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FREEDOM RISING

Reforming Federal Farm Policies

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A new report by the Cato institute says, “The U.S. Department of Agriculture (USDA) runs more than 60 direct and indirect aid programs for farmers. Most of the direct aid goes to producers of a handful of field crops, not to livestock producers or fruit and vegetable growers. In the three largest farm subsidy programs—insurance, ARC, and PLC—more than 70 percent of the handouts go to farmers of just three crops—corn, soybeans, and wheat.”

The report examines eight reasons to end farm subsidies, among them: Subsidies redistribute wealth upward; subsidies harm the economy; subsidies undermine U.S. trade relations; and subsidies harm the environment.

Cato argues “[u]ltimately, Congress should end all farm subsidies. Businesses in other industries face many risks and market fluctuations, yet they prosper or fail depending on their own skill and planning without a federal subsidy cushion.”

Chris Edwards is the director of tax policy studies at Cato and editor of www.DownsizingGovernment.org. He is a top expert on federal and state tax and budget issues.