

POTENTIAL EFFECTS OF DEPARTMENT OF  
INTERIOR DECISIONS ON AGRICULTURAL FINANCING

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I. Background

- A. Reclamation Law as practiced through 1976
- B. Revolutionary proposals for changing Reclamation Law
  - 1. Economic impact
  - 2. Social impact
  - 3. Environmental impact

II. Farm Lenders Questions

- A. Micro economic considerations
  - 1. Economics of farming operation
    - a. Farm program influence
    - b. Size of operation
    - c. Capital requirements
    - d. Water availability
  - 2. Commodity markets
    - a. Crop trends
    - b. Crop suitability to area
    - c. Alternative cropping programs
  - 3. Management and potential
    - a. Experience and personnel
    - b. Growth potential
- B. Macro economic considerations
  - 1. Commodity market viabilities
  - 2. Costs to local governments
  - 3. Productivity losses
  - 4. Subsidy costs to taxpayers

III. Conclusion

- A. Assumptions
  - 1. Capital requirements
  - 2. Risk
  - 3. Returns
- B. Lending practices
  - 1. Short term
  - 2. Long term