

**Institute for Regional Studies  
North Dakota State University  
c/o P.O. Box 5075  
Fargo ND 58105-5075**

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# **North Dakota Rural Life Poll**

## **Executive Summary, Fall 1999**

**Curtis W. Stofferahn, Ph.D.**

**Visiting Professor, NDSU**

**Associate Professor, UND**

# Introduction

The North Dakota Rural Life Poll was begun at the University of North Dakota in 1987. Initially, it was composed of surveys of two populations: farm operators and rural residents. Surveys of these populations were conducted in again in 1988, 1989 and 1993.

In the winter of 1996-1997, interested faculty in the Department of Sociology & Anthropology and Extension Child Development & Family Science invited the poll to relocate to North Dakota State University. The transition was completed in the summer of 1999 when external funding to complete a survey of farm operators was secured and a survey instrument was developed by the rural life poll working group. The poll is now a project of the newly-established Center for Rural Studies, a collaborative effort between rural sociologists at NDSU and UND.

The objectives of the North Dakota Rural Life Poll are:

- To monitor the changing conditions in rural North Dakota
- To collect timely and relevant data on the conditions of rural North Dakota
- To disseminate the results to state and national policy makers as well as other interested groups, organizations and individuals.

Funding for the poll was provided by the following supporters:

- **Benefactors:** Catholic Family Services Rural Support Project
- **Sponsors:** ND Farmers Union Educational Foundation, *Farm and Ranch Guide*
- **Patrons:** ND Department of Agriculture, Eastern ND Synod of the Evangelical Lutheran Church in America, ND Cooperative Extension Service
- **Contributors:** ND Mental Health Association, ND Association of Rural Electric Cooperatives, Putting the Pieces Together

## Methodology

Because there is no complete enumeration of North Dakota farmers and ranchers, we had to rely on other means. The sampling frame used for this survey of North Dakota farmers and ranchers was the subscription list of the *Farm and Ranch Guide* magazine. This magazine, which has statewide circulation, had provided the list for the 1993 survey also.

According to the editor of the *Farm and Ranch Guide*, their own internal subscribers' surveys indicate that the subscribers track very closely with the characteristics of North Dakota farmers and ranchers as described in the Censuses of Agriculture.

The magazine provided an electronic database of its 18,875 North Dakota subscribers who were "active" farmers. Business subscribers, complimentary subscribers, and other non-farmer subscribers had been deleted from the electronic database.

Each subscriber was identified by telephone number and county of residence. After having divided the state into five regions, the subscribers in the database were also given a region code to correspond to the county code. A proportionate random sample of subscribers was selected within each region to correspond to the number of farms within that region.

The questions for the survey of farm operators were developed by the rural life poll working group based on suggestions from the supporters of the survey and from input from the working group. The final instrument was completed in August.

The Center for Social Research at NDSU began telephone interviews in September and completed them in October. Initially, we had planned to interview 1,000 farmers, but the costs of interviews ran higher than anticipated so we ended with a sample of 680.

