

Down with farm subsidies: Vegans and conservatives, unite!

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President Trump's recent 2020 budget proposal includes a 15% cut to the Agriculture Department, drawn largely from farm subsidies. While this proposed cut has drawn the ire of farmers and the politicians they elect, there should be two groups uniting around this proposal: self-described ethical eaters and fiscal conservatives.

Farm subsidies are the nation's largest corporate welfare program, consuming more than \$20 billion of the annual federal budget. Roughly 39% of our country's 2.1 million farms receive subsidies. That \$20 billion may seem like a small drop in the bucket of a proposed fiscal 2020 budget that will be just under \$5 trillion, but when close to one-third of federal spending consists of programs with budgets of \$25 billion or less, the dollars add up quickly.

Fiscal conservatives are interested in <u>seeing farm subsidies reformed</u> for a key reason: to cut <u>wasteful federal spending</u> and unfair corporate welfare, and to free up one of the nation's most important markets. But ethical eaters, often stereotyped as having a pro-big government ideology, are just as interested in reform for their own reasons.

Farm subsidies remove the guiding hand of the free market. While each vegetarian or vegan (the two main subdivisions of the ethical eating community) has his or her own reason for choosing how to eat, a common factor is animal treatment. Many choose to support smaller and local farming operations. This is why the distribution of subsidies is of great concern.

In 2016, small family farms comprised 90% of farming operations but received only 27% of commodity payments and 17% of crop insurance indemnities. Commercial farms only accounted for 10% of 2016 farming operations, yet they received 73% of commodity payments and 83% of crop insurance indemnities.

To be sure, not all subsidized commercial operations include the meat and dairy products that vegetarians and vegans avoid. A large portion of subsidies go to operations that raise crops like soybeans or corn. However, a significant percentage of farm subsidies still directly support meat and dairy industries — for example, the \$117 million dedicated to the Dairy Margin Protection Program in the USDA 2018 budget. Even subsidized crops have a significant impact on meat and dairy; after all, more than 70% of the soybeans grown in the United States are used to feed livestock.

Federal spending to bolster corporate farming interests is in direct opposition to the widely accepted views of those dedicated to ethical eating, and it is certainly in opposition to the philosophy of fiscal conservatives. Chris Edwards of the Cato Institute poses this problem

clearly, writing that "[i]n most industries, market signals steer investment, businesses balance risks and rewards, and entrepreneurs innovate to reduce costs. Federal programs blunt those market mechanisms in agriculture."

There is a better way forward. Farmers can stand on their own two feet and respond to pressure from the market. Data from 2016 pointed to family farms having a higher median income than the median of all U.S. households, with mid-sized family farms having an annual average of \$167,000. Commercial farms did even better for themselves, bringing in a median of \$1.7 million or more. The idea of a struggling farmer, while persuasive, is simply not a sufficient reason to continue agricultural subsidization.

The government should not be a risk manager for the farming industry. Agriculture must be subjected to economic forces just like other industries. We don't go out of our way to subsidize our almost 28 million small businesses, even though more than 500,000 close their doors every month. Consumers deserve to vote with their dollars, knowing that the vote will not be negated by their own hard-earned tax dollars.

While a small reform, the proposed 15% cut to USDA's 2020 budget is a step in the right direction. Kudos to the Trump administration for this proposal, which Congress should be sure to include in their appropriations bills. You might not be able to unite ethical eaters and fiscal conservatives on everything, but this proposal should be something they can all rally around.

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