

FARM FINANCIAL STRESS

According to a recent release from the Economic Research Service, The USDA has forecast 2009 net farm income from farming activities to drop almost 34.5% from 2008. (Farm Sector Income is Forecast to Decline in 2009, ERS, November 24, 2009).

While the article mentions that 2009 will still be a high earning year, it also states that the 2009 forecast is \$6.5 billion below the average of \$63.6 billion in net farm income earned in the previous 10 years.

The article summarizes some of the factors which have contributed to this expected drop in farm income:

- deteriorating economic conditions which has led to sharply decreasing demand for exports;
- the decrease in demand means that farmers must accept prices that are lower than they expected when they made production plans earlier.

The USDA forecasts that input costs will also be lower than in 2008, however, the reduction in income will exceed the reduction in input costs by \$30 billion.

The average family farm household total income (including farming and off-farm earnings) is forecast to be \$76,065, down 3.5% from 2008 and down 6.8% from the previous five-year average. The article notes that the average family farm is forecast to receive 8.7% of its household income from farm sources, with the remainder from off-farm sources.

Dr. Michael Rosmann, AgriWellness Executive Director, says that the low percentage of farm source income in farm family households demonstrates that other, off-farm activities and earnings are “propping up” many family farms.

It is apparent that several categories of farmers, especially livestock and dairy producers and farm laborers, are struggling with significant financial stress coming from uncertain economic conditions that is likely to continue into the near future. The Sowing Seeds of Hope program operates hotline or helpline call centers in seven states in the upper Midwest. The call centers receive calls from farmers and their families. Recent data has demonstrated that farmers are feeling the financial pinch as the number of callers who cite financial stress as a reason for calling has steadily increased from 11.4% at the beginning of 2007 to 19.7% for the six month period ending in October 2009. One call center in Wisconsin noted that over 50% of its farm callers were dealing with financial stress and that it was assisting a number of farm clients in dealing with the threat of foreclosure.



It can be extremely difficult for farmers to face the threat or reality of not being able to support their family or continue in farming or even to face the loss of the family farm. AgriWellness encourages farmers to be aware of signs of stress such as excessive anxiety, apathy, loss of ability to cope with daily roles, crying or increased use of alcohol or other substances.

There are ways to manage stress and keep things in focus. AgriWellness suggests that farmers – who are often familiar with dealing with the ups and downs of issues beyond their control – remember that better times will come around.

It also important to keep regular connections with family and friends and other farmers who understand what it is like. Some farmers choose to do this through Facebook and Twitter while others frequent community coffee klatches.

Of course, regular exercise, regular sleep and a healthy diet helps everyone to feel better and to relieve some of the stress and anxiety. Remember that we can manage production of beneficial body chemicals (chiefly serotonin and norepinephrine) by exercising vigorously, laughing, deep sleep and connecting with others.

If a farmer or family member finds that stress is overwhelming, it can be helpful to contact a Sowing the Seeds of Hope hotline/helpline and talk with someone who understands farming:

Iowa Concern Hotline: 800-447-1985
Kansas Rural Family Helpline: 866-327-6578
Minnesota Crisis Connection: 866-379-6363
Nebraska Rural Response Hotline: 800-464-0258
North Dakota (in transition)
South Dakota Rural Helpline: 800-664-1349
Wisconsin Farm Center: 800-942-2474

The Economic Research Service full article:

<http://www.ers.usda.gov/Features/FarmIncome/>