

Midwest Farmer Perspectives on Farm Financial Programs

2024 Farmer Survey

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Farm financial programs such as crop and livestock insurance, agricultural operating loans, and conservation cost-share help farmers manage financial, weather, environmental, and operational risks. In recent years, these three farm financial programs were allocated a large portion of subsidies from the U.S. Farm Bill. In 2022, crop insurance premium subsidies totaled \$11.98 billion, along with \$5.8 billion for FSA farm loan programs, and \$5.4 billion for major USDA conservation programs (USDA Economic Research Service Crop Insurance, 2024; USDA Farm Service Agency, 2023; USDA Economic Research Service Conservation Programs, 2024).

We compared farmers' responses about the perceived helpfulness, satisfaction, and support for potential changes to financial programs for farmers with different production systems, including row crops, forage, grass-based livestock, and confinement livestock in the Midwest, USA, including Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin. In spring 2024, we surveyed farmers, yielding a 16% response rate with 527 responses. Farmers were asked to list their primary production type—such as row crops, forage, grass-based livestock, or confinement livestock—and to evaluate their satisfaction with and perceptions of financial programs. Findings indicate that crop and livestock insurance and agricultural operating loan programs were rated higher in satisfaction and perceived as more supportive for row crop production than for forage and grass-based livestock production. Farmers were more satisfied with staff performance and less with the paperwork load. Additionally, farmers expressed support for having income caps (maximum income limitations) and decreasing paperwork load. Our findings emphasize the need to tailor agricultural support programs to better address the unique challenges faced by farmers in forage and grass-based livestock systems, streamline administrative processes, and align program incentives with broader agricultural and environmental sustainability goals.

Our survey also gathers insights into soil, water, and ecosystem conservation. For more information, see the appendix for methodology.

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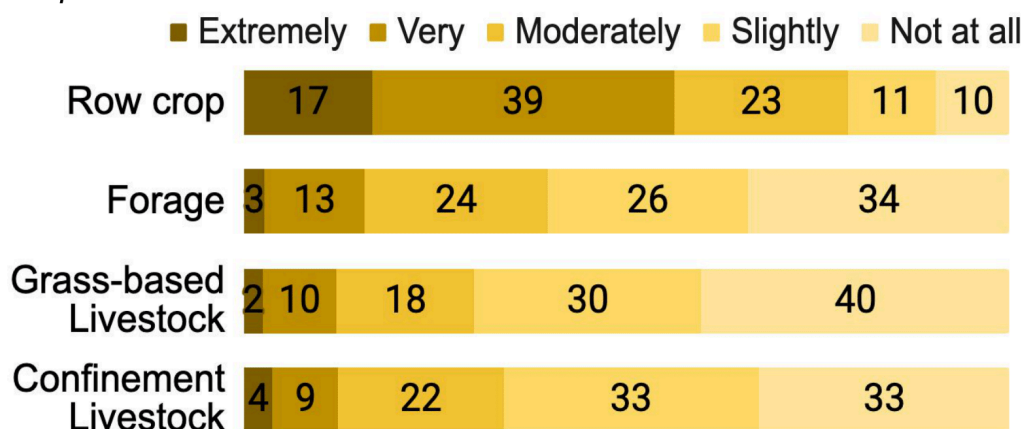
How helpful are available financial programs for different production types?

Among the respondents, 86% (451 farmers) reported growing row crops (annual crops like corn and soybeans) and 70% (368 farmers) produced forages (crops like grass, alfalfa, or hay). Grass-based livestock farming (fed livestock primarily through pasture and hay) was 43% of the respondents (224 farmers) while 38% (202 farmers) produced livestock in confinement facilities (fed livestock primarily in barns or feedlots). Farmers were able to select multiple production types.

Respondents rated crop and livestock insurance as most helpful for row crop production, with 79% describing it as moderately to extremely helpful and 21% finding it slightly to not at all helpful. For forage production, 40% found insurance moderately to extremely helpful, while 60% rated it as slightly to not at all helpful. Grass-based livestock systems had fewer positive ratings, with 30% viewing insurance as moderately to extremely helpful and 70% as slightly to not at all helpful. For confinement livestock systems, 35% rated insurance as moderately to extremely helpful, while 65% found it slightly to not at all helpful. These percentages were based on respondents involved in each specific production system.

