**Appendix III: Oral Script for Conducting the Survey**

*[Note to Reviewer: The highlighted text below is to distinguish the scripts for two different surveys. Yellow highlighting identifies language that will be used exclusively on the dry land cotton farm survey. Blue highlighting identifies wording that will be used exclusively on the mixed dry land and irrigated cotton survey. All other text is common to both surveys.]*

**Introduction**

Good afternoon everybody. We want to thank you all for being here and giving your valuable time to this research effort.

As most of you know, we are from the Department of Agricultural and Applied Economics at Texas Tech University. Our purpose here today is to develop much of the information needed to conduct analysis of the expanded insurance coverage offered under the 2014 Farm Bill. We hope the results from our study will provide producers in this region better information on the benefits and costs associated with alternative insurance choices under the 2014 Farm bill. The input we get from you today will be used to develop a “representative” farm for use in our analysis. This representative farm won’t match up with any of your individual farming operations or that of any specific producer in the area. However, we hope, with you help, to make it realistic enough so that the analysis we do on this farm will provide information that will prove useful to a majority of dry land cotton producers in the area.

Your participation in this session is voluntary. We will not ask you to provide any personal information. This is a group survey designed to develop detailed information about the representative farm. The survey has two parts. The first part is about assets and costs of the farming operation. The second section focuses on expected 2015 yields for the farm and county, both of which are important in evaluating the suite of individual and area yield and revenue insurance coverages available under the new Farm Bill.

The survey will be conducted in following steps. In first stage, we will request each of you to answer a specific set of questions. Then, in the second stage, we will present you the averages of all of your responses in the first round and work as a group to come to a consensus about values that are appropriate for the representative farm. The final product will be a set of representative farm parameters that we hope will be realistic enough so that farmers in the region will find the results of our analysis useful. Once the final representative farm parameters have been agreed upon we will destroy your survey form. We will not retain any of your individual responses.

Before starting the interview process, please consider the following things while filling out the information.

Assume a dry land and pivot irrigated cotton farm with 2500 acres of cropland. This acreage includes owned, leased, and cash rented land. We know that most producers in the region grow some grain sorghum or other crops besides cotton but we want to focus on a specialized cotton farm to reduce the amount of data we have to ask you for and so that we can focus in on the benefits of alternative insurance choices for cotton producers. Therefore, the information you give us should not be for your farm but for a typical moderate sized commercial farm of 2500 acres.

Please don’t hesitate to ask questions at any time if you are not sure you know what we are asking on a particular question.

**Section 1**

Before we start, do you have any questions at this time?

Now, let’s start the process of filling out the survey.

The first section is about land assets. Assuming a 2500 acre dry land and pivot irrigated cotton farm, please fill the information about a typical ownership pattern including dry land and irrigated: Acres Owned, Acres Share Leased, and Acres Cash Rented. Note that we are assuming that all irrigation systems on the farm are center pivot systems.

The second question is about value of land and building in 2015. Assuming a 2500 acre cotton farm, please fill out the information about a typical dry land and irrigated value per acre for owned land, landlord share of production for share leased land, and annual cash rental rate per acre for cash rented land. Also, indicate the value of the farmstead, if owned. This should reflect all buildings and other structures except the farm owner’s home.

The next question is about real estate loans in 2015. Assuming the 2500 acre cotton farm, please fill the information about a typical amount owed and annual interest rate on real estate loans.

The next question is about variable operating costs for dry land and irrigated cotton in 2015. The questions are about seed, fertilizers, herbicide, insecticide, boll weevil assessment, harvest aid and application, custom fertilizer application, custom stripping and module building, and ginning. On each of these items you are asked to provide information about quantity, rates and landlord share.

The next question is about machinery investment and costs for our 2500 acre farm in 2015. The questions are about beginning of year value and 2015 annual depreciation for tractors, self-propelled machinery, pick-ups and trucks, and other equipment. We also ask about machinery loan amounts and interest rate, insurance costs, and non-irrigation fuel and lube cost. On each item, please fill typical information about value, depreciation and other cost related to machinery. [Note that depreciation on each category of machinery should reflect actual decline in value, not depreciation for tax purposes.]

The next question is about pivot irrigation system investment and cost for this farm in 2015. Please fill the information about value, depreciation and other costs related to irrigation machinery on items listed. The questions are about irrigation investment, repair and maintenance, and fuel cost.

The last question in the first section is about other costs in 2015. For this 2500 acre cotton farm, please provide your estimates of real estate taxes, accounting and legal cost, farm liability insurance, communication service and utilities, salaried labor, part-time labor, and other farm expenses.

