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Agricultural Policy and the 2002 Farm Bill**

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Introduction

The Federal Agricultural Improvement and Reform Act of 1996 provides the direction for federal programs and policy on a comprehensive set of agricultural, food, and public policy issues through September of 2002. Permanent legislation dating from 1949 ensures that a new Farm Bill will be addressed prior to the expiration of the current law. Traditionally, the Farm Bill is among the most important pieces of federal legislation to the welfare of agriculturists and rural America.

This document reviews the results of a national survey of producers' preferences for federal agricultural policy, highlighting the results from the western United States. By comparing and contrasting responses of western states to the rest of the nation, issues of common interest can be more readily identified as well as issues that require a more concerted regional effort to sway national opinion. Similarly, a comparison across states within the west provides the opportunity to seek common ground not afforded by national or regional averages. The national survey was conducted in 27 states. Although all states were invited to participate in this effort, only Arizona, Colorado, Idaho, Oregon undertook this study from the west. Recognizing that important agricultural states of the West chose not to participate in this survey, we refer to the collective responses of the four responding states as "the West" or "the western region" for ease of exposition without implying representativeness of preferences beyond the four responding states.

Survey approach

The survey was mailed to a random sample of producers in each state. The four-page questionnaire contained 28 federal policy questions and 11 demographic questions that were asked in all participating states. In addition, each state questionnaire included one page of optional questions chosen by each state from a common list of alternatives.

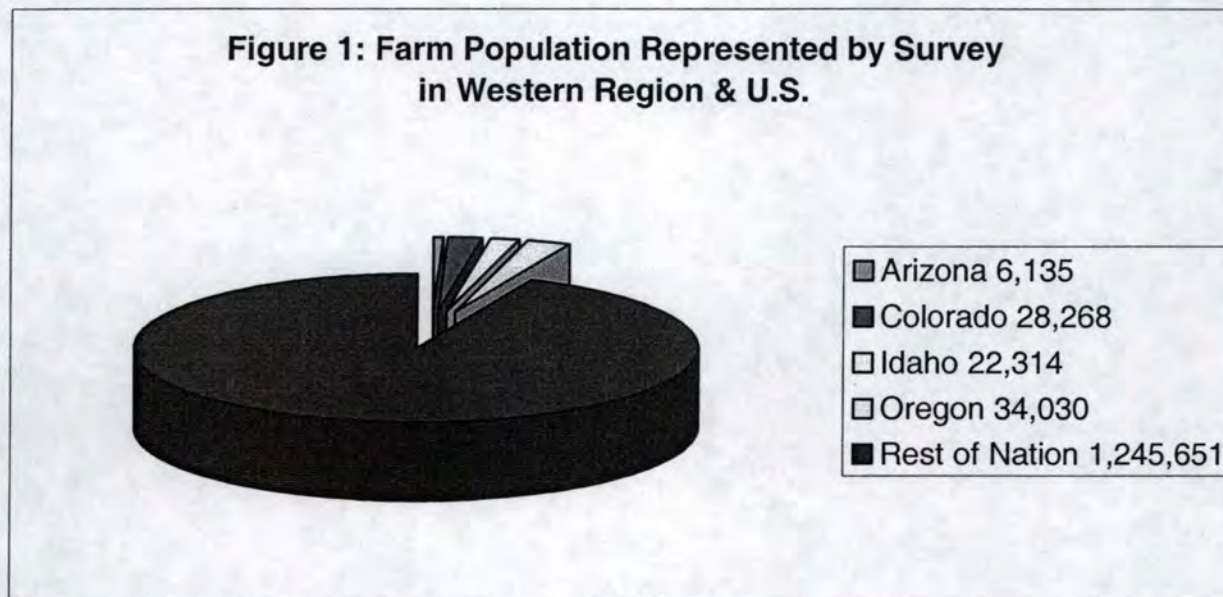
Only questionnaires returned from persons actively engaged in agricultural production were tabulated. Statistical results were tabulated by state. State composite results were calculated as a weighted average of the results by size, based on the number of farms reported by size in the 1997 Census of Agriculture. Regional and national results are also reported where appropriate and are calculated by a similarly constructed weighted average.

More than 11,500 producers in the west were surveyed, representing just less than 13% of all farms in the four participating states. Of these 11,544, 3,331 total useable responses were received (Table 1). Although return rates within the west varied substantially, 29% represents the highest regional rate of return in the nation. In fact, Oregon accomplished the highest return rate in the nation by 9%. The overall national return rate nationwide for this survey was 20%.

Table 1: Farm population, sample size and response rate, participating western states, by state

State/Region	Farm Population		Sample Size (Number)	Overall Survey Response	
	<\$100K Sales	≥\$100K Sales		Total Useable Responses	Response Rate (Percent)
Arizona	4,787	1,348	555	113	20
Colorado	23,504	4,764	5,000	1,064	21
Idaho	17,523	4,791	2,990	988	33
Oregon	29,462	4,568	2,999	1,166	39
West	75,276	15,471	11,544	3,331	29

The number of farms in each of the four participating western states reported by the 1997 Census of Agriculture, as well as from the other 23 participating states nationwide, is shown in Figure 1. The census reports a total of 90,747 farms in the four participating western states. The total 1997 farm population in the 27 surveyed states of 1,336,398 represents nearly 70 percent of the 1,911,859 farms reported nationwide.



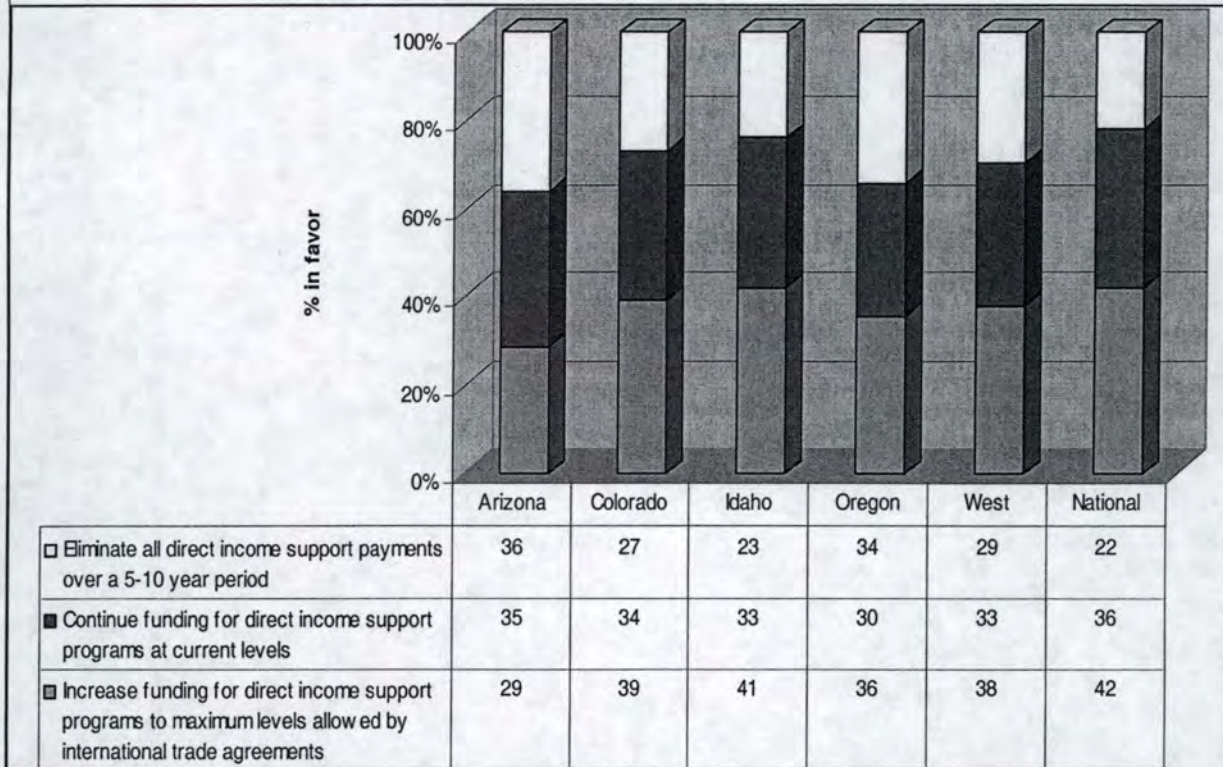
Results

Farm Income and Risk Management Policy

Farm income and risk management are at the core of questions for long-term agricultural viability. In responding to an optional pool question, approximately 1/3 of producers from Arizona (33%), Colorado (30%) and Idaho (32%) indicated that they had refinanced their farm debt within the past three years. More than 1/2 of Coloradoan (51%) and Idahoan (55%) producers and almost 2/3 of Arizonan (62%) producers had drawn on personal or farm equity to finance their agricultural operations over the same period. In the general survey, six questions asked for producer preferences on baseline spending for agricultural support, general commodity program provisions, and risk management policies and programs. In addition to the nationwide questions, several optional questions addressed farm income and risk management issues.

Figure 2 illustrates the response of western producers to the question of what should be the future federal policy for baseline farm income support payments. Figure 2 shows that, as a region, western states have similar preferences for farm income support payments as the rest of the country. Increases in direct income support are preferred to the current level of support, which is, in turn, preferred to the elimination of income supports. However, westerners were less decisive in their preferences for greater or maintained direct income support than the nation's farmers as a whole. Colorado and Idaho farmers' preferences mirrored national preferences. However, Arizona farmers' rankings were in reverse of national responses, and Oregonians indicated that the status quo was the least preferred policy option (Figure 2).

Figure 2: What should the policy for baseline farm income support payments after the current Farm Bill expires at the end of the 2002 crop year?



In an optional question ranking preferred types of commodity programs, Colorado and Idaho producers indicated that their highest priorities were income disaster payments (1st ranked of 10 alternatives in both states), crop disaster payments (#2 CO, #4 ID), counter-cyclical income payments (#4 CO, #2 ID), crop insurance (#3 CO, #7 ID), and fixed payments and marketing loans (#5 CO, #3 ID). The least preferred policy options by producers from both states were elimination (#10) and environmental incentive programs (#9).

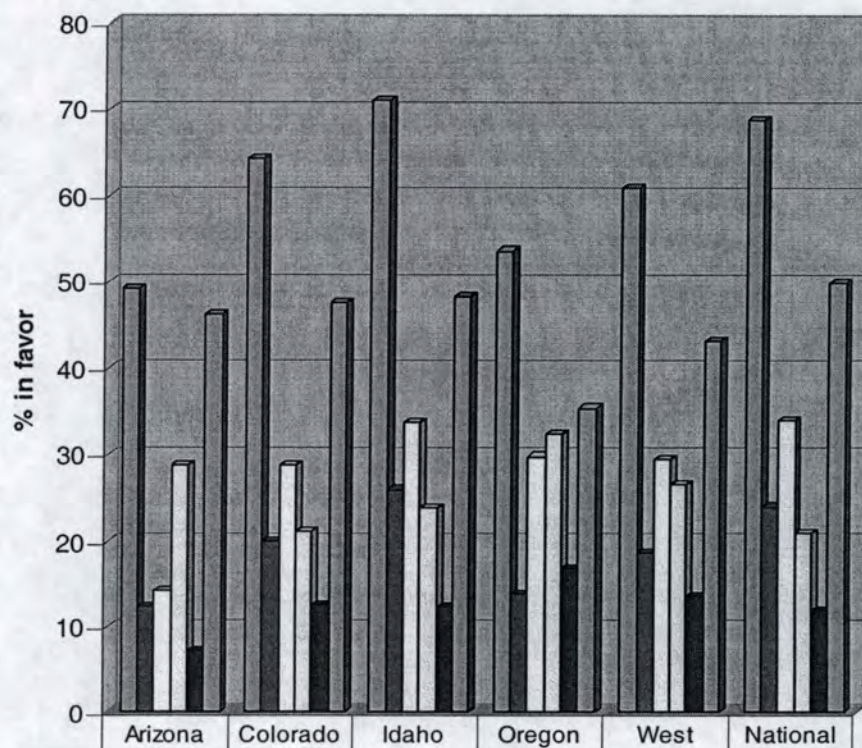
Figure 3 illustrates producer preferences for the types of agricultural products that should receive federal income supports. Across the west and nationwide current program crops (wheat, corn, sorghum, barley, oats, oilseeds, cotton, rice) receive the highest proportion of responses in favor of continued support. Except for Idaho, western preferences for support of traditional programs is lower than the nation as a whole, but only in Arizona does support dip below 50% of total respondents. No other agricultural products received a majority of favorable responses in western states, or nationwide.

Similarly, continued direct income support for other farm program crops (sugar, tobacco and peanuts) is lower in the west than in the rest of the nation, except for Idaho. However, responses in favor of this policy are 40-45% lower across the states, region and nation than for traditional program crops. Approximately 1/3 of respondents nationwide, within the west and in each state of the west favor dairy support programs. The exception is Arizona, which shows very little support for such programs. In an optional question addressing sugar policy, Idaho producers felt that import limitations and the development of an inventory management program were the most preferable policy options for the sector and elimination of the program was the least preferred policy option.

Dairy ranks third in proportion of respondents in favor of income support, except for Oregon where it ranks 4th, where fruits and vegetables gain more favorable ranking. Income support for fruit and vegetable growers gains greater support in the west than in the rest of the nation, except for Colorado, which matches the national average of approximately one in five respondents in favor. One in four western producers supports such programs and almost one in three Oregonian and Arizonian respondents are in favor.

Income support for horticultural specialty crop producers gains the least favor in the west and across the nation. However, western producers, particularly Oregonians, are somewhat more in favor of this program than the nation as a whole, with the exception of Arizona. Livestock and livestock products are consistently the second most favored products for direct income support across the western states, the west and the nation. Support for this program approaches but does not quite reach the national average of 50% across the western states, an average drawn lower by Oregon's 35% favorable response rate.

Figure 3: If farm income supports are included in the next Farm Bill for commodities, which should be included?



	Arizona	Colorado	Idaho	Oregon	West	National
Program crops currently eligible for benefits	49	64	71	54	61	69
Sugar, Peanuts, and Tobacco	12	20	26	14	19	24
Dairy commodities	14	29	34	30	29	34
Fruits, vegetables, tree nuts and pulses	29	21	24	32	26	21
Nursery and horticultural specialty crops	7	13	12	17	14	12
Other livestock and livestock products	46	48	48	35	43	50

Figure 50 illustrates the producers' responses to an optional question regarding the optimal design of a crop and livestock insurance program. Responses differ substantially among Arizona, Colorado, and Idaho producers. This question did not appear on Oregon's survey. The most popular response in Colorado (37%) and Idaho (40%) and the second most popular response in Arizona (26%) was in support of an insurance policy that covers whole farm income losses from various sources of agricultural revenues together. The most popular response in Arizona (32%), calling for the elimination of all government subsidized crop insurance programs, was least preferred in Colorado (18%), but second most preferred in Idaho (24%).

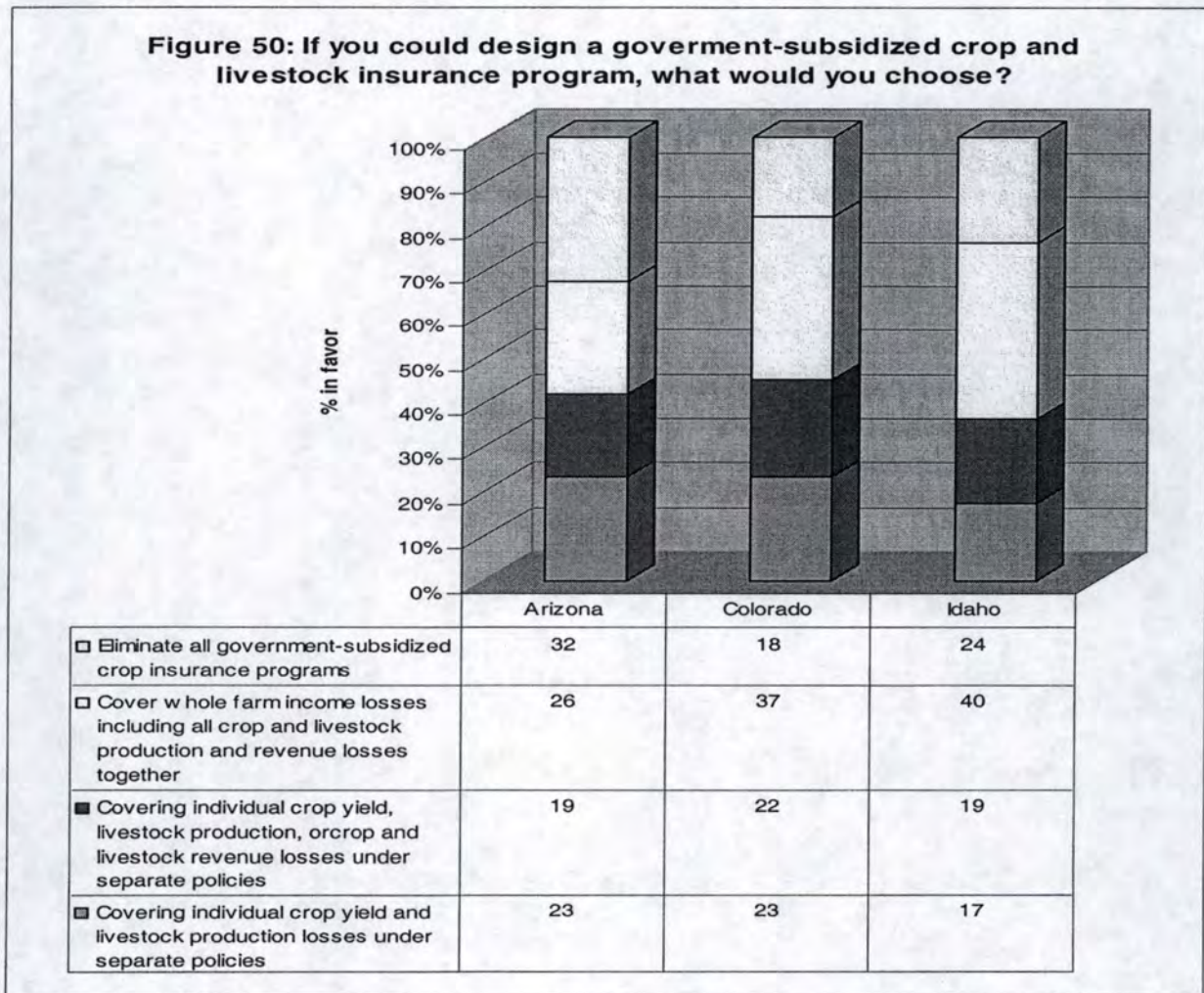


Figure 4 presents the proportion of respondents who were in favor of some sort of federal income support for farmers. The results indicate that respondents from western states, the west and across the nation were strongly in favor of income support programs. The west was somewhat less inclined to support such farm policies than the nation at large. Arizona and Oregon producers were the least supportive of federal income support for farms among responding western states (Figure 4).

