

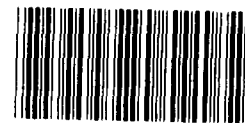
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REPORT BY THE U.S.

General Accounting Office

Farmers Home Administration County Supervisors' And Farmers' Views On The New Coordinated Financial Statements

To gather better financial and production data for loan making and loan management decisions, the Farmers Home Administration (FmHA) is replacing the Farm and Home Plan with the Coordinated Financial Statements (CFS). GAO used questionnaires to survey how FmHA county supervisors and farmers viewed the CFS for (1) complexity, (2) usefulness, (3) impact on loan applications, and (4) adequacy of CFS training and instructional booklets. The results of their views are detailed in appendix I of the report.



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RESOURCES, COMMUNITY,
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B-219299

The Honorable Quentin N. Burdick
Ranking Minority Member
Subcommittee on Agriculture and
Related Agencies
Committee on Appropriations
United States Senate

Dear Senator Burdick:

In response to a February 6, 1984, request from Senator Thomas F. Eagleton, then Ranking Minority Member, Subcommittee on Agriculture and Related Agencies, Senate Committee on Appropriations, and subsequent meetings with the Senator's office, we obtained information on the Farmers Home Administration's (FmHA's), use of the Coordinated Financial Statements (CFS). More specifically, we were requested to obtain FmHA's county supervisors' views (the county supervisor is the principal FmHA representative at the county level and is responsible for making and supervising loans) and borrowing farmers' views on the CFS related to (1) complexity, (2) usefulness, (3) impact on loan applications, and (4) adequacy of FmHA county supervisor and farmer training and CFS instructional booklets. Your office requested that we address this report to you as the subcommittee's current ranking minority member.

The CFS is a new set of statements that FmHA is using to gather financial and production data on farmers each time they apply for loan assistance, including requests for operating loans, farm ownership and equipment loans, and emergency loans. FmHA selected the CFS in April 1982 to replace the four-page Farm and Home Plan (F&HP), which it used for nearly 50 years to gather financial and production data. FmHA said that with the F&HP, the true and complete financial position of a borrower or loan applicant was not readily apparent. FmHA also said that the 24-page CFS, which is made up of a balance sheet, cash flow statement, income statement, statement of change in financial position, and supporting schedules would result in sounder loans, lower delinquencies, and more credit-worthy applicants for commercial loans.

To obtain the requested information, we sent questionnaires to a random statistical sample of FmHA's county supervisors and borrowing farmers who were using the CFS as of September 1, 1984. Our sampling plan was designed to provide estimates with a sampling error of no more than 5 percent at a 95-percent confidence level. The numbers presented in this report are applicable only to the proportion of the universes represented by those that responded to our questionnaires.

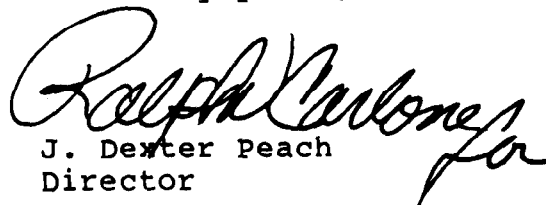
FmHA county supervisors and farmers had both positive and negative responses to the CFS. As compared with the F&HP, most supervisors said that the CFS was more effective in monitoring farmers' performance and helping to improve farmers' efficiency. They also said, however, that the CFS was more complex and required about two and one-half times the amount of time spent with each farmer preparing the F&HP. Most farmers said that the CFS helped them in record-keeping and financial management. But about 80 percent of the farmers said the CFS was difficult or very difficult to prepare.

County supervisors' and farmers' responses to our questionnaires are presented in appendix I. The status of FmHA's implementation for the CFS is discussed in appendix II, and a detailed discussion of our review's scope and methodology is presented in appendix III. The views of directly responsible officials were sought during the course of our work and are incorporated in the report where appropriate. We did not request the Department of Agriculture to review and comment officially on a draft of this report.

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Copies of this report will be sent to Senator Tom Harkin, Chairman, Populist Caucus; Representative James H. Weaver, Vice Chairman, Populist Caucus; other Populist Caucus members; and Representative Byron L. Dorgan, who wrote in support of Senator Eagleton's request. Copies of this report also will be sent to the Director, Office of Management and Budget; appropriate House and Senate committees; and the Secretary of Agriculture.

Sincerely yours,


J. Dexter Peach
Director

C o n t e n t s

APPENDIX		<u>Page</u>
I	HOW COUNTY SUPERVISORS AND FARMERS VIEW THE CFS	1
	Status of CFS implementation	2
	Profile of farmers using the CFS	2
	Complexity of the CFS	4
	Views on CFS and F&HP compared	13
	Impact of the CFS on loan applications	23
	Adequacy of CFS training and instructional booklets	25
II	FmHA'S IMPLEMENTATION PLANS FOR THE CFS	32
III	OBJECTIVE, SCOPE, AND METHODOLOGY	33
	County supervisors' surveys	33
	Farmers' surveys	35

ILLUSTRATIONS

TABLE		<u>Page</u>
1	Percentage of county offices grouped by number of farmers using the CFS	2
2	Age of farmers using the CFS	3
3	Educational level of farmers using the CFS	3
4	Gross farm sales for farmers using the CFS	4
5	Amount of assistance provided by county offices to farmers on selected CFS forms	7
6	Extent of decrease in level of assistance as North Carolina farmers became more experienced with CFS	8
7	Average number of hours spent by county supervisors preparing and analyzing the CFS and the F&HP	8
8	Amount of county office time required during next 3 to 5 years for preparing and analyzing the CFS as compared with the F&HP	8
9	Reasons why the CFS would require more county office time than the F&HP	9

TABLE

Page

10	Reasons why the CFS would require less county office time than the F&HP	9
11	County supervisors' estimates of the additional number of employees needed to implement the CFS	10
12	Extent the CFS will affect county office time spent on other activities	11
13	Farmers' views by years of experience on the complexity of CFS preparation	11
14	Average number of hours that farmers with 1 year and 2 or more years of experience reported spending to prepare various combinations of CFS forms	12
15	Percentage of farmers receiving assistance from other sources	12
16	Percentage of farmers that paid for CFS assistance	13
17	Supervisors' responses on the effectiveness of the CFS as compared with the F&HP in helping FmHA achieve its objectives	16
18	Supervisors' opinions on the accuracy of farmers' financial estimates on the CFS	17
19	Supervisors' opinions on whether, compared with the F&HP, the CFS improved the farmer's ability to accurately estimate income, expenses, and property values	18
20	North Carolina supervisors' opinions on the extent to which farmers' financial estimates improve as they become more experienced with the CFS	18
21	Supervisors' opinions on whether the CFS is a better management tool for farmers than the F&HP	19
22	Supervisors' opinions on whether certain categories of farmers should be required to complete the CFS	20
23	Supervisors' views on the reporting system they would use for farmers if given a choice	20
24	Farmers' opinions on the accuracy of estimates used in the CFS	21

TABLE

Page

25	Farmers' opinions on the quality of estimates used in the CFS as compared with those used in the F&HP	21
26	Farmers' opinions on the extent that the CFS helped in key financial and management activities	22
27	Farmers' opinions on whether they would use the CFS forms if not required by FmHA	23
28	Extent of priority given to CFS applicants over F&HP applicants	24
29	Percentage of supervisors reporting whether farmers failed to apply for a loan because of CFS	24
30	Percentage of supervisors reporting whether farmers were denied loans because of the CFS	25
31	County supervisors' views on sufficiency of their training to effectively train farmers	26
32	County supervisors' views on extent of additional training needed on CFS forms to effectively train farmers	27
33	Percentage of farmers that did and did not receive CFS training	27
34	Type of training received by farmers	28
35	Providers of CFS training to farmers	28
36	Usefulness of training provided to farmers in preparing and using the CFS	29
37	County supervisors' views on the usefulness of the CFS instructional booklets for farmers	29
38	County supervisors' overall rating of the CFS publications in certain areas	30
39	Farmers' views on the usefulness of the CFS instructional booklets in helping them to complete the forms	31

ABBREVIATIONS

CFS Coordinated Financial Statements
F&HP Farm and Home Plan
FmHA Farmers Home Administration
GAO General Accounting Office
OMB Office of Management and Budget

HOW COUNTY SUPERVISORS AND
FARMERS VIEW THE CFS

This appendix summarizes the responses to the questionnaires completed by FmHA's county supervisors and borrowing farmers in North Carolina and in the rest of the nation.¹ Areas covered include the (1) status of CFS implementation, (2) profile of farmers using the CFS, (3) complexity of CFS, (4) CFS as compared with F&HP, (5) impact of CFS on loan applications, and (6) adequacy of CFS training and instructional booklets.

