

# Benefit of agricultural subsidies in dispute | The Baylor Lariat

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By

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While there is disagreement among experts on whether government farm-support programs are beneficial or harmful, two such conflicting experts agree on one thing: these programs have a significant impact on the food Americans eat.

From 1995 to 2009, the United States spent \$73.8 billion on subsidies to corn producers, \$30.7 billion in wheat subsidies and \$17.9 in disaster payments to farmers whose crops were damaged by some unforeseeable natural cause, according to data collected by the Environmental Working Group, a non-profit public policy organization.

Bob Young, chief economist for the American Farm Bureau, argued the payments to farmers allow them to produce more goods than they might be able to otherwise. He went on to say the costs associated with producing too much food are less than the consequences of producing too little.

"I think every country on the planet has some [government] involvement in agriculture," Young said, "and if that's the case you want the governments to make sure there's a bushel too much rather than a bushel too little."

Arguing for a far less involved approach to agriculture policy, trade policy analyst Sallie James of the Cato Institute, a Washington-based libertarian think tank, expressed U.S. farm subsidies have unintended negative consequences. James believes the effects of the taxation necessary to fund these programs are harmful, and tend to represent a transfer of wealth from the poor to the wealthy.

"That money has to come from somewhere, and it comes from consumers," James said. "The average taxpayer earns a lower income, has less wealth and more debt than the average farmer. So what you're doing is taking money from the relatively poor and giving it to the relatively rich."

Young, when presented with this argument, responded that comparing averages of the population at large to specific sectors is misleading. Additionally, he argued that as long as the U.S. is committed to funding oil companies and other large business ventures, it should be committed to funding small business farms that provide a stable food supply.

Using the cotton industry as an example, James also said farmers worldwide are harmed by the exportation of subsidized goods. Small farmers in Africa cannot compete with their American counterparts when the Americans receive funding from the U.S. government, James said.

"What happens in America if we can't consume all the cotton we produce here," James said, "is that we sell it on the world market and that depresses the price of cotton, and that has a depressive effect on the world market."

James, in keeping with the libertarian think tank for which she works, believes "there is no constitutional justification for being involved in agriculture."

“Ultimately, the best agriculture policy for the federal government is no policy,” James said.

Young disagrees. He believes pulling the plug on crop subsidies would lead to a reduction in the amount of food here and around the world, as well as steeper prices. While James is concerned primarily with the effect U.S. agriculture has on the taxpayer, Young argues the benefit to the producer and consumer is worth the cost.