Figure 4: Should there be income support programs for agricultural producers to protect them from the full impact of market conditions?

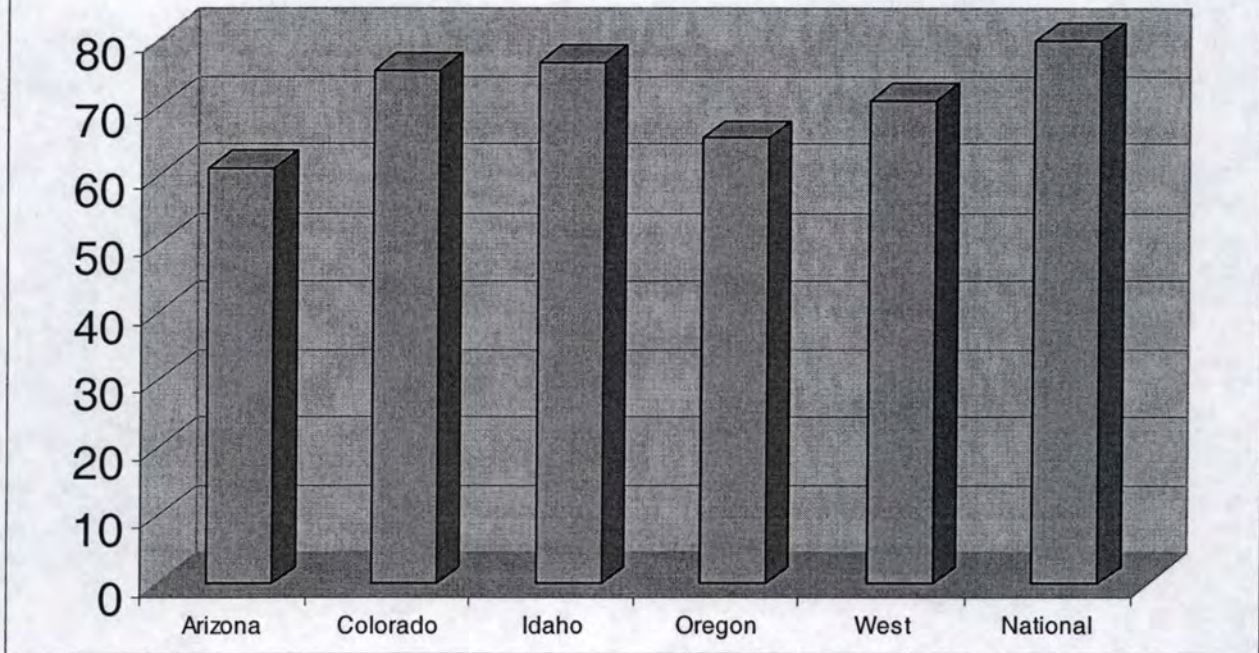


Figure 5 provides an illustration of the types of policies preferred by those who responded that they were in favor of some sort of federal income support program for agricultural producers. Responses were ranked from most important (5) to least important (1) and mean responses are reported here. Support payments tied to price, such as marketing loans, were consistently the highest priority policy tool for federal income support across western states, the region and nation. All western states, except for Idaho expressed even stronger preferences for this type of support policy than the national average. Support payments tied to income were the second most preferred tool on average for the nation as well as for all of the western states except Colorado. Colorado indicated a stronger preference for subsidized insurance than other states and the nation at large. Generalizations cannot be drawn with respect to relative preferences for fixed payments, support payments tied to income and ad hoc disaster relief for federal income support policies directed at agricultural producers. In response to a question from the optional pool, Arizona producers indicated fairly strong support for the current approach to ad hoc disaster assistance (62%). However, 22% indicated their preference for its prohibition or elimination.

Figure 5: What should the safety net look like?

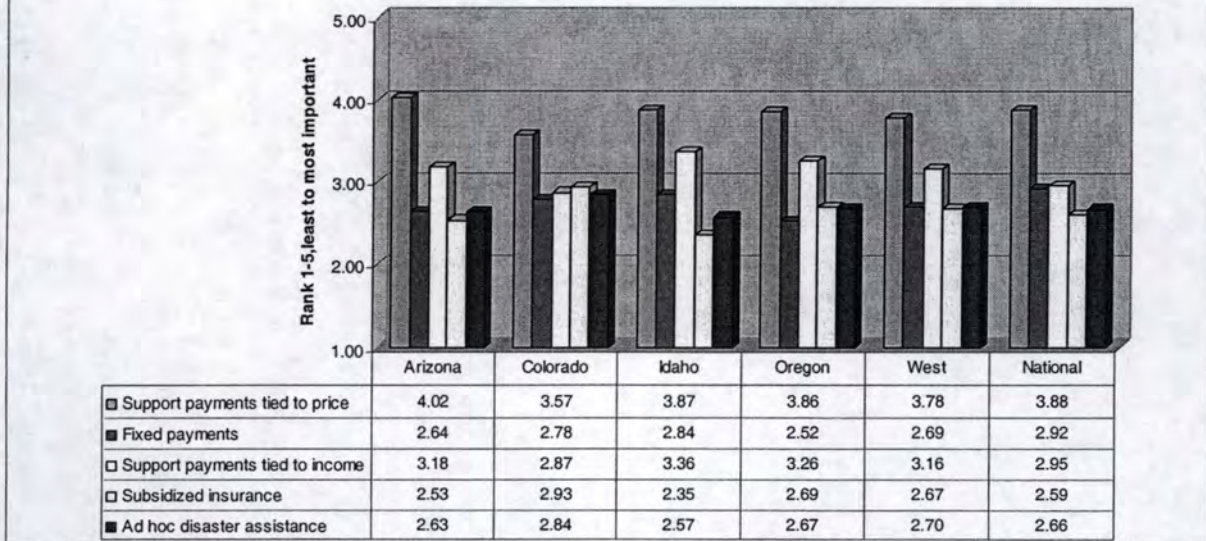


Figure 6 illustrates producer preferences for the future of the Northeast Dairy Compact. The great majority of producers in the west and nationwide were opposed to maintaining the 5 state compact in its current form. Most either supported the expansion of the program to include other dairy producing states, or its elimination altogether. Western states were more in favor of elimination and less in favor of expansion relative to the national averages. In the West, Arizona producers were most strongly supported elimination while Idaho producers most strongly supported expansion of the NE Dairy Compact to include other dairy producing states. In an optional question, Arizona producers more strongly favored maintaining the current level of support for dairy programs (29%) or elimination of the program entirely (48%) to increases in funding levels or other policy alternatives.

Figure 6: What action should be taken regarding the NE Dairy Compact?

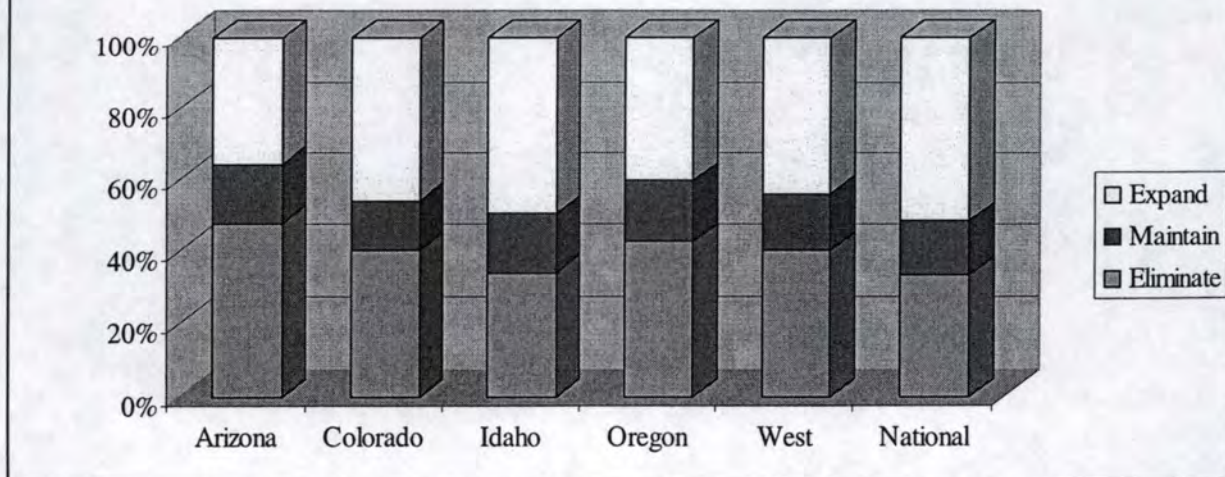
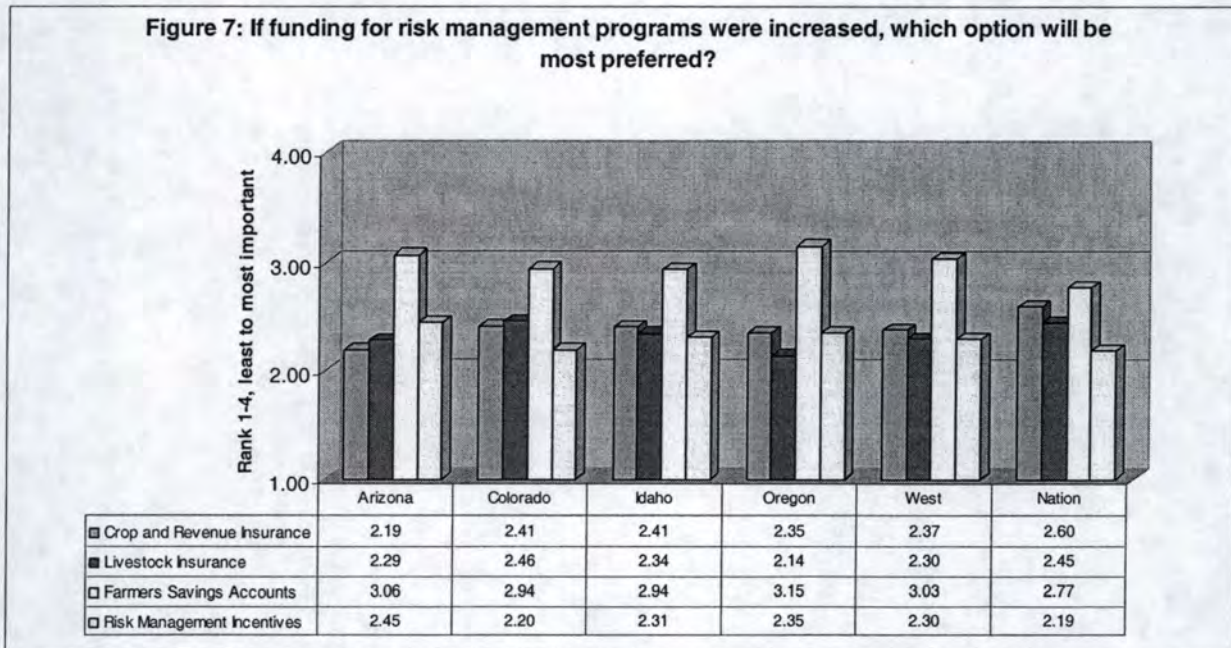


Figure 7 shows the ranked preferences of producers for risk management programs. Farm savings accounts were by far the most preferred tool in all western states as well as ranking highest nationwide. The western region and national average concur that crop revenue insurance is the second most important risk management alternative, followed by expanding insurance programs to include livestock producers and incentive payments for mitigating risk. However, the ranked responses of states within the western region differ substantially from the regional and national averages, each ranking the three remaining alternatives differently than one another. Arizona ranked incentive payments second in importance followed by, livestock insurance and crop and revenue insurance, while Colorado ranked these programs 4th, 2nd and 3rd, respectively, Idaho ranked them 4th, 3rd, and 2nd, mirroring the national average rankings, and Oregon ranked them 3rd, 4th, and 2nd, respectively.



Conservation and Environmental Policy

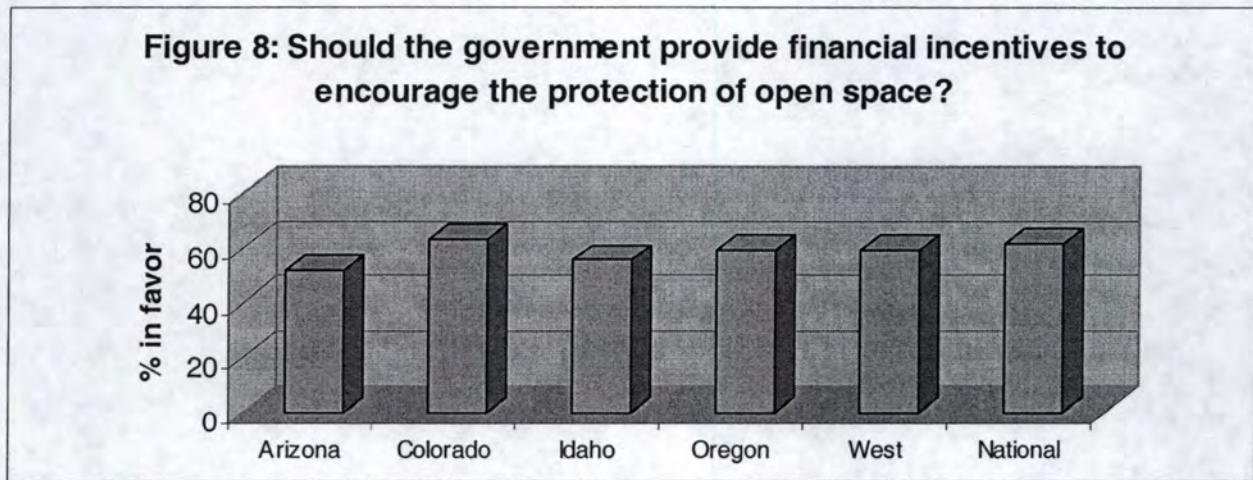
The national survey posed two multi-part questions on conservation and environmental policy. Table 2 and Figures 8-17 illustrate producer preferences for federal financial incentives to encourage the provision of a variety of public environmental benefits. Each figure shows the proportion of respondents indicating support of the creation or continuance of federal incentive programs for environmental benefits.

On average, western region producers are supportive of all environmental incentive programs, except for two: incentives to introduce farming practices to increase carbon sequestration; and programs to provide habitat for endangered species. The relative ranking of western support for environmental incentive programs precisely mirrors national averages, except for the endangered species program. However, western region producers show less support for environmental incentive programs than do farmers nationwide. In only one case, Colorado producers' support of open space preservation preferences, does a western state exceed the national average in supporting environmental incentives programs (Table 2).

Table 2: Should the federal government provide financial incentives to encourage the provision of the following environmental benefits? Percent responding "yes."

	Arizona	Colorado	Idaho	Oregon	West	Nation
Protection of open space	52	63	55	59	59	62
Protection of farmland	74	84	83	81	82	86
Protection of water quality	86	90	86	82	86	91
Provision of wildlife habitat	64	68	66	66	66	69
Management of animal waste	53	60	67	64	63	68
Reducing soil erosion	82	84	85	79	82	89
Increasing carbon in the soil	39	48	45	48	47	49
Producing fuels from crops and other biomass	79	81	86	82	83	86
Providing habitat for endangered species	38	45	41	51	46	52

All western states support federal incentive programs to protect open space. Among western states, Colorado producers are most strongly in favor of such programs, while Arizona producers are least supportive within a relatively narrow distribution of positive responses among states (Figure 8).



All western states are strongly in favor of incentive programs to protect farmland with at least 3 of 4 producers responding in support of such programs. However, this rate is still somewhat lower than the national average. Like open space, Colorado producers are most strongly in favor of farmland protection programs, while Arizona producers are least supportive of them within the region (Figure 9).

Figure 9: Should the government provide financial incentives to encourage the protection of farmland?