Even though they had more CFS experience, the views of North Carolina county supervisors and farmers were closely aligned with views of county supervisors and farmers nationwide on the matters covered by our questionnaires.

The numbers presented in this appendix are applicable only to the proportions of the universes represented by those that responded to our questionnaires. In addition, the percentages in the tables may not add to 100 because a small percentage of respondents did not answer individual questions.

¹We treated county supervisors and farmers in North Carolina as separate universes because North Carolina was used as the test state and had 1 or 2 years more experience. To improve report readability, we refer to the responses from county supervisors and farmers from all states except North Carolina as "nationwide."

STATUS OF CFS IMPLEMENTATION

According to county supervisors' responses to our questionnaires, the number and percentage of farmers using the CFS varied widely by county office. On the basis of these responses, we estimated that, as of September 1, 1984, about 2,400 farmers in North Carolina (about 23 percent of North Carolina's borrowing farmers in the program) and about 18,900 farmers nationwide (about 8 percent of the nationwide borrowing farmers in the program) had prepared one or more CFS forms. The number of farmers in North Carolina using the CFS averaged 34 per county office, and the number using it nationwide averaged 11 per county office. As shown in the following table, 1 percent of the North Carolina offices reported not having any farmers on the CFS, and 7 percent reported having 75 or more farmers on the CFS. In addition, on the basis of the sample results, we estimated that 3.5 percent of the county offices nationwide did not have any farmers on the CFS, and 0.3 percent had 75 or more farmers on it.

Table 1

Percentage of County Offices Grouped
by Number of Farmers Using the CFS

<u>Number of borrowers on CFS</u>	<u>Percentage of county offices</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
0	1	3.5
1-9	16	42.2
10 ^a	4	23.0
11-74	72	27.5
75 or more	7	.3

^aFmHA's implementation plan stated that a minimum of 10 borrowers per county office were to use the CFS during 1984--the first year of CFS implementation. (See app. II.)

The foregoing number and percentage of farmers using the CFS may be somewhat overstated because, of the farmers who were reported by supervisors to be using the CFS, about 4 percent in North Carolina and about 14 percent nationwide reported that they were not currently using the CFS.

PROFILE OF FARMERS USING THE CFS

According to farmers responding to our questionnaires, North Carolina farmers using the CFS had been farming for an average of 15.5 years and borrowing from FmHA for an average of 7.6 years. Farmers nationwide using the CFS, on average, reported that they had been farming for 13.8 years and borrowing from FmHA for 6.3 years.

The vast majority of the farmers were between the ages of 25 and 54. About 79 percent of the North Carolina farmers and about 85 percent of the nationwide farmers were in this age group. About 34 percent of the North Carolina farmers and 46 percent of the nationwide farmers reported having attended or graduated from college. On the other hand, about 15 percent of the North Carolina farmers and about 4 percent of the nationwide farmers reported having completed the eighth grade or less. (See tables 2 and 3.)

Concerning farm sales of farmers who were using the CFS, about 55 percent of the North Carolina farmers and about 70 percent of the farmers nationwide reported gross farm sales of \$50,001 or more. Only about 7 percent of North Carolina farmers and about 4 percent of the farmers nationwide reported sales of less than \$10,000. (See table 4.)

Table 2

Age of Farmers Using the CFS

	<u>Age</u>					<u>65 and over</u>
	<u>Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>	
	------(percentage of farmers)-----					
North Carolina	5.6	30.9	29.4	18.3	11.2	2.1
Nationwide	3.7	34.6	30.4	20.3	7.8	1.8

Table 3

Educational Level of Farmers Using the CFS

<u>Educational level</u>	<u>North Carolina</u>	<u>Nationwide</u>
	-----(percentage of farmers)----	
4th grade or less	3.2	0.4
5th grade to 8th grade	11.6	3.2
9th to 11th grade	10.1	7.4
High school graduate	35.0	39.3
Some college	15.4	20.9
Associate's degree	5.8	5.1
Bachelor's degree	12.1	16.6
Master's degree	.8	3.5
Other	.6	.5

Table 4

Gross Farm Sales for Farmers Using the CFS

	<u>Under</u> <u>\$10,000</u>	<u>\$10,000</u> to <u>\$25,000</u>	<u>\$25,001</u> to <u>\$50,000</u>	<u>\$50,001</u> to <u>\$100,000</u>	<u>Over</u> <u>\$100,000</u>
	------(percentage of farmers)-----				
North Carolina	7.3	12.0	18.1	25.3	30.1
Nationwide	3.7	9.5	15.1	33.4	36.2

COMPLEXITY OF THE CFS

The majority of FmHA's county supervisors and borrowing farmers believe the CFS is more complex than the F&HP. County supervisors reported that, on average, they spent about two and one-half times as many hours assisting a farmer in preparing the CFS than they did assisting a farmer in preparing the F&HP. Farmers reported spending from 2.8 to 4 times as many hours in completing the CFS as the 13 hours FmHA estimated it would take farmers to complete it.

County supervisors' views

County supervisors in North Carolina reported that, on average, their offices provided about 75 percent of the farmers with major or moderate amounts of assistance in preparing the CFS balance sheet and cash flow statement and county supervisors nationwide reported that, on average, about 66 percent of the farmers were provided with such assistance. Conversely, county supervisors reported that between 5 and 11 percent of the farmers in North Carolina and nationwide prepared the CFS balance sheet or cash flow statement without any assistance from the county offices. (See table 5, p. 7.)

Since the CFS had been used by almost all North Carolina county offices for 2 or 3 years, we asked those county supervisors if the level of assistance provided to farmers to prepare the forms decreased as the farmers became more experienced with the forms. About 65 percent of the North Carolina supervisors responded that the level of assistance their office provided to farmers decreased as the borrowers became more experienced with the forms. However, only about 8 percent of the supervisors characterized the decrease as great or very great. In addition, about 20 percent of the supervisors reported that there was little or no decrease in the level of assistance provided to farmers as they became more experienced with the balance sheet or cash flow statement. (See table 6, p. 8.)

About 70 percent of the county supervisors both in North Carolina and nationwide who responded to our questionnaires provided written comments in addition to answering the specific questions. Of the supervisors that provided written comments, about 58 percent in North Carolina and 46 percent nationwide said the CFS was complex. For example, one supervisor said, ". . . The complexity and comprehensiveness of the CFS is mind boggling for a great majority of farmers and a large percentage of FmHA employees as well."