Crop and livestock insurance is the most helpful for row crop production

% saying how helpful available crop and livestock insurance options are for each production

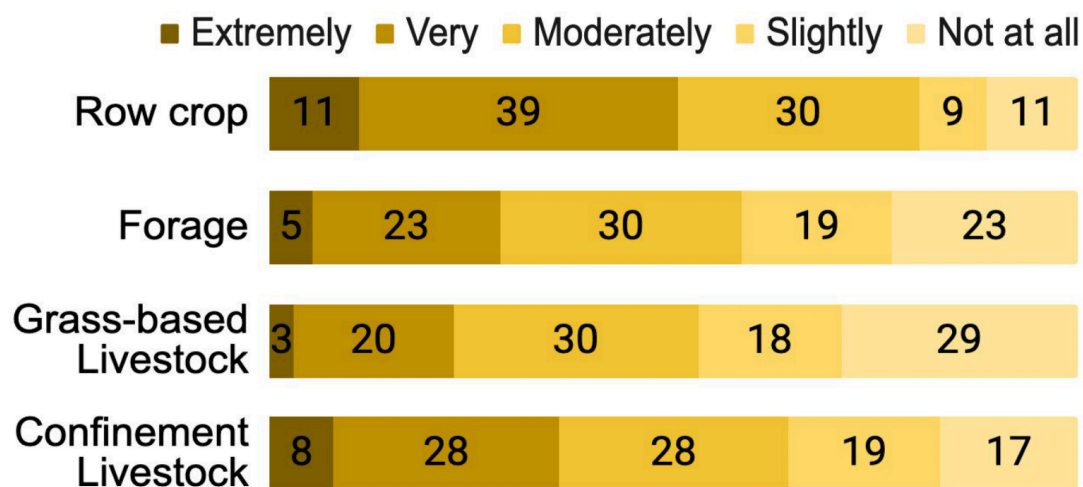


Source: Survey conducted December 2023 - April 2024
Lu et al. (2024) Upper Midwest Farmer Perspectives on Farm Financial Programs

Respondents rated agricultural operating loans as most helpful for row crop production, with 80% considering them moderately to extremely helpful and only 20% finding them slightly to not at all helpful. In this research, an agricultural operating loan refers to a short-term loan or line of credit for operating expenses or equipment, but does not include a loan for land. For confinement livestock production, 64% of respondents rated loans as moderately to extremely helpful, while 36% rated them as slightly to not at all helpful. Forage production received lower positive ratings, with 58% considering loans moderately to extremely helpful and 42% finding them slightly to not at all helpful. Grass-based livestock production had the lowest helpfulness ratings, with only 53% rating loans as moderately to extremely helpful and 47% finding them slightly to not at all helpful.

Agricultural operating loans are the most helpful for row crop production

% saying how helpful available operating loan options are for each production



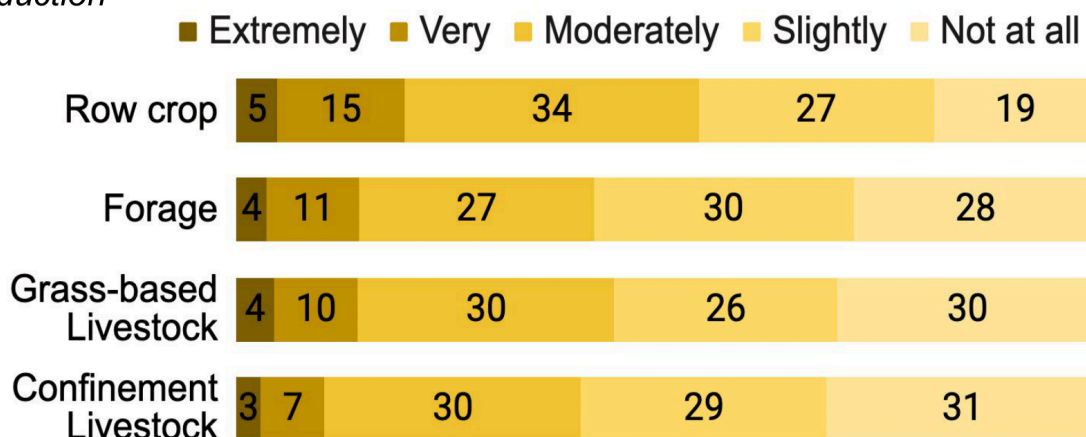
Source: Survey conducted December 2023 - April 2024

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Respondents rated conservation cost share programs as most helpful for row crop production, with 54% finding them moderately to extremely helpful and 46% considering them slightly to not at all helpful. For forage production, the ratings were similar, with 42% finding the programs moderately to extremely helpful and 58% rating them as slightly to not at all helpful. Grass-based livestock systems received slightly higher ratings, with 44% of respondents rating the programs as moderately to extremely helpful and 56% as slightly to not at all helpful. Confinement livestock production received the lowest ratings, with 40% finding the programs moderately to extremely helpful and 60% rating them as slightly to not at all helpful.

Conservation cost share programs are the most helpful for row crop production

% saying how helpful available conservation cost share programs are for each production



Source: Survey conducted December 2023 - April 2024

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Overall, the three programs were perceived as most helpful for row crop production, with 71% of respondents reporting they were moderately to extremely helpful. In contrast, helpfulness was lower for other production types, at 47% for forage, 46% for confinement livestock production, and 42% for grass-based livestock production.