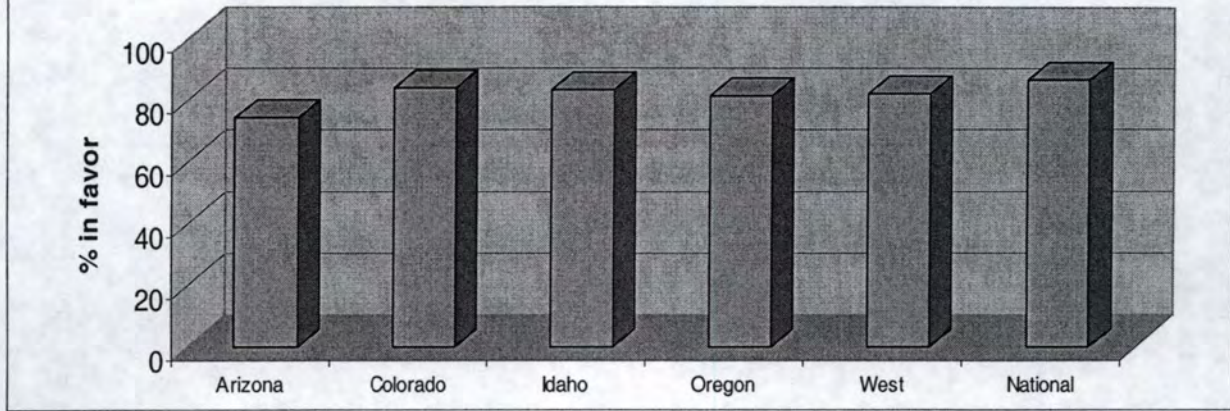
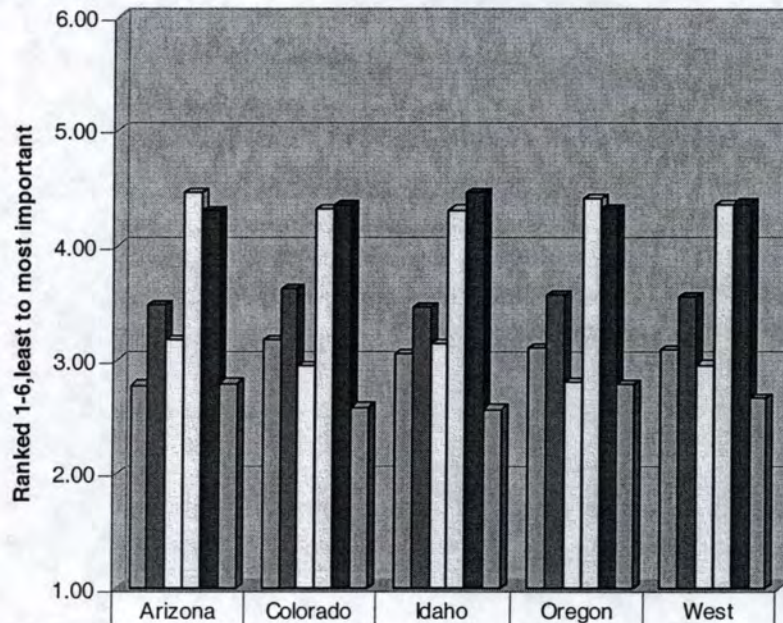


Figure 51 provides an illustration of western producers' stated preferences for open space and farmland preservation policy tools in a question from the optional pool. In each western state the encouragement of voluntary easement donation programs and the creation of agricultural enterprise zones or districts were the most preferred policy tools for open space provision and agricultural land preservation. In all states the third most preferred policy tool was to encourage private funding to purchase development rights and easements. No open space and farmland preservation program was the least preferred policy option across all states except Arizona, where it was second least preferred.

Figure 51; If programs are focused on open space and farmland preservation, what policy tool would be most preferred?



	Arizona	Colorado	Idaho	Oregon	West
■ Government funding that purchases development rights and easements	2.78	3.17	3.06	3.11	3.09
■ Private funding that purchases development rights and easements	3.49	3.63	3.47	3.57	3.56
□ Government rules to allow transfer of development rights	3.18	2.94	3.14	2.81	2.96
□ Encouragement of voluntary easements	4.46	4.31	4.31	4.41	4.36
■ Establish agricultural entrepreneurial programs	4.30	4.36	4.46	4.32	4.36
■ No government policies should be enacted to preserve open space	2.80	2.58	2.57	2.79	2.67

Support for federal water quality incentive programs among western states, as well as nationwide, are extremely high. More than 4 of 5 respondents across the West were in favor of such programs and as many as 9 in 10 Colorado producers expressed their support for water quality incentive programs. Still, all western states were below the national average of 91% in support (Figure 10). In a related optional pool question, Coloradoan and Oregonian producers were somewhat unsupportive of providing incentives for reducing nitrogen use in agriculture (48% in favor each).

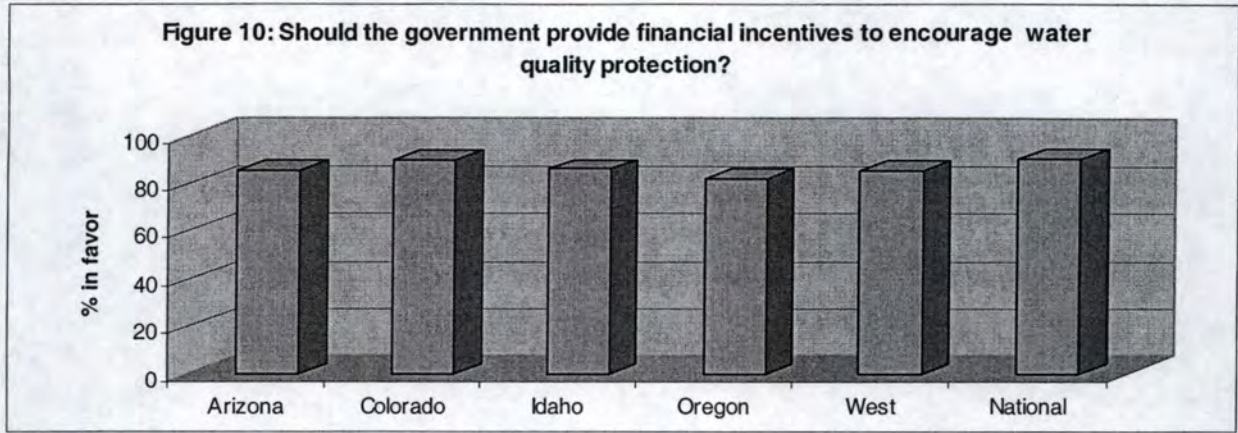
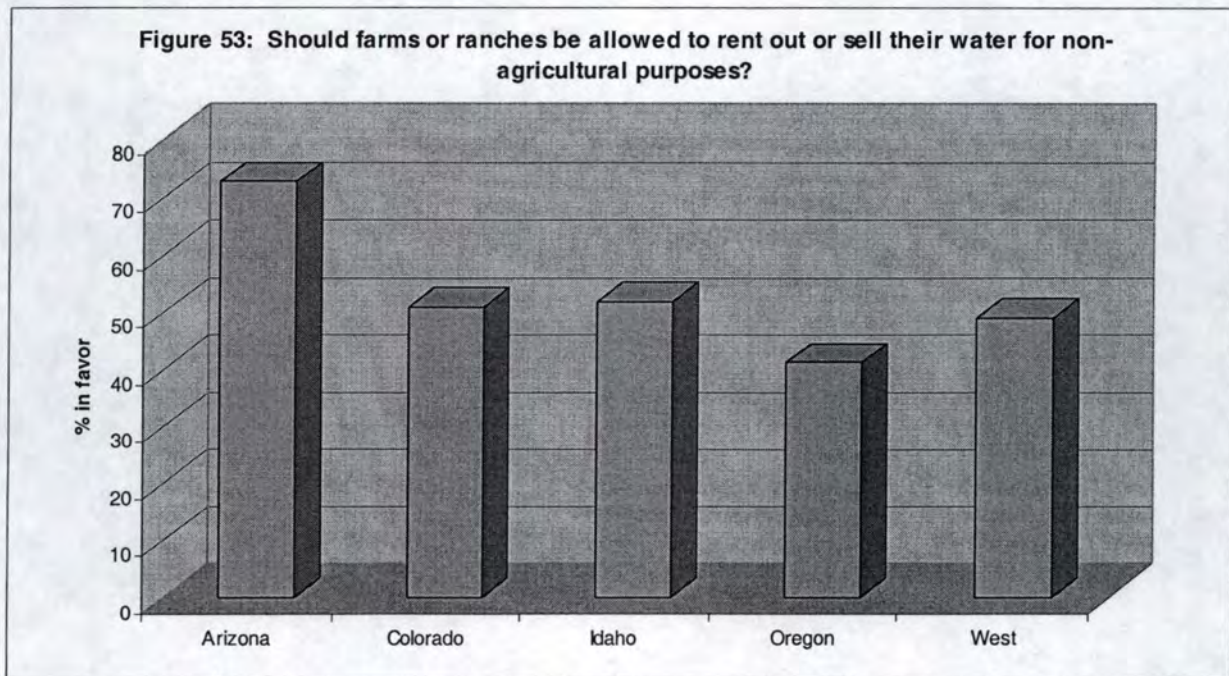
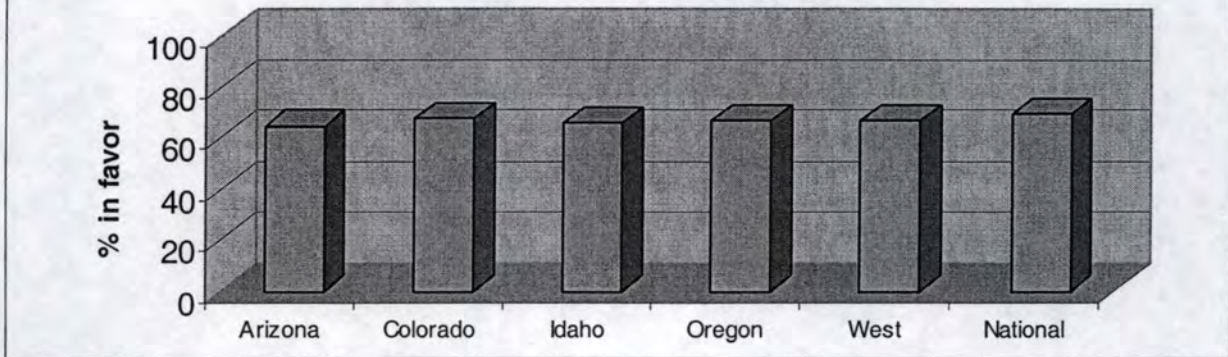


Figure 53 depicts the results of a question drawn from the optional pool addressing the transfer of water rights from agricultural to non-agricultural uses. Western producers were quite varied in their support of the notion that farmers should be able to sell or lease their water rights for non-agricultural purposes should they choose to do so. Arizona producers (73%) were strongly in favor of such a policy, while Oregonian producers (41%) were mildly against it on average. A very slight majority of Colorado and Idaho producers (51% and 52%) favored the relatively unfettered exchange of water rights between agricultural and non-agricultural users.



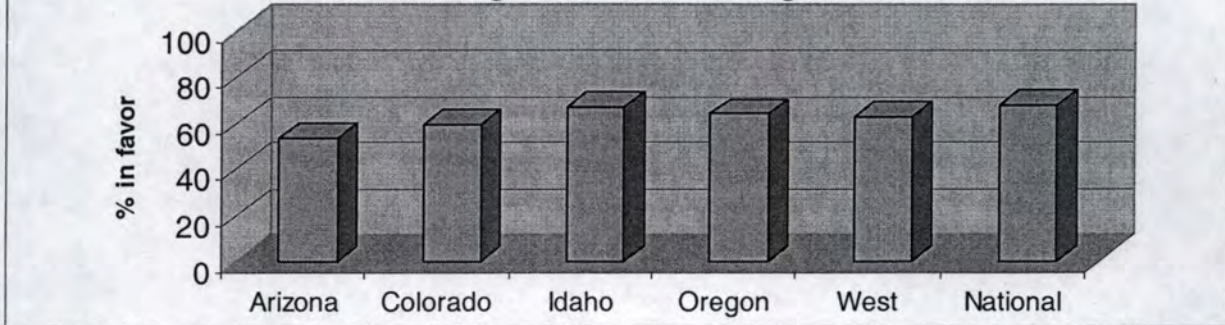
Very little variation in support for wildlife habitat provision and protection programs was in evidence across the West. Approximately 2 of 3 producers expressed support of such federal incentive programs in all western states, slightly lower than the national average of 68% (Figure 11).

Figure 11: Should the government provide financial incentives to encourage wildlife habitat provision?

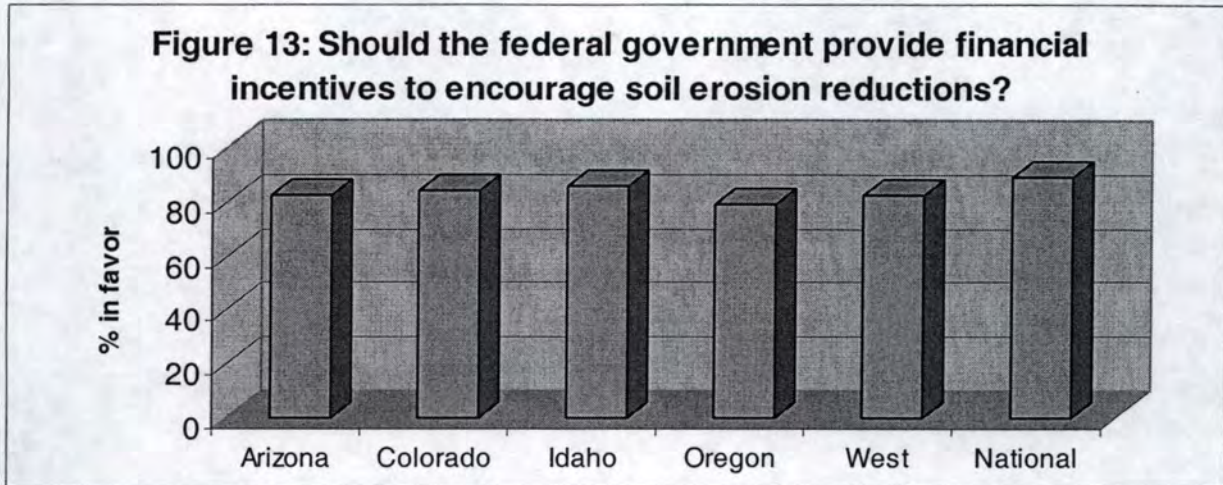


More variation among western states was evident in their support of animal waste management incentive programs (Figure 12). Federal animal waste management incentive received moderate support among western states with Idaho in strongest support (2 of 3) and Arizona weakest, supporting such measures at just over a rate of 1 in 2. In response to an optional pool question, Oregonian producers were quite unsupportive of a unified federal regulatory standard for animal feeding operations (20% in favor), or for the active enforcement of Total Maximum Daily Load (TMDL) limits (25% in favor).

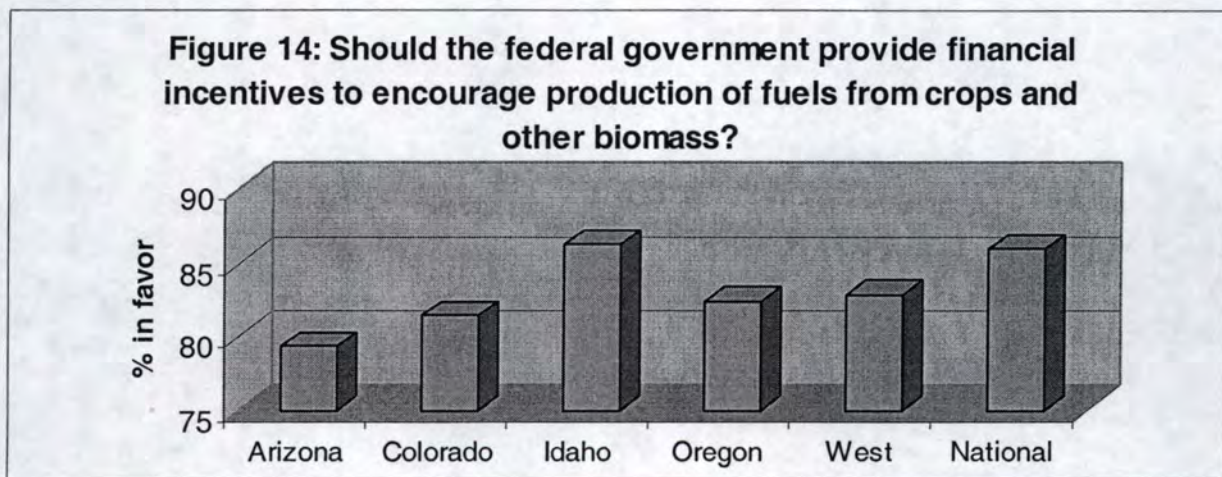
Figure 12: Should the federal government provide financial incentives to encourage animal waste management?



Incentive programs to curb soil erosion garnered strong support across western states with little variation in support among them. Idaho, closely followed by Colorado, was the strongest supporter of such measures and in Oregon support was some 6% lower than in Idaho (Figure 13).

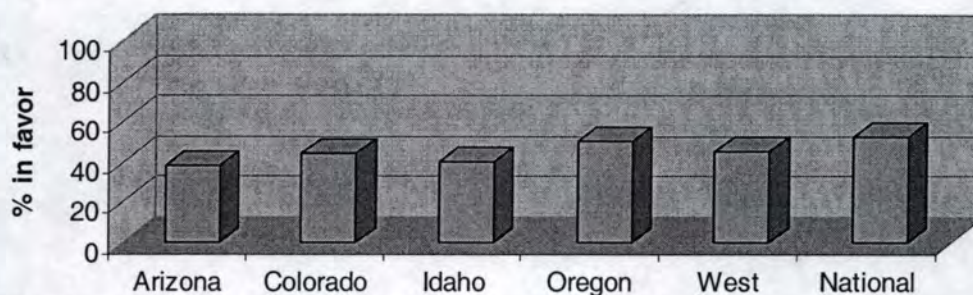


There was strong support and similar variation among western states in their support of federal incentive programs for the production of alternative biofuels. Support among Idahoans was strongest and most closely paralleled the national average (Figure 14). On a related optional pool question, Idahoan (72%) and Oregonian (61%) producers were rather supportive of providing financial incentives to producers to idle land with the policy objective of energy conservation.