North Carolina supervisors reported spending an average of 7.5 hours preparing and analyzing the typical CFS compared with 2.2 hours for the typical F&HP, and supervisors nationwide reported spending an average of 7.7 hours and 2.8 hours, respectively, on the CFS and the F&HP. Moreover, about 93 percent of the county supervisors in North Carolina and about 73 percent nationwide believed that the CFS would continue to require more time than the F&HP in the next 3 to 5 years. Of those who reported that more time would be required, most (75 percent or more) indicated the following reasons: (1) the CFS is more complex, (2) the CFS requires more information, and (3) farmers will need more assistance. About 6 percent of the county supervisors in North Carolina and about 10 percent nationwide reported that in the next 3 to 5 years, the CFS would require less time than the F&HP to prepare and analyze. Almost all of the county supervisors said that the reason less time would be required was that farmers would prepare more of the CFS on their own. (See tables 7, 8, 9, and 10, pp. 8 and 9, for more details on these matters.)

About 67 percent of the supervisors in North Carolina and about 60 percent nationwide indicated that they did not have sufficient staff to implement the CFS as planned and continue the present level of effort on their other work. Another 17 percent of the supervisors in North Carolina and 20 percent nationwide were uncertain as to whether they had sufficient staff.

County supervisors in North Carolina estimated that, on average, they would need an additional 1.19 employees, or about 100 employees more, statewide, in order to implement the CFS as originally planned and continue the present level of effort on other work. County supervisors nationwide estimated that they would need an additional 1.34 employees for each office. Accordingly, including North Carolina, from 2,200 to 2,700 additional employees would be needed in order to implement the CFS as originally planned. (See table 11, p. 10, for a distribution of the additional employees reported to be needed by grade level.)

We asked county supervisors to report the effect the CFS would have on other activities, such as loan analysis, management assistance to farmers, and monitoring visits to farmers.

About 70 percent of the county supervisors both in North Carolina and nationwide reported that the CFS would increase the amount of time they would spend on loan analysis and management assistance. The supervisors' responses on the impact of the CFS on monitoring visits, however, were mixed. In this regard, about 42 percent of the North Carolina supervisors and 35 percent of the supervisors nationwide reported that time spent would increase; but, 46 percent and 54 percent, respectively, of the supervisors in North Carolina and nationwide reported no effect on the amount of time spent on monitoring visits to farmers. (See table 12, p. 11.)

Farmers' views

About 83 percent of the farmers in North Carolina and 86 percent nationwide rated the CFS as difficult or very difficult to prepare. The intensity of farmers' concerns as to the complexity of the CFS was indicated by the written comments in addition to answering specific questions. In this regard, about 50 percent of the farmers who responded to our questionnaires both in North Carolina and nationwide provided written comments. Of those commenting, about 28 percent in North Carolina and about 25 percent nationwide said the CFS was complex. For example, one farmer said, "An ordinary farmer is not able to fill out all the papers without hiring someone to help him."

Our analysis of the farmers' views on the difficulty of preparing CFS forms showed that there was little difference between farmers who were preparing the forms for the first time and those who were preparing them for the second or third time. For example, 86 percent of the farmers in North Carolina that had 2 or more years of experience rated the CFS as difficult or very difficult to prepare. In comparison, 85 percent of the farmers in North Carolina that had experience in 1984 only and 86 percent of the farmers nationwide rated the CFS as difficult or very difficult to prepare. (See table 13, p. 11.)

Another indication of CFS' complexity is the time farmers reportedly spent preparing the forms, which was substantially longer than the 13 hours FmHA estimated it would take farmers to prepare such forms. For example, farmers in North Carolina and nationwide reported spending, on average, 51 hours and 36 hours, respectively, preparing the balance sheet, cash flow statement, and income statement. North Carolina farmers that had prepared only the balance sheet and cash flow statement reported spending 47 hours, and farmers nationwide preparing the two forms reported spending 35 hours.

One could assume that as farmers gained experience, the amount of time they spent preparing the CFS would decrease. However, farmers' responses to our questionnaires do not support this assumption. For example, the North Carolina farmers that

had 2 or more years of experience with the CFS reported spending 29 to 79 hours preparing the balance sheet, cash flow statement, and income statement. North Carolina farmers with 1 year of experience reported spending from 22 to 42 hours to prepare the three forms, and nationwide farmers reported spending from 31 to 41 hours. (See table 14, p. 12.)

A further indication of CFS' complexity is the extent to which farmers reported that they received help in preparing the CFS forms and the extent to which they paid for such help. For example, about 80 percent of the farmers in North Carolina and nationwide reported that they received help from FmHA county employees, accountants or consultants, friends or neighbors, bankers, extension agents, relatives, lawyers, and/or others in the preparation of the CFS forms. Of those who reported receiving assistance, about 32 percent in North Carolina and about 26 percent nationwide reported that they paid for such assistance. (See tables 15 and 16, pp. 12 and 13.)

To determine whether experience in preparing the CFS forms had an impact on the percentage of farmers that needed help in completing the CFS forms, we analyzed the questionnaire responses of North Carolina farmers who reported receiving help with the forms and who were using them for 2 or more years and those who were using them in 1984 for the first time. We found that experience appears to have little impact on the percentage of farmers who pay for assistance because 32 percent of the farmers in each category said they paid for assistance.

Table 5

Amount of Assistance Provided by County
Offices to Farmers on Selected CFS Forms

<u>CFS form</u>	<u>Amount of assistance</u>			
	<u>Major</u>	<u>Moderate</u>	<u>Some</u>	<u>None</u>
	----- (percentage of farmers) -----			
Balance sheet:				
North Carolina	55.2	19.6	14.5	9.2
Nationwide	41.8	24.3	20.8	11.1
Cash flow statement:				
North Carolina	62.3	20.6	10.0	5.6
Nationwide	41.6	28.2	20.4	8.8

Table 6Extent of Decrease in Level of Assistance
as North Carolina Farmers Became More Experienced with CFS

<u>Extent of decrease</u>	<u>Percentage of farmers</u>	
	<u>Balance sheet</u>	<u>Cash flow</u>
Very great	1.2	2.4
Great	6.0	6.0
Moderate	31.0	26.2
Some	23.8	33.3
Little or no	20.2	16.7
No basis to judge	14.3	10.7

Table 7Average Number of Hours Spent by County Supervisors
Preparing and Analyzing the CFS and the F&HP

	<u>Average hours</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
CFS	7.5	7.7
F&HP	2.2	2.8

Table 8Amount of County Office Time Required During
Next 3 to 5 Years for Preparing and Analyzing the CFS
as Compared With the F&HP

<u>Time for CFS</u>	<u>Percentage of county offices</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
More than F&HP	92.9	72.6
About the same as F&HP	1.2	8.2
Less than F&HP	6.0	10.4
No basis to judge	a	6.2

^aThis choice was not included on the North Carolina supervisors' questionnaire.

Table 9Reasons Why the CFS Would Require More
County Office Time Than the F&HP

	<u>Percentage of county offices^a</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
CFS requires more information	75.6	84.8
CFS is more complex	91.0	89.9
Farmers will need more assistance	84.6	91.4
Other	12.8	14.0

^aPercentages are based on the supervisors who responded that the CFS will take more time in the long run and are not additive because more than one response was possible on this question.

Table 10Reasons Why the CFS Would Require
Less County Office Time Than the F&HP

	<u>Percentage of county offices^a</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
Farmers prepare more of the CFS on their own	100.0	87.7
The CFS is easier to update	20.0	24.5
Other	20.0	13.6

^aPercentages are based on the supervisors who responded that the CFS will take less time in the long run and are not additive because more than one response was possible on this question.

Table 11

County Supervisors' Estimates of the
Additional Number of Employees Needed
to Implement the CFS

<u>Grade level</u>	<u>Additional employees needed</u>			
	<u>North Carolina</u>		<u>Nationwide</u>	
	<u>Average per office</u>	<u>Projected total</u>	<u>Average per office</u>	<u>Projected total</u>
GS-4	0.55	46	0.29	508
GS-5	.07	6	.15	254
GS-7	.17	14	.24	411
GS-9	.39	33	.57	997
GS-11	.00	0	.04	75
Other	<u>.01</u>	<u>1</u>	<u>.05</u>	<u>93</u>
Total	<u>1.19</u>	<u>100</u>	<u>1.34</u>	<u>2,338^a</u>

^aThe 95-percent confidence interval ranges from 2,091 to 2,585.
North Carolina figures contain no sampling error.

