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1982 economy may prove fatal to many La. farmers

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Many hopes for a good '82 season for soybeans went up in dust because of prices. Many farmers would be unable to continue farming in 1983 is expected to come true. 'I wish I could say things got better, but they didn't,' said Jim Monroe, commodity director for the Louisiana Farm Bureau Federation. "Six months ago we predicted a bad year, and all early indications lean in that direction. 1982 was a bad year for many farmers, and I'm sorry to say we'll lose a good many."

Monroe estimated that, of the state's farmers, "10-15 percent won't be farming, at the least, and 10-15 percent could be endangered." A culmination of events, most of which adversely affected American farmers, led to the unfavorable forecast from agriculture officials. With the '82 harvest just completed, concrete figures are not yet available on the decrease in net incomes of farmers, losses because of low market prices and overabundant supplies, effects of market flooding from foreign commodities, and continued impact from the worldwide recession. But unfavorable trends set early last year, and which went virtually unchanged at the year's end, lead officials to believe there is not much optimism for the farmers.

Monroe said the U.S. Department of Agriculture predicted the nation's net farm income would decrease from $25 billion in 1981 to an estimated $19 billion for 1982. He said there were predictions this gross farm income would increase in 1982 by 1 or 2 percent, but larger farm production expenses would absorb such minor income increases.

For Louisiana, the state Department of Agriculture last year estimated that if hard times continued as expected for farmers at least one-fourth of the state's estimated 37,500 farms would be lost after 1982. Because the outlook remains clouded for state farmers, that estimate still stands. "We still believe 25 percent of our farmers could go out this year," said Larry Michaud, public information officer for the state Department of Agriculture. "It came out as bad as was predicted, mainly because of bad market prices. Our main commodities are soybeans, sugarcane, rice, cotton, wheat and beef cattle. We have about 1.3 million acres of soybeans, and prices are still down -- they never changed much from about $5.60 a bushel, and it takes $6.50 to $7 for the farmer to break even. The sucrose in our sugarcane was good, and the price stayed at 20 cents (per pound), which is about the break-even point. But, overall, the market prices for all of our crops were terrible, just terrible."

Monroe agreed that, production-wise, 1982 was a good year for Louisiana farmers. Most commodities experienced an increase in production. But low prices, he said, canceled out any hopes for financial recovery for most farmers. "We did have a good production year, but we're still saying a good number of farmers will go under," Monroe said. "Some of the farmers this year will not be able to pay back loans from '82 and previous years, some won't be able to get another carry-over loan, and some just won't want to try again and risk losing all over."

Topping the endangered list, according to Michaud, are farmers who lease their property, and who are considered middle-sized farmers. Farmers who lease property, he said, are more vulnerable to foreclosures and claims for loan payments. Michaud added that officials expect more farmers to place mortgages on their property as a way of buying time to get through another harvest season. A slight gleam of hope was provided as interest rates on loans decreased slightly toward the end of the year, when farmers were looking for revenues to prepare for their '83 crops, Monroe said. But unlike prime interest rates which are flexible, he said, farm loan rates fluctuate only slightly and extend over a longer period of time than usual loans.

Another problem which has added to the financial burden and emotional woes of Louisiana farmers, Michaud said, is the excessive amount of rainfall which has been experienced since November. Severe flooding was reported in early December around the state, and again at the end of the month after a three-day deluge which began at Christmas. "We have approximately 500,000 acres of winter wheat, and many of the parishes that grow this wheat were flooded," Michaud said. "We have people touring all 19 parishes hardest hit, and any others flooded, tagging all the winter wheat and cattle damages."

'The rain was the last thing these people needed,' Monroe added that, because the state experienced "an exceptionally wet fall," many farmers suffered harvest losses because they were unable to get into their fields with harvest machinery. And, he added, winter wheat -- which often follows soybeans in the Mississippi delta parishes -- cannot survive in standing water, a condition reported in many parishes after the heavy Christmas rains. "Winter wheat can't stand flooding conditions," Monroe said. "It turns yellow and dies. Many areas, particularly in north Louisiana, lost a lot of stands of wheat."

With '82 predictions expected to come true, it may mark the year that a large number of farmers fell victim to hard economic times. And, according to Monroe, '83 doesn't hold much hope for improved conditions because economic indicators still are pointed in a dismal direction.

"I know it's depressing news, but it's hard to find anything positive to look forward to this year," Monroe said. "1982 was a hard year, and '83 doesn't look much better."