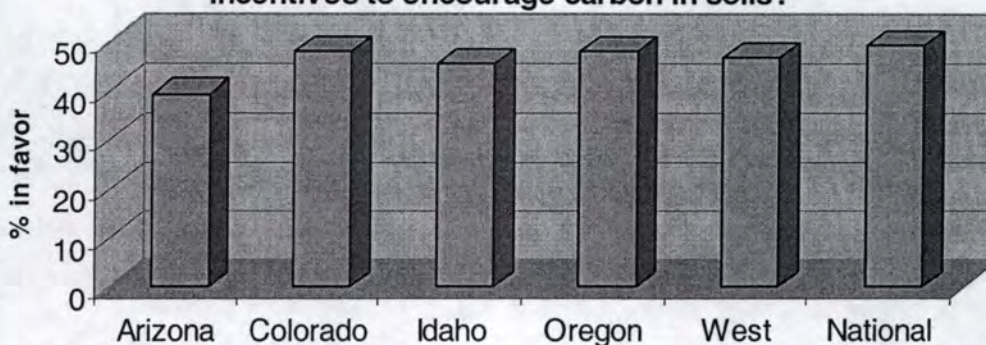
Nationwide producers are not particularly supportive of incentive measures to create or manage habitat for endangered species. Endangered species habitat garnered the second lowest level of support for environmental incentive policies nationwide, obtaining a slim majority of positive responses. In the West, such a policy is even less popular, where only in Oregon was a favorable response in the majority (Figure 15).

Figure 15: Should the federal government provide financial incentives to encourage habitat for endangered species?



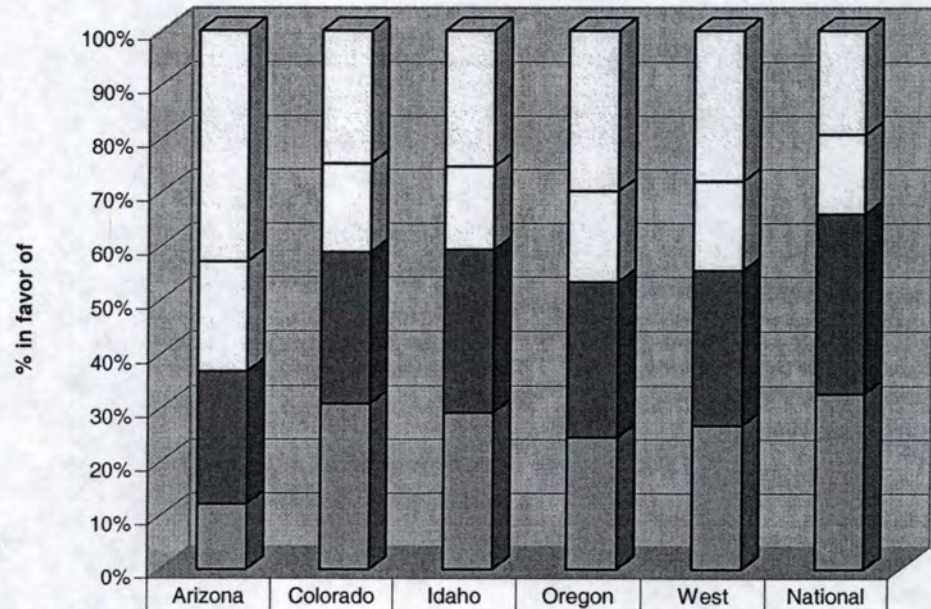
Carbon sequestration in soils was the least popular environmental policy option among those posed to producers in the national survey. It was the only incentive-based environmental policy to fail to gain majority support among producers nationwide. Except for Arizona (39%), western producers were relatively consistent in their mild lack of support (45-48% in favor), on average, of such a policy (Figure 16).

Figure 16: Should the federal government provide financial incentives to encourage carbon in soils?



The second environmental policy question asked producers their opinion of the future of the Conservation Reserve Program, or CRP. The responses to this question were very interesting and, to a certain extent, defy generalization. The mean responses of western states were quite unlike the national averages. They also failed to reflect the ranked preferences of any single western state. Idaho and Colorado, though different in their relative rankings, might be seen to most closely reflect national averages, but not regional averages on this question. Nationwide 1/3 of producers preferred to continue the CRP at current funding levels. Somewhat less than 1/3 of western producers concurred with this preference across all states and regionally. This was the most popular policy option in Idaho and second most popular in the other western states. However, elimination of the CRP was the most frequent response in Oregon, overwhelmingly so in Arizona. Nationwide and in Colorado and Idaho, elimination was the third most popular response. On the other hand, increasing CRP funding and expanding enrollment levels was the most frequent response in Colorado, second most in Idaho, third ranked in Oregon, and dead last in Arizona. Restricting future funding to identified high priority sites was the least popular response nationwide and across the West, except for Arizona where it was the 3rd most frequent response (Figure 17).

Figure 17: What should happen to the Conservation Reserve Program(CRP) after 2002?



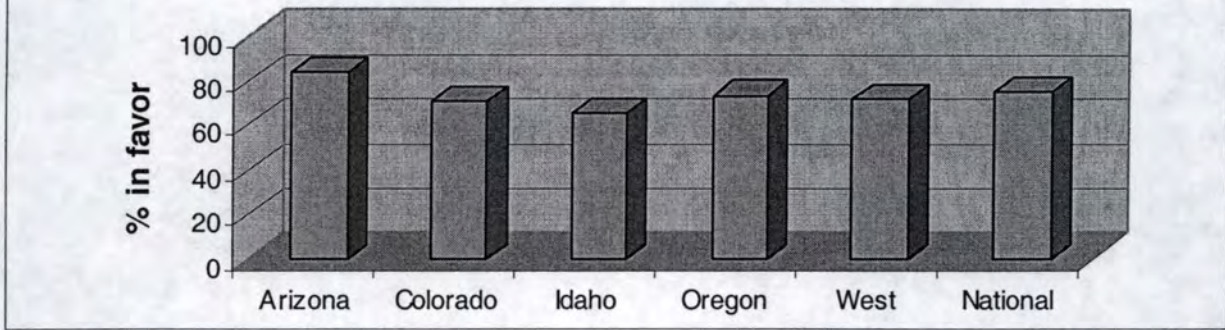
	Arizona	Colorado	Idaho	Oregon	West	National
□ eliminate the CRP as current contracts expire	43	25	25	30	28	19
□ Restrict any future funding and enrollment to high-priority, environmentally-sensitive lands	20	17	16	17	17	15
■ Maintain existing funding and enrollment levels	25	28	30	29	29	33
■ increase funding and enrollment levels	12	31	29	25	27	33

Trade Policy

The national survey requested information on five areas of trade policy. In each of the five figures (Figure 18-22) illustrating responses to these questions, the proportion of respondents answering “yes” is reported.

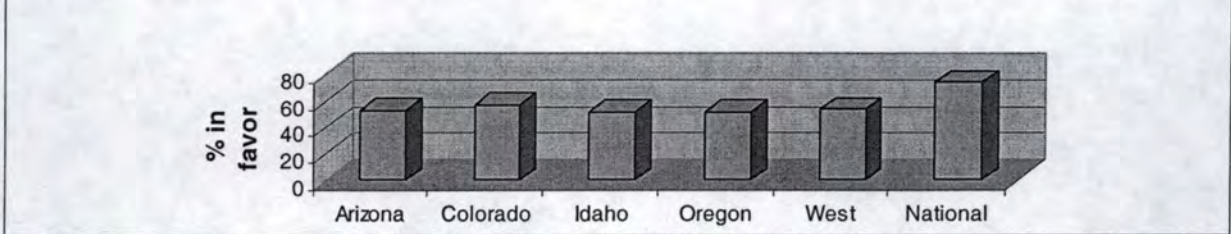
Most western producers concur that US farmers benefit from international trade. On average westerners, particularly Idahoans, are more pessimistic about the benefits of agricultural trade than is the nation as a whole. Substantially more Arizona producers agree that US farmers benefit from international trade than any other western state and the national average (Figure 18).

Figure 18: Do U.S farmers benefit from international trade?



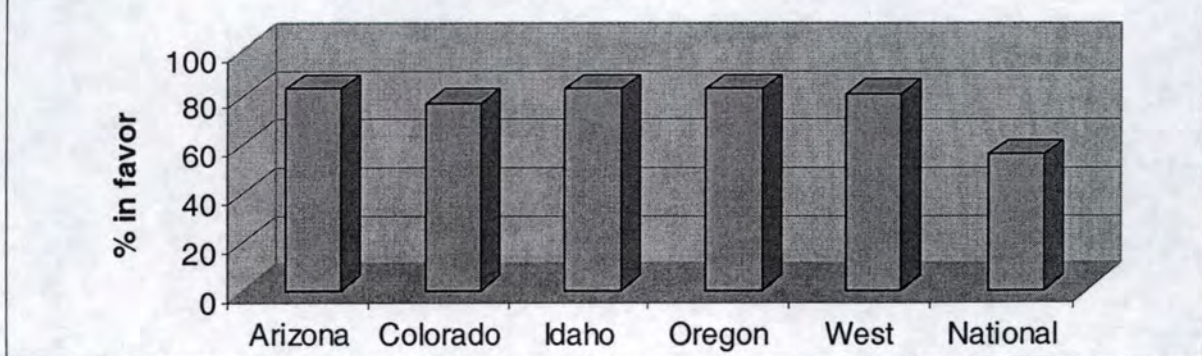
While westerners view trade as helpful to farmers, they are less convinced of the benefits of free trade agreements, particularly relative to the national average. Nationwide averages are quite similar in assessing the benefits of trade and the need to pursue free trade agreements. While Arizona and Colorado producers parallel national opinion in this regard, substantially fewer (though still more than 50%) of Idahoan and Oregonian producers are supportive of free trade (Figure 19).

Figure 19: Should the U.S. pursue agreements to reduce and eliminate trade barriers?

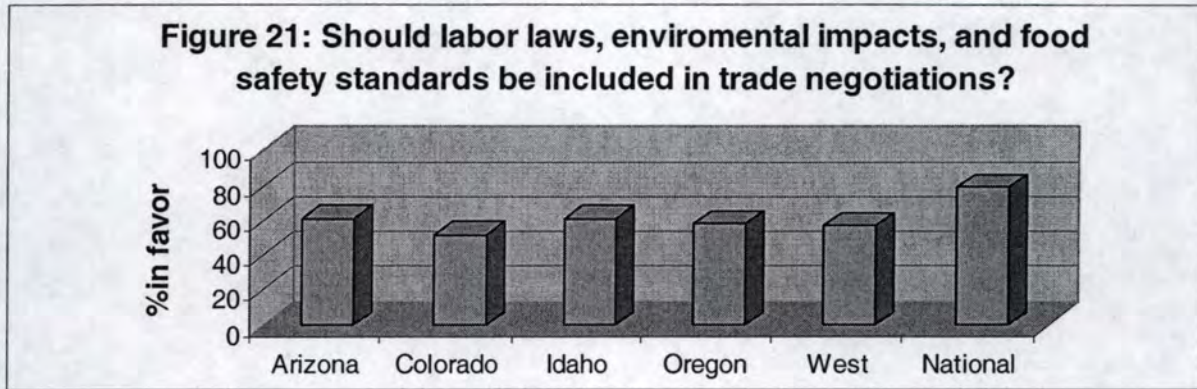


Largely above the national averages, westerners were more in favor of eliminating unilateral trade sanctions including food and medicine (Figure 20).

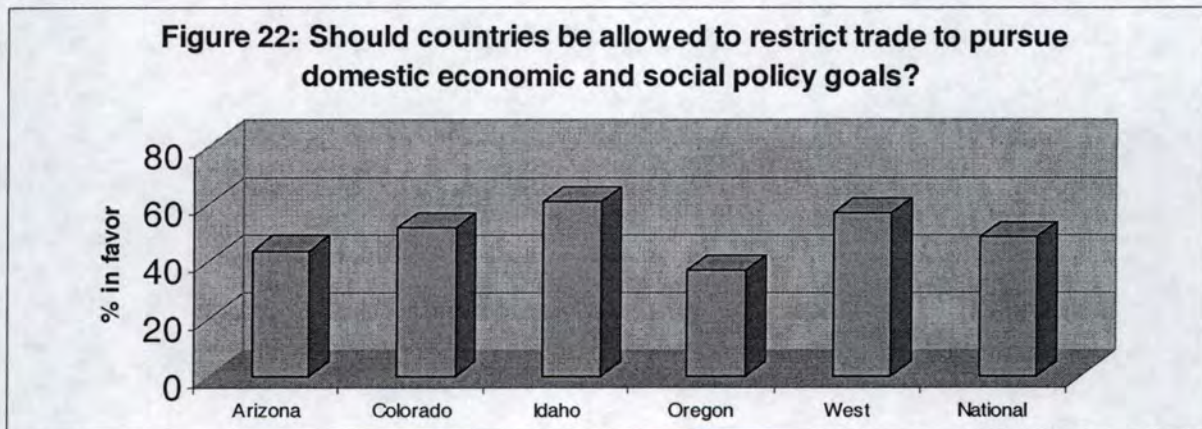
Figure 20: Should the government eliminate unilateral sanctions prohibiting trade in food and medicine?



In contrast, western producers were strongly in favor of including labor, environmental and food safety issues in international trade negotiations and agreements. All western states and the regional average were below the rather high national average (79%) in support of inclusive trade policy negotiations (Figure 21).



Contrary to the national average (48% in favor), all western states (57% regional average) were in favor of allowing countries to restrict trade in order to pursue domestic economic and social policy goals, even if the policies would affect international trade. Producers in Idaho and Colorado were most strongly in favor of this approach, followed by Arizona, with Oregon only providing modest support of this notion (Figure 22).

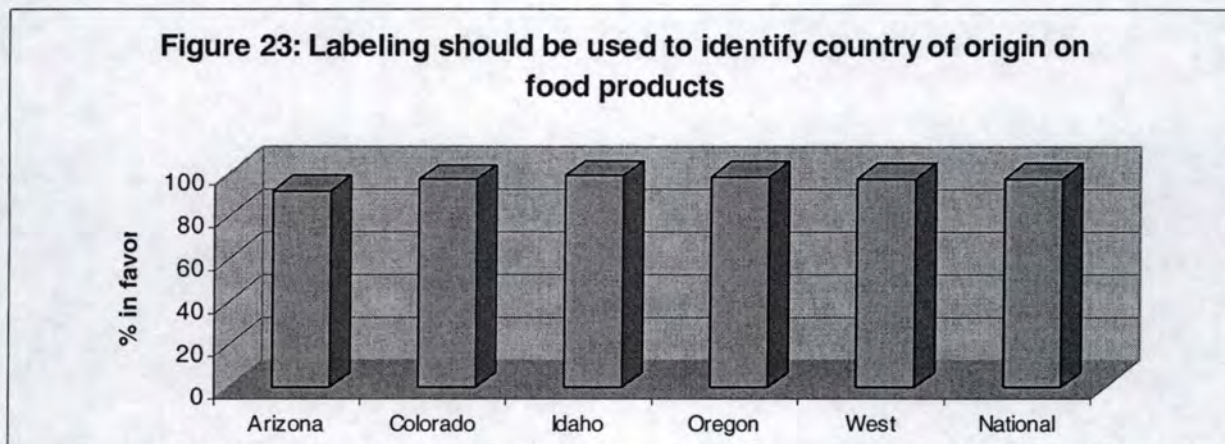


In addition, two states, Oregon and Arizona chose to ask producers about their preferences for fast-track trade promotion authority. Similar to the other 8 states that chose to include this question, except Kansas, on average neither Arizonan (44% in favor) nor Oregonian (37%) producers were in favor of fast-track authority for trade policy.

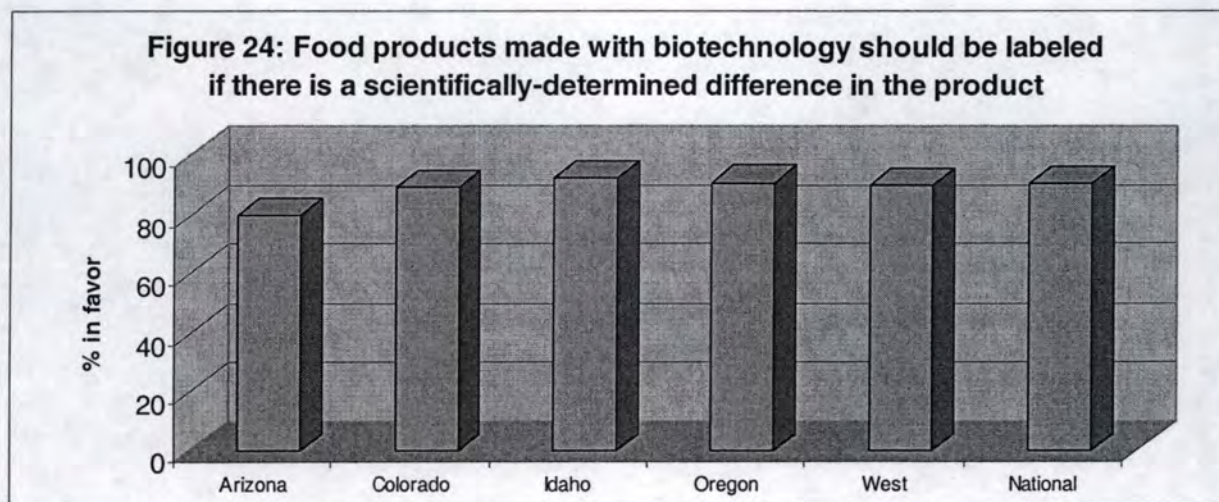
Food Policy

The national survey requested information regarding five issues of federal food policy. Like trade policy, the proportion of favorable responses is reported and illustrated in Figures 23-27.