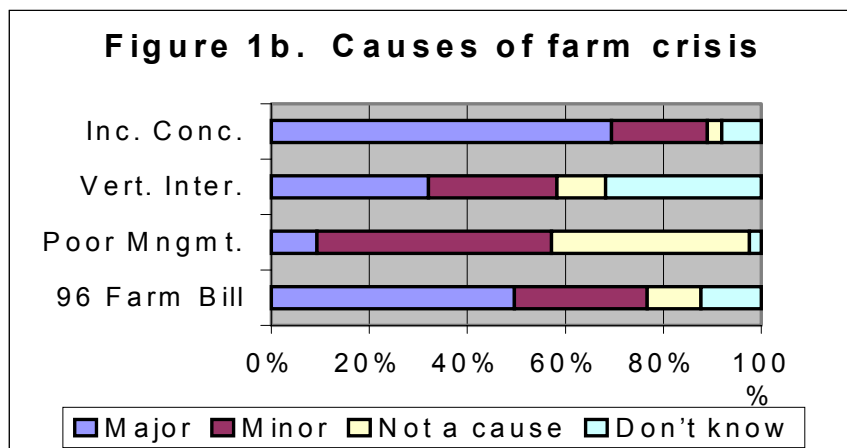
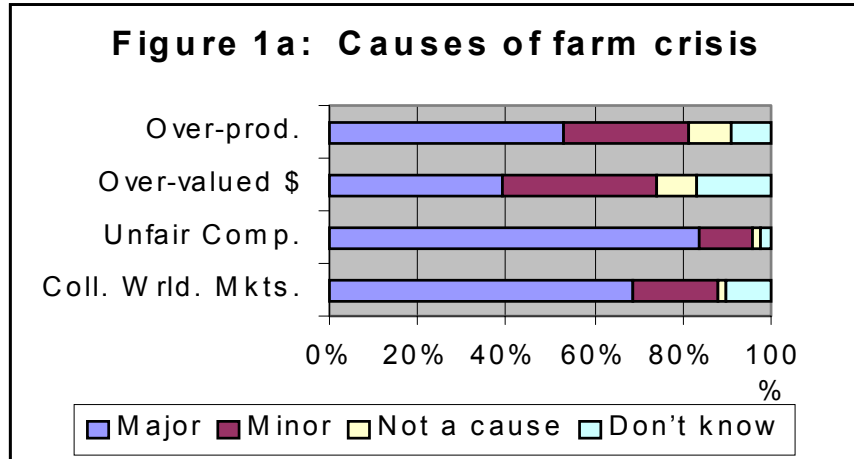
With a population of 30,500 farms and ranches in North Dakota and a sample of 680, we can be 95 percent confident that the true values in the population will not vary more than + or – 3.7 percent from the sample values.

## **Perceptions and Causes of the Farm Crisis**

The respondents overwhelmingly agreed that there is a farm crisis (98.5% yes, 1.5% no), and two-thirds (67.6%) thought it was primarily caused by both adverse weather conditions and low prices, while almost a third (31.2%) thought it was primarily caused by low prices, and just one percent thought it was caused by just weather alone.

When asked to compare this farm crisis to the farm crisis of the 1980s, more than three quarters (77.6%) said it was more severe than before, almost one-fifth (18.8%) said it was as severe than before, whereas less than four percent (3.6%) said it was less severe than before.

When asked to identify as major, minor, or not a cause of the farm crisis (Figures 1a & 1b.), the respondents identified unfair competition (83.7%), increased agribusiness concentration (70.7%), collapse of world markets (68.9%), overproduction due to the loss of world markets (53.3%), the 1996 Farm Bill (50.7%), and the over-valued dollar (38.9%) as major causes. They identified poor management by farmers (45.9%) as a minor cause, and they were uncertain as to whether vertical integration was either a major or minor cause.

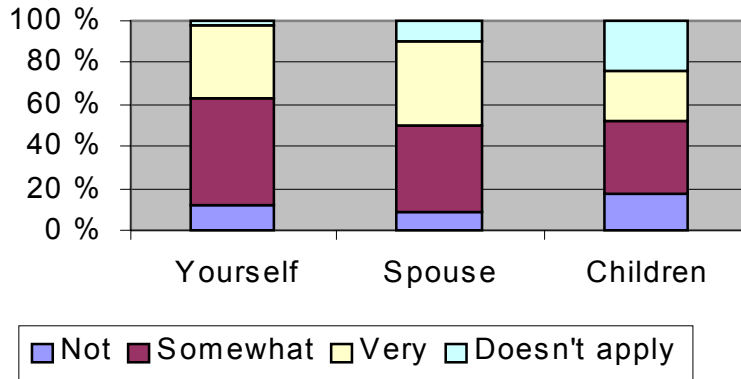


## Impacts of the Farm Crisis

When asked how concerned they were about their own farm financial situation, almost three fifths (57.7%) indicated that they were very concerned, just over a fourth (27%) were moderately concerned, only eight percent were slightly concerned and just one percent were not concerned.

