

Farm Crisis of the 1980s and Iowa's Economy

How was the Iowa Farm Crisis of the 1980s a crisis for more than rural farmers?

In the early 1970s, Iowa farm families experienced economic prosperity. The farm economy boomed as farm production grew, exports expanded, and land values increased. The state's total population was over two million with 42 percent of Iowans living on farms or in small towns. By 1990, the state lost population overall, with the decline in rural Iowa being the most substantial. One in four farms was no longer in operation in 1989. As farmers expected the prosperity of the 1970s to continue, a combination of economic, political and technological factors led to the greatest crisis in rural communities since the Great Depression of the 1930s. Many farmers expanded their acreage through land purchases or purchased new equipment with loans. However, when the Federal Reserve raised their lending, in an effort to stabilize inflation, it increased the cost of borrowing money for everyone in the United States. The effect on farmers, their families and others in rural America was devastating.

International Factors

International factors contributed to a decline in farm income. In 1979 the Soviet Union invaded Afghanistan and in protest President Jimmy Carter penalized the USSR by suspending U.S. grain shipments. Other nations filled this need and the Soviets suffered little. Though President Ronald Reagan removed the embargo when he took office in 1981 the farm economy had been damaged as exports declined. In addition, the embargo caused a glut of corn in the U.S. leading to a drop in prices from over \$3.15 a bushel in 1979 to under \$2.15 in 1982, and under \$1.55 in 1987. The U.S. dollar also gained in value with a 26 percent increase from 1980 to 1984. This increase made U.S. goods including crops more expensive on the international market. Debt and a decline in income led to extreme emotional and financial stress as farms failed.

Farmer's Relief

Farmers across the nation protested and sought relief from their state governments and the federal government. Farmers participated in national "tractorcades" to Washington, D.C. organized by the American Agriculture Movement in 1979 and 1980. Iowa groups active in the 1980s were the PrairieFire Rural Action Network led by Rev. David Ostendorf, Iowa Farm Unity Coalition led by Dixon Terry, and the Iowa Farm Bureau Federation led by Bob Joslin and Merlin Plagge. PrairieFire organized "white cross" protests at auctions and courthouses beginning in 1984 in Wayne County to object to farm foreclosures. The group held rallies across the state through the mid-1980s including events in Audubon, Story, and Tama Counties. Hilton Coliseum in Ames was the site of the National Crisis Action Rally on February 27, 1985. Musician Willie Nelson and others founded Farm Aid in 1985. The organization held the first Farm Aid concert in Champaign, Illinois on September 22, 1985. Fifty-four acts performed before a crowd of more than 75,000 people and raised more than seven million for farm families. Iowa never instituted a farm foreclosure moratorium as was done in the Great Depression. Political leaders and advisors sought to reform the loan and credit system. Rural banks started closing and millions of dollars were lost by people in town and on the farm. The Farm Credit System was reformed and bailed out by the federal government in 1985. A 1987 New York Times article reported in, "Iowa, state health figures show that about 47 farmers have killed themselves each year since 1980." Food pantries sprang up in rural communities to offer hunger relief.

Government cheese giveaways provided important protein, as did livestock donation programs. Iowa State University Extension offered counseling by telephone on its "Rural Concern Hotline." From October 1, 1984 to December 31, 1985, the hotline communicated with 11,900 people. The university also held meetings and support groups across that state that interacted with more than 50,000 Iowans. In 1986, Congress introduced Chapter 12 Bankruptcy which allowed family farmers to restructure their finances and avoid liquidation or foreclosure. In 1987, the Agriculture Credit Act authorized a four billion financial assistance package for financially vulnerable institutions of the Farm Credit System. Prices rebounded, debt was slowly reduced, and the 1980s Farm Crisis abated.

Supporting Questions

What factors led to the Iowa Farm Crisis of the 1980s?

- [Causes of the Farm Crisis, 2013 \(Video\)](#)
- [The Farm Debt Crisis of the 1980S: a Review Essay, 1992 \(Document\)](#)
- [PUBLIC LAW 96-72—SEPT. 29, 1979, 1979 \(Document\)](#)
- [S.2200 - A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan., 1980 \(Document\)](#)

How was Iowa's entire economy and population impacted by the farm crisis?

