During this time of low net returns and operating loan rejections, farmers’ access to supportive hotlines can be life saving

As we look toward the beginning of planting season for most of the country, the factors that determine the price they will receive in the coming crop marketing year are not under the control of individual farmers. An extremely hard freeze in the Ukraine, a drought in South America, or crop production problems in the US—any one of these three or others—could result in higher expected crop prices for farmers in the US and around the world.

But with a half-way-favorable spring planting season and stable carryover supplies projected for the 2018/2019 crop-marketing year, crop prices could end up near or below current midpoint price projections. If that were to happen, returns for major crops could be in negative territory with 2018 net farm income hitting the lowest level since the 2013 peak.

To compound the bleak outlook, two of the three major commodity programs (crop revenue insurance and the Agricultural Risk Coverage program) were designed based on the unproven idea that crop prices would remain at profitable or near-profitable levels for the foreseeable future. They have not.

The third program—Price Loss Coverage—was not selected by a significant number of farmers so even though it is counter-cyclical, making increasing payments as prices decline, it is not enough to have a major impact on the decline in net farm income.

While national aggregate net farm income is forecast to be in the $59-$60 billion range, “median farm income earned by [individual] farm households is estimated at -$940 in 2016 and is forecast to decline to -$1,316 in 2018. In recent years, slightly more than half of farm households have had negative farm income each year” (https://tinyurl.com/y99ypkj4). The result is that some farmers are having trouble getting farm operating loans.

So, what does all of this mean?

Combine the increased financial stress with the results of a 2016 Centers for Disease Control study, “Suicide Rates by Occupational Group – 17 States, 2012,” which found that the occupational group farming, fishing, and forestry had the highest suicide rate of any occupational group. In the 17 states studied, the 2012 suicide rate among those whose major occupation group was farming, fishing, and forestry was 84.5 suicides per 100,000 persons (https://tinyurl.com/yboovk6j).

Those numbers and an article in www.theguardian.com, “Why are America’s farmers killing themselves in record numbers? by Debbie Weingarten (https://tinyurl.com/y7hrlq5w) make it clear that the costs and returns and net farm income numbers as well as the farm policy design failures we have been examining in our recent columns are not idle statistics. They can have tragic consequences.

To get a handle on what is happening in the countryside, we talked to National Farmers Union President Roger Johnson who was a credit counselor for hundreds of farm families during the farm financial crisis in the 1980s. He talked about a presentation that he made in January at the North Dakota State University Farm Economics Summit where he compared the situation in the 1980s with what we are seeing today.

He noted that, unlike the 1980s, land values have not collapsed, machinery values are not below 50 percent, interest rates are lower, and the overall farm debt-to-asset ratio looks good by
historical standards. As a result, things don’t blow up as quickly as they did in the earlier crisis period. On the other hand, farm operating costs are an order of magnitude higher than they were in the 1980s. And, if interest rates begin to edge up, the situation could quickly go south in just a couple of years.

For the farmer who has been denied an operating loan, the feelings of failure and inadequacy are no different from what farmers were feeling three decades ago. In this situation or even one where the financial stress is high, access to mental health services is critical.

The 2008 Farm Bill included a federal program called “Farm and Ranch Stress Assistance Network” which was meant to provide farmers with affordable mental health programs to help them deal with the stresses of farming. The program would have provided grants to support farm helplines, websites, educational services, support groups, mental health outreach, and home delivery of assistance, but it was never funded. Sadly, it is needed now.

“See something, say something” is a good aphorism not only to prevent mass shootings, but also to prevent suicides in both farm and non-farm communities. We urge our readers to watch for signs of stress in their spouses, children, friends, and neighbors. The first step is to get the person you are concerned about to call the Suicide Prevention Lifeline, 1-800-273-TALK (8255), or make the call yourself. Information is also available at www.suicidepreventionlifeline.org. It is better to be too concerned than to wait and hope things will blow over.

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