Table 12Extent the CFS will Affect
County Office Time Spent on Other Activities

<u>Activities</u>	<u>Percentage of county offices</u>				
	<u>Greatly increase</u>	<u>Somewhat increase</u>	<u>No effect</u>	<u>Somewhat decrease</u>	<u>Greatly decrease</u>
Monitoring visits to farmers:					
North					
Carolina	9.5	32.1	46.4	9.5	1.2
Nationwide	11.8	22.9	54.0	6.0	2.6
Management assistance to farmers:					
North					
Carolina	28.6	47.6	13.1	9.5	.0
Nationwide	25.7	46.3	18.2	6.2	1.4
Loan analysis:					
North					
Carolina	34.5	42.9	4.8	13.1	2.4
Nationwide	31.3	43.2	9.1	10.4	3.2
Other:					
North					
Carolina	10.7	2.4	.0	1.2	1.2
Nationwide	4.2	.0	.7	.6	1.8

Table 13Farmers' Views by Years of Experience
on the Complexity of CFS Preparation

<u>Level of complexity</u>	<u>North Carolina</u>		<u>Nationwide</u>
	<u>Used CFS in 1984 only</u>	<u>Used CFS for 2 or more years</u>	
	----- (percentage of farmers) -----		
Very difficult	36.1	31.4	36.9
Difficult	48.8	54.1	49.5
Easy	14.1	14.5	11.5
Very easy	.9	.0	.5

Table 14

Average Number of Hours That Farmers With 1
Year and 2 or More Years of Experience Reported
Spending to Prepare Various Combinations of CFS Forms

<u>Forms prepared</u>	<u>Average hours (95-percent confidence interval)</u>		
	<u>North Carolina</u>		<u>Nationwide</u>
	<u>1 year of experience</u>	<u>2 or more years of experience</u>	
Balance sheet, cash flow statement, and income statement	32(22-42)	54(29-79)	36(31-41)
Balance sheet and cash flow statement	64(39-89)	42(27-57)	35(31-39)

Table 15

Percentage of Farmers Receiving
Assistance From Other Sources

<u>Source of assistance</u>	<u>Percentage of farmers^a</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
FmHA county employee	55.9	63.3
Accountant or consultant	25.3	27.7
Friend or neighbor	5.7	8.7
Banker	1.3	8.8
Extension agent	5.4	8.3
Relative	12.9	7.2
Lawyer	1.4	1.8
Other	6.4	5.6

^aNumbers are not additive because respondents could have checked more than one source of assistance.

Table 16

Percentage of Farmers That
Paid for CFS Assistance

<u>Amount paid</u>	<u>Percentage of farmers</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
\$1 to \$50	9.3	5.8
\$51 to \$100	5.6	6.4
\$101 to \$500	8.3	10.8
Over \$500	<u>8.4</u>	<u>2.6</u>
Total	<u>31.6</u>	<u>25.6</u>

VIEWS ON CFS AND F&HP COMPARED

As discussed below, county supervisors' and farmers' views regarding the value of CFS compared with the value of F&HP were mixed.

County supervisors' views

In response to our question regarding the CFS effectiveness compared with the F&HP's effectiveness, the majority of the supervisors both in North Carolina and nationwide reported that the CFS will be more effective than the F&HP in (1) monitoring farmers' performance and (2) improving farmers' efficiency. However, the majority of supervisors in North Carolina and nationwide reported that the CFS' effectiveness will be about the same as the F&HP's in (1) reducing the number of loan delinquencies and (2) graduating borrowers to private credit. (See table 17, p. 16.)

The majority of county supervisors in North Carolina and nationwide also reported that farmers' estimates of income, expenses, and property values were generally accurate when the CFS was used. Moreover, the majority reported that compared with the F&HP, the CFS improved the farmers' ability to estimate their expenses. On the other hand, 49 percent of North Carolina and 58 percent of nationwide supervisors reported that the CFS had no effect on farmers' ability to estimate their property values and about 45 percent of the North Carolina and nationwide supervisors reported that the CFS had no effect on farmers' ability to estimate their income. (See tables 18 and 19, pp. 17 and 18.)

Most of the North Carolina supervisors reported that the accuracy of the estimated values increased from some extent to a very great extent as farmers became more experienced with the CFS. (See table 20, p. 18.)

About 70 percent of the county supervisors in North Carolina and about 65 percent nationwide reported that overall, the CFS is better than the F&HP as a tool for helping farmers manage their businesses. In addition, of the supervisors that provided written comments, about 7 percent of the North Carolina supervisors and about 13 percent of the nationwide supervisors said that the CFS was a good system. For example, one supervisor said, "Please don't take this system [CFS] away from us. It is well worth the extra time & effort." Notwithstanding the fact that the majority of the supervisors believe the CFS is a good system, about 80 percent in North Carolina and 70 percent nationwide reported that the CFS should probably or definitely not be required for farmers with loans of less than \$10,000, and about 55 percent in North Carolina and 50 percent nationwide reported that it should probably or definitely not be required for farmers with loans of less than \$25,000. On the other hand, about 60 percent of the supervisors in North Carolina and nationwide reported that farmers with delinquent loans should probably or definitely be required to complete the CFS even though they are not applying for loan assistance. (See tables 21 and 22, pp. 19 and 20.)

North Carolina supervisors reported that if given a choice, they would use the CFS for about 40 percent of the borrowing farmers, the F&HP for about 50 percent of the borrowers, and other systems for the remaining borrowers. Supervisors nationwide reported that they would use the CFS for about 33 percent of the borrowers, the F&HP for about 60 percent, and other systems for the remaining borrowers. (See table 23, p. 20.)

Farmers' views

The majority of the farmers in North Carolina and nationwide reported that their income, expense, and property value estimates were generally accurate or very accurate using the CFS. In addition, the majority of the farmers in North Carolina and nationwide who had used the F&HP reported that the quality of these estimates using the CFS were the same as the quality using the F&HP. (See tables 24 and 25, p. 21.)

Farmers' views of CFS' value were mixed. In this regard, the majority of the farmers in North Carolina reported that the CFS helped them in record-keeping, financial management, loan decision-making, and farm management. The majority of farmers nationwide reported that it helped them in record-keeping, financial management, and farm management, and about 44 percent reported that it helped them in loan decision-making. (See table 26, p. 22.) In addition, about 15 percent of the farmers in North Carolina and about 20 percent of the farmers nationwide that provided written comments on the questionnaires (see p. 6) indicated that the CFS was a good system. For example, one farmer said, "CFS is a good idea because as I worked with the

program I became more knowledgeable about values, profits, and management."

On the other hand, about 45 percent of the farmers in North Carolina and 40 percent nationwide believed that the CFS was not worth their time and effort, and about 10 percent and 20 percent, respectively, were uncertain as to the CFS' worth. Furthermore, about 50 percent of the farmers in North Carolina and nationwide indicated that they would not use the balance sheet, cash flow statement, or income statement, if FmHA did not require it. (See table 27, p. 23.)