- [A Special and Terrible Irony: Hunger on Iowa's Farms during the Agricultural Crisis of the 1980s, 2019 \(Document\)](#)
- [Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa, 1982 \(Document\)](#)
- [Farm Crisis Impact on Rural Communities, 2013 \(Video\)](#)
- [Farm Crisis Results in Suicide and Murder, 2013 \(Video\)](#)

How did Iowans persevere during the 1980s Farm Crisis?

- [Using History to Make History? Progressive Farm Organizing During the Farm Revolt of the 1980S, 1996 \(Document\)](#)
- [Picket Lines, Picket Fences: How Feminism Saved Iowa 's Family Farms During the Farm Crisis of the 1980s, 2014 \(Document\)](#)
- [Rural Advocacy Groups During the Farm Crisis, 2013 \(Video\)](#)
- [Remarks and a Question-and-Answer Session With Farmers in Norway, Iowa, 1984 \(Document\)](#)

Causes of the Farm Crisis, 2013



Courtesy of Iowa PBS, "Causes of the Farm Crisis,"

Description

A video excerpt from a 2013 Iowa PBS production entitled "The Farm Crisis". This particular section outlines the causes for the 1980s Farm Crisis in Iowa and across the Midwest. The video included narration, interviews with key individuals who experienced the Farm Crisis from many perspectives, and media samples from the time period.

Text Dependent Question

- How did environmental factors like droughts and economic factors like inflation, bank closures, and defaulting on loans contribute to the farm crisis?
- This video shares several different perspectives on the farm crisis. What did some of these perspectives share about the farm crisis and its impact?
- The source references 'song and protests' to let farmers know they were not alone. Explain how song and protest can be examples of taking informed action.

Citation Information

"Causes of the Farm Crisis." [Iowa PBS](#), 29 Nov. 2017

The Farm Debt Crisis of the 1980s: a Review Essay, 1992

The Farm Debt Crisis of the 1980s: A Review Essay

GILBERT C. FITE

Courtesy of State Historical Society of Iowa

Description

A review of three books written by Gilbert Fite. Through his review, Fite highlighted the different factors related to the 1980s Iowa Farm Crisis which were addressed in each book.

[Full Transcription of "The Farm Debt Crisis of the 1980s," A Review Essay, 1992](#)

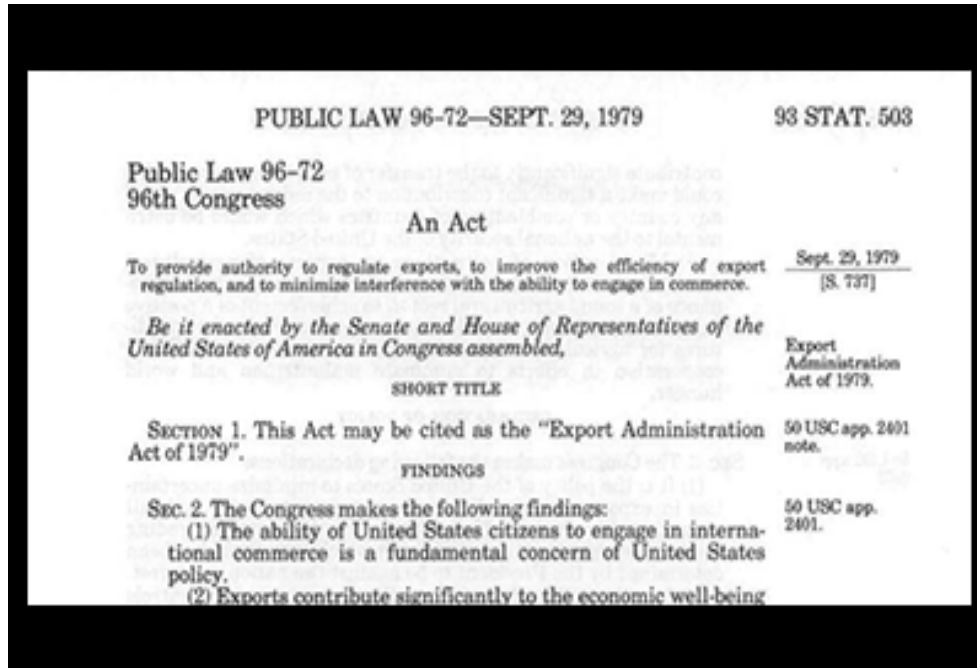
Text Dependent Questions

- What causes does each book attribute to the Iowa Farm Crisis of the 1980s?
- How did overproduction in the early 1970s to meet global demand lead to dangerous surpluses of farm goods by the early 1980s?
- How did these surpluses contribute to the farm crisis? According to Sunbury, what role did debt play in the farm crisis?
- How do the different factors mentioned in each book combine to cause the farm crisis? How does this source connect to other sources within the text set, specifically with the causes and potential impacts from the Farm Crisis?

