

# Reform Federal Agriculture Programs

With America's economy struggling to roar back to strong growth and a deficit approaching \$1 trillion, policy makers need to take a hard look at reforming one of the most wasteful and egregious government programs—the 2008 Farm Bill, which expanded U.S. agriculture support programs significantly, with dire effects.

This nearly \$300-billion (over five years) boondoggle paid off every special interest. Farmers got their direct payments, their counter-cyclical payments, their price support loan amounts, their disaster funds, and much more. Cities and towns got their nutrition programs and their food stamps. Environmentalists got their conservation programs, though not as many as they wanted. Energy producers got some biofuel monies.

Some producers who were not subsidized before—such as fruit, vegetable, and nut producers—received significant R&D money that opens the door to future subsidies. The bill includes what was lauded as the “first-ever livestock title” for yet another group that was not previously subsidized. And special earmarks got some others on board—the “trail to nowhere,” a taxpayer-funded land swap; forests that house fish got some money, as did salmon fisheries.

And for what? Many farm subsidies go to rich farmers. The per-person annual limit for subsidy eligibility is \$500,000 for non-farm in-

come and \$750,000 per year for farm income. Thus, a married couple could have farm income of \$1.5 million per year and still collect taxpayer-funded payments.

The U.S. sugar program—one of the most egregious farm programs—needs drastic reform. The 2008 Farm Bill increases sugar price supports, provides incentives for using sugar for ethanol rather than food, further restricts imports of sugar, and may violate existing trade agreements.

Thus, many agricultural producers continue to enjoy subsidies and price supports, which cost taxpayers, increase food costs, and disproportionately impact low-income consumers who pay a larger percentage of their income for food. And many government agricultural programs continue to restrict imports of various products, such as sugar and ethanol. This leads to higher costs for food and fuel. This situation must change.

With the current financial crisis and recession, policy makers should immediately address ways to reduce large-scale government waste. Congress will negotiate the 2012 Farm Bill in 2011. Policy makers should take a hard look at existing farm programs that waste taxpayers' money, increase consumer costs, threaten U.S. credibility in promoting open trade, and harm developing countries' ability to compete in the world market.

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