Table 17

Supervisors' Responses on the Effectiveness of the
CFS as Compared with the F&HP in Helping FmHA
Achieve Its Objectives

<u>Objectives</u>	<u>Degree of CFS effectiveness</u>				
	<u>Much more</u>	<u>Somewhat more</u>	<u>About the same</u>	<u>Somewhat less</u>	<u>Much less</u>
----- (Percentage of county supervisors) -----					
Graduating borrowers to private credit:					
North					
Carolina	7.1	32.1	59.5	.0	1.2
Nationwide	14.3	26.1	50.8	3.5	2.5
Improving farmers' efficiency:					
North					
Carolina	13.1	44.0	38.1	2.4	1.2
Nationwide	17.8	45.1	27.9	3.8.	2.5
Reducing number of delinquencies:					
North					
Carolina	7.1	23.8	59.5	6.0	2.4
Nationwide	4.3	23.7	61.2	4.8	3.9
Monitoring farmers' performance:					
North					
Carolina	29.8	44.0	15.5	8.3	1.2
Nationwide	18.6	46.7	24.7	5.1	2.7

Table 18

Supervisors' Opinions on the Accuracy
of Farmers' Financial Estimates
on the CFS

	Degree of accuracy				
	<u>Very</u> <u>accu-</u> <u>rate</u>	<u>Gener-</u> <u>ally</u> <u>accu-</u> <u>rate</u>	<u>Gener-</u> <u>ally</u> <u>inaccu-</u> <u>rate</u>	<u>Very</u> <u>inaccu-</u> <u>rate</u>	<u>No basis</u> <u>to judge</u>
----- (percentage of county supervisors) -----					
Income:					
North					
Carolina	1.2	63.1	25.0	8.3	1.2
Nationwide	2.0	70.5	16.7	.8	5.1
Expenses:					
North					
Carolina	.0	56.0	32.1	8.3	1.2
Nationwide	2.9	66.7	19.0	1.5	5.1
Property values:					
North					
Carolina	.0	38.1	40.5	17.9	1.2
Nationwide	.7	53.5	34.5	3.7	3.4

Table 19

Supervisors' Opinions on Whether, Compared with the F&HP,
the CFS Improved the Farmer's Ability to Accurately
Estimate Income, Expenses, and Property Values

	Extent of CFS improvement				
	<u>Greatly improved</u>	<u>Somewhat improved</u>	<u>No effect</u>	<u>Somewhat worse</u>	<u>Much worse</u>
----- (percentage of county supervisors) -----					
Income:					
North					
Carolina	10.7	31.0	46.4	7.1	2.4
Nationwide	10.1	34.1	44.0	6.5	2.0
Expenses:					
North					
Carolina	16.7	35.7	35.7	7.1	2.4
Nationwide	14.7	36.9	36.0	6.8	2.1
Property values:					
North					
Carolina	3.6	34.5	48.8	7.1	4.8
Nationwide	5.1	23.6	58.3	8.3	2.0

Table 20

North Carolina Supervisors' Opinions on the
Extent to Which Farmers' Financial Estimates Improve
as They Become More Experienced With the CFS

	Extent of improvement					
	<u>Very great</u>	<u>Great</u>	<u>Moderate</u>	<u>Some</u>	<u>Little or none</u>	<u>No basis to judge</u>
----- (percentage of county supervisors) -----						
Income	2.4	7.1	27.4	28.6	16.7	16.7
Expenses	2.4	9.5	23.8	29.8	16.7	16.7
Property values	1.2	7.1	20.2	27.4	26.2	16.7

Table 21

Supervisors' Opinions on Whether
the CFS is a Better Management Tool for
Farmers Than the F&HP

	<u>North Carolina</u>	<u>Nationwide</u>
	--(percentage of supervisors)--	
Much better	27.4	27.3
Somewhat better	42.9	36.7
About the same	16.7	16.7
Somewhat worse	7.1	9.8
Much worse	4.8	6.6

Table 22

Supervisors' Opinions on Whether Certain
Categories of Farmers Should be Required to
Complete the CFS

<u>Borrower category</u>	<u>Defi- nitely yes</u>	<u>Prob- ably yes</u>	<u>Uncer- tain</u>	<u>Prob- ably no</u>	<u>Defi- nitely no</u>
---(percentage of county supervisors)--					
With loans under \$10,000:					
North					
Carolina	6.0	10.7	4.8	32.1	46.4
Nationwide	8.3	12.6	6.8	30.6	38.0
With loans under \$25,000:					
North					
Carolina	9.5	28.6	7.1	25.0	28.6
Nationwide	14.1	22.5	10.5	26.0	21.9
Are delinquent on existing loans but are not applying for a new loan or subordination:					
North					
Carolina	22.6	38.1	14.3	14.3	10.7
Nationwide	28.2	34.3	8.8	14.9	11.6

Table 23

Supervisors' Views on the Reporting System
They Would Use for Farmers if Given a Choice

<u>Reporting system</u>	<u>North Carolina</u>	<u>Nationwide</u>
---(percentage of farmers)----		
CFS	42	33
F&HP	53	60
Other	6	6

Table 24

Farmers' Opinions on the
Accuracy of Estimates Used in the CFS

	<u>Degree of accuracy</u>			
	<u>Very accurate</u>	<u>Generally accurate</u>	<u>Generally inaccurate</u>	<u>Very inaccurate</u>
	------(percentage of farmers)-----			
Income:				
North				
Carolina	14.0	61.2	12.0	7.0
Nationwide	11.4	65.9	13.0	2.8
Expenses:				
North				
Carolina	10.3	59.4	19.3	5.8
Nationwide	12.8	64.9	12.6	2.3
Property values:				
North				
Carolina	12.9	66.6	6.9	2.9
Nationwide	10.1	72.3	6.4	2.0

Table 25

Farmers' Opinions on the Quality
of Estimates Used in the CFS as
Compared With Those Used in the F&HP

	<u>Much better</u>	<u>Somewhat better</u>	<u>About the same</u>	<u>Somewhat worse</u>	<u>Much worse</u>
	------(percentage of farmers)-----				
Income:					
North					
Carolina	6.4	20.7	62.2	5.4	2.1
Nationwide	7.0	18.5	60.8	6.0	1.8
Expenses:					
North					
Carolina	6.4	19.5	61.4	5.8	2.6
Nationwide	9.1	20.1	56.2	6.2	2.4
Property values:					
North					
Carolina	8.4	14.7	66.0	2.5	1.0
Nationwide	7.8	14.4	63.1	5.3	1.9

Table 26

Farmers' Opinions on the Extent
That the CFS Helped in Key
Financial and Management Activities

	<u>Great</u> <u>deal</u>	<u>Some</u>	<u>None</u>
	---(percentage of farmers)---		
Farm management:			
North Carolina	12.8	39.1	37.6
Nationwide	8.4	37.5	45.6
Financial management:			
North Carolina	18.6	39.3	33.4
Nationwide	13.0	41.4	37.0
Record-keeping:			
North Carolina	24.9	36.8	29.6
Nationwide	13.9	37.6	39.8
Loan decisions (how much, if any, to borrow):			
North Carolina	21.3	32.2	35.9
Nationwide	14.7	28.9	46.4

Table 27

Farmers' Opinions on Whether They Would
Use the CFS Forms If Not Required by FmHA

<u>CFS form</u>	Defi- nitely <u>yes</u>	Prob- ably <u>yes</u>	Uncer- tain	Prob- ably <u>no</u>	Defi- nitely <u>no</u>
------(percentage of farmers)-----					
Balance sheet:					
North					
Carolina	5.2	17.0	15.1	17.3	39.1
Nationwide	11.1	19.0	13.3	26.3	26.6
Cash flow statement:					
North					
Carolina	9.0	21.6	8.9	15.4	37.8
Nationwide	16.0	20.7	9.7	20.7	28.1
Income statement:					
North					
Carolina	7.1	14.4	12.6	16.2	35.4
Nationwide	8.8	15.8	12.0	26.2	26.4

IMPACT OF THE CFS ON LOAN APPLICATIONS

About 90 percent of the supervisors in North Carolina and about 75 percent nationwide reported that they used the CFS to make loan decisions. The vast majority reported that no priority was given to CFS users in processing applications and approving loans. However, about 50 percent of the supervisors in North Carolina reported that one or more farmers in their counties decided not to apply for a loan because of the CFS. In addition, about 13 percent of the supervisors nationwide reported that the CFS kept one or more farmers from applying for a loan. (See tables 28 and 29, p. 24.)

