

the percentage of farmers responding financial well-being was not a problem. Although in 2003 there was an increase over 1996 in the percentage responding it was a problem, the percentage was substantially smaller than in 1986. Another pattern in the data is that the responding farmers perceived the greatest impact of poor economic conditions was felt by their farmer neighbors, somewhat less by agribusinesses, and the least impact was on the financial institutions. Responding farmers also tended to assert their own situation was better than other farmers and the agribusiness firms. In the Spring of 2003, just under one-third of the farmers felt they had a moderate or serious financial problem whereas about twice as many (61 percent) believed their neighbors had a moderate or serious problem. Just under one-half believed that agribusiness firms in their area had a moderate or serious problem and only 16 percent perceived financial institutions were in financial straits.

**Table 8. Farmers' Opinions on the Financial Conditions in Farming**

How do you feel about the current financial well-being of...

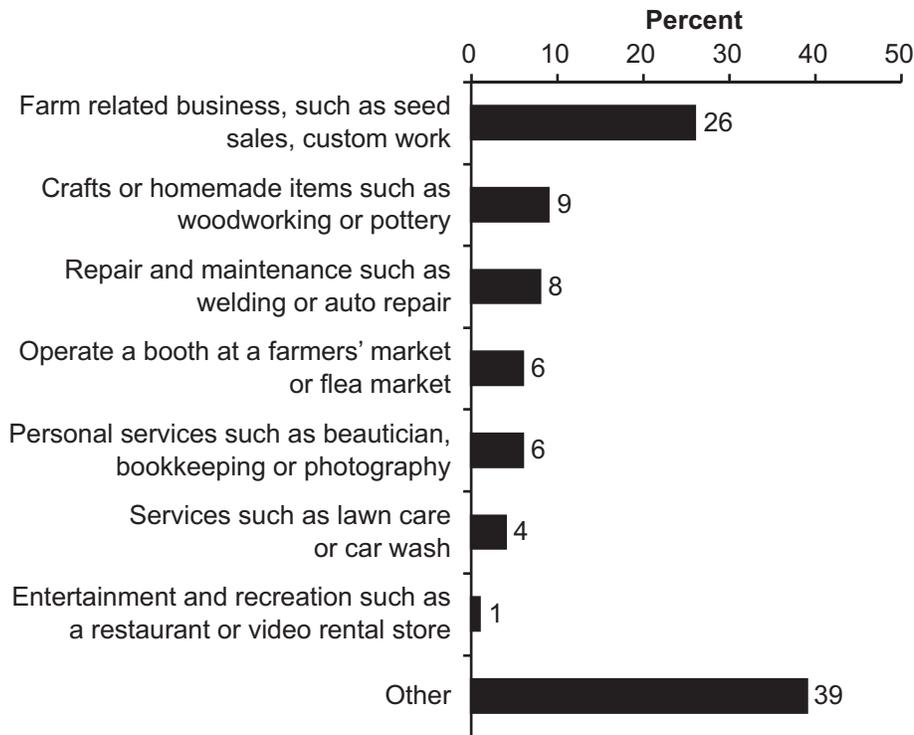
		<b>Not a problem or a slight problem</b>	<b>A moderate or serious problem</b>
		–Percent–	
Farmers in your area	Spring 2003	32	61
	Spring 1996	48	44
	Spring 1986	4	93
Agribusiness firms in your area	Spring 2003	43	48
	Spring 1996	63	28
	Spring 1986	9	85
Financial institutions in your area	Spring 2003	74	16
	Spring 1996	79	11
	Spring 1986	25	64
Your own farm	Spring 2003	68	30
	Spring 1996	77	21
	Spring 1986	36	63

## Iowa Farmers' Non-Farm Business Operations

Many farmers have turned to operating a non-farm business to bring in additional income. Twenty-one percent of the sample of farm operators stated they also operated a non-farm

business. Figure 5 shows that the predominant type of non-farm business operated was a farm related business, such as seed sales or custom work (26 percent). Additional common types of non-farm businesses are crafts or homemade items such as woodworking or pottery and repair and maintenance such as welding or auto repair.

**Figure 5. Types of non-farm businesses operated by Iowa farmers**



Prepared by Peter Korsching, professor, Paul Lasley, extension sociologist, and David Roelfs. Leslie Daub and Del Marks provided valuable layout assistance to the questionnaire and this report. The Iowa Department of Land Stewardship, Division of Statistics, assisted in the data collection.

## IOWA STATE UNIVERSITY Extension and Outreach

[B] File: Communities 9-3

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