

Nevadans lose as crop insurance subsidies grow

Posted: Jun. 9, 2012 | 2:03 a.m.

Why does a salad cost more than a Big Mac, the Physicians Committee for Responsible Medicine famously asked, back in 2007.

It's simple. Though federal nutrition recommendations say we should eat mostly fruits, vegetables and grains - and much smaller quantities of meat and dairy - 73.8 percent of federal food production subsidies actually went to meat and dairy producers from 1995 to 2005.

Because those hidden subsidies allow lower prices at the supermarket, federal farm policy thus makes it appear cheaper to eat things that are - relatively - bad for us.

At an opportunity cost of \$1.7 trillion from 1986 to 2006, U.S. agricultural policy managed to be "interventionist, expensive, inequitable and damaging to American interests abroad," the Cato Institute wrote in 2007.

Reforming agricultural policy, meanwhile, resembles a shell game. The biggest giveaways used to be commodity payments, primarily to those growing cotton, soybeans, corn, rice and wheat. A farm bill under debate in Washington does, at least, restrict such payments to real farmers - screening out absentee investors - while adding a per-farm limit.

But squash the balloon here, and it inflates over there. No restrictions limit crop insurance subsidies, which have overtaken commodity payments in expense. In 2011, U.S. taxpayers subsidized farmers' insurance premiums and private insurers' costs to a tune of \$8.9 billion, according to Resource Media.

Nevada doesn't fare well under this system, ranking 47th out of 50 states. And it's likely to get worse. Not only are crop insurance subsidies unlimited, not only do they tend to discourage start-up competitors, but they're also expected to grow to \$9.5 billion in the years ahead. This year's bill even establishes new insurance programs for cotton and peanuts, at a cost of \$3.2 billion and \$239 million, respectively.

Sens. Dick Durbin, D-Ill., and Tom Coburn, R-Okla., want limits placed on these crop insurance boondoggles.

The best solution would be to eliminate farm subsidies entirely. Failing that, Majority Leader Harry Reid of Nevada has the power to allow a full floor debate on the amendments

proposed by Sens. Durbin and Coburn. Given how heavily these subsidies tax Nevadans - and how little benefit we receive - he should allow exactly that.