



## Farmers slam Trump 2020 budget plan that includes deep cuts to subsidies

Jeff Daniels

March 12, 2019

- The White House's 2020 budget plan to slash federal funding for farm subsidies and other safety net programs for agricultural producers is getting criticized by farmers who say they are already struggling.
- The Trump request includes a 15 percent decrease in funding to the U.S. Department of Agriculture.
- The plan includes \$26 billion in cuts to crop insurance, a program used by growers of more than 100 crops.
- "We are very concerned and disappointed with the administration's proposed budget," said Illinois Farm Bureau President Richard Guebert, who farms corn, soybeans and wheat.

President Donald Trump's 2020 budget plan to slash federal funding for farm subsidies and other safety net programs for agricultural producers is getting criticized by farmers who say they are already struggling.

"We are very concerned and disappointed with the administration's proposed budget," said Illinois Farm Bureau President Richard Guebert, who farms corn, soybeans and wheat. "This comes at a time when farmers are facing a depressed farm economy combined with continued market uncertainty and unresolved trade agreements."

The White House budget request includes a 15 percent decrease in funding to the U.S. Department of Agriculture and proposes the agency make "targeted reforms to duplicative programs and overly generous subsidy programs," according to the document released Monday. It also proposes to save money by "eliminating subsidies to higher income farmers, and reducing overly generous crop insurance premium subsidies to farmers and payments made to private sector insurance companies."

"The environment that we have in agriculture right now means crop insurance is very important," said North Dakota farmer Kevin Skunes, chairman of the National Corn Growers Association. "Nobody is insuring for a profit but they're trying to insure so that if Mother Nature doesn't shine on them they should be able to get the bank paid back."

Top of Form

Skunes said farm income is weak and the costs growers face in farming haven't dropped substantially so it's caused hardship for many agricultural producers, including farm bankruptcies in the Midwest. He said low crop prices and the ongoing trade war with China also has made the situation tougher for farmers.

The administration wants to slash the average premium subsidy for crop insurance from 62 percent to 48 percent. More than 100 crops are eligible for crop insurance, with majority of the program going to producers of corn, soybeans and wheat.

The Republican budget plan still faces scrutiny in Congress where some Democrats have already vowed to fight it.

"This proposal tells us one of two things: either the White House doesn't understand why these programs are important, or they don't care," Collin Peterson, Democratic chairman of the House Agriculture Committee, said in a statement. "What's more, all of these shortsighted cuts are second and third attempts to revisit policy proposals that were rejected in the farm bill negotiations."

According to Peterson, the plan includes \$26 billion in cuts to crop insurance and \$8 billion trimmed from programs that help ranchers recover grazing land hurt by drought.

Trump's 2020 budget request included cutting subsidies for those farmers and ranchers with adjusted gross incomes exceeding \$500,000. Similarly, the administration's 2019 budget plan proposed limiting subsidies for growers making more than \$500,000.

But some critics of farm subsidies contend the administration is right to target these programs, including crop insurance. They contend some of the federal government's farm subsidies go to millionaires and even billionaires.

"There's a political effort to channel the subsidies through insurance because it's less transparent than some of the previous subsidy programs," said Chris Edwards, a scholar at the libertarian CATO Institute in Washington.

Edwards said the federal government subsidizes farmer-paid insurance premiums that ultimately benefit "the small oligopoly of insurance companies that provide this insurance."

Under the crop insurance program, farmers can get revenue and yield protection policies for their crop. Edwards said the majority of the policies go to cover revenue shortfalls, and only one-fifth to protect farmers from yield shortfalls.

Skunes said farm income is weak and the costs growers face in farming haven't dropped substantially so it's caused hardship for many agricultural producers, including farm bankruptcies in the Midwest. He said low crop prices and the ongoing trade war with China also has made the situation tougher for farmers.

The administration wants to slash the average premium subsidy for crop insurance from 62 percent to 48 percent. More than 100 crops are eligible for crop insurance, with majority of the program going to producers of corn, soybeans and wheat.

The Republican budget plan still faces scrutiny in Congress where some Democrats have already vowed to fight it.

"This proposal tells us one of two things: either the White House doesn't understand why these programs are important, or they don't care," Collin Peterson, Democratic chairman of the House Agriculture Committee, said in a statement. "What's more, all of these shortsighted cuts are second and third attempts to revisit policy proposals that were rejected in the farm bill negotiations."

According to Peterson, the plan includes \$26 billion in cuts to crop insurance and \$8 billion trimmed from programs that help ranchers recover grazing land hurt by drought.

Trump's 2020 budget request included cutting subsidies for those farmers and ranchers with adjusted gross incomes exceeding \$500,000. Similarly, the administration's 2019 budget plan proposed limiting subsidies for growers making more than \$500,000.

But some critics of farm subsidies contend the administration is right to target these programs, including crop insurance. They contend some of the federal government's farm subsidies go to millionaires and even billionaires.

"There's a political effort to channel the subsidies through insurance because it's less transparent than some of the previous subsidy programs," said Chris Edwards, a scholar at the libertarian CATO Institute in Washington.

Edwards said the federal government subsidizes farmer-paid insurance premiums that ultimately benefit "the small oligopoly of insurance companies that provide this insurance."

Under the crop insurance program, farmers can get revenue and yield protection policies for their crop. Edwards said the majority of the policies go to cover revenue shortfalls, and only one-fifth to protect farmers from yield shortfalls.

Skunes said farm income is weak and the costs growers face in farming haven't dropped substantially so it's caused hardship for many agricultural producers, including farm bankruptcies in the Midwest. He said low crop prices and the ongoing trade war with China also has made the situation tougher for farmers.

The administration wants to slash the average premium subsidy for crop insurance from 62 percent to 48 percent. More than 100 crops are eligible for crop insurance, with majority of the program going to producers of corn, soybeans and wheat.

The Republican budget plan still faces scrutiny in Congress where some Democrats have already have vowed to fight it.

"This proposal tells us one of two things: either the White House doesn't understand why these programs are important, or they don't care," Collin Peterson, Democratic chairman of the House Agriculture Committee, said in a statement. "What's more, all of these shortsighted cuts are second and third attempts to revisit policy proposals that were rejected in the farm bill negotiations."

According to Peterson, the plan includes \$26 billion in cuts to crop insurance and \$8 billion trimmed from programs that help ranchers recover grazing land hurt by drought.

Trump's 2020 budget request included cutting subsidies for those farmers and ranchers with adjusted gross incomes exceeding \$500,000. Similarly, the administration's 2019 budget plan proposed limiting subsidies for growers making more than \$500,000.

But some critics of farm subsidies contend the administration is right to target these programs, including crop insurance. They contend some of the federal government's farm subsidies go to millionaires and even billionaires.

"There's a political effort to channel the subsidies through insurance because it's less transparent than some of the previous subsidy programs," said Chris Edwards, a scholar at the libertarian CATO Institute in Washington.

Edwards said the federal government subsidizes farmer-paid insurance premiums that ultimately benefit "the small oligopoly of insurance companies that provide this insurance."

Under the crop insurance program, farmers can get revenue and yield protection policies for their crop. Edwards said the majority of the policies go to cover revenue shortfalls, and only one-fifth to protect farmers from yield shortfalls.