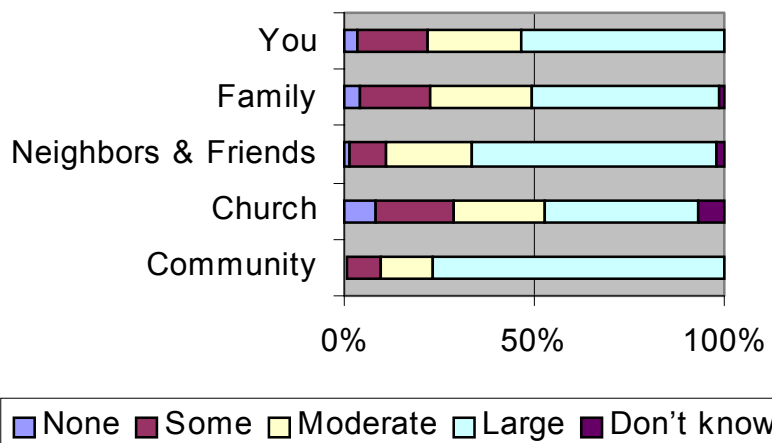
When asked how concerned they were about the effects of stress associated with the farm crisis, the respondents were almost equally divided between somewhat (40.7%) and very concerned (41.5%) about the effects on their spouses, more somewhat (49.3%) than very concerned (37.4%) about the effects on themselves, and more somewhat (36.3%) than very concerned (25.9%) for their children (Figure 2).

**Figure 2. Concern about effects of farm crisis on self & others**



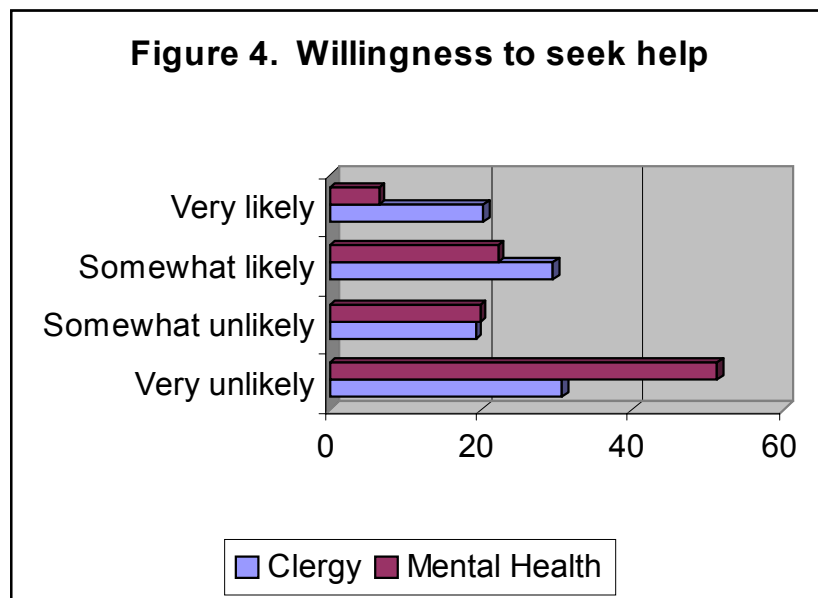
The respondents were asked if the farm crisis was having a large, moderate, some or no effect on themselves, their family, their neighbors and friends, their church, or their community. Between two-fifths and four-fifths of them identified the farm crisis as having a large effect (Figure 3).

**Figure 3. Effects of farm crisis**



Respondents were also asked whether the farm crisis had caused their families to become closer or farther apart. Over half (53.9%) said that the farm crisis had caused them to become neither closer together or farther apart. However, nearly a third (32.4%) said it had brought them closer together, while 13.7 percent said it had caused them to become farther apart.

Because of the stress associated with farm financial problems, we asked whether the respondents were likely to seek either clergy or mental health professionals for help (Figure 4). Generally, respondents indicated that they were more likely to seek clergy rather than mental health professionals for help. One-fifth (20.4%) were very likely to seek out clergy for help while just under one-tenth (6.6%) were very likely to seek out mental professionals. Conversely, over a half (51.2%) said that they were very unlikely to seek out mental health professionals, and just over three-tenths (30.7%) were very unlikely to seek clergy for help.



## Social Support & Community Involvement

Research indicates that those who have greater social support and who are more involved in their community tend to experience less deleterious effects of adversity. To examine the extent of respondents' social support and degree of community involvement, we asked them how supportive they found eleven sources and how involved they were in their community and church. They indicated that their spouses were most supportive. The next most supportive (in order) were their children, neighbors, close friends, church, parents, community, lenders, other relatives, farm organizations, and social service agencies (Table 1).

