Agriculture hanging on in Louisiana

'87 outlook not optimistic for farmers deep in debt

By DICK WRIGHT
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This winter's farm story can be told in green and red.
Green for winter wheat, green for hope, and green for sorely needed cash. And red for the tide of red ink that is swamping much of agriculture today.

J.A. "Bill" Wheaton has a lot of green, growing wheat, and happily little of the red ink.

The St. Landry Parish land by Bayou Teche he and son Andy farm is green with winter wheat and the promise of a harvest by summer — and the hope of a profitable price for it.

Bill and Andy Wheaton farm in partnership. Verval Wheaton, Bill's wife and Andy's mother, is the family bookkeeper. They are not among the farm families sinking in the red ink.

But many of Louisiana's — and the nation's — farmers are deep in debt, and the forecast for 1987 is less than optimistic. Bill, it is pertinent to focus also on farmers like the Wheatons. They are examples of farmers who are still making it.

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The Jackson, Miss., district of the Federal Land Bank, a source of farm land loans, has helped bail out other districts of the nationwide Farm Credit System. In the third quarter of 1986, the Jackson district Land Bank, which lends to farmers in Louisiana, Mississippi and Alabama, had to have a $73 million

infusion. Also, because of unpaid real estate loans, the bank has become proprietor of thousands of acres of Louisiana farmland.

Some 39 percent of the Farmers Home Administration loans to Louisiana farm borrowers are in some state of delinquency — from being just a little behind schedule to the extreme of being in foreclosure.

Late last year, American farmers got their own chapter in the federal bankruptcy law, researched and fostered to a large extent by Baton Rouge attorney John Anderson, who works in turn with the Farm Crisis Coalition. The coalition was created in 1986 by the Louisiana Interchurch Conference, which has taken up the cause of the farm family.

One farm-oriented Louisiana bank failed in 1986, and a number of other banks have been adversely affected by the slump in farming, according to Kenneth E. Pickering, Louisiana commissioner of financial institutions.

Failing farm commodity prices in 1986 did not help the situation, but federal farm price-support programs did. One Louisiana farm economist says the farmer outside a government program is more likely to be the one in trouble. Growers of soybeans, which have the least government support of Louisiana's big crops, are said to be the farmers most in danger.

For the fiscal year that ended last Oct. 1, farm price and income supports cost the U.S. government about $23.6 billion, the highest on record and five to six times what farm subsidies cost six years ago, according to reports out of Washington.

A U.S. Department of Agriculture economist, Gary Lucier, late last year took a look at the prospects for 1987 and found, "The most important economic factors determining farm income in 1986 will also be major determinants of 1987 farm income — declining farm production expenses and large federal outlays."

"The combination of a rapid fall in fuel prices, declining interest rates, lower outstanding farm debt, and reduced planted acres have been the main factors driving expenses down in 1986," Lucier said. "Most of these factors will again be influential in determining 1987 expenses."

"Complementing declining expenses will be unprecedented levels of direct government subsidies," he said.

While Bill Wheaton worries about overproduction and the sorry state of farm prices, he says he stays as far away as he can from government programs. In fact, he blames what he sees as the government's too generous lending policies of the past for the plight of many farmers today.

Unlike many farmers, the Wheatons have no land debt, and in fact they try not to use debt at all. They farm 1,200 acres, but Bill Wheaton owns only seven acres of land, his house place on Bayou Teche in Port Barre. He purposely chose not to buy farmland.

"A lot of our farmers out there bought land when the interest was way up. You can't make enough crop

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to pay the interest,” he said.

The Wheatons work land owned by Eugene Pollingue, long-time family friend. The land is part of a plantation that once grew cotton, sugar and rice — and Bill Wheaton remembers when it had a fine house, a plantation store and 52 sharecropper families. It’s where Bill Wheaton grew up. His father ran the cotton gin there. Today it grows wheat, soybeans, milo and corn.

The Wheatons pay the rent with a portion of the crop.

“We’ve been fortunate,” says Bill Wheaton. “We have never failed to make a crop.” Wheaton has farmed all his adult life except for 12 years when he roughnecked in the oil fields. Even then, his wife said, he did some part-time farming.

The Wheatons farm virtually year-round now, which means instead of depending on a single crop, like soybeans, and taking the winter off; they plant wheat in the fall and follow that with soybeans in late spring. They also grow milo and corn.

Diversifying is a way to survive. Says son Andy, “If you lose on one, you have a chance of gain on the other.”

Bill Wheaton said they hit the market right on wheat last year, because of the Chernobyl nuclear plant accident in the Soviet Ukraine, which threatened Russian wheat and caused U.S. wheat prices to jump. In 1985, when bad weather damaged or ruined much of the Louisiana soybean crop, the Wheatons made a good yield and had harvested before the hurricane weather hit.

He figures not buying land has kept him afloat. His best years were 1973-78. In 1980, he said, “It started going down hill and it has been going down hill every since.”

Twenty years ago, a man could always make it farming, but not any more, he said.

Commissioner of Agriculture Bob Odom continues to predict fewer farmers for Louisiana in 1987.

“I have said and continue to say that of the farmers who farmed this year (1986) we are going to have about 25 percent who won’t get financing in 1987,” Odom said. He said Louisiana has an estimated 12,000 full-time farmers.

The Wheatons, however, give every sign they intend to continue to be farmers. For while farmers are notorious worriers, they also have a sense of humor. “The farmer is very dumb — he will not give up,” Bill Wheaton joked.