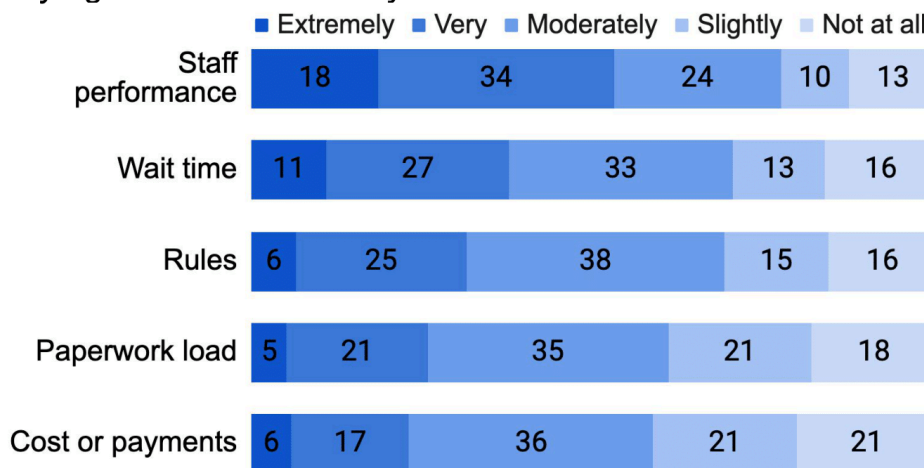
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How satisfied are you with the three financial programs?

Staff performance received the highest ratings, with 76% of respondents moderately to extremely satisfied and only 23% slightly to not at all satisfied. For wait time, 71% rated it as moderately to extremely satisfactory and 29% as slightly to not at all satisfactory. Satisfaction with program rules followed a similar pattern, with 69% expressing moderate to extreme satisfaction and 31% reporting lower levels of satisfaction. Paperwork load and cost or payments had the lowest satisfaction ratings. 61% of respondents found the paperwork load moderately to extremely satisfactory, while 39% rated it slightly to not at all satisfactory. Similarly, 58% of respondents rated cost (insurance premium cost and loan interest rate) or payments (cost share payment amounts) as moderately to extremely satisfactory, leaving 42% dissatisfied.

Majority of farmers view three programs as moderately to extremely satisfactory, but are least satisfied with the paperwork load and cost

% saying how satisfied are you with ...



Source: Survey conducted December 2023 - April 2024

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More than half of respondents reported being moderately to extremely satisfied across all three programs. Satisfaction was particularly high for crop and livestock insurance and agricultural operating loans, with 73% of respondents expressing moderate to extreme satisfaction for each, while conservation cost-share programs were slightly lower at 56%.

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Majority of farmers support income caps for financial programs, along with reducing the paperwork burden

Farmers strongly supported income caps (maximum income limitations) to participation in financial programs. For crop and livestock insurance, 62% of farmers strongly or slightly supported the implementation of income caps, while 25% remained neutral, and only 14% slightly or strongly opposed them. Similarly, farmers expressed support for income caps in conservation cost share programs, with 57% strongly or slightly supporting, 30% remaining neutral, and 12% slightly or strongly opposing them.

High support for income caps

% saying they support or oppose each policy option

■ Strongly support ■ Slightly support ■ Neither support/oppose ■ Slightly oppose ■ Strongly oppose



Source: Survey conducted December 2023 - April 2024

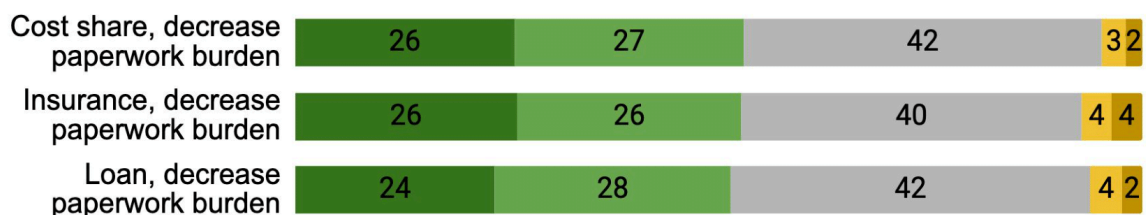
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Farmers also showed support for reducing paperwork burdens across all financial programs. For crop and livestock insurance paperwork, 52% supported either strongly or slightly, while only 8% opposed. Similarly, 52% supported reducing loan paperwork burdens, with 6% expressing opposition. Support was equally strong for reducing conservation cost share program paperwork burdens, with 52% support and just 5% opposed.

High support for decreasing paperwork burden

% saying they support or oppose each policy option

■ Strongly support ■ Slightly support ■ Neither support/oppose ■ Slightly oppose ■ Strongly oppose



Source: Survey conducted December 2023 - April 2024

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