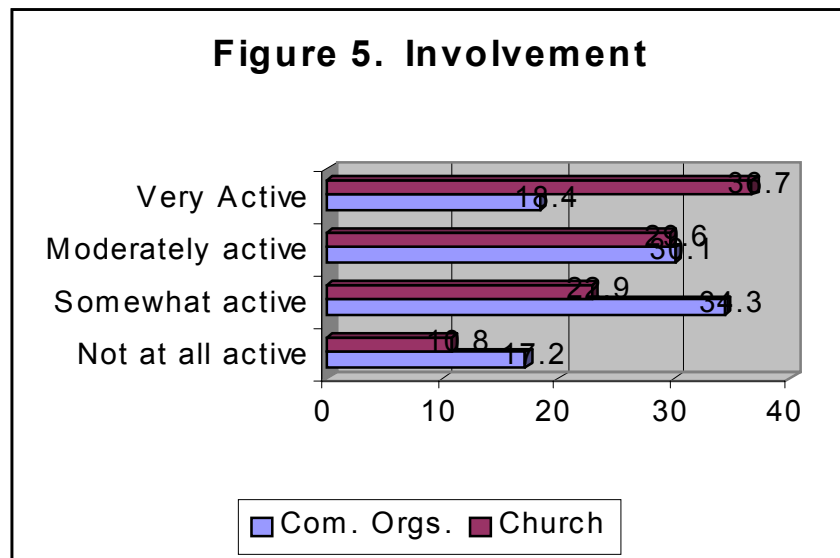
Respondents indicated that they were more active in their churches than in their community organizations. Nearly two-fifths (36.7%) reported being very active in their church while less than a fifth (18.4%) reported being very active in community organizations. Nearly the same percent (30%) reported being somewhat active in their community organizations and churches (Figure 5).

Table 1. Level of social support offered to respondents by selected individuals or organizations.

	<i>Spouse</i>	<i>Children</i>	<i>Parents</i>	<i>Close Friends</i>	<i>Neighbors</i>
Very unsupportive	2.2	1.0	2.1	1.9	4.3
Somewhat unsupportive	2.2	2.2	2.5	3.7	4.2
Neither	3.3	11.1	4.8	12.1	12.0
Somewhat supportive	15.6	21.7	11.8	40.6	35.5
Very supportive	66.2	43.9	33.6	37.9	40.1
Doesn't apply	10.5	20.1	45.1	3.7	3.9

	<i>Other Relatives</i>	<i>Church</i>	<i>Lenders</i>	<i>Soc. Serv. Orgs.</i>	<i>Farm Orgs.</i>
Very unsupportive	6.0	3.9	4.5	4.5	7.2
Somewhat unsupportive	7.6	4.5	7.0	3.3	8.4
Neither	17.1	11.7	12.6	10.2	14.4
Somewhat supportive	31.9	33.2	33.2	12.0	31.3
Very supportive	26.0	37.0	27.2	7.6	18.9
Doesn't apply	11.4	9.7	15.4	62.4	19.9



## Adjustments

Farm families are making a variety of changes in farm and household financial expenditures to adjust to the farm crisis. To determine how they are adjusting to the farm crisis, we asked respondents if they had increased, decreased, or made no changes in nine expenditure areas. The largest decreases were in major household (61%) and farm (72.8%) purchases and entertainment (62%). The decreases in the remaining expenditure areas were not as dramatic, but nevertheless indicate that the respondents are making significant decreases in expenditures in these areas. Other expenditure reductions occurred in the areas of church and charities, food, life insurance, medical care, and health insurance. Purchases on credit exhibited both an increase (16%) and a decrease (30%) in expenditures indicating that some may be putting their household, food or farm expenditures on credit while others may be trying to pay down their credit expenses.

