

## The Farm Bill: 39 Percent More Spending

By: Veronique de Rugy – June 3, 2013

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Washington is a frustrating place when you care about government spending. For one, every piece of legislation is presented as something that saves taxpayers money, whether it's true or not. Take the farm bill that's going through Congress right now. Depending on which version of the bill we're looking at (Senate or House), we're told that the bill will save between \$4 billion and \$26 billion over ten years. Even if we assume that's true and the bill would actually cut \$26 billion from the Department of Agriculture, it wouldn't be a cut big enough to pop the Champagne. A new estimate of the Republican-written, House farm bill shows that it's planning to spend \$940 billion over the next ten years — *\$940 billion*.

More depressingly, Chris Edwards at the Cato Institute has calculated that this farm bill will spend 47 percent more than the previous one (39 percent more in inflation-adjusted dollars). Edwards writes:

The CBO score of the 2008 farm bill is [here](#). Scores for the 2012 farm bill proposals are reported in this CRS report. And the new score of the House bill is [here](#).

Since the 2008 farm bill, we've had five years of moderate inflation, which has eroded the value of dollars by about 8 percent. Thus, the 2013 House farm bill would increase real spending by 39 percent compared to the 2008 farm bill.

The Republican-controlled House Agriculture Committee says that its bill “saves taxpayer’s money,” “reduces deficit spending,” and “repeals outdated government programs.” That sounds good, and the GOP bill is officially scored to “save” \$33 billion over 10 years. But that savings is against the CBO baseline of \$973 billion in farm bill spending over 10 years, so the House bill can be said to “cut” spending by 3 percent.

Given today's huge federal deficits, a 3 percent “cut” by Republicans is a joke in itself. But that's only a cut against baseline, and since baseline spending has soared in recent years it's no cut at all.

Consider, for example, that in 2008 CBO estimated that farm bill spending in 2014 would be \$67 billion. But CBO is now estimating that farm bill spending in 2014 will be \$99 billion. Thus, spending in this single year is \$32 billion or 48 percent higher than the politicians promised it would be back in 2008. So you can see that the proposed GOP “cut” of \$33 billion over 10 years is incredibly lame.

And what are they spending money on? Among other crony programs, farm subsidies that were supposed to be temporary when implemented in 1996 and should have expired in 2003. The *Washington Post* explains that some of these dollars have ended up in rather lofty places:

The building is one of the finest on Central Park West. Celebrity residents. Park views. Units priced at up to \$24 million. It is most definitely not a farm.

But last year, the U.S. government sent \$9,070 in farm subsidies to an apartment here.

Even the woman who got that money isn't exactly sure why.

"I really don't know," Lisa Sippel said.

Sippel does own farmland, but it's in Missouri. Somebody there does the work.

Still, Sippel gets the federal payments, which were originally meant to keep small farmers afloat. "I'm kind of an absentee landlord," she said.

The money, it turns out, comes from one cockeyed farm-aid program that was supposed to end in 2003. It didn't: Congress kept it alive and now hands out almost \$5 billion a year using oddly relaxed rules.

As long as recipients own farmland, they are not required to grow any crops there. Or live on the farm. Or even visit it.

I have said it before, and I will say it again: It is time to end all farm subsidies – and all subsidies to businesses, for that matter.

Update: I should have mentioned that some 80 percent of the farm bill goes to supportspending on food stamps.