

Farm subsidies may face cuts

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WASHINGTON - Federal subsidies received by nearly 80,000 Tennessee farmers, including Republican Rep. Stephen Fincher of Frog Jump, are at risk as lawmakers scrutinize every corner of the federal [budget](#) for programs to cut.

The subsidies are a prime target because their opponents include lawmakers from both parties, experts say. Conservatives blast them as an example of government intrusion into free markets, and liberals say they encourage environmentally hazardous overfarming.

Subsidies and other farm-related spending should be candidates for spending cuts as lawmakers discuss the next farm bill and the need to reduce the nation's debt, according to Rep. Paul Ryan of Wisconsin, chairman of the House Budget Committee, and Rep. Frank Lucas of Oklahoma, chairman of the House Agriculture Committee.

Freshman Republican Rep. Scott DesJarlais of Tennessee, a member of the Agriculture Committee, said "agriculture is no exception" when it comes to considering budget cuts. Other freshmen on the committee also have expressed a willingness to trim the program.

The subsidies still have a strong fan base in Congress. Last month, Fincher and other House lawmakers voted down a proposal to cap the subsidies as part of a fiscal 2012 agriculture appropriations bill.

But critics from both parties say that because the subsidies apply to only a handful of staples - such as cotton, corn, rice, wheat and soybeans - they unfairly penalize livestock producers and vegetable farmers and encourage production of less healthy [foods](#). They also favor large, corporate farms over small ones, critics say.

In Tennessee, 22 percent of farmers collected subsidy payments last year, according to data compiled by the

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Environmental Working Group.

Eighty-seven percent of Tennessee's subsidies went to 10 percent of farmers last year. Nationally, 38 percent of farmers collected subsidy payments, and 74 percent of those payments went to 10 percent of farmers.

Stephen and Lynn Fincher Farms, which the congressman owns with his wife, got \$87,738 in commodity subsidies in 2010, according to EWG data.

Over the last 12 years, the farm has received \$3.3 million, mostly in cotton subsidies. That ranks it 27th in Tennessee for subsidy receipts.

Fincher Farms, which is owned by the congressman's parents, received \$103,036 in subsidies in 2010 and more than \$4 million over the last 16 years, according to the data. Fincher is a managing partner of the enterprise, which spans several counties. Fincher has said he received less than the figures reported by the EWG, which pulls its data from Agriculture Department publications. During his campaign, he faced criticism for accepting subsidies while advocating government spending cuts.

Farmers in Jackson and the rest of Fincher's 8th Congressional District received \$53.4 million in federal subsidies in 2010. That's higher than any other district in the state and accounts for 35 percent of Tennessee's total receipts.

Fincher also has received more subsidy

money than the 17 other House members who got subsidy payments between 1995 and 2009, according to the Environmental Working Group.

All but two of those House members voted against last month's measure to cap annual subsidies at \$125,000 per farmer. Fincher's farm received more than that in 10 of the last 12 years, according to EWG data.

Lawmakers who receive subsidies "have a direct financial stake" in promoting them, said David DeGennaro, a legislative analyst at EWG.

But Fincher's spokeswoman, Sara Sendek, said the congressman sees no conflict of interest and "will support cuts on any spending programs that are deemed wasteful or bad for the economy." Sendek said farms face more government regulation than almost any other industry. Without subsidies, farmers would have a hard time competing with their counterparts in countries that subsidize agriculture heavily.

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"Congressman Fincher believes the farm program that is currently in place needs reform, but until that happens, we must work with what we have," she said. "We simply cannot risk losing more jobs in rural areas."

Rhedona Rose of the Tennessee Farm Bureau said subsidies help farmers deal with volatile commodity **prices**.

"It would make our folks very nervous to think we didn't have some kind of safety net if prices were to drop," she said.

"Farmers have to have something more consistent to keep them from bottoming out."

Lawmakers who receive subsidies are better equipped to legislate on the issue, she added.

"No doubt the farm programs are very complicated and difficult to understand, and when you've had to work with it on a personal basis, you're going to have a lot better understanding of the strengths and weaknesses," she said.

Some experts say reducing subsidies wouldn't substantially affect farmers or food prices.

"I don't think the impact on prices is a big thing," said Chris Edwards, a tax and budget expert at the Cato Institute, a libertarian think tank in Washington. "(Subsidies) are simply transfers from average tax-paying **families** to high-income farmers."

Edwards said other countries, such as New Zealand, have eliminated farm subsidies.

"These days, New Zealand farmers are very much free-market farmers. They don't want subsidies, they've changed and adjusted," he said. "And I think American agriculture would change and adjust as well."

Subsidies began in the 1930s to provide a safety net for farmers during the Great Depression. In addition to \$5 billion a year in direct payments, which are controversial because they're awarded regardless of market prices, the program includes insurance benefits and low-cost loans.

The subsidies are expected to cost taxpayers at least \$51 billion over the next 10 years, according to a Congressional Budget Office estimate published in March.

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