Table 2. Adjustments in expenditures

	<i>Mjr. House. Pur.</i>	<i>Mjr. Farm Pur.</i>	<i>Food Pur.</i>	<i>Credit Pur.</i>	<i>Enter. Exp.</i>
Increase	4.3	7.5	4.8	16.3	1.8
Decrease	60.6	70.8	23.5	29.6	61.8
No Change	35.0	21.7	71.1	54.0	36.4

	<i>Life Ins.</i>	<i>Health Ins.</i>	<i>Church/Charity</i>	<i>Med. Care</i>
Increase	3.7	6.4	3.9	10.9
Decrease	19.5	12.4	36.8	15.4
No change	76.8	81.1	59.3	73.7

In addition to the nine expenditure areas, farm families are attempting to adjust to the farm crisis by finding other income sources, selling off property, using up equity, or seeking charity. Furthermore, they may have difficulty in making payments on their mortgages or in paying property taxes (Table 3). Almost two-thirds have sought off-farm employment, and nearly one-fifth have sought on-farm paid work. A quarter sold livestock, fifteen percent sold machinery, and four percent sold land. Nearly half (46%) depleted their savings, a tenth cashed in insurance policies or sold investments, and just under a tenth sought charity. A full quarter found it difficult to pay property taxes, and nearly four percent have forfeited mortgages.



Table 3. Financial adjustments to farm crisis by respondents (in percentages).

	<i>Off-Fm. Emp.</i>	<i>On-Fm. Pd. Work</i>	<i>Sold Land</i>	<i>Sold Live.</i>	<i>Sold Mach.</i>
Yes	62.5	17.7	4.3	25.2	15.3
No Change	37.5	82.3	95.5	74.4	84.4
Don't Know	0.0	0.0	0.1	0.4	0.3

	<i>Dep. Savings</i>	<i>Cash in Ins.</i>	<i>Sold Invest.</i>	<i>Forf. Mort.</i>	<i>Can't Pay Prop. Tax</i>	<i>Sought Charity</i>
Yes	46.2	10.0	10.3	3.7	25.2	6.0
No Change	53.4	89.5	88.9	95.4	73.9	93.1
Don't Know	0.4	0.4	0.7	0.9	0.9	0.9

## Future Plans

As a result of the farm crisis, farm families are considering making a variety of changes to their farm operation including expanding or contracting their operation, retiring or quitting, changing farm practices, changing crops/livestock grown or raised, and seeking non-farm employment (Table 4). Although intentions do not necessarily translate into behavior, the results are a barometer of their present attitudes toward the future. Fifteen percent intend to either expand or contract the size of their operation. Nearly two-fifths intend to change their farm practices. Almost a half intend to change the crops raised or livestock grown. More than a half intend to seek non-farm employment.

Most worrisome, however, are the quarter who say that they intend to retire and the fifth who say that they intend to quit. Because these questions were simple Yes/No/Don't Know response categories, their answers in each area are not mutually exclusive. Upon further examination of a cross-tabulation of the responses to retire and quit, 31.4% indicate that they intend to exit farming in some way (.4% retire/don't know quit; 12.8% retire/quit; 7% quit/not retire; .4% quit/don't know retire; 10.8% retire/not quit), and 67.9% intending to stay in farming (66.1% not retire/not quit; .9% not quit/don't know retire; .9% no retire/don't know quit).

Table 4. Future plans

	<i>Expand</i>	<i>Contract</i>	<i>Retire</i>	<i>Quit</i>	<i>Ch. Fm Prac.</i>	<i>Ch. Crops/Live.</i>	<i>Seek Non-Fm Emp.</i>
Yes	15.5	15.2	24.1	20.2	38.5	47.0	53.5
No	83.7	82.9	74.0	77.9	59.6	51.1	45.2
Don't know	0.9	1.9	1.9	1.9	1.9	1.9	1.3

## Policy Changes

In the last part of the survey, we attempted to determine the extent to which the respondents were receptive of various changes in federal agricultural policy, changes in federal crop insurance programs, and changes in state laws regarding agriculture and taxation. The policy changes were suggested by the supporters of the rural life poll and have been debated widely in the last year. The results are presented in Table 5.

A sizeable majority (61%) favors repealing the 1996 farm bill, the Federal Agricultural Improvement and Reform Act also known as “Freedom to Farm”. Almost all (93%) of the respondents favor establishing some kind of a safety net. The percentages favoring how that should be done declines to three-quarters who favor establishing a marketing loan equivalent to what the European Union offers its farmers, and three-fifths who favor raising the market loan rate to adjust to changing market conditions.

