

The BSE Crisis Had Immediate Impacts on Family Economies and It Was Not Over When the Borders Opened



As can be seen in the responses in Table 1, BSE not only created immediate and short-term economic consequences, but the results of these and the coping strategies (e.g., cashing investments) used would have created long-term economic stress for the 177 farm families in the study. However, a small number of people actually increased their equity.

Table 1: Agreement with Statements Concerning Economic Impact of BSE

	<i>Strongly Agree</i>	<i>Agree</i>	<i>Somewhat Agree</i>	<i>Total</i>
<i>BSE was the worst crisis since the 'dirty thirties'</i>	37%	17%	17%	71%
<i>BSE placed my livelihood at risk</i>	55%	20%	11%	86%
<i>Affects of BSE will continue to affect rural communities into the future</i>	40%	35%	14%	89%
<i>My loss of equity due to BSE will continue to hurt me in the future</i>	44%	24%	8%	76%
<i>I cashed in my family investments to make it through BSE</i>	29%	10%	8%	46%
<i>My equity has been completely exhausted as a result of BSE</i>	16%	9%	15%	39%
My equity actually increased during the BSE crisis	2%	2%	4%	8%

Those Who Did and Did Not Report an Increase in Equity Were Similar

We created 3 groups of respondents: those who answered Strongly to Somewhat Agree, the Neutral group, and those who answered Somewhat Disagree to Strongly Disagree on “My equity actually increased during the BSE crisis.”

Gross income did not predict ability to increase equity nor did the total area of land used in the operation. Farms where equity was increased were just as likely to report being in the low (<\$100,000) as the middle (\$100-300,000) and high (>\$300,000) gross income groups; however, those farms where equity did not increase were mostly (58%) in the less than \$100,000 income group. Those who reported increased equity were also just as likely to have the largest as the smallest acreage in operation.

Prior warning of BSE or of its potential consequences were not associated with reporting an increase in equity. Neither age nor having spent more or less than 27 years farming predicted a reported increase in equity.