In addition, about 5 percent of the county supervisors in North Carolina and about 2 percent nationwide reported that their offices had denied one or more loan requests because the farmer did not prepare the CFS. (See table 30, p. 25.) A possible reason for the loan denials could be that FmHA's proposed rules for implementing the CFS published in the Federal Register on November 8, 1983, stated that farmers had sole responsibility for preparing the CFS. FmHA headquarters' officials told us that it was never intended that farmers be denied loans for

failing to prepare the CFS. After receiving comments raising concerns on this section of the proposed rules, FmHA instructed its county supervisors on March 1, 1984, that they must assist borrowing farmers when they are having trouble completing the CFS.

Table 28

Extent of Priority Given to CFS Applicants
Over F&HP Applicants

<u>Extent of priority</u>	<u>Application processing</u>		<u>Loan approval</u>	
	<u>North Carolina</u>	<u>Nation-wide</u>	<u>North Carolina</u>	<u>Nation-wide</u>
	----- (percentage of supervisors) -----			
Great deal	3.9	4.3	3.9	5.4
Some	3.9	2.0	7.9	3.5
A little	1.3	2.5	.0	3.3
None	86.8	88.4	84.2	85.1

Table 29

Percentage of Supervisors Reporting
Whether Farmers Failed to Apply
for a Loan Because of CFS

<u>Farmers failed to apply</u>	<u>North Carolina</u>	<u>Nationwide</u>
	-- (percentage of supervisors) --	
No	20.2	39.9
Uncertain	27.4	44.9
Yes	50.0	13.2

Table 30

Percentage of Supervisors Reporting Whether Farmers
Were Denied Loans Because of the CFS

<u>Loans denied</u>	<u>North Carolina</u>	<u>Nationwide</u>
	-(percentage of supervisors)--	
No	86.9	93.7
Uncertain	7.1	2.1
Yes	4.8	2.2

ADEQUACY OF CFS TRAINING AND INSTRUCTIONAL BOOKLETS

FmHA assigned its county and assistant county supervisors primary responsibility for training farmers to prepare and use the CFS. FmHA contracted with an outside firm to train supervisors in the CFS. County supervisors in North Carolina reported receiving an average of 55.5 hours of classroom training in the CFS, and supervisors nationwide reported receiving an average of 20.5 hours of such training. Many supervisors reported that more training was needed. About 20 percent of the county supervisors in North Carolina and about 50 percent nationwide reported that they had probably or definitely not received sufficient training to effectively train farmers in the use of the CFS and about 15 percent were uncertain as to whether they were sufficiently trained.

While a large percentage of the county supervisors believed that they needed more training in the use of each CFS form, the most critical training needs appeared to be in the use of the "income statement" and "statement of change." (See tables 31 and 32, pp. 26 and 27, for views on the adequacy of and need for training.)

About 40 percent of the farmers in North Carolina and about 30 percent nationwide reported that they did not receive any type of training in the use of CFS. Of the farmers that received training, about 85 percent in North Carolina and about 80 percent nationwide said that the training was of some or great use to them in preparing the CFS. In addition, about 70 percent both in North Carolina and nationwide said that the training was of some or great use to them in using the CFS. Moreover, they said that county supervisors or other FmHA staff provided most of the training. (See tables 33, 34, 35, and 36, pp. 27 to 29, for farmers' views on various aspects of CFS training.)

According to an FmHA official, a main reason for selecting the CFS in preference to other financial reporting systems was the assistance provided by two instructional booklets--

Coordinated Financial Statements for Agriculture, and You and Your Balance Sheet--which explained in simple and understandable terms the use of CFS. Subsequently, two additional booklets--You and Your Cash Flow Statement and You and Your Income Statement were developed by the contractor who had developed the CFS.

The majority of county supervisors and farmers in North Carolina and nationwide reported that the above four booklets were of some or great use in helping farmers with the CFS. Moreover, most of the county supervisors rated the booklets good or very good for completeness of the information needed by the typical borrower and accuracy. In addition, about 35 percent of the supervisors in North Carolina and about 50 percent nationwide rated the booklets good or very good for typical borrowers' readability. (See tables 37, 38, and 39, pp. 29 to 31.)

Table 31

County Supervisors' Views on Sufficiency of Their Training to Effectively Train Farmers

	<u>Sufficiency of training</u>				
	<u>Definitely yes</u>	<u>Probably yes</u>	<u>Uncertain</u>	<u>Probably no</u>	<u>Definitely no</u>
	------(percentage of county supervisors)-----				
North Carolina	21.4	40.5	15.5	19.0	2.4
Nationwide	5.3	27.5	16.6	33.3	15.4

Table 32

County Supervisors' Views on Extent
of Additional Training Needed on CFS Forms to
Effectively Train Farmers

<u>CFS form</u>	<u>Extent of training needed</u>			
	<u>Great deal</u>	<u>Some</u>	<u>A little</u>	<u>None</u>
	--(percentage of county supervisors)--			
Balance sheet:				
North Carolina	13.1	36.9	16.7	33.3
Nationwide	24.9	49.0	15.7	8.4
Cash flow statement:				
North Carolina	8.3	34.5	22.6	34.5
Nationwide	32.7	45.0	12.1	7.5
Income statement:				
North Carolina	25.0	44.0	14.3	16.7
Nationwide	32.5	44.9	12.9	7.7
Statement of change:				
North Carolina	39.3	40.5	7.1	13.1
Nationwide	41.7	37.7	12.4	4.8

Table 33

Percentage of Farmers That Did
and Did Not Receive CFS Training

<u>Training received</u>	<u>Percentage of farmers</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
Yes	56.9	69.7
No	41.9	28.9

Table 34Type of Training Received by Farmers

<u>Type of training</u>	<u>Percentage of farmers^a</u>	
	<u>North Carolina</u>	<u>Nationwide</u>
Individual	31.1	11.1
Group or classroom	71.2	92.3
Other	5.7	4.5

^aNumbers are not additive because respondents could have checked more than one type of training.

Table 35Providers of CFS Training to Farmers

<u>Provider</u>	<u>North Carolina</u>	<u>Nationwide</u>
	--(percentage of farmers) ^a --	
FmHA county supervisor or other FmHA county staff	93.1	93.9
County extension agent	8.5	13.1
Vocational high school teacher	.0	.3
University--college professor	7.1	3.3
Other	4.6	5.5

^aNumbers are not additive because respondents could have checked more than one provider.