All western states and producers nationwide were highly supportive of country of origin labeling for food products. In the West, Idaho producers were most supportive of country of origin labeling (99% in favor), with Oregon and Colorado close behind (98% and 97%, respectively). Arizona producers were least in favor of country of origin labeling, though still supporting the measure at a rate of more than 9 in 10 respondents in favor (Figure 23).

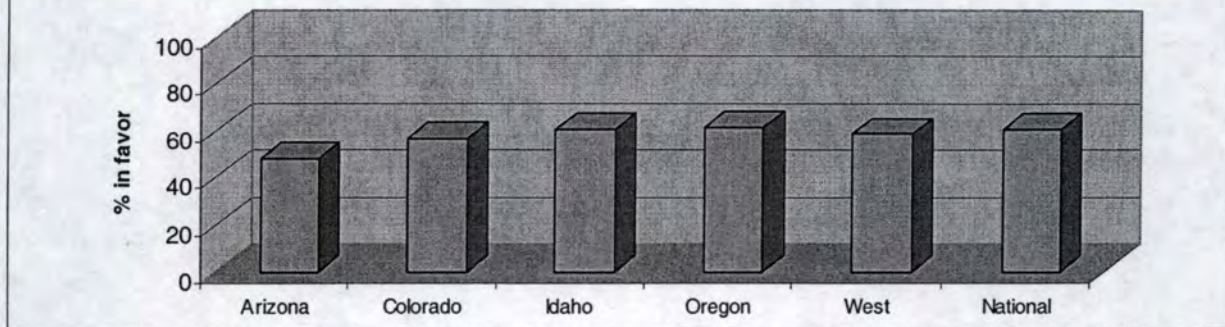


Producers of western states, the western region, and nationwide were also quite supportive of labeling genetically engineered agricultural products, should it be found that they differ substantially from food produced without biotechnology. On average, 9 in 10 western producers and producers nationwide supported biotech food product labeling. Idaho (92%) and Oregon (91%) exceeded the national average, while Colorado (89%) and Arizona (80%) producers were less supportive of the measure than the national and regional averages (Figure 24).



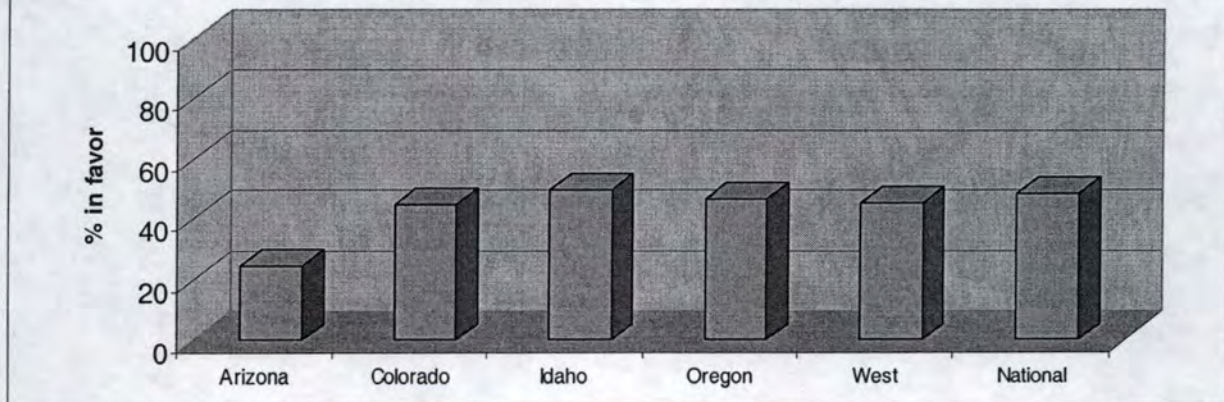
However, if science cannot or does not establish that there are important differences between genetically engineered and nonbiotech food products, labeling attracts about 30% less support within each western state, across the western region, and nationwide. Except for Arizona (48%), all western states remain supportive of labeling of biotech food products at a similar rate to the national average (61%) (Table 25).

Figure 25: Food products made with biotechnology should be labeled even if there is no scientifically-determined difference in the product



On the other hand, producer support for requiring labels to provide information about the production practices employed to produce food gains relatively little support both nationwide (49%) and in the west (45%). In the West, only in Idaho does support for such labeling reach 50% of respondents. Arizonan producers demonstrated the least support in the nation for such product labeling (25%) and Oregon (47%) and Colorado (45%) fell slightly below the national mean (Figure 26).

Figure 26: Food labels should explain production practices even if there is no scientifically-determined difference in the product



Fairly strong support was found nationwide (76% in favor) and across the west for improving the traceability of food products from the consumer back to the producer in order to improve food safety, although the western region (70%) and all western states were less supportive of such measures than the nation as a whole. In the west, Idaho producers (73%) were most supportive of measures to improve the traceability of food, followed by Oregon (71%), Colorado (69%) and Arizona (62%) (Figure 27).

Figure 27: The federal government should improve traceability from consumer to producer to improve food safety and tracking

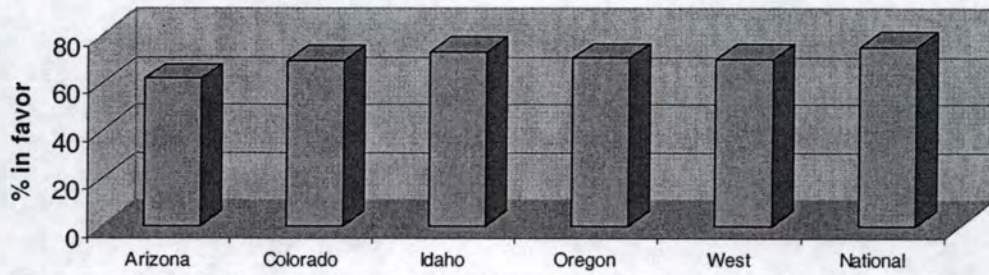
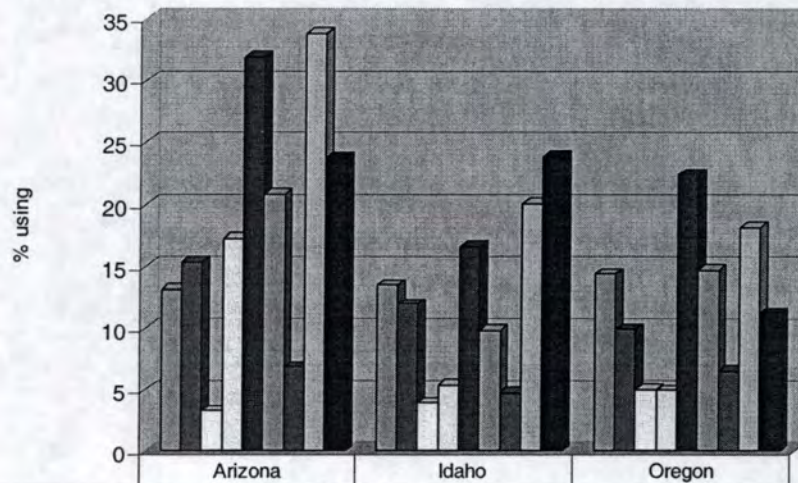


Figure 52 shows the results of question, chosen from the optional pool, addressing the choice of production technologies and practices among western farmers and ranchers. Some of these practices would come under greater scrutiny or become more or less popular as a result of the creation of the labeling policies described above. In Arizona, about 1/3 of producers indicate using plant growth stimulants or regulators and/or precision irrigation. About 1/5 of Oregon producers use plant growth stimulants and 1/5 of Idaho and Oregon producers use precision irrigation. About 1/4 of Arizona and Idaho producers use livestock production stimulants. Few producers in the region use precision agriculture or seed from tissue culture.

Figure 52: What technologies did you use in production during 2000?



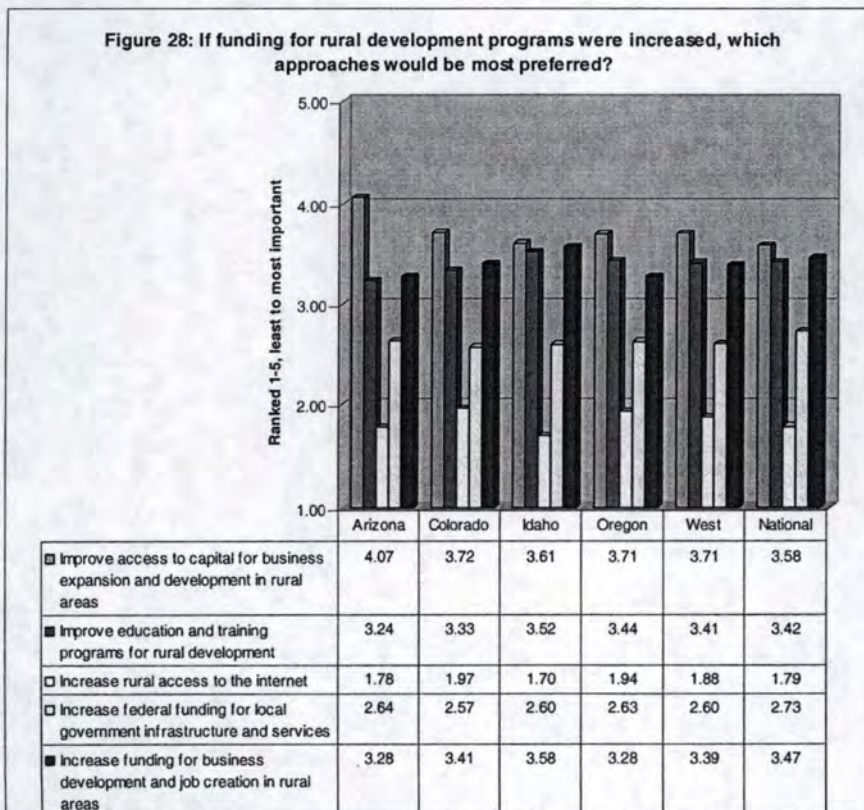
	Arizona	Idaho	Oregon
■ E-Commerce	13	14	14
■ Herbicide-Tolerant Crops	15	12	10
□ Seed from Tissue Culture	3	4	5
□ Genetically-modified Seed	17	5	5
■ Plant Growth Stimulants/Regulators	32	17	22
□ Insect Growth Regulators	21	10	15
■ Precision Agriculture	7	5	7
□ Precision Irrigation	34	20	18
■ Livestock Production Stimulant Shots/Implants	24	24	11

In terms of public investment to develop these new production technologies, responses to an optional pool question by Coloradoan (70%) and Oregonian (69%) producers felt strongly that such innovations should remain the public domain. About ¼ of respondents from these states favored allowing the patenting and licensing of technologies developed through the use of public funds at universities and fewer than 10% favored the elimination of public investment in new production technologies. Regarding the optimal mix of public funds for university research and outreach activities, a majority of Coloradoan (57%) and Oregonian (55%) producers favored maintaining the current mix of formula and competitive federal support. An increase in the proportion of formula funds (CO 24% and OR 27%) was the second most favored resource allocation, followed by a veritable tie between increasing the share of competitive funds (9% and 10%) and the elimination (9% and 8%) of public support of research and outreach activities.

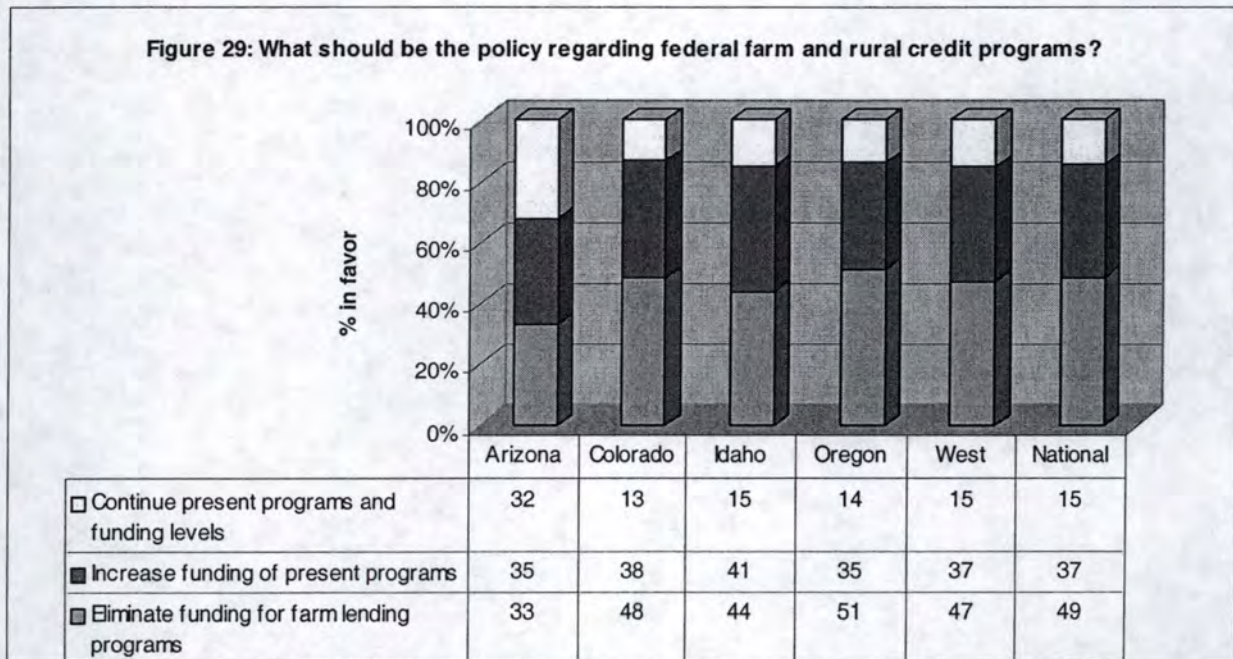
Structural Issues:

The national producers’ survey requested information regarding ten different issues of agricultural structure and the rural economy including: rural development, farm and rural credit, market competition, farm structure, agricultural labor, and commodity check-off programs. Figures 28-35 highlight western producers responses to these questions.

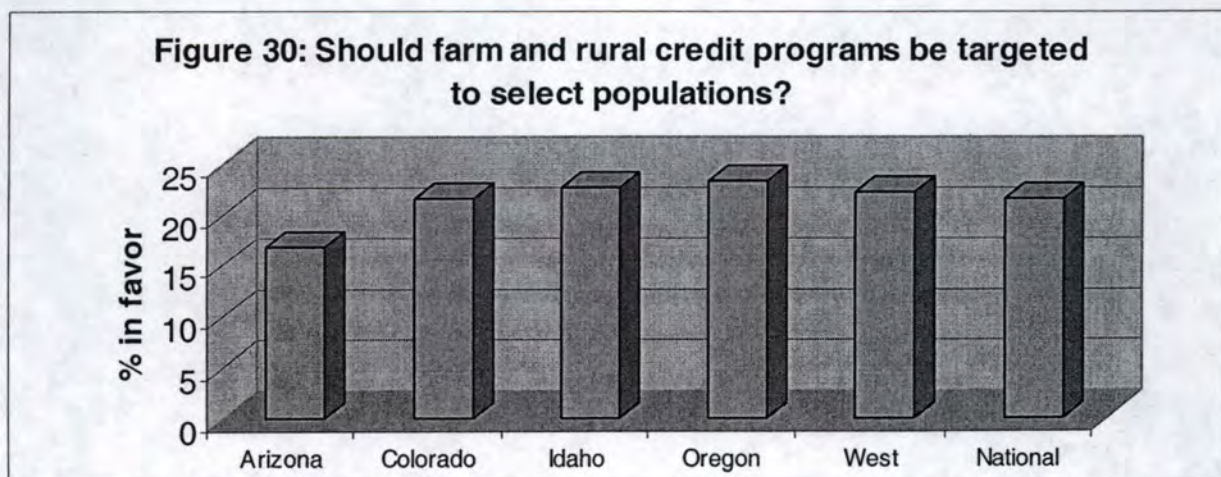
Producers were asked to rank their preferences for five rural development programs: capital access for business, education and training programs, rural internet access, rural government infrastructure and services funding and business development and job creation. The ranking of responses was consistent across all western states, the western region and the nationwide for the policy of highest priority: improved access to capital for business expansion and development in rural areas. Rankings were also consistent for the lowest and second lowest priority policies: increased Internet access and support for government infrastructure and services. In all western states, except Oregon, and in the nation as a whole, a slight preference for increases in funding for business development and job creation in rural areas over improvements in education and training programs was expressed. Oregonian producers indicated the opposite order of preference for these two rural development policies, and the regional average mirrored Oregon’s preference ordering (Figure 28)



When asked whether federal farm and rural credit programs should be continued at present funding levels, enjoy an increase in financial support, or be eliminated altogether, producers in the west and nationwide clearly indicated that their least preferred option was the status quo. They most commonly preferred the elimination of farm credit programs, except in Arizona (33%) where it was the second most preferred option. However, only in Oregon (51%) was elimination a majority opinion. The second most preferred farm credit policy option across the western states and nationwide was to increase their financial support, except in Arizona where it was the most preferred option (35%) (Figure 29).

