

GENERAL EXPLANATION Continued

each commodity in the predefined regions. Once an individual farm was selected to receive a particular report form, the farm record was no longer eligible to be sampled for a second commodity grown under contract. This action had a negligible effect on the sample selection, however, as few respondents reported 1974 contracts for more than one of the eight commodities.

The number of States to be sampled, the priority employed in selecting an individual reporting more than one of the eight commodities under contract, and the sample size of each commodity surveyed were:

States sampled	Commodity and priority	Sample size
21 ...	Tomatoes for processing (1)	532
27 ...	Potatoes (2)	805
28 ...	Feeder pigs (3)	283
28 ...	Slaughter hogs (4)	344
25 ...	Fattened cattle (5)	144
27 ...	Feeder cattle (6)	433
37 ...	Chicken eggs (7)	1,173
24 ...	Broilers (8)	1,761

Collection Procedures

The contract report forms were mailed to the respondents on October 14, 1977. Following the original mailout, there were two mail followups which took place at approximately 2-week intervals. The data collection activities conducted by mail resulted in total receipts for all form types of 3,788. Following the mail collection activities, telephone interviews were conducted to attain a minimum response rate of 80 percent in each of the selected regions for each commodity. There was no reason to believe that the nature and characteristics of the response for the remaining 20 percent of these individuals mailed survey forms would differ from the 80 percent responding. Hence, for reasons of economic feasibility and expediting data processing, this acceptable response rate of 80 percent was utilized. The telephone followup interviews were conducted by staff members of the Jeffersonville and Washington offices of the Bureau of the

Census and resulted in 647 additional receipts for a total response of 4,435 (81 percent).

Limitations of the Survey Data

This survey was designed to collect specialized information on contract characteristics and usage. The choices of commodities surveyed and the design of the report forms facilitated the accomplishment of this objective, but at the same time precluded the meaningfulness of expanding the data to reflect contract characteristics of all farmers in the United States who utilize contracts. Hence, the data as presented represent only totals for each of the eight commodities surveyed and in no way have been expanded to represent all individuals utilizing contracts for the commodities in question.

All farm operators chosen for this survey reported the use of a contract in 1974 for the production or marketing of one of the eight commodities being enumerated. A brief review of early survey receipts, however, indicated that a sizable number of respondents had either misunderstood and misreported contract usage on their 1974 census reports or did in fact utilize contracts in 1974, but were no longer producing or marketing the commodity under contract in 1977. Final tabulations of all respondents indicate the latter case to be true in approximately one-third of the cases. Table 1 presents data regarding the number of contracts reported active in 1977, the number of contracts reported terminated prior to 1977, and the grounds for their termination.

Entry into and exit from contract usage was more pronounced with certain commodities than it was with others. In the case of fattened cattle, the survey size

of 144 cases produced only 9 active contracts for calendar year 1977 and 55 respondents reporting the termination of their fattened cattle contracts prior to 1977. As a result, the presentation of fattened cattle data in the same table format as employed for the remaining seven commodities would not be meaningful.

The data as published represent the reported data with only inconsistencies reviewed and corrected. Minimal imputation of data was performed during processing.

Definitions and Explanations

For exact wording of the questions and instructions in the survey forms, see the reproductions at the end of the tables for each commodity surveyed.

Farm—The 1974 Census of Agriculture farm definition was employed for this survey and was stated as "all land on which agricultural operations were conducted under the day-to-day control of an individual management, and from which \$1,000 or more of agricultural products were sold or would normally have been sold during a year."

Farm operator—Again the 1974 Census of Agriculture definition was used which was "a person who operates a farm, either doing the work himself or directly supervising the work."

Contract—In this survey a contract was defined to be a binding agreement, which may be either written or oral, between the farm operator and another party that specifies one or more conditions of the production and/or marketing of one of the eight commodities surveyed.

Table 1. **Contracts Active in 1977 and Contracts Terminated Prior to 1977**

	Total	1977 contracts	Contracts terminated prior to 1977	Grounds for termination			
				Individual decision	Group decision	Joint decision	Decision by contractor
Feeder cattle.....	339	89	103	81	5	10	7
Fattened cattle.....	116	9	55	45	5	3	2
Feeder pigs.....	234	132	70	55	4	7	4
Slaughter hogs.....	281	56	154	133	4	6	11
Broilers.....	1,408	1,056	337	272	5	15	45
Chicken eggs.....	930	557	320	269	7	21	23
Tomatoes for processing...	425	280	134	109	3	5	17
Potatoes.....	640	359	218	190	5	5	18