Table 36

Usefulness of Training Provided
to Farmers in Preparing and Using the CFS

	<u>Preparing CFS</u>		<u>Using CFS</u>	
	<u>North Carolina</u>	<u>Nationwide</u>	<u>North Carolina</u>	<u>Nationwide</u>
----- (percentage of farmers) -----				
Great use	40.4	30.5	30.7	18.8
Some use	45.2	47.9	39.3	48.8
Little or no use	14.5	21.5	22.4	26.2

Table 37

County Supervisors' Views on
the Usefulness of the CFS
Instructional Booklets for Farmers

<u>Instructional booklet</u>	<u>Degree of usefulness</u>			
	<u>Great use</u>	<u>Some use</u>	<u>Little or no use</u>	<u>No basis to judge</u>
---- (percentage of supervisors) ----				
You and Your Balance Sheet:				
North Carolina	21.4	56.0	19.0	2.4
Nationwide	34.4	45.1	16.6	1.9
You and Your Cash Flow Statement:				
North Carolina	25.0	59.5	10.7	3.6
Nationwide	41.5	37.8	16.6	2.1
You and Your Income Statement:				
North Carolina	16.7	44.0	25.0	11.9
Nationwide	29.7	39.0	22.8	6.5
Coordinated Financial Statements for Agriculture:				
North Carolina	11.9	52.4	26.2	6.0
Nationwide	30.2	43.5	21.6	2.6

Table 38

County Supervisors' Overall Rating of
the CFS Publications in Certain Areas

	Overall rating					
	<u>Very good</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Very poor</u>	<u>No basis to judge</u>
	----- (percentage of supervisors) -----					
Readability for typical borrower:						
North Carolina	3.6	31.0	39.3	14.3	7.1	2.4
Nationwide	9.6	39.1	32.6	8.9	7.0	.0
Is complete and contains all information needed by typical borrower:						
North Carolina	7.1	48.8	32.1	7.1	.0	2.4
Nationwide	13.8	48.2	25.6	4.7	4.8	.7
Accuracy:						
North Carolina	10.7	60.7	17.9	2.4	.0	2.4
Nationwide	14.2	55.9	19.0	3.2	1.3	1.4
Other:						
North Carolina	1.2	6.0	2.4	2.4	3.6	1.2
Nationwide	.0	2.7	.8	1.6	2.1	1.3

Table 39

Farmers' Views on the Usefulness
of the CFS Instructional Booklets
in Helping Them to Complete the Forms

<u>Instructional booklet</u>	<u>Great use</u>	<u>Some use</u>	<u>Little or no use</u>	<u>No basis to judge</u>
	----- (percentage of farmers) -----			
You and Your Balance Sheet:				
North Carolina	20.3	52.8	16.1	8.0
Nationwide	25.4	53.6	13.4	4.4
You and Your Cash Flow Statement:				
North Carolina	18.0	54.1	15.3	7.6
Nationwide	23.9	51.4	17.1	5.0
You and Your Income Statement:				
North Carolina	16.7	43.7	21.5	10.1
Nationwide	19.4	53.9	17.7	5.7
Coordinated Financial Statements for Agriculture:				
North Carolina	18.4	58.1	11.8	8.7
Nationwide	29.3	49.3	13.8	5.8

FMHA'S IMPLEMENTATION PLANS FOR THE CFS

On October 3, 1983, FmHA announced plans for implementing the CFS over a 4-year period beginning in the fall of 1983. Under the plan, a minimum of 10 borrowers per county office were to use the CFS during the first year. In the three subsequent years, 25 percent, 65 percent, and 100 percent, respectively, of the borrowers requesting loan assistance would use CFS. FmHA modified its implementation plan on November 5, 1984, because the Office of Management and Budget (OMB), had not approved increasing the use of the CFS. Accordingly, FmHA's second-year goal was revised to have no more than 10 borrowers per county office on the CFS. The goals for the third and fourth years were not changed. On March 12, 1985, OMB approved continued use of the CFS at this modified second-year level through December 31, 1985.

As of April 21, 1984, FmHA had outstanding loans of \$29.3 billion to 253,700 farmers in programs that are subject to the CFS. FmHA estimated that about 130,000 of these farmers will eventually be required to use the CFS. FmHA does not expect the other estimated 123,700 farmers to request annual operating funds or other loan assistance and, accordingly, they will not be required to use the CFS.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective on this assignment was to obtain county supervisors' and farmers' views on (1) the complexity of the CFS, including the impact of the CFS on work load and staffing requirements, (2) the usefulness of the CFS as compared with the F&HP, (3) the impact of the CFS on loan applications, and (4) the adequacy of CFS training and instructional booklets.

To accomplish our objective, we developed and pretested four different questionnaires, each of which was reviewed by FmHA. The questionnaires were used to survey (1) North Carolina county supervisors, (2) North Carolina farmers, (3) nationwide county supervisors, and (4) nationwide farmers. We treated county supervisors and farmers in North Carolina as separate universes because the CFS had been used for 1 or 2 years longer in North Carolina than in the rest of the nation. (North Carolina was used as the test state.) We also compared the views of county supervisors and farmers in North Carolina with the views of county supervisors and farmers nationwide to evaluate the impact of experience on certain aspects of the CFS.

The questionnaires were mailed to county supervisors in September 1984 and to farmers in October 1984. To help ensure a high response rate, we sent a follow-up letter with a copy of the questionnaire to nonrespondent farmers about 2 weeks after the initial mailing; we also sent a mailgram reminder to farmers who did not respond by December 11, 1984.

We reviewed the CFS forms and instructional booklets, FmHA's proposed regulations for implementing the CFS nationwide, and documents on the CFS prepared by FmHA. We interviewed FmHA officials in the Office of the Administrator; Office of Farmer Programs, Planning and Analysis Division; and Administrative Services Division; and in the Office of Inspector General, Department of Agriculture.

The views of directly responsible officials were sought during the course of our work and incorporated in the report where appropriate. In accordance with the wishes of Senator Burdick's office, we did not request the Department of Agriculture to review and comment officially on a draft of this report.

COUNTY SUPERVISORS' SURVEYS

For the North Carolina county supervisors' survey, we selected all county supervisors (85 individuals). Since the

response rate for the North Carolina supervisors was approximately 100 percent, and since we sampled the entire universe, there is no sampling error. For the nationwide county supervisor survey, we stratified the universe of counties in the United States by the number of borrowers in each county office's jurisdiction and then randomly selected county offices from each stratum. The sampling plan was designed to provide estimates with a sampling error of no more than 5 percent at the 95-percent confidence level for the entire sample. The sampling error for smaller subgroups, such as the reasons why the CFS took less county office time than the F&HP, is larger. In our analyses, we then weighted the sample data to take into account the number of borrowers in the county.

Statistics on the Number of County Supervisors
in our Samples and Their Questionnaire Response Rates

	<u>Universe</u>	<u>Sample</u>	<u>Returned</u>	<u>Percent of sample returned</u>	<u>Represented by respondents</u>	
					<u>Number in universe</u>	<u>Percentage of universe</u>
North						
Carolina	85	85	84	99	84	99.0
Nationwide ^a	1,785	200	196	98	1,743	98.0

^aExcluding North Carolina.

Questionnaire Response Rate by Stratum
for the Nationwide County Office Sample

<u>County office stratum by number of borrowers</u>	<u>Universe</u>	<u>Sample</u>	<u>Returned</u>	<u>Percentage returned</u>
	---(number of county offices)---			
0-149 borrowers	1,106	90	89	98.9
150-299 borrowers	594	60	57	95.0
Over 300 borrowers	85	50	50	100.0

The response rates for the county supervisor surveys allowed us to project to 99 percent of the North Carolina supervisors and to about 98 percent of the nationwide county supervisors.

FARMERS' SURVEYS

The samples for both of our farmers' surveys were generated from lists of farmers using the CFS forms supplied to us by county supervisors sampled in the county supervisor survey. For the nationwide farmer survey, we selected a random sample of farmers using the CFS forms from each county in the county supervisor survey. We weighted the sample data to account for the number of farmers in each county in the survey and the number of farmers using the CFS in those counties. For the North Carolina farmers' survey, we selected a random sample of farmers using the CFS forms from 42 of the state's 85 counties. We then weighted this sample to reflect the overall universe of farmers using the CFS form in North Carolina. The sample approach used for both of the farmers' surveys was designed to provide estimates with a sampling error of no more than 5 percent at the 95-percent confidence level for the entire sample. The sampling error for smaller subgroups is larger.