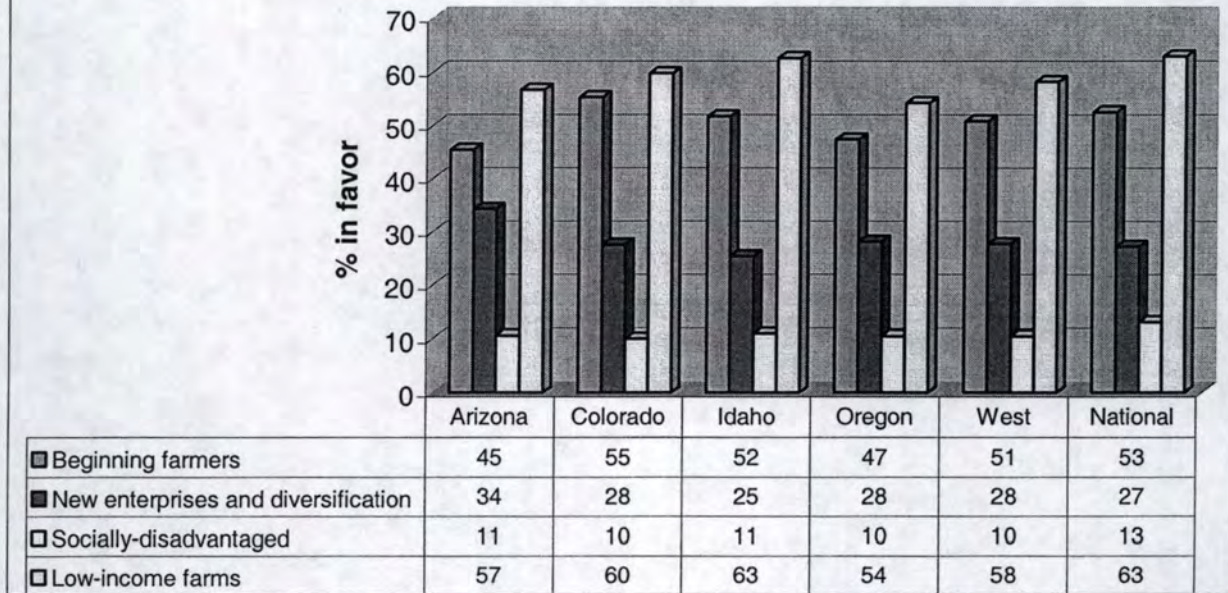


Targeting farm and rural credit programs to select populations is a highly unpopular policy alternative among the nation's producers, including the west. On average the western region's preferences for targeted credit policies are in line with the rest of the nation (22% in favor). Within the west, it is least popular in Arizona (17%) and most favored in Oregon and Idaho (23%) (Figure 30).



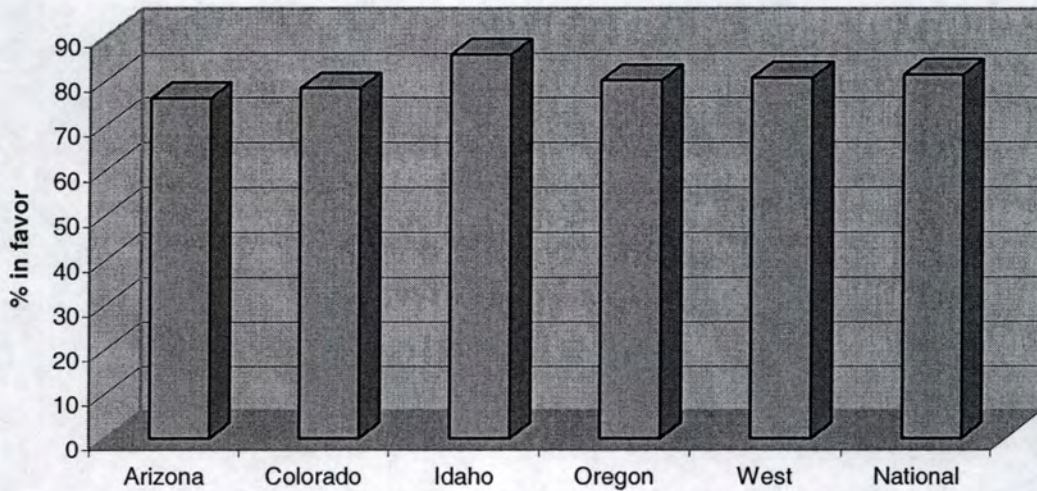
Although targeting is highly unpopular, if credit programs were targeted, producers have clear preferences as to whom they should be directed. Across the west and nationwide, producers would prefer that low-income farms and rural areas gain from any targeting of credit programs followed by beginning farmers. New enterprises or diversification (ranked 3rd) and socially disadvantaged groups (ranked 4th) were quite clearly not high priority groups among producers for targeted credit programs (Figure 31). Responding to a question from the optional pool, a full 81% of Oregon producers felt that more credit should be targeted to small and beginning farmer programs.

Fig. 31: If credit programs are targeted, who should be the targeted audience?



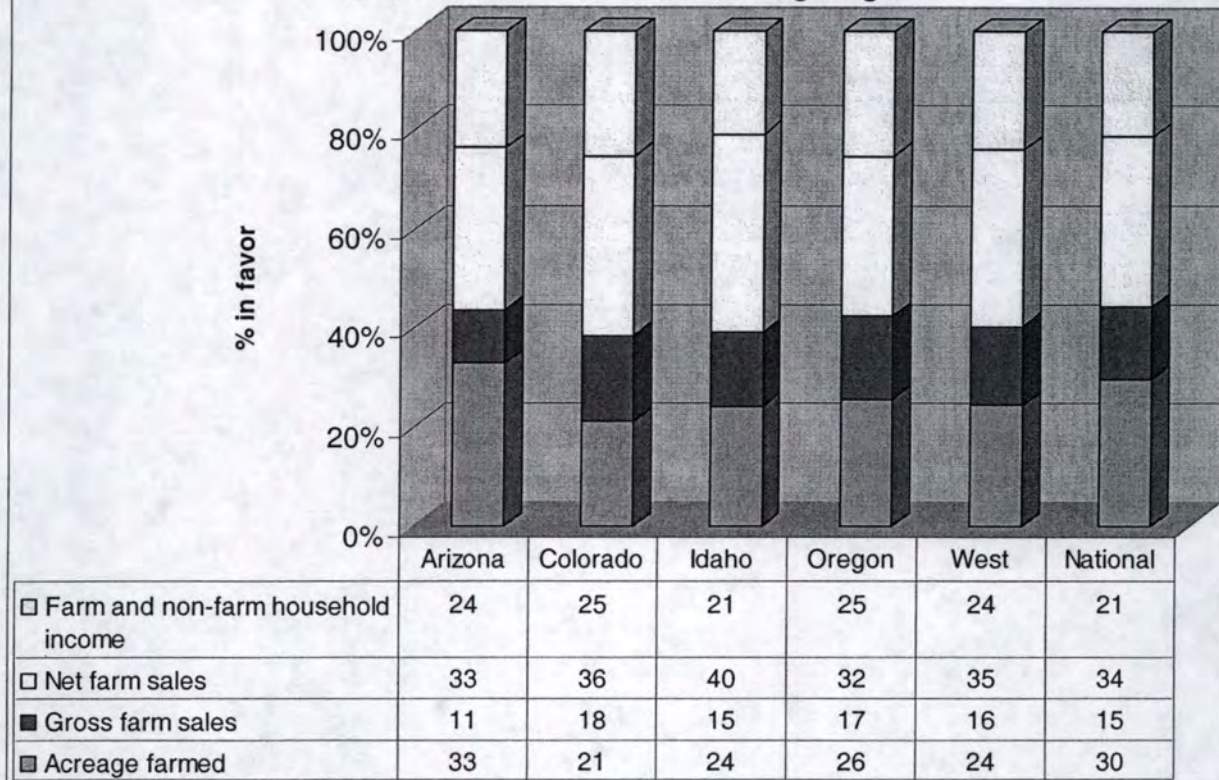
Producers from all western states and the nation at large were in favor of targeting small farms for program support. Relatively speaking, Idaho expressed strongest support, greater than the national average, while Arizona was least supportive of targeting small farms. Colorado and Oregon were below the national average, and between Arizona and Idaho (Figure 32). However, in an optional pool question, Colorado (24%) and Oregon (22%) producers indicated little support for the notion that CSREES research and outreach activities should be targeted to small farms.

Fig. 32: Should farm income support programs be modified to target benefits to small farms?



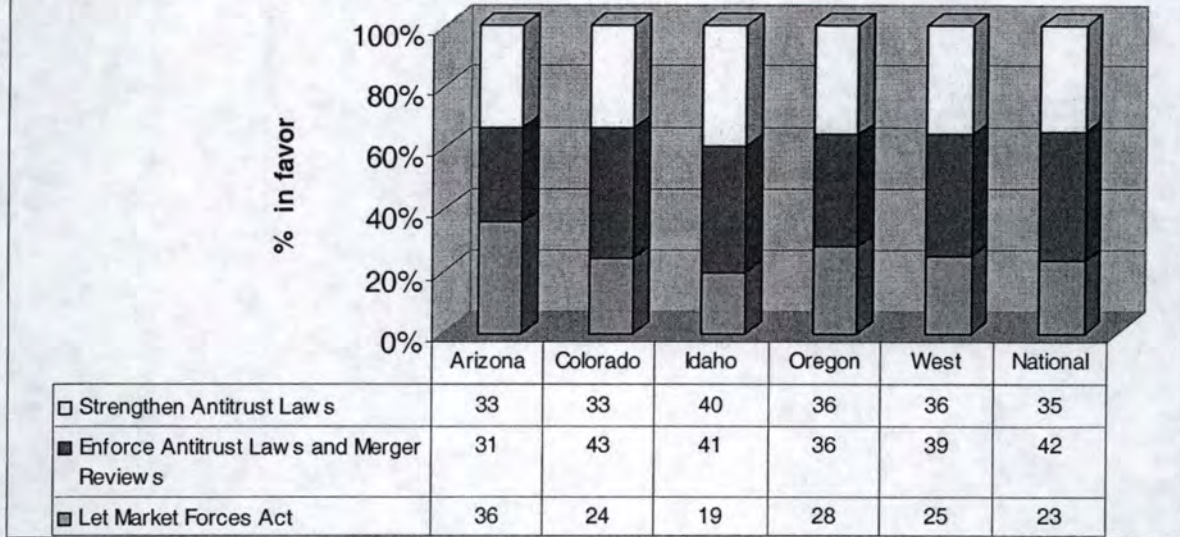
In terms of the criteria upon which support programs for farms should be targeted, the states of the west and the nation at large showed little variation. Almost universally, net farm sales were most preferred followed by farmed acreage, farm and nonfarm household income and gross farm income as criteria for targeting farm support programs. Only Colorado indicated a preference for support based upon farm and nonfarm income over farmed acreage as a basis for support programs. Responses from Idaho and Oregon producers most closely matched national averages, although Arizona's responses were relatively similar as well (Figure 33). Moreover, in response to an optional pool question, Arizonan (69%) and Oregonian (61%) producers strongly favored changing the definition of a farm from \$1,000 in annual sales to \$10,000 in order to exclude "lifestyle" farms from government support.

Figure 33: If support programs are targeted, on what main criterion should farms be classified for targeting?



Regarding their preferences for policy related to agribusiness industry concentration, western responses were alike in rank to national preferences. However, individual states varied substantially in the strength of their preferences and Arizona's ranking was different from the rest of the west and the national average. All western states and the national average (42%) ranked the enforcement of antitrust laws and merger reviews as the highest priority to address industry concentration, except for Arizona (31%) where it ranked third. Strengthening antitrust laws was the second most preferred policy option and letting the free market reign was the least preferred option nationwide (35% and 23%, respectively) and across all western states, except for Arizona where it ranked first (36%). Colorado most closely echoed the national averages, with substantial differences in preferences among the three options, while Idaho and Oregon were neutral in their preferences between enforcing existing rules and strengthening them (Figure 34).

Figure 34: What should be the policy of the government regarding the concentration of agribusinesses?



Like the national averages, western producers were strongly supportive of the government's role in providing market information. Responses across the west varied little and were slightly less favorable to the continuance of government market reporting than the nation as a whole (Figure 35).

Figure 35: What should be the policy of the government regarding agricultural market information and reporting?

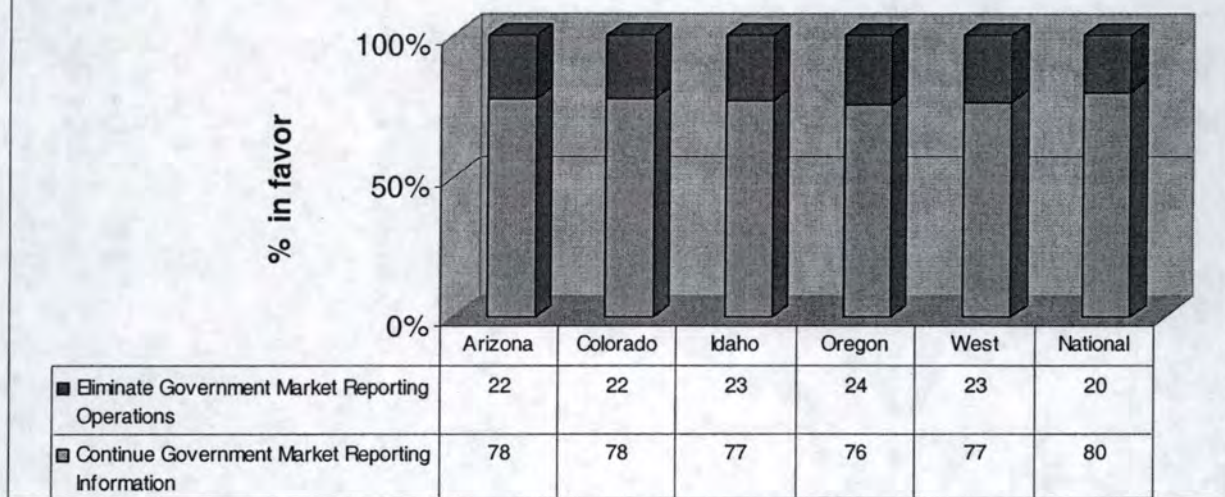


Figure 36 illustrates producer rankings of the relative importance of seven labor issues. All western states agreed with the national average regarding the most (workforce availability) and the least (worker unions and collective bargaining) important labor issues among the seven options. Moreover, all western states, except Arizona, echoed national averages in ranking the relative importance of the other five labor issues: availability of seasonal labor (2nd), labor and human resource management (3rd, 4th in Arizona), community impacts of immigrant workers (4th, 6th in Arizona), foreign guest worker programs (5th, 3rd in Arizona), and independent contractor versus employee rules (6th, 5th in Arizona).

Figure 36: What are the most important labor issues in agriculture?

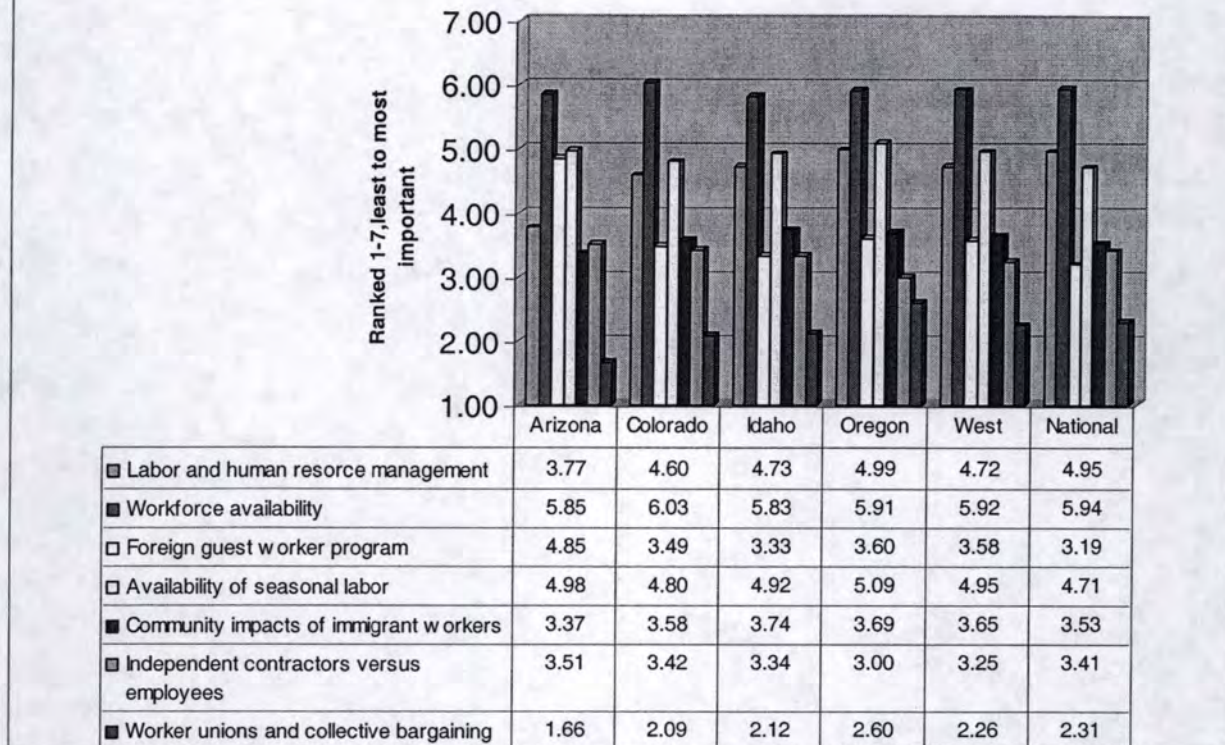
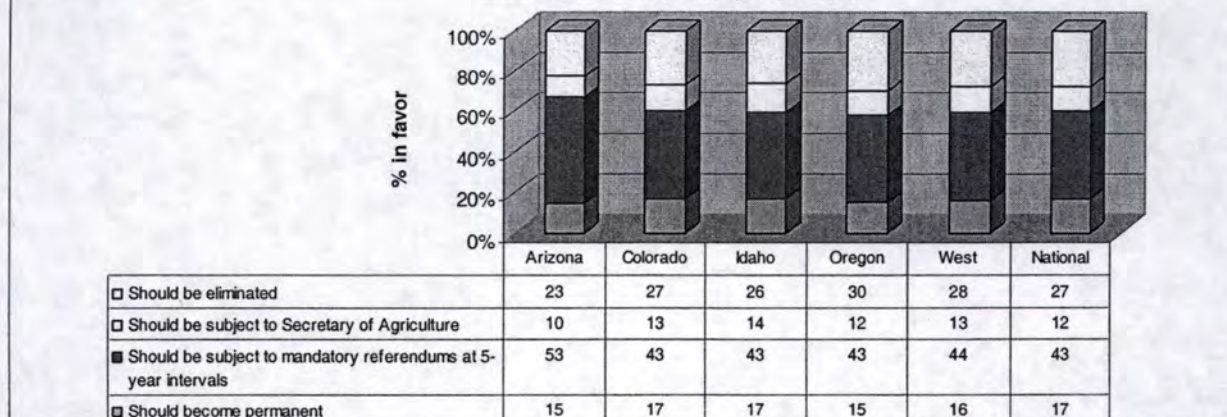