Majorities favor changes in the federal crop insurance program including extending crop insurance coverage to all crops (78%), increasing prevented planting to cover 65% of acres (72%), dropping restrictions on prevented planting (59%), and removing disaster year yields from acreage planting history calculations (71%).

Three-quarters of the respondents opposed any changes in North Dakota’s anti-corporate farming law, including relaxing it to allow non-farmers to invest in agricultural production (75% opposed) or repealing it outright (74% opposed). Three-fifths were supportive of establishing a voluntary durum marketing pool, and seven-tenths favor tax relief in the form of increasing the state income tax and using the proceeds to reduce property taxes.

Table 5. Farm policy changes favored by respondents (in percentages).

	<i>Repeal F2F</i>	<i>Est. Safe. Net</i>	<i>Est. Mkt. Loan</i>	<i>Raise Mkt Loan Rt.</i>	<i>Ext. Crop Ins.</i>
Yes	60.7	92.9	75.3	61.4	77.6
No	22.0	2.7	6.5	13.9	10.1
Don't know	17.4	4.4	18.2	24.6	12.3

	<i>Inc. Pre. Plant to 65%</i>	<i>Drop Rest. On Pre. Plant.</i>	<i>Rem. Dis. Yr. Yields from APH</i>
Yes	72.4	58.6	70.5
No	15.6	20.5	13.5
Don't know	12.0	20.9	16.0

	<i>Rep. Anti-Corp. Farm Law</i>	<i>Rel. Anti-Corp. Farm Law</i>	<i>Est. Vol. Dur. Pod</i>	<i>Tax Relief:</i>
Yes	19.6	15.0	59.5	67.9
No	73.9	74.6	16.5	16.5
Don't know	6.5	10.4	15.6	15.6

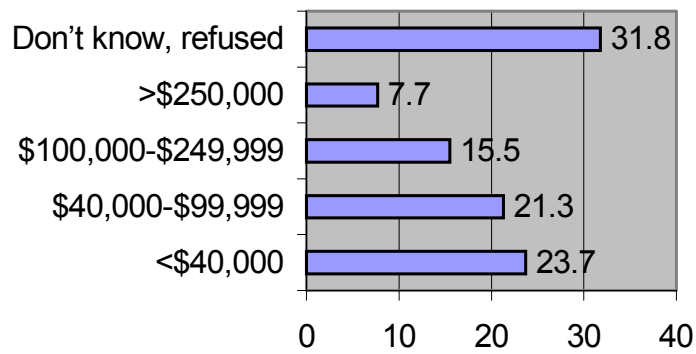
## Credit Problems

Respondents were asked if they had any difficulties in securing an operating loan for the present crop year. Almost 70 percent (68.8%) said that they did not have any difficulties. One-fifth (21.4%) said it was somewhat difficult and one-tenth (9.8%) said that it was very difficult to secure an operating loan. Just over five (5.4%) percent said that their usual lender refused to make them an operating loan, and another five percent (5.1%) said that they secured an operating loan from another lender.

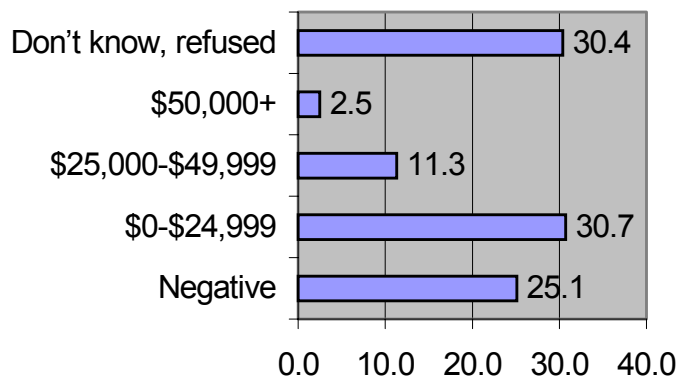
## Descriptives

The average respondent is married, has farmed for 30 years, is 53 years old, was not able to plant 18 percent of his acres, received 31 percent of his income from livestock and 59 percent from crops, farms 1,762 acres of which he rents 765 acres, had crop insurance, his spouse works off-farm, had a debt-to-asset ratio of 41 to 70 percent, had \$0 to \$24,999 in net farm income, and gross farm sales of \$100,000 to \$249,999, and had some college or vocational education.