Citation Information

Fite, Gilbert C. "The Farm Debt Crisis of the 1980s: a Review Essay." *The Annals of Iowa*, vol. 51, no. 3, 1992, pp. 288-293.

PUBLIC LAW 96-72—SEPT. 29, 1979



Courtesy of Govinfo.gov

Description

The Export Administration Act of 1979 provided the President of the United States the authority to control United States exports for reasons of national security, foreign policy and short supply. This Act existed from 1979 to 1994; however, it could be extended and kept in law for periods of time with a presidential executive order. President Ronald Reagan used this Act in 1984-85.

[Transcribed excerpts from PUBLIC LAW 96-72—SEPT. 29, 1979](#)

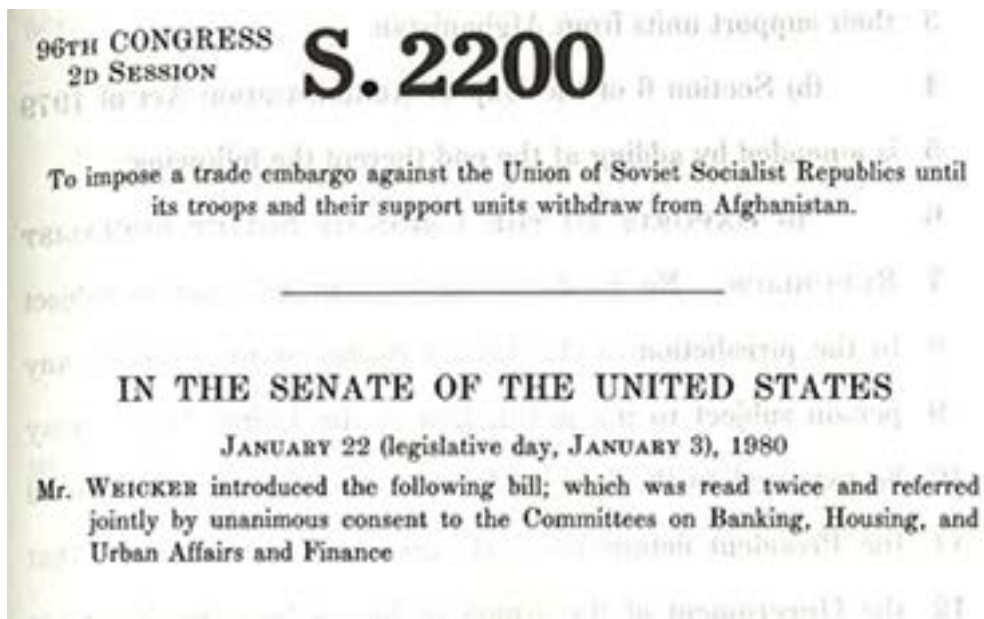
Text Dependent Question

- What was the purpose of the Export Administration Act?
- Read the portions of the Act listed below. What is the common theme of each of these sections?
 - Section 2 titled "Findings" Subsection 8
 - Section 3 titled "Declaration of Policy" Subsections 9 and 10
 - Section 3, Section 6 (a) titled "Authority" Subsection 1
- In the Pamela Riney-Kehrberg source, how was this Act used in relation to the Soviet Union and how did this hurt Iowan farmers?
- Now read the sections of the Act listed below. How does these portions conflict with President Carter's use of the Act in relation to the Soviet Union?
 - Section 2 titled "Findings" Subsections 2 and 9
 - Section 3 titled "Declaration of Policy" Subsection 11

Citation Information

"Public Law 96-72: 1979 Export Administration Act." Courtesy of GovInfo

S.2200 - A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units



Courtesy of Library of Congress

Description

Senate Bill 2200 was introduced and sponsored by Senator Lowell Weicker in 1980. It included a measure to place a trade embargo on the Soviet Union in response to that country sending troops into Afghanistan. The bill would also amend the 1979 Export Administration Act to specifically mention the Soviet Union in the language of the bill. This bill was introduced in January 1980 to the Senate, and sent to two different committees for review, but was never voted on from committee.