**Section 2**

Now, let’s start the second section of the survey. This section focuses on expected 2015 yields for the farm and county, both of which are important in evaluating the suite of individual and area yield and revenue insurance coverages available under the new farm bill. In this section we want to take into account the fact that productivity will vary across fields. To do so we ask for information about a low-productivity unit and a high-productivity unit (You may think of these as fields, farms, or insured units).

The following questions are about yields for low-productivity and high-productivity units of dry land cotton on this farm.

[Note to reviewer: We will have the questions on a screen and will read through them, and the response choices, with the participants.]

Questions for low-productivity dry land unit

First question:

What yield do you consider most likely for this unit in 2015?

[This is the yield you would give if someone asked you “what do you expect the dry land cotton yield to be on this unit” and you could give only one number.]

Second question:

What yield do you consider a low yield for this unit in 2015?

(You expect the dry land cotton yield to go below this yield in 1 out of 10 years or there is only about a 10% chance of a yield below this level.)

Third question:

What yield do you consider a high yield for this unit in 2015?

(You expect the dry land cotton yield to go above this yield in 1 out of 10 years or there is only about a 10% chance of a yield above this level.)

Questions for high-productivity dry land unit

First question:

What yield do you consider most likely for this unit in 2015?

[This is the yield you would give if someone asked you “what do you expect the dry land cotton yield to be on this unit” and you could give only one number.]

Second question:

What yield do you consider a low yield for this unit in 2015?

(You expect the dry land cotton yield to go below this yield in 1 out of 10 years or there is only about a 10% chance of a yield below this level.)

Third question:

What yield do you consider a high yield for this unit in 2015?

(You expect the dry land cotton yield to go above this yield in 1 out of 10 years or there is only about a 10% chance of a yield above this level.)

The following three questions are about the county average yield for dry land cotton. This information is important in evaluating the STAX and SCO insurance options of the 2015 Farm Bill because losses are triggered based on a county yield shortfall.

Dry land county yield questions

First question:

What yield do you consider most likely for dry land cotton for this county in 2015?

[This is the yield you would give if someone asked you “what do you expect the dry land cotton yield to be for this county” and you could give only one number.]

Second question:

What yield do you consider a low dry land cotton yield for this county in 2015?

(You expect the dry land county cotton yield to go below this yield in 1 out of 10 years or there is only about a 10% chance of a yield below this level)

Third question:

What yield do you consider a high dry land cotton yield for this county in 2015?

(You expect the dry land county cotton yield to go above this yield in 1 out of 10 years or there is only about a 10% chance of a yield above on this level)

The following questions are about yields for low-productivity and high-productivity units of pivot irrigated cotton on this farm.

Questions for low-productivity pivot irrigated unit

First question:

What yield do you consider most likely for this unit in 2015?

[This is the yield you would give if someone asked you “what do you expect the pivot irrigated cotton yield to be on this unit” and you could give only one number.]

Second question:

What yield do you consider a low yield for this unit in 2015?

(You expect the pivot irrigated cotton yield to go below this yield in 1 out of 10 years or there is only about a 10% chance of a yield below this level)

Third question:

What yield do you consider a high yield for this unit in 2015?

(You expect the pivot irrigated cotton yield to go above this yield in 1 out of 10 years or there is only about a 10% chance of a yield above on this level)

Questions for high-productivity pivot irrigated unit

First question:

What yield do you consider most likely for this unit in 2015?

[This is the yield you would give if someone asked you “what do you expect the pivot irrigated cotton yield to be on this unit” and you could give only one number.]

Second question:

What yield do you consider a low yield for this unit in 2015?

(You expect the pivot irrigated cotton yield to go below this yield in 1 out of 10 years or there is only about a 10% chance of a yield below this level)

Third question:

What yield do you consider a high yield for this unit in 2015?

(You expect the pivot irrigated cotton yield to go above this yield in 1 out of 10 years or there is only about a 10% chance of a yield above on this level)

The following three questions are about the county average yield for pivot irrigated cotton. This information is important in evaluating the STAX and SCO insurance options of the 2015 farm bill because losses are triggered based on a county yield shortfall.

Irrigated county yield questions

First question:

What yield do you consider most likely for irrigated cotton for this county in 2015?

[This is the yield you would give if someone asked you “what do you expect the irrigated cotton yield to be for this county” and you could give only one number.]

Second question:

What yield do you consider a low irrigated cotton yield for this county in 2015?