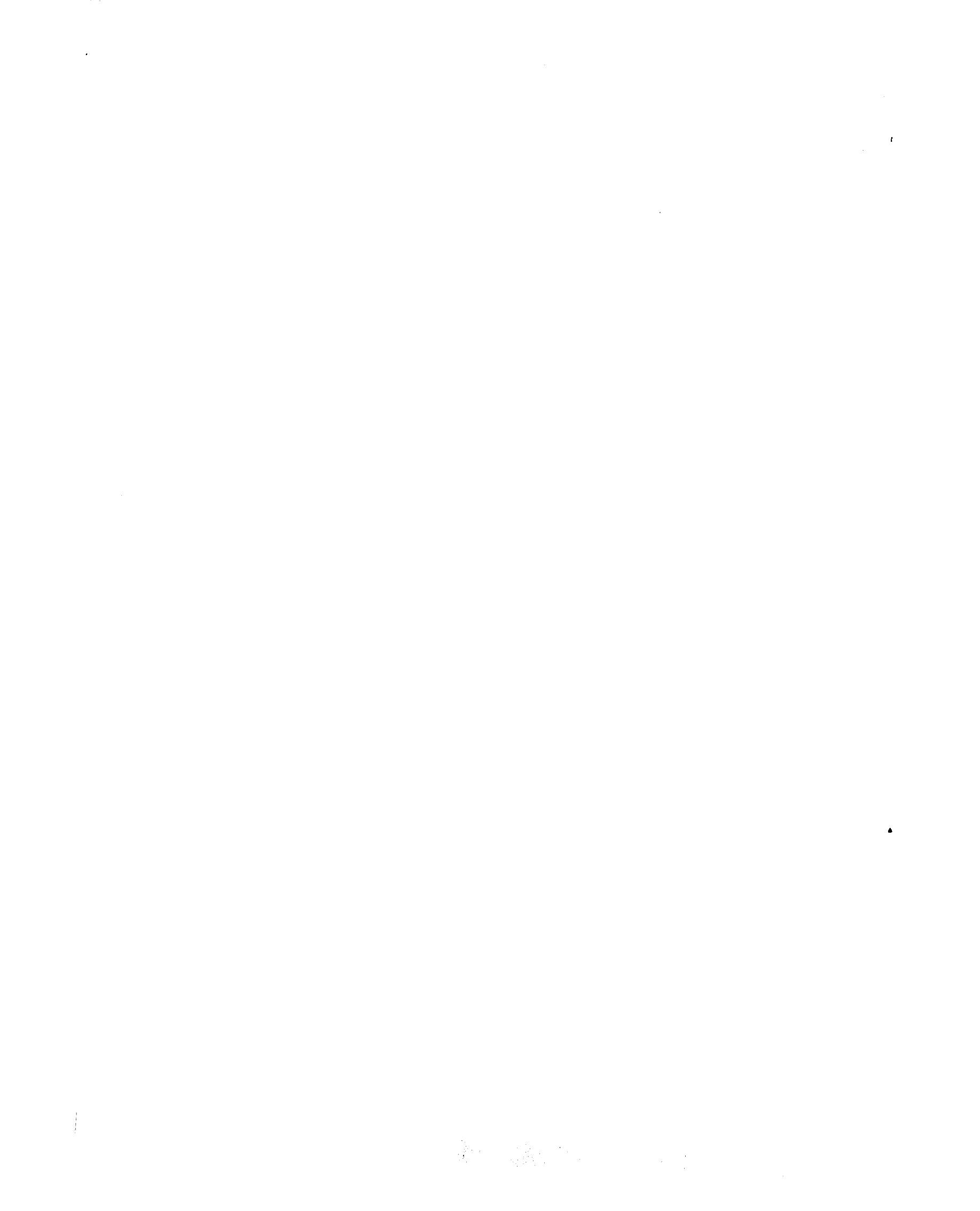
Statistics on the Number of Farmers in Our Samples
and Their Questionnaire Response Rates

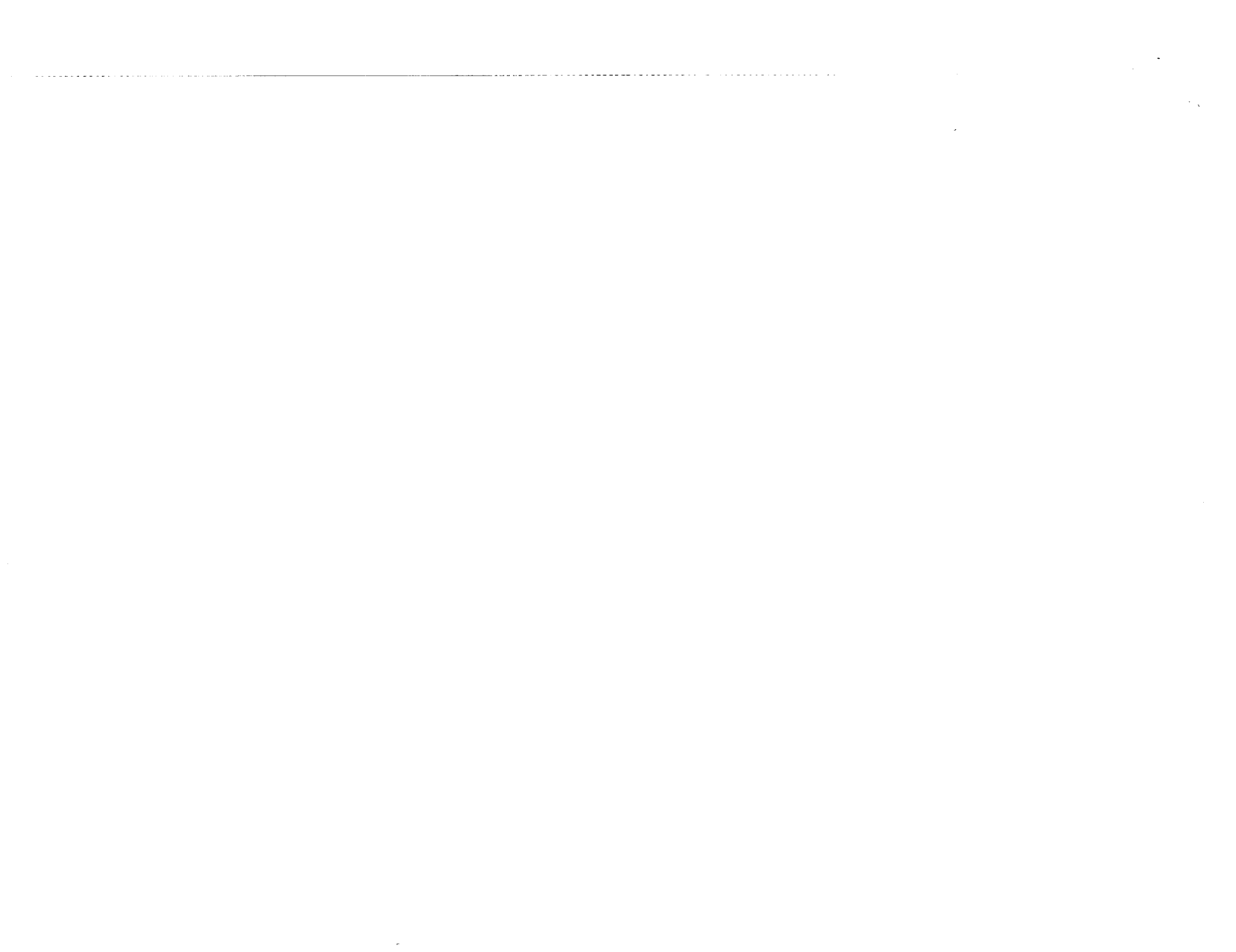
	Number from which the the sample was drawn		Number returned	Percentage returned	Represented by respondents	
	Sample				Number in universe	Percentage of universe
North Carolina	1,189	322	204	64	1,490	61
Nationwide ^a	2,081	864	656	76	12,258	65

^aExcluding North Carolina.

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