[Full transcript of S.2200 - A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan., 1980](#)

[Transcribed excerpt from S.2200 - A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan., 1980](#)

Text Dependent Question

- What did this introduced bill by Senator Weicker say about trading with the Soviet Union?
- After looking at the 1979 Export Administration Act and the sections highlighted for that source, why do you think Senator Weicker felt it necessary to add this bill as an amendment to that Act specifically naming the Soviet Union?
- According to Pamela Riney-Kehrberg, how did this embargo with the Soviet Union hurt Iowan farmers?

Citation Information

"Titles - S.2200 - 96th Congress (1979-1980): A bill to impose a trade embargo against the Union of Soviet Socialist Republics until its troops and their support units withdraw from Afghanistan." Congress.gov, Library of Congress, 22 January 1980

A Special and Terrible Irony: Hunger on Iowa's Farms during the Agricultural Crisis of the 1980s, 2019

A Special and Terrible Irony: Hunger on Iowa's Farms during the Agricultural Crisis of the 1980s

PAMELA RINEY-KEHRBERG

Courtesy of Riney-Kehrberg, Pamela. "A Special and Terrible Irony." The Annals of Iowa

Description

An article written by Pamela Riney-Kehrberg from Iowa State University that talks about the struggles of the Iowa farmer during the 1980's Farm Crisis. Discussed in the article are some of the factors that led to the Farm Crisis, the impact on Iowa farmers and the agricultural economy, and ways in which Iowa farmers attempted to adjust and survive. Riney-Kehrberg also discusses some of the various reactions and support efforts of Iowa citizens during this time.

[Full Transcript of A Special and Terrible Irony: Hunger on Iowa's Farms during the Agricultural Crisis of the 1980s, 2019](#)

[Transcribed Excerpts from "A Special and Terrible Irony: Hunger on Iowa's Farms during the Agricultural Crisis of the 1980s," 2019](#)

Text Dependent Questions

- According to the article, how the agricultural policies of the 1970s contribute to the farm crisis of the 1980s?
- What were some of the effects on Iowa farms and the agricultural economy as a result of the factors listed in this article?
- How is it possible for farmers to go without food? What does farmers going hungry tell you about what kinds of crops are grown by most farmers in Iowa?
- How does the quote about 'the special irony of hunger' and the poem about Iowa farmers exemplify the paradox of the impact of the Iowa Farm Crisis on Iowan farmers?

Citation Information

Riney-Kehrberg, Pamela. "A Special and Terrible Irony." The Annals of Iowa, vol. 78, no. 4, 2019, pp. 361-390., doi:10.17077/0003-4827.12611.

Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa, 1982

Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa

August 2, 1982

Well, for heavens sakes. Hello, and welcome. Is there an echo in here? [The President was reacting to incidents of both greeting and heckling from members of the audience.]

You know, I was glad that Governor Ray told you about Nancy coming here. In the old days of vaudeville, the real feature act was always preceded by a lesser act—usually it was a trained animal act. So, here I am. [Laughter] But I do thank you very much.

Governor Ray and Senators Jepsen and Grassley, Congressmen Leach and Evans, President Mullins, distinguished members and guests:

It is a real pleasure to be here today. A little earlier I was talking with Senator Jepsen about the plight of the American farmer. Roger Jepsen knows and understands the needs and the problems of the farmer, and I can assure you that when Senator Jepsen hears, something from the farm community, I hear about it. His counsel has been most helpful to me.

Courtesy of Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa, 1982

Description

President Ronald Reagan's remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa, in 1982. He spoke on the state of our nation as well as on the Farm Crisis taking place, and what was being done to try to recover.

[Full Transcript of "Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa," 1982](#)

[Transcribed excerpts from "Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa," 1982](#)

Text Dependent Question

- How did President Reagan build a case for the importance of Iowa farmers to our nation?
- What did President Reagan state as one of the main reasons Iowa farmers were suffering? How did the President's words illustrate the suffering of Iowa farmers during this Farm Crisis?
- According to President Reagan, how was he and the government trying to help American farms, including Iowa farmers?
- Did all those in attendance appreciate the president's comments? Why wouldn't they?