(You expect the irrigated county yield to go below this yield in 1 out of 10 years or there is only about a 10% chance of a yield below this level)

Third question:

What yield do you consider a high irrigated cotton yield for this county in 2015?

(You expect the irrigated county yield to go above this yield in 1 out of 10 years or there is only about a 10% chance of a yield above on this level)

The next sets of questions are about relationships between yields at the farm and county level.

The first question is about the relationship between pivot irrigated cotton yield and dry land cotton yield at the farm level.

Consider the relationship between pivot irrigated and dry land cotton yields on a typical farm in the county. Specifically, think about how the two yields go up and down in different types of weather years. How would you characterize the relationship between farm-level yields for pivot irrigated and dry land cotton?

WHEN THE FARM-LEVEL PIVOT IRRIGATED COTTON YIELD IS HIGH THE FARM-LEVEL DRY LAND YIELD IS:

[Please choose one among the choices below.]

□ Almost always high.

□ Often high.

□ No more likely to be high than low.

□ Often low.

□ Almost always low.

The next question is about relationship between farm-level pivot irrigated cotton yields and county-level irrigated cotton yield.

Consider the relationship between pivot irrigated cotton yields for a typical farm and the county-level irrigated cotton yield. Specifically think about how the two yields go up and down in different types of weather years.

How would you characterize the relationship between farm-level pivot irrigated yield and the county-level yield for irrigated cotton? (Check one)

WHEN THE COUNTY IRRIGATED COTTON YIELD IS HIGH THE FARM-LEVEL PIVOT IRRIGATED COTTON YIELD IS:

[Please choose one among the choices below.]

□ Almost always high.

□ Often high.

□ No more likely to be high than low.

□ Often low.

□ Almost always low.

The next question is about relationship between county-level dry land cotton yield and farm-level dry land cotton yield.

Consider the relationship between dry land yields for a typical farm and for the county. Specifically think about how the two yields go up and down in different types of weather years.

How would you characterize the relationship between the farm-level yield and the county-level yield for dry land cotton?

WHEN THE COUNTY DRY LAND COTTON YIELD IS HIGH THE FARM-LEVEL DRY LAND COTTON YIELD IS:

[Please choose one among the choices below.]

□ Almost always high.

□ Often high.

□ No more likely to be high than low.

□ Often low.

□ Almost always low.

The next question is about relationship between county-level dry land cotton yield and farm-level pivot irrigated cotton yield.

Consider the relationship between a typical farm-level irrigated cotton yield and the county-level dry land cotton yield. Specifically think about how the two yields go up and down in different types of weather years.

How would you characterize the relationship between a typical farm-level irrigated cotton yield and the county-level dry land cotton yield?

WHEN THE COUNTY DRY LAND COTTON YIELD IS HIGH THE FARM-LEVEL PIVOT IRRIGATED COTTON YIELD IS:

[Please choose one among the choices below.]

□ Almost always high.

□ Often high.

□ No more likely to be high than low.

□ Often low.

□ Almost always low.

The next question is about relationship between county-level pivot irrigated cotton yield and farm-level dry land cotton yield.

Consider the relationship between your farm-level dry land cotton yield and the county-level irrigated cotton yield. Specifically think about how the two yields go up and down in different types of weather years.

How would you characterize the relationship between a typical farm-level dry land cotton yield and the county-level irrigated cotton yield?

WHEN THE COUNTY IRRIGATED COTTON YIELD IS HIGH THE FARM-LEVEL DRY LAND COTTON YIELD IS:

[Please choose one among the choices below.]

□ Almost always high.

□ Often high.

□ No more likely to be high than low.

□ Often low.

□ Almost always low.

And, the last question is about relationship between county-level irrigated cotton yield and county-level dry land cotton yield.

Consider the relationship between the county-level irrigated cotton yield and dry land cotton yield. Specifically think about how the two yields go up and down in different types of weather years.

How would you characterize the relationship between the county-level irrigated cotton yield and county-level dry land cotton yield?

WHEN THE COUNTY-LEVEL IRRIGATED COTTON YIELD IS HIGH THE COUNTY-LEVEL DRY LAND COTTON YIELD IS:

[Please choose one among the choices below.]

□ Almost always high.

□ Often high.

□ No more likely to be high than low.

□ Often low.

□ Almost always low.

THANK YOU FOR COMPLETING THE SURVEY

NOW WE WILL TAKE A BREAK WHILE WE AVERAGE YOUR RESPONSES.

FOLLOWING THE BREAK WE WILL WORK TO FORM A PANEL CONCENSUS ON THE AVERAGES.