

INVESTOR'S BUSINESS DAILY®

Subsidies For All! — The Farm Bill's Creeping Socialism

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Farm Bill: With all the political craziness this year, you might have missed this week's passage of the latest five-year farm bill. It's just as well. In this season of giving and forgiveness, it might have sent you ballistic. It's that bad.

As the Washington Post noted, Congress passed the \$867 billion farm bill "with **strong bipartisan support**, spurred in part by pressure from farmers battered by President Trump's trade war with China."

Sorry, don't blame the trade war with China for this debacle. The Farm Bill is a disaster on its own. It's filled with literally hundreds of billions of dollars of market-distorting subsidies to U.S. farmers. But the bill that passed excluded the one good idea it originally contained: A work requirement for able-bodied welfare recipients.

How bad is the bill? Even Iowa Republican Sen. Charles E. Grassley, himself a farmer, was outraged because the package granted federal subsidies even to distant relatives of farmers that don't farm.

"I'm very disappointed the conferees decided to expand the loopholes on farm subsidies," Grassley said. "I've been trying to make sure the people who get the subsidies are real farmers ... I've been trying for three years, and it gets worse and worse and worse."

Subsidies For 'City Slickers'

Scott Faber of the Environmental Working Group, a left-leaning environmentalist organization that has been critical of farm subsidies, notes that **more than 1,000 "city slickers"** who live in major American cities get farm subsidies. It's absurd.

All in all, the nearly \$1 trillion a year spent on farm subsidies and food aid is a massive waste, given that farmers on average have higher incomes than those who are taxed to subsidize them

As Chris Edwards of the Cato Institute points out, **farm incomes in 2017 were 32% higher than average U.S. household incomes**, while about 60% of subsidies for the three main farm programs went to the biggest 10% of farms. Welfare for the rich.

Meanwhile, the the new bill also provides "promotional funds" for farmers markets, research for organic farming, and money to train more farmers. It also grants more money to veteran and minority farmers. Everyone gets a handout, it seems, whether needed or not.

ObamaCare For Farmers

Outrageously, two major subsidy programs created in the last farm bill, the Price Loss Coverage and Agricultural Risk Coverage insurance programs, quietly got a major funding boost, even though they're running 72% over their allotted budget. These programs, in some cases, **could**

subsidize farmers even when prices go up, notes Daren Bakst, writing for the Daily Signal. This is farm socialism, plain and simple. And a trillion dollars is a lot of money.

"This is **the Obamacare of agriculture subsidies** because it fixes prices on crops, inflating the costs, and expands the concept of insurance to non-catastrophic and cyclical revenue declines," wrote Daniel Horowitz in the Conservative Review.

Today, our farm bill is used for so many dubious projects, it's tough to list them all.

Farm Bill Socialism

But let us name just two of the worst: sugar subsidies, which line the pockets of a handful of sugar-making families by \$4 billion a year, forcing Americans to pay more than twice the world price for sugar. And then there's subsidies for farmers that sell corn for ethanol, which the government requires American cars to use. This has driven up prices for food globally and farmland here in the U.S., as more and more of our food supply goes into our automobile fuel tanks instead of our stomachs.

Just like the old Soviet 5-year plans, the U.S. Farm Bill is passed every five years. Which means we're stuck with it. This time, American politicians of both parties have colluded to create an even bigger mess of a bill than usual, one that wastes money to subsidize things no one wants, delivers aid to crops and people who don't need it, and hands money to people for doing nothing. They distort markets both here and abroad, making it harder — and costlier — to feed Americans.

In our increasingly socialized farm economy, nearly everyone is too big to fail. Which means the rest of us pay for it. President Trump, focused on other things, will likely sign this awful Farm Bill. After all, it has that golden seal of congressional approval: It was "bipartisan." All that means is both sides found ways to rip off taxpayers.