Citation Information

Reagan, Ronald. "Remarks at the Annual Convention of the National Corn Growers Association in Des Moines, Iowa." The Ronald Reagan Presidential Library and Museum, www.reaganlibrary.gov/archives/speech/remarks-annual-convention-national-corn-growers-association-des-moines-iowa. Speech given at Veterans Memorial Auditorium (Ames, Iowa) on 08/02/1982

Farm Crisis Impact on Rural Communities, 2013



Courtesy of Iowa PBS

Description

A video excerpt from a 2013 Iowa PBS production entitled "The Farm Crisis". The video discusses the impact on not just the Midwestern farm, but also across the entire Iowa economy including banks, farm implement dealers and manufacturers, and small community businesses that could no longer stay open due to the declining economy.

Text Dependent Questions

- Several individuals share the impact of the Farm Crisis on Iowa's economy. What were some of those impacts?
- How did those effects on the economy impact communities in Iowa as a whole?
- Representative Jim Leech, who is from Iowa, stated only farmers were impacted by the farm crisis. Why might Leech have that response? In what ways did this portion of the documentary prove Rep. Leech incorrect? Provide evidence from the sources to support your answer.

Citation Information

"Farm Crisis Impact on Rural Communities." Iowa PBS, 29 Nov. 2017

Farm Crisis Results in Suicide and Murder, 2013



Courtesy of Iowa PBS

Description

A video excerpt from a 2013 Iowa PBS production entitled “The Farm Crisis”. This selection is entitled “Farm Crisis Results in Suicide and Murder” and discusses the mental and emotional toll on Iowan farmers and their families.

Text Dependent Question

- What are some common emotions and/or thoughts shared by each of the stories in the video?
- Which story do you feel best exemplifies the emotional stress dealt with by Iowa farmers during the crisis? Use evidence from this video and other sources within this set to support your answer.
- As you read through some of the other sources in this set, how do these stories represent the emotional and psychological stress and reactions to the Iowa Farm Crisis? Cite your sources as you make connections.

Citation Information

“Farm Crisis Results in Suicide and Murder.” Iowa PBS, 29 Nov. 2017

Using History to Make History? Progressive Farm Organizing During

Using History to Make History? Progressive Farm Organizing During the Farm Revolt of the 1980s

WILLIAM C. PRATT

Courtesy of Pratt, William C. "Using History to Make History? Progressive Farm Organizing During the Farm Revolt of the 1980S." *The Annals of Iowa*

Description

An article written by William Pratt about the Farm Revolt of the 1980s. Pratt notes that during Farm Crisis, many farmers united to create several grassroots organizations to protest against the government actions that caused Iowan farmers and communities to suffer. The author discusses several of these organizations and what they did to help farmers during this time and beyond.

[Transcribed excerpts from "Using History to Make History? Progressive Farm Organizing During the Farm Revolt of the 1980s," 1996](#)

Text Dependent Question

- What are some of the types of organizations that Pratt mentioned that advocated for Midwestern farmers, including Iowa farmers, during the Farm Crisis?
- How did these organizations take informed action, choosing to fight for the rights and dignity of the American Farms?
- How effective were the actions taken by these organizations in helping support farmers? Use the connections to other resources within this set to support your claim.

Citation Information

Pratt, William C. "Using History to Make History? Progressive Farm Organizing During the Farm Revolt of the 1980S." *The Annals of Iowa*, vol. 55, no. 1, 1996, pp. 24–45., doi:10.17077/0003-4827.9988.

Picket Lines, Picket Fences: How Feminism Saved Iowa 's Family

Picket Lines, Picket Fences: How Feminism Saved Iowa's Family Farms During the Farm Crisis of the 1980s

Kenneth Dofner

Courtesy of Dofner, Kenneth. "Picket Lines, Picket Fences: How Feminism Saved Iowa's Family Farms During the Farm Crisis of the 1980s." *The Iowa Historical Review*

Description

An article written by William Pratt about the Farm Revolt of the 1980s. During the Farm Crisis, many farmers united to create several grassroots organizations to protest against the government actions that caused Iowan farmers and communities to suffer. The author discusses several of these organizations and what they did to help farmers during this time and beyond.