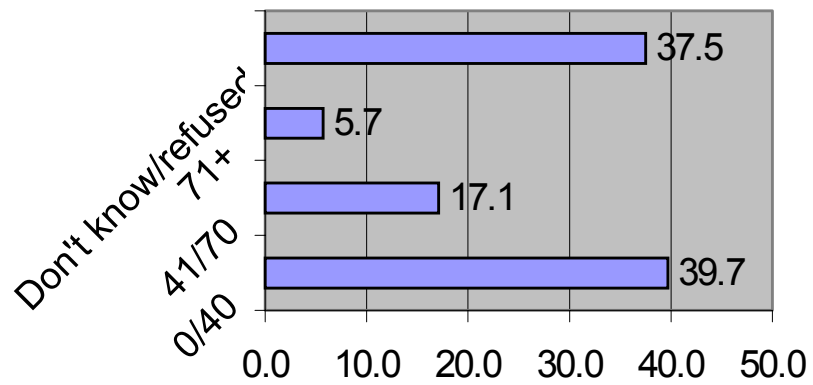
**Figure 6. Gross farm sales**



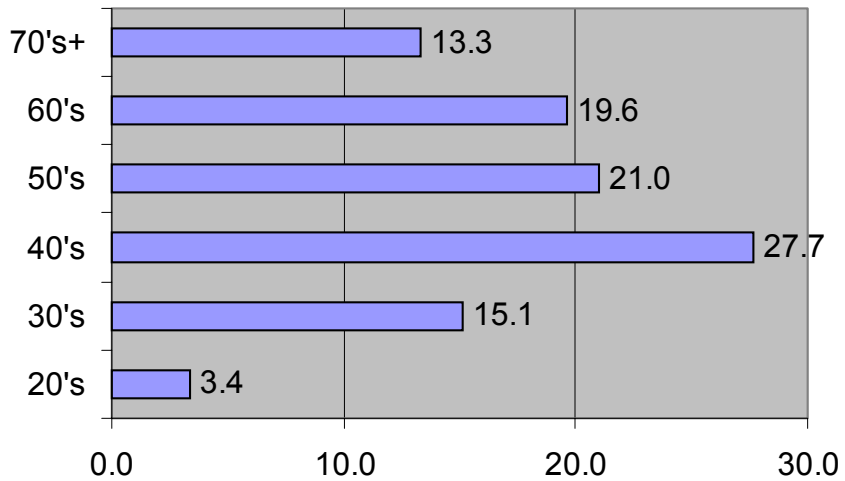
**Figure 7. Net farm income**



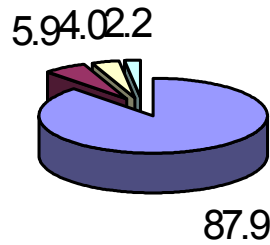
**Figure 8. Debt-to-asset ratios**



**Figure 9. Age distribution (percent)**

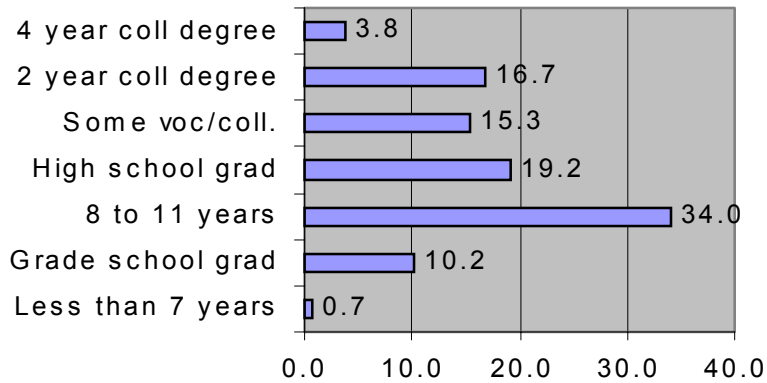


**Figure 10. Marital status**

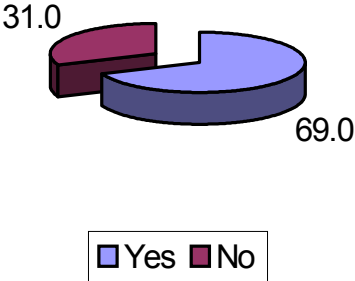


■ Married ■ Single ■ Widowed ■ Divorced

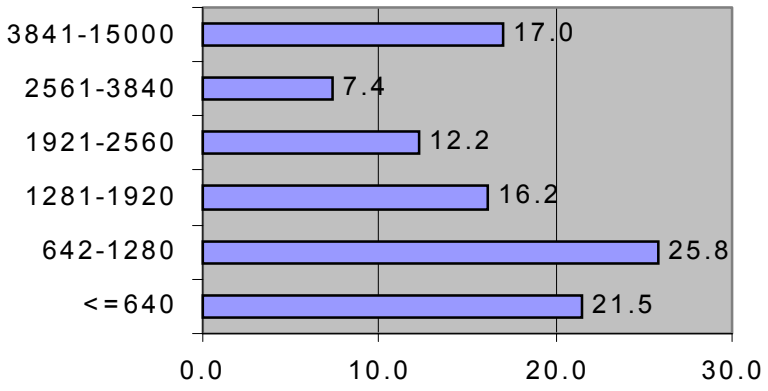
