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Wheat Report

Wheat Farmers Polled on Right to Vote

This week, wheat producers across the nation will have a unique opportunity to let farm policy makers know whether they would like to have the opportunity to choose between a mandatory, full-participation wheat program, and the best voluntary wheat program Congress can provide.

Beginning June 25, the Agricultural Stabilization and Conservation Service (ASCS) will mail ballots for the 1986 "Wheat Poll" to almost every American farmer with a wheat base. The ballot will ask farmers to answer six questions.

The most important question is probably the first one: "Do you favor imposition of mandatory limits

on the production of wheat that will result in wheat prices that are not lower than 125 percent of the cost of production (excluding land and residual returns to management)?" The remaining questions concern the size and type of your farming operation.

Your answer to this question is important, but even if every farmer in the United States answered "yes" to that question, a mandatory program could not go into effect until wheat farmers had a chance to vote again on a specific program.

Before any wheat program could become mandatory, farmers must be given the chance to vote for or against a specific program.

This poll is strictly a non-binding

farmer attitude survey. Most questions about what a mandatory program would mean can't be answered, because Congress has not approved any such program yet. The only program detail that is certain now is the loan rate under a mandatory program. The 1985 Farm Bill requires that the loan rate under a mandatory wheat program be set at 125% of the cost of production. For 1987, this would set the wheat loan rate at \$5.04.

Wheat producers are the only commodity group granted this opportunity to make their opinions known. Yes or no, your vote is important. Mark your ballot when you receive it, and be sure to return it by the July 14 deadline.

Poll Presents Price Options

A "Yes" Vote \$5.04 loan rate	A "No" Vote \$2.28 loan rate

Ballots Must Be Returned by July 14

For your ballot to be counted in the wheat poll, it must be completed, mailed in the pre-addressed envelope included with it, and postmarked by July 14, 1986.

Mark your ballot early and return it to ensure that your vote will count.

Loan Rate Decision: \$5.04 vs. \$2.28

Although the farm program can't be changed by the wheat poll in which you will be voting, a "no" vote can ensure that the program currently in effect will not be changed.

The current program allows the Secretary of Agriculture to cut the loan rate down to certain minimum levels. For 1986, the Secretary cut the loan rate to the absolute minimum, \$2.40 per bushel. For 1987, the Secretary could cut the loan rate to \$2.28.

By contrast, if wheat farmers win the right to vote on a mandatory program, they must be offered a program with a loan rate set at \$5.04 per bushel.

Congress Must Offer Wheat Program Details Before Farmers Cast Binding Vote

Many farmers have said that the most important farm implement is the pencil. They mean that successful farmers always figure out the bottom line for each of their choices before they make their final decisions.

Naturally, the question most asked about the 1986 Wheat Poll is, "What are the details of this mandatory program? I want to figure out what effect it will have on me."

But the truth of the matter is that there isn't any mandatory program under consideration right now. The 1986 Wheat Poll is merely designed to find out whether farmers want to choose between a supply management program with a loan rate set at \$5.04, and a voluntary program with the loan rate set at \$2.28.

Loan rates alone aren't enough information for farmers to figure out if the programs will work for them. The wheat set-aside under a

mandatory program, for instance, could range from 25% to 50%, depending on how Congress decides to handle the wheat carryover. Obviously, a farmer should have the right to know these details before saying yes or no to a mandatory program, and the law gives the farmer that right.

Some agriculture lobbyists have argued that farmers should reject the chance to consider a mandatory program simply on the philosophical merits of the issue. Others have argued that philosophical merits don't pay the bills, and say that farmers should vote yes to hold on to their rights until they have the chance to make an informed decision on what is good for them.

If the majority of votes cast in the Wheat Poll are "yes" votes, you can expect much debate in Congress over what type of mandatory program should be

offered to wheat farmers.

Representatives of wheat farmers will argue strongly for a program that gives real benefit to wheat farmers while dealing reasonably with the problems of oversupply. No one can guarantee that these arguments will prevail in Congress, but many Congressmen believe they have a good chance to offer farmers a good program that will increase net income for wheat farmers.

If the majority of votes cast in the Wheat Poll are "no" votes, you can expect that any mandatory program proposed will have a very hard time in Congress, no matter how favorable to farmers it is, and no matter how reasonable and workable it is.

The point is that you won't be voting on a specific program in the 1986 Wheat Poll. You'll only be voting on whether you want to keep your options open and decide what's good for you when the details are in.

