Decade was bad one for farmers

By DICK WRIGHT
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Daniel and Rita O’Quinn entered the 1980s as a Louisiana farming family. They exit the decade holding “day labor” jobs in Richmond, Va. The O’Quinns entered the ‘80s paying off a house they built themselves and working on their own 256-acre farm. They exit the decade $250,000 in debt and trying to hang on to the house and two acres of land.

Goodbye, ‘80s. Many farmers, or ex-farmers, won’t miss them.

The great farm debt crisis of the 1980s lingers into the ‘90s—farmers and ex-farmers with burdensome debt, a Farmers Home Administration down at one time $500 million in uncollectible loans and a federal land bank for this territory in receivership for a year and a half and still being closed out.

While the majority of farmers, however hurt in the ‘80s, emerge with operations intact, the decade was one of collapse for many others, in Louisiana and elsewhere. None was harder hit than soybean farmers. Soybean farmers had no government “safety net,” to use a term tossed about in the decade, to land in when times got tough. While other farmers had not only a commodity loan program that served as a minimum price—which bean farmers had, too—they also had target prices, which serve as a kind of guaranteed income.

Soybeans are raised outside both government acreage controls and crop subsidies.

Daniel and Rita O’Quinn raised soybeans. So did James Moss. Their stories put the human face on the statistics.

The O’Quinns finally had to leave Louisiana to make a living. James and Shirley Moss, both schoolteachers by profession, still live at Effie in Avoyelles Parish in the house where they have raised a family, but with a twist. The house isn’t theirs anymore.

Moss was teaching school and working toward possibly full-time farming. In better times and finding the price right, he bought more land to add to his own farm.

By the ‘80s, fuel prices rose, soybean prices dropped and there were hurricanes and drought. Moss was faced with a suggestion from his government lender that he expand, taking on 1,000 more acres and trying for the good year that would bail him out. Moss pondered the prospects. He would have to quit teaching and go into full-time farming. He would have to go deeper into debt on the gamble he hoped for good year would pull him out.

"I just couldn’t see it," Moss said. "I just couldn’t risk going that far. I think I was right." Already $100,000 in debt, Moss figured to farm another 1,000 acres would have meant borrowing about $100 an acre, or incurring another $100,000 in debt. He opted to quit. That was in 1985. He also filed for bankruptcy.

Moss had a choice of voluntary liquidation or letting the Farmers Home Administration foreclose. He chose voluntary liquidation.

"I took all my machinery to an auction and sold it and paid them the money. I signed over 200 acres and my home to them," Moss said. Today, he and the Farmers Home Administration are settled up, almost. His loss: the family farm and the family home. The Mosses still live in the same house but it is now owned by the FmHA. The Mosses can buy it back if they and the government can agree on a price. Moss continued to teach school until a physical disability forced him to take leave. He now has a part-time job in Alexandria.

For the O’Quins, farming was a good living for a while. "With beans at $9 a bushel we did very well," said Rita O’Quinn. "We paid our bills and we had a little money left over." But the scene changed with the onset of the 1980s, and they made their last crop in 1985.

Daniel O’Quinn departed for Connecticut for a construction job to pay the bills. Rita stayed home, took care of their two daughters and, in May 1986, saw their farm near Lecompte — minus the house and two acres, which were separated from the land loan — sold at sheriff’s sale to satisfy a Federal Land Bank loan. They were apart, except for O’Quinn’s visits home, until two years ago when they decided they had to keep the family together. They now live and work in Richmond. They intend to come back home one day.

The O’Quinns chose not to file for bankruptcy. Rita said they want to settle debts and keep their house and two acres.

"That’s why we’re here. We’re...
trying to pay out debts . . . We want to save our home and two acres,” she said.

“It hurts us deeply to be away from our home, our family, our friends, to have to relocate up here just to make a living,” Rita said.

Before they called it quits, the couple’s debt peaked at more than $500,000. That has been cut down. The O’Quinnns are paying off a bank loan for a combine and paying off Production Credit Association crop loans. But the debt they are wrestling with is $250,000 owed to the Farmers Home Administration.

They are negotiating for a buyout offer from the FmHA, which would let them keep the house and two acres if they can find another lender. The O’Quinnns say they want to settle up; and they believe the FmHA officials are sincere in wanting to settle, also. They say the FmHA officials have told them the agency doesn’t want to take the house. (The FmHA already owns several thousand acres of Louisiana farmland acquired in debt settlements, and it wants to sell it, according to officials at the state office in Alexandria.)

The settlement they seek is one of the several options allowed under the 1987 Agriculture Credit Act.

Even though they lasted until ’85, Daniel said, “We knew it was going down prior to that, probably in 1981. You just keep on grasping at straws.”

And the lenders kept on lending. “They made it easy for us,” Rita said.

So, they borrowed more and expanded their farming until they had gone from farming about 300 acres to around 1,000 acres.

“At that time the price of land