**Figure 11. Educ. attainment**



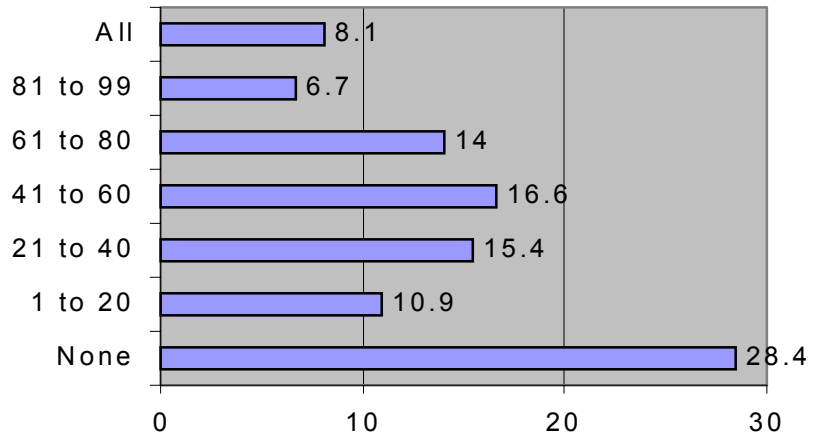
**Figure 12. Crop insurance**



**Figure 13. Acres farmed**



**Figure 14. Percent acres rented**



**Figure 15. Percent not planted**

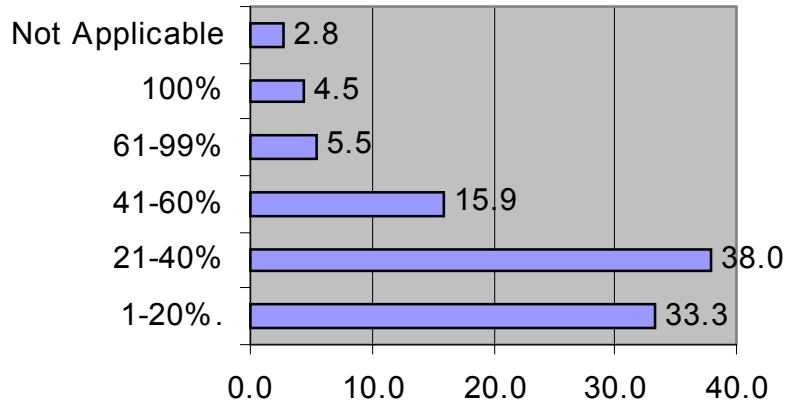




Table 6. Distribution of sample and population

<i>Region</i>	<i>Dist of sample</i>	<i>Dist of population</i>
Northwest	15.4	15.6
Northcent.	27.6	24.1
Red River	12.7	14.4
West River	19.0	21.3
Southcent.	25.3	24.6