

Small Farms and Farm Subsidies

Daniel Krotz

Posted Wednesday, February 2, 2011, at 7:45 PM

Republicans have dialed back their election promise to cut \$100 billion dollars in spending down to what looks like \$40 billion dollars, give or take a billion or two. I think everyone, Independents, Republicans and Democrats alike, can agree that a \$60 billion dollar miss isn't even close enough for government work.

Social Security and Medicare are the obvious places to make meaningful cuts. But Republicans say that cutting Social Security and Medicare programs is the responsibility of the Democrats. Not surprisingly, Democrats say the opposite, of course, but the two parties are surprisingly and uncharacteristically civil toward one another as they discuss cuts to these entrenched programs. "After you, my dear Alphonse!" say Republicans. "No after you, Gaston!" say Democrats.

The two parties' civility extends to debate about cutting subsidies for Welfare Queens like ConAgra, Archer Daniels Midland, and that friend of the family farm, Monsanto.

Republicans as a whole are aligned with corn state Democrats like Ben Nelson and Tom Harkin in gentlemanly bi-partisan agreement to provide British Petroleum an estimated \$600 million in ethanol subsidies in 2011. Further evidence of bi-partisanship is seen in how Nelson and Harkin are collaborating with Republicans Chuck Grassley and John Thune to provide, says the conservative Cato Institute, \$30 of taxpayer subsidy to Archer Daniels Midland for every \$1 dollar of profits it makes on ethanol.

According to the *Wall Street Journal*, between 2005-2008 taxpayers provided fossil fuel producers--oil, coal, and gas companies--\$72.5 billion dollars in subsidies and tax breaks. During the same period taxpayers subsidized "alternative" fuel producers to the tune of \$29 billion dollars--\$16 billion of that for ethanol. And while fossil fuel producers had record profits in 2009 and 2010 and with corn prices expected to be over \$6 a bushel in 2011, the Republican Party and corn state Democrats still can't see their way to cut the deficit by ending these welfare programs.

These legislators tell us that jobs will result from these subsidies, but they can't and won't tell us how many jobs, where the jobs will be located, or whether or not these "good" jobs will be living wage jobs. What consumers are already seeing are higher gas prices and lower gas mileage, and more

expensive processed and fresh food at supermarkets--by 8%, according to the Congressional Budget Office. Since consumers are getting the shaft, who's getting the benefits?

Between 1995-2009, taxpayers shelled out \$246.7 billion dollars in agriculture subsidies. Sixty-two percent (62%) of American farmers received no subsidy at all. These no-subsidy farmers and ranchers are primarily small operators grossing under \$250,000 a year on their farms. In other words, these are family farmers that fit the idea most Americans have of farmers.

Nationally, ten percent (10%) of "farmers" received 74% of all subsidies, or \$183.25 billion of the total \$246.7 billion allotted. The bottom eighty percent (80%) of farmers who received a subsidy got on average, \$572.00 dollars.

Arkansas is in the top ten for receiving subsidies. Between 1995 and 2009, Arkansas received \$9.60 billion dollars in subsidies, almost all of it to rice conglomerates located in the central and eastern part of the state. How much did "small family farms" receive?

Carroll County, received \$8.22 million dollars in subsidies between 1995-2008. Seventy-seven percent (77%) of Carroll County farmers received nothing. Ten percent (10%) received half the money, or \$4.11 million dollars, while the bottom 80% averaged \$250 annually.

The real story about farming in Carroll County is that nearly all farms and ranches are genuine family operations, yet these families get almost no government support while a half dozen corporations down south get billions.

Comparing national, state, and local subsidy distribution rates shows similar breakouts: roughly 75% of farmers get nothing, roughly 10% of corporate farms get 75% of the money, and a few small to midsize farmers get some pocket change.

A final story summarizes the extent of the subsidy scandal: 8,000 cotton farmers received \$3 billion dollars in subsidies in 2010. Ninety-eight thousand (98,000) fruit and vegetable farmers received \$196 million dollars in subsidies in 2010.

Since small farms and the "small businesses" so treasured by Democrats and Republicans alike are actually getting almost no money from USDA and Energy Department subsidies they won't miss them when they're gone.

So, if we total the \$72 billion in fossil fuel subsidies and tax breaks and the \$29 billion for "alternative" fuels we get to the \$100 billion that Republicans

promised during the last campaign--and no harm, no foul to America's small farmers.

We know that Republicans and Democrats are not going to cut Social Security or Medicare programs because they're afraid of the people. But the only thing they have to lose if they cut subsidies and tax breaks to wealthy energy and agribusiness corporations is campaign contributions.

We know they don't have the guts to cut Social Security and Medicare, but can they at least stop subsidizing their rich pals?