Carryover Can Be Reduced Over Time

The biggest unanswered question about a mandatory wheat program is how much land will farmers have to set-aside in order to balance production with demand. The final answer to that question lies with Congress, and will come only if wheat farmers vote yes and tell Congress that they want to know the details of a mandatory program.

Clearly, it is possible to reduce production through a mandatory program without significantly increasing the set-aside for those already participating in the wheat program.

We can look to our immediate history for an example. The average annual wheat demand over the past five years has been almost 2.4 billion bushels. Had a mandatory program been in effect during those years with a 30% set-aside requirement, annual production would have averaged just over 2.2 billion bushels, and today we would have a shortage of wheat, rather than a 1.8 billion bushel carryover.

By the same logic, a 30% set-aside evenly applied could slowly work down the carryover to a manageable level--perhaps in as little as four years.

Other incentives could also be used to reduce the

carryover--such as using the wheat stocks owned by the Commodity Credit Corporation as payment-in-kind disaster insurance, or using the tools authorized by the 1985 Farm Bill to provide effective export promotion.

Suggestions that the set-aside requirement under a mandatory wheat program would have to be 50% or higher reflect a desire by some to take the carryover out of farmers' hides in a single year--an unworkable suggestion designed only to inspire fear in farmers already plagued by the failures of federal farm programs.

If farmers asked for the right to consider a mandatory program, and Congress offered them a program with unworkable set-aside requirements, farmers would still have a sure-fire defense: because the law requires farmers be given a chance to accept or reject any specific mandatory program proposal, they could vote against such a program. A "Yes" vote in the Wheat Poll does not bind farmers to accept any program offered.

While the large wheat carryover is certainly causing problems for farmers today, given the right supply management tools, farmers can solve the problem over a period of time.

U.S. DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

1986 WHEAT POLL BALLOT

NOTE: Section 301 of the Food Security Act of 1985 (P.L. 99-198) requires the Secretary to gather the following data. This data will be used to determine if producers favor the imposition of mandatory limits on the production of wheat. While furnishing this data is voluntary, your cooperation is necessary in order to carry out the intent of this poll. This information may be provided to any agency required to assist in the evaluation of this data.

PLEASE RESPOND TO ALL THE FOLLOWING QUESTIONS. YOUR BALLOT WILL NOT BE VALID UNLESS ALL ITEMS ARE FILLED OUT.

STATE & COUNTY CODE & C/D

<p>1. Do you favor imposition of mandatory limits on the production of wheat that will result in wheat prices that are not lower than 125 percent of the cost of production (excluding land and residual returns to management)? Check only one box.</p>	A) YES	1 A)
	B) NO	B)
<p>2. Are you a farm owner who rents land to others or are you an operator or producer? Check only one box, even if you can classify yourself in more than one category.</p>	A) Owner only/cash lease.	2 A)
	B) Owner only/crop share.	B)
	C) Owner/operator.	C)
	D) Operator only.	D)
	E) Other.	E)
<p>3. How would you classify your predominant farm operation(s)? Check only one box.</p>	A) Wheat.	3 A)
	B) Feed grain/soybean.	B)
	C) Cotton/rice.	C)
	D) Livestock/dairy.	D)
	E) Other.	E)
<p>4. What is the predominant class of wheat produced in your farm operation(s)? Check only one box.</p>	A) Hard red winter.	4 A)
	B) Soft red winter.	B)
	C) White.	C)
	D) Hard red spring.	D)
	E) Durum.	E)
<p>5. Size of operation in 1986: Enter the total number of acres in whole acres. All blanks must be completed.</p>		5 NUMBER OF ACRES
	A) In your farm operation(s).	A)
	B) Of cropland in your farm operation(s).	B)
	C) Of wheat base in your farm operation(s).	C)
	D) Planted to 1986-crop wheat for harvest for grain in your farm operation(s). (Enter "0" if appropriate.)	D)
<p>6. During at least one of the 1981 through 1985 crop years, did you produce a crop of wheat on a farm(s) with a wheat crop acreage base of at least 40 acres? Check only one box.</p>	A) YES	6 A)
	B) NO	B)

Please Keep Me Informed

If you would like continuing updates on wheat program developments, please fill out this form and return it to the Texas Department of Agriculture, PO Box 12847, Austin, Texas, 78711.

Name _____

Address _____

The Texas Department of Agriculture

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