[Full Transcript of Picket Lines, Picket Fences: How Feminism Saved Iowa 's Family Farms During the Farm Crisis of the 1980s, 2014](#)

[Transcribed excerpt from Picket Lines, Picket Fences: How Feminism Saved Iowa 's Family Farms During the Farm Crisis of the 1980s," 2014](#)

Text Dependent Question

- How did feminism connect to the Iowa Farm Crisis of the 1980s? Who were some of the women that took informed action to the support of Iowa farmers and the recovery from the Farm Crisis?
- What did these women contribute through their informed action? How did their efforts differ from one another?
- Connecting to other resources in this set, how did the work of these women support the informed action of others in persevering through the Farm Crisis?

Citation Information

Dofner, Kenneth. "Picket Lines, Picket Fences: How Feminism Saved Iowa's Family Farms During the Farm Crisis of the 1980s." *The Iowa Historical Review*, vol. 4, no. 2, 2014, pp. 42-53., doi:10.17077/2373-1842.1026.

Rural Advocacy Groups During the Farm Crisis, 2013



Courtesy of Iowa PBS

Description

"Rural Advocacy Groups During the Farm Crisis" is a video excerpt from a 2013 Iowa PBS production entitled "The Farm Crisis". This selection discusses the ways people advocated for governmental and societal support for Iowa and Midwestern farmers during the Farm Crisis. Several examples are shared of how people supported farmers and protested the lack of governmental support for farmers and agriculture.

Text Dependent Question

- What were some different informed action steps taken by people as they advocated for Iowa's farmers during the Farm Crisis of the 1980s?
- How did the informed action of folk singer Willie Nelson lead to his involvement in the movement for Farm Aid?
- Based on some of the other sources in this text set as well as this video, which form of protest do you feel had the biggest impact on advocating for Iowa's farms and farmers and why?

Citation Information

"Rural Advocacy Groups During the Farm Crisis." Iowa PBS, 29. Nov 2017

Remarks and a Question-and-Answer Session with Farmers in

Remarks and a Question-and-Answer Session With Farmers in Norway, Iowa

September 20, 1984

The President. Thank you all very much. I thank you. I thank Jack Block, also. He's been, I think, a very fine Secretary of Agriculture, and I know his heart is really in what he's doing.

Governor Branstad, and the Members of the Congress that are here with us, our Senators:

Before I begin the remarks that I intended to make today, I'd like to repeat something that I said at the airport when I came in -- that's a few words about the cowardly act of terrorism that we learned of early this morning.

The suicide attack against our Embassy annex in East Beirut has saddened us all, of course, and it's another painful reminder of the persistent threat of terrorism in the world. I've talked with our Ambassador, Reg Bartholomew. He was in the hospital, and I was in the plane on the way here when we talked. He's injured, himself, but he said it was not serious and, actually, he walked out of the Embassy after the explosion and walked to the hospital on his own. He's quite a guy. And he expressed pride on behalf of all the people that are serving there with him.

Courtesy of Reagan, Ronald. "Remarks and a Question-

Description

President Reagan and Secretary of Agriculture Jack Block spoke at a rural Iowa farm outside of Norway, Iowa, in September 1984. In a question-and-answer session, the President and Secretary answered questions and outlined the government's efforts to help farmers recover from the Farm Crisis.

[Full transcript of "Remarks and a Question-and-Answer Session with Farmers in Norway, Iowa," 1984](#)

[Transcribed excerpts from Remarks and a Question-and-Answer Session with Farmers in Norway, Iowa," 1984](#)

Text Dependent Question

- How did President Reagan characterize the plight of the Iowa farmer due to the Farm Crisis of the 1980's? What evidence did he use to explain the situation?
- What did President Reagan and Secretary Block say that the government was doing at a federal level to help farmers recover? How did these steps help Iowans persevere through the situation?
- Using the information from other sources in this text set, do you feel these measures actually helped Iowan farmers recover? Cite evidence to support your answer.

Citation Information

Reagan, Ronald. "Remarks and a Question-and-Answer Session With Farmers in Norway, Iowa." Ronald Reagan Presidential Library and Museum, www.reaganlibrary.gov/archives/speech/remarks-and-question-and-answer-session