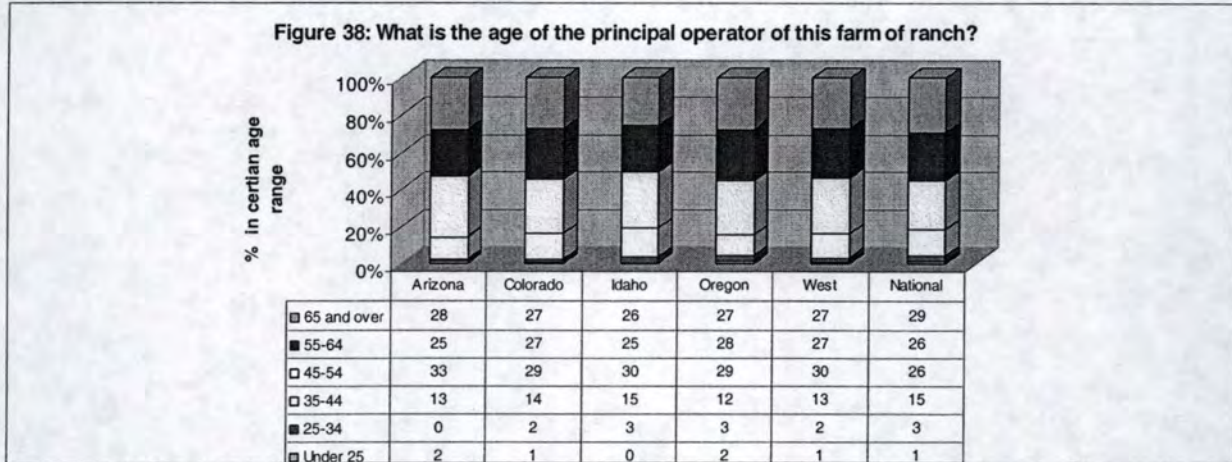
Figure 37 illustrates producer opinions of what should be the future of federal commodity promotion and research check off programs. Here again, western rankings were parallel to national rankings of alternatives and the relative strength of preferences were also quite similar, except for Arizona. Most respondents, though not a majority except in Arizona, felt that check off programs should be subject to mandatory referenda at 5-yr intervals. The second most popular response called for the elimination of such programs, but the third most popular response was to make check off programs permanent. The least popular response was to leave decisions regarding commodity check off and promotion programs to the Secretary of Agriculture.

Figure 37: What should be the government policy regarding commodity promotion and research checkoff programs?



Demographics of respondents:

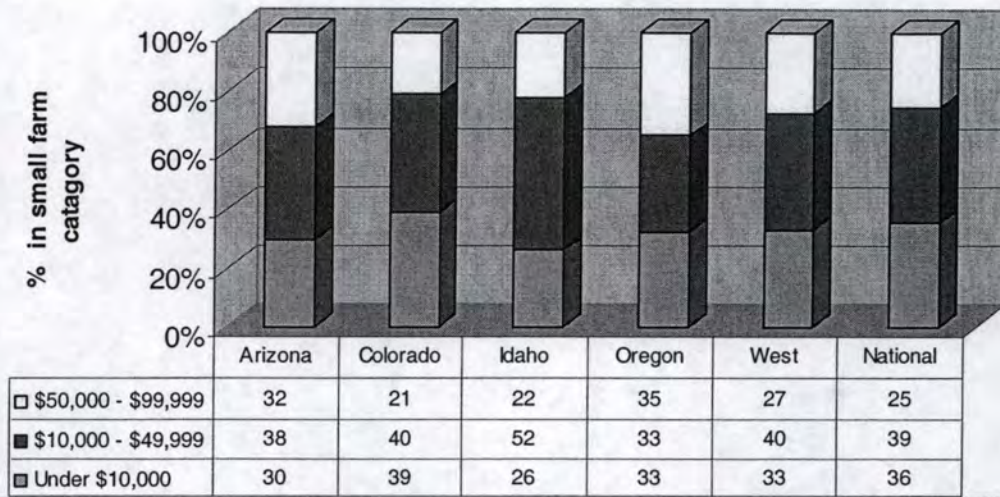
Figure 38 provides a comparison of the average age of farm or ranch operators responding to this survey. Results are consistent across the western region and nationwide. More than 80% of principal farm operators are over 45 yrs of age, more than 50% are over 55 yrs old and more than 25% are over 65 yrs old.



Figures 39 and 40 show the approximate average gross income from farm operations including government payments reported by survey respondents. Figure 39 indicates the distribution of responses among farms with \$100,000 in sales or less, while Figure 40 illustrates the distribution of responses among farms with \$100,000 in sales or greater.

While western averages within the “small” farm category resemble the national averages, responses by state within this category vary substantially. The responses of Oregonian farms were evenly distributed within the small farm category. In Idaho, small farm responses were most representative of the \$10,000-50,000 in gross annual income category (52% of all small farm responses). Colorado’s small farm responses were relatively more heavily represented by farms with gross annual income of less than \$50,000 (79% of all small farm responses). Arizona’s responses are somewhat more representative of small farms with gross sales of greater than \$10,000 per year (70% of all small farm responses) than are the samples from the western states on average (67% of all small farm responses) and nationwide (64% of all small farm responses).

Figure 39: What are the annual gross sales from your farm including government loan program benefits?



Among responses from farms with average gross sales of greater than \$100,000, Idaho's, perhaps Colorado's, distribution most closely parallels national averages, with more than 1/2 of respondents selling between \$100,000 and \$250,000, a bit more than 1/3 with gross annual sales of between \$250,000 and \$1,000,000 and the rest with sales of over \$1,000,000. Arizona's responses within the large farm category were far more representative of the over \$1,000,000 in annual gross sales category (40% of large farm responses) than the regional (15%) or national average (8%), while Oregon was more evenly distributed across the large farm category than the regional or national averages (Figure 40).

Figure 40: What are the annual gross sales from your farm including government loan program benefit?

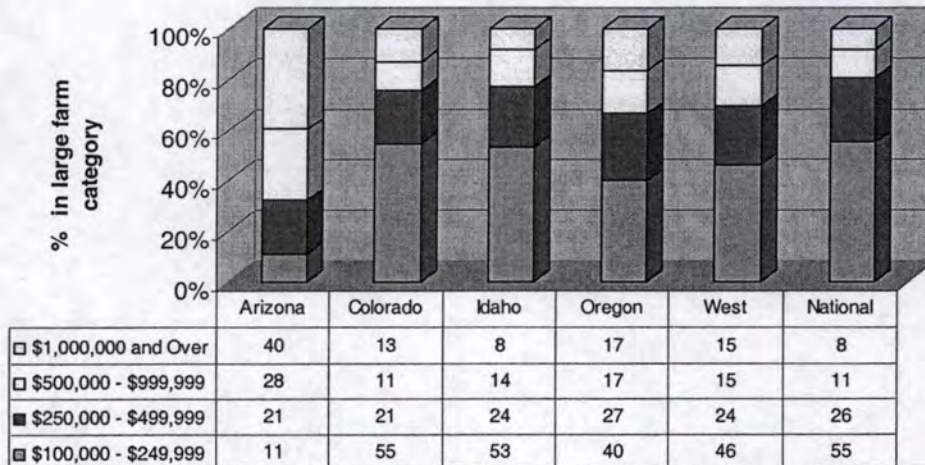


Figure 41 reports the proportion of total cash receipts derived by respondents from various types of farm and ranch products. Receipts from livestock sales dominated responses the western states, western region (37%) and national sample (41%). In the western region, Oregonian producers received the lowest proportion of total revenues from livestock (28%), while 56% of revenues were derived from livestock

sales in Arizona, the highest proportion in the region. Grains and forage were relatively important to sales receipts in Idaho and Colorado and unimportant in Arizona and Oregon. Generally speaking grains are less important and forages more important in the West than they are nationwide. Specialty crops were relatively important in Arizona and Oregon and relatively unimportant in Colorado and Idaho.

Figure 41: What percent of your total cash receipts comes from the following sources?

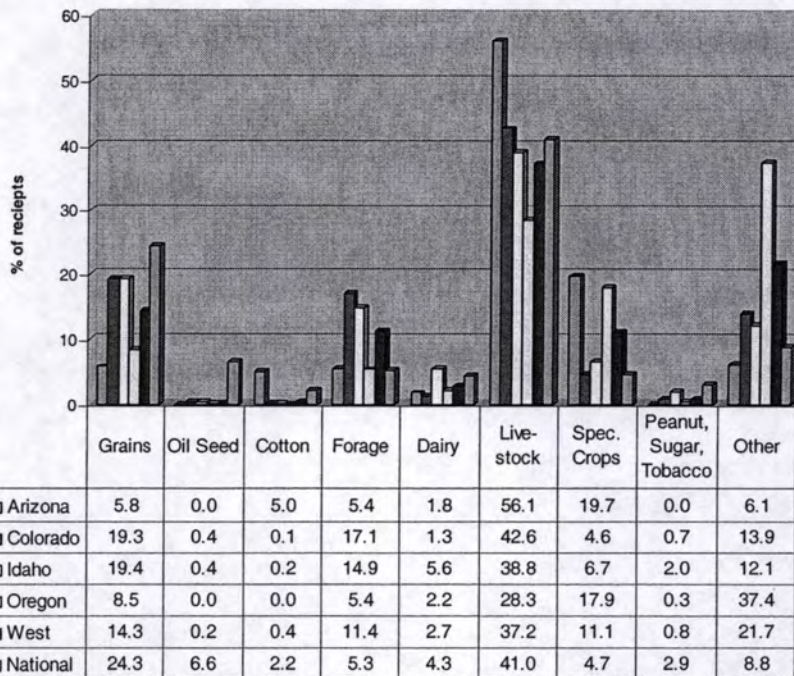


Figure 42 illustrates the proportion of respondents' family income typically earned from farming and ranching. It demonstrates a fairly bimodal distribution of relative dependence on farm income. A little less than 1/2 of producers in the west and nationwide derive less than 25% of their income from agricultural enterprises and a little less than 1/3 of responding producers depend on agriculture for 75% or more of their household incomes.

Figure 42: What percentage of your family income is earned from farming or ranching?

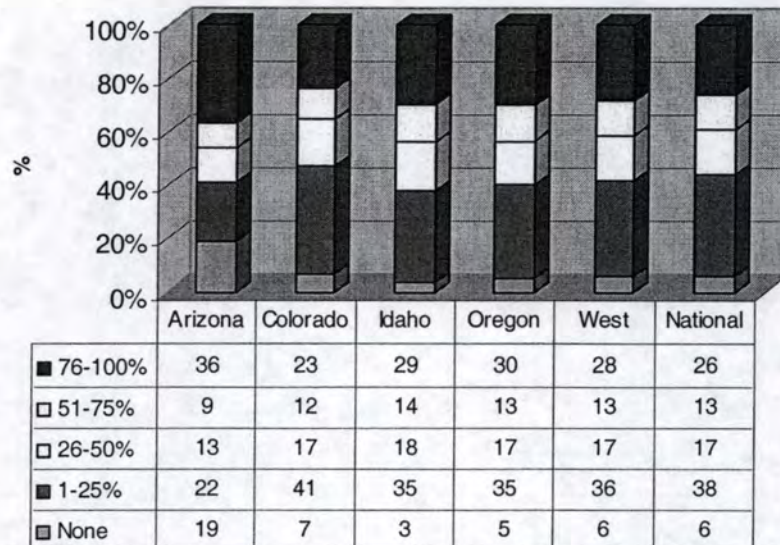


Figure 43 illustrates the highest level of formal education attained by farm and ranch operators. It indicates that about 2/3 of western farmers and ranchers have received some college level training and that more than 1/3, except in Idaho, have received at least one college degree. Responding western farmers have substantially more college level education than respondents nationwide.

Figure 43: What was the last year of school completed by the principal operator of this farm or ranch?

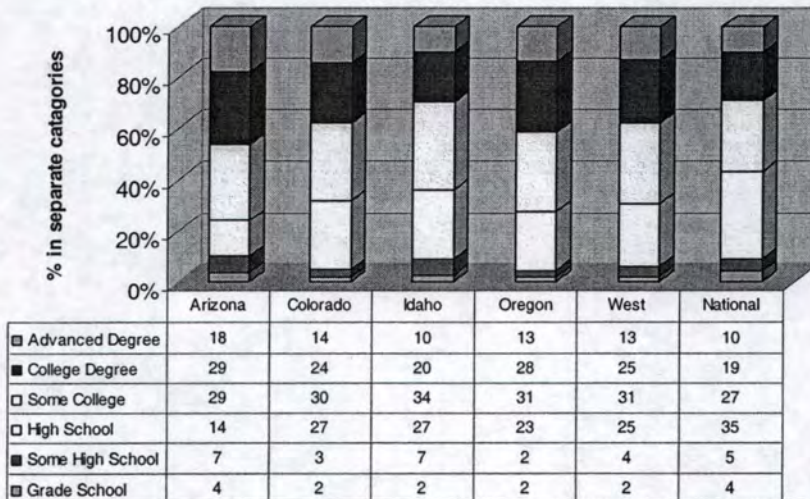


Figure 44 shows which federal programs producers participated in during 2000. Western producers' rate of participation in all federal programs was lower than the national averages, which were driven by particularly high participation rates in the North Central Region. Within the West, Oregonian and Arizonan producers showed a lower rate of participation in federal programs than Colorado and Idaho. Commodity programs were the most commonly used programs across the US (40%) and the West (26%), except for Arizona (18%) where they ranked second to disaster assistance programs (20%). Idaho (38%)

had the highest level of participation in the region, followed by Colorado (28%). Conservation programs were the second most popular programs in the West (15%) in Oregon (10%) and Idaho (19%), but not in Arizona (8%) and Colorado (19%) where they ranked third. Participation in conservation programs was third highest nationwide (21%). Disaster assistance programs were the third most popular in the West (15%) in Oregon (8%) and Idaho (16%), but second in Colorado (21%) and the US (30%) and first in Arizona. Agricultural credit programs were the least used nationwide (5%) and among western states (3% on average, 1-6% range).

Figure 44: What federal farm programs did your farm participate in during 2000?

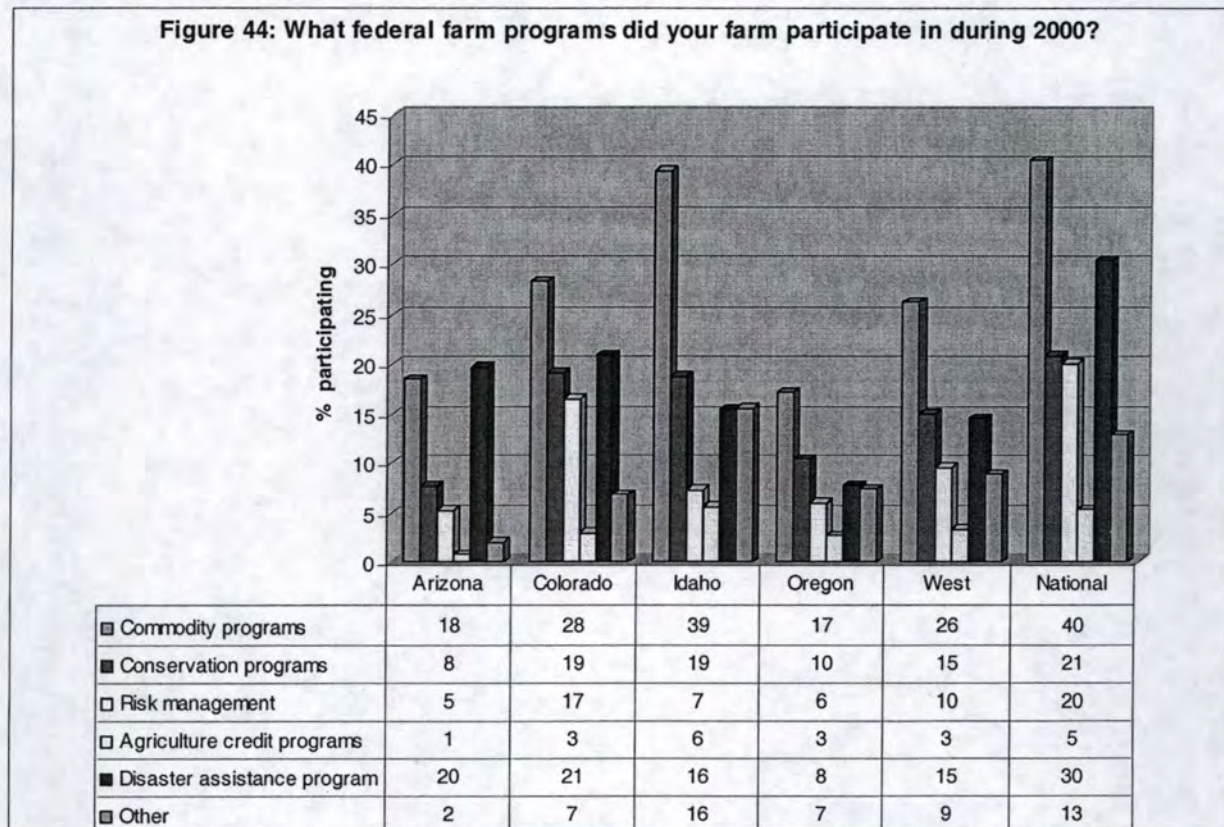


Figure 45 indicates what proportion of the land used by farmers and ranchers they own and what proportion is leased. Except for Arizona, western farmers and ranchers own a greater proportion of their land than their counterparts in the rest of the country. Some 72% of Oregonian farmers owned 75% or more of the land they farm compared to the national average of 58% and the regional average of 64%. A little fewer than 2/3 of Colorado and Idaho farmers and ranchers own a 75% or more of their land, while only 42% of Arizona farmers own such a high proportion of the land they work and almost 1/2 of them own 1/4 or less of the land they farm.

Figure 45: What percentage of the land that you farm do you own?

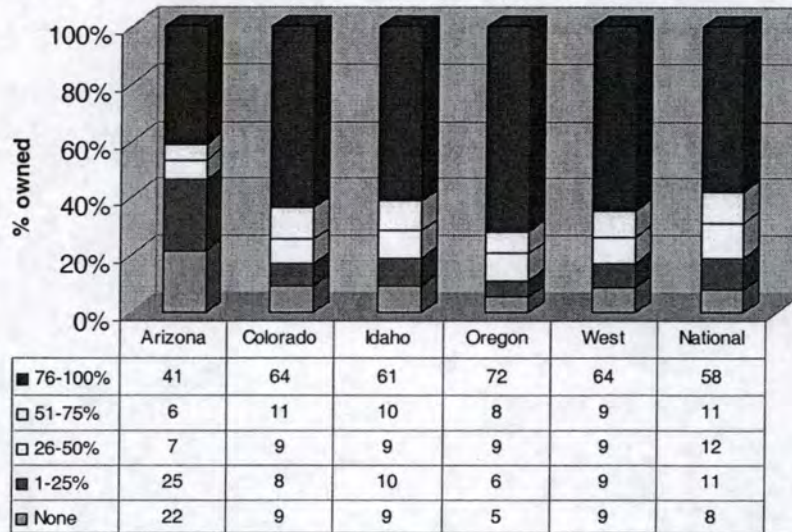


Figure 46 illustrates the rate of participation in several agricultural organizations among respondents. Though demonstrating a substantially lower rate of participation than the national average (42%), American Farm Bureau is the most popular agricultural organization in the West (28%). Farm Bureau was most popular in Arizona (39%), followed by Idaho (33%), Colorado and Oregon (25% each). In the West, only commodity associations are close in popularity to the Farm Bureau, reaching equal participation among farmers and ranchers only in Oregon. Led by Arizona (30%), commodity associations are more popular across the West (20%) than they are nationwide (12%).

Figure 46: Of what agricultural organizations were you a member in 2000?

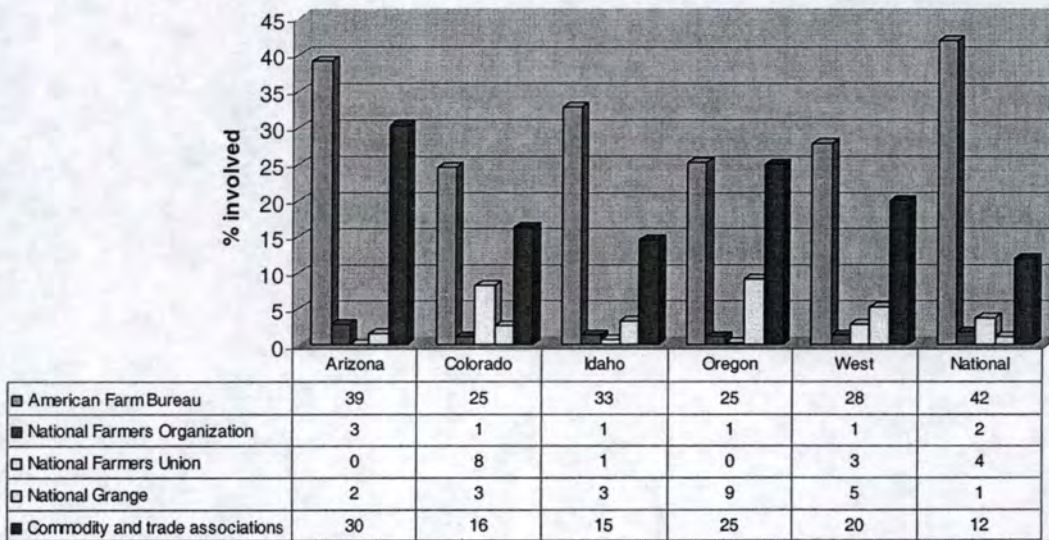


Figure 47 illustrates the responses of producers as to what risk management tools or strategies they choose to employ on their operations. Off-farm income is the most commonly employed measure taken to mitigate on-farm income risk across western states, the West (55%) and nationwide (56%). Off farm income is most popular in Colorado (60%) and least popular in Arizona (41%). The least popular risk management tool used is input cost hedging, employed by 3% or fewer producers across the West. Led by

Arizona (37%), management education is the second most popular risk management action taken by western farmers and ranchers and only the fourth most popular measure nationwide (24%). Westerners are far less likely than the national average to use insurance (14% versus 28%) and grain storage (15% versus 29%) to mitigate income risk, averages drawn down by particularly low participation by Arizona (6% each) and Oregon (9% and 8%) farmers and ranchers. Western producers were somewhat more likely to use enterprise diversification (18% versus 16%), debt or equity financing or savings accounts (19% versus 17%), and the Internet than the nation at large (15% versus 14%).

Figure 47: Which of the following tools or strategies do you use to manage risk on your farm?

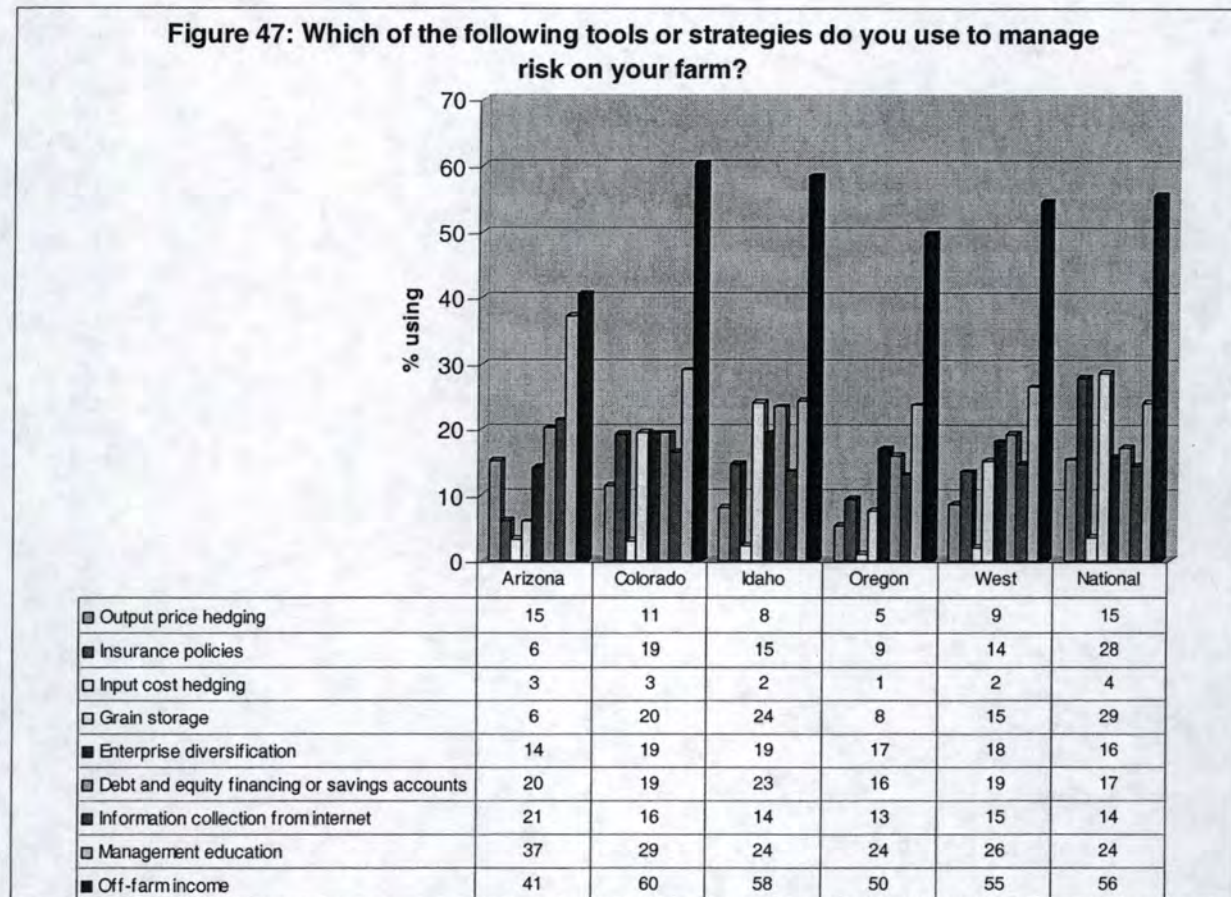


Figure 48 addresses producers' responses to a question regarding the future of their operation upon their retirement. Westerners in general and each western state were more likely to predict that their farms and ranches would be sold to a third party and be converted from agricultural use than the national average. About 1 in 4 western farmers and ranchers expected their operations to be sold to a third party compared to 1 in 5 nationwide. While 13% of farmers nationwide expected their land to change uses when they retired 15% (AZ) to 19% (Idaho) of western farmers and ranchers predicted this fate for their lands. Moreover, fewer than 1/2 of western farmers and ranchers expected to pass their operations on to their children, whereas just more than 1/2 of farmers nationwide expected to do so. In the West, Arizona operators were the exception to this general rule, with 52% indicating that they would pass on their operations to their children upon retirement.

Figure 48: When I retire, I expect the farm or ranch I operate to be transferred...

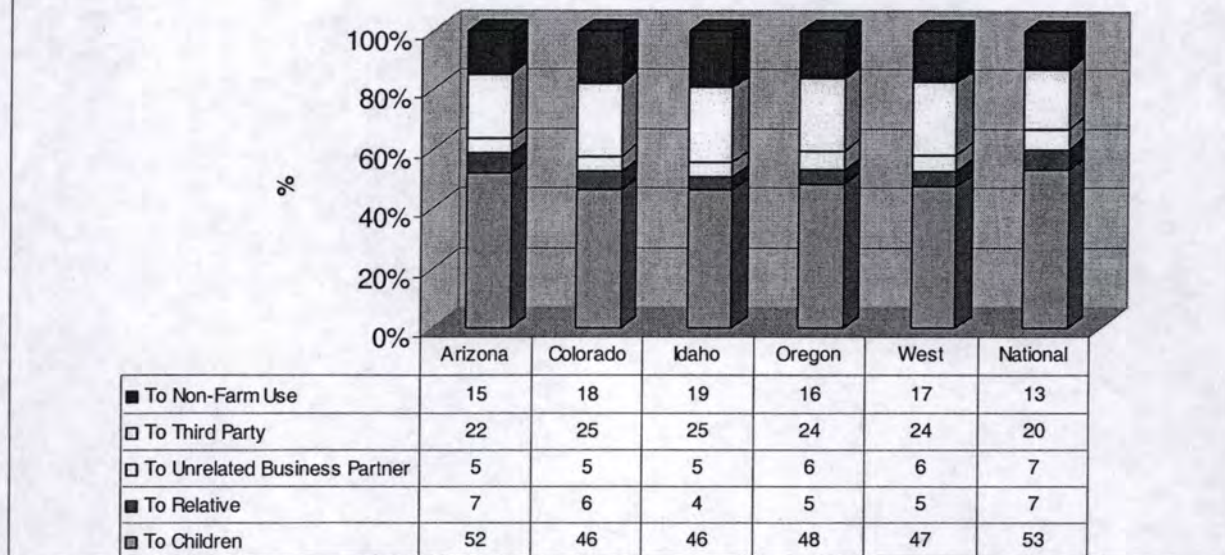
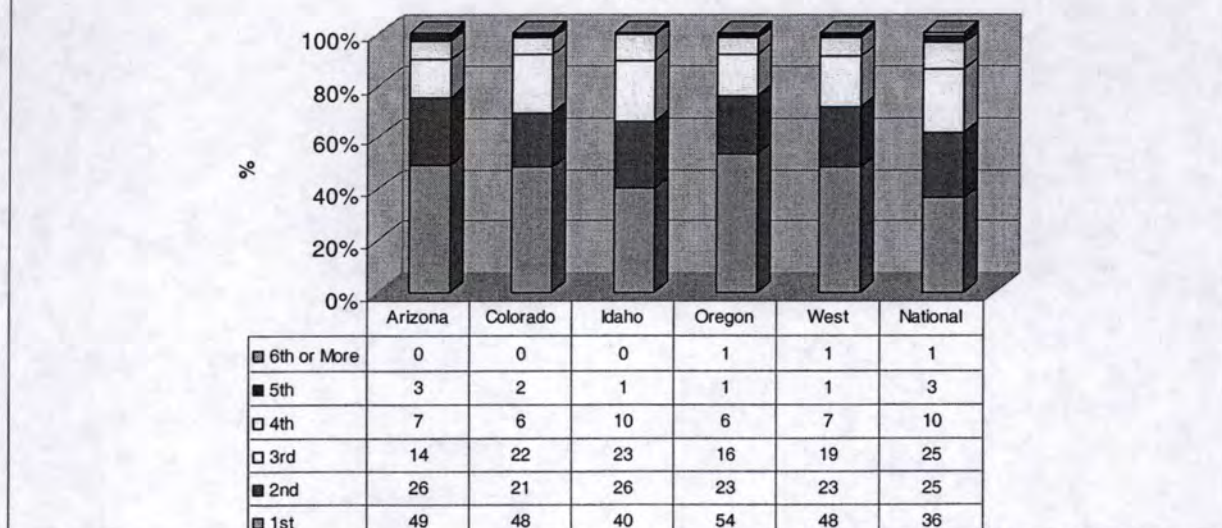


Figure 49 indicates the average number of generations a family has spent on the particular farm or ranch operation that provided the basis for responding to the survey. On average, western farm families have had fewer years on their land than the national average. The profile of Idaho producers most closely resembles the national averages and the greatest proportion of 3rd generation or greater farm families. Except for Idaho, approximately 1/2 of farm families in the West are in their first generation on the land. Oregon's responses show the largest proportion of first generation farmers and ranchers among western states and the lowest proportion of 3rd generation or greater farm families, along with Arizona.

Figure 49: How many generations of your family have been on this farm or ranch?



Summary and concluding remarks:

The Farm Bill, as it is known, is the most important piece of federal legislation for US agriculture and rural America. Historically, the provisions of this piece of far reaching legislation are revisited every five years. The current Farm Bill expires September of 2002. As a part of an initiative to provide greater voice to agriculturists in the formation of federal agricultural policy, the Farm Foundation commissioned *The National Agricultural, Food and Public Policy Preference Survey*. The results of this national survey were released on November 5, 2001 and are available for download at <http://www.farmfoundation.org>. In addition, the Farm Foundation nurtured public policy extension specialists nationwide to produce a document to inform producers and decision-makers regarding the history, status and implications of federal agricultural policy tools and alternatives. The resulting document, entitled *The 2002 Farm Bill: Policy Options and Consequences*, was released in September of 2001 and is also available on the Farm Foundation website.

In this document, we reviewed the results of a national survey of producers' preferences for federal agricultural policy, in which producers from 27 states representing some 70% of farm operation participated, highlighting the responses from the western United States. Arizona, Colorado, Idaho and Oregon producers provided the western sample. By comparing and contrasting responses of western states to the rest of the nation, issues of common interest were identified as well as issues upon which producers within the West differ in their policy preferences and views. Similarly, a comparison across states within the west provided the opportunity to identify common ground not afforded by national or regional averages. For example, we find that survey return rates in the West were higher than nationwide. We find that responses from Arizona producers are most commonly at odds with regional and national average producer preferences for federal policy, and that, in general, Idaho producers are more commonly similar to the national averages than are other western states. It is hoped that by providing a western focus and perspective on this national effort, western producers and decision-makers can more readily identify opportunities for collaboration and potential points of departure in making informed decisions on matters of important federal public policy related to agriculture and rural communities.