

Ana Radelat from Washington, DC

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*The farm lobby is gearing up as Congress begins work on the next mega-billion dollar farm subsidies bill.*

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WASHINGTON – With a budget axe threatening, the nation’s farm interests are hoping to protect their turf as Congress hashes out the details of the next farm subsidies bill.

That new bill would take effect in 2012 and replace a \$289 billion law enacted in 2008.

“Everyone is talking about defense [spending], but a lot of people will have to tighten their belts,” said Don Carr, spokesman for the Environmental Working Group.

### **Enormous subsidy increases**

Federal payments to farmers have grown enormously since they were initiated during the Great Depression. Now they’re an attractive target for Obama administration budget hawks.

"We're not going to have any new money... we'll probably have less money," said House Agriculture Committee Chairman Collin Peterson, D-Minn., at a June hearing on a new farm bill.

"I've told people we should put everything on the table," Peterson said.

That includes a rash of issues from crop insurance to trade issues.

### **'Pretty significant changes' expected**

"I think you'll see some pretty significant changes," said American Farm Bureau Federation lobbyist Tara Smith. "But I don't think anyone knows yet what they'll be."

Many farmers are worried about the fate of several programs that pay the nation's farmers billions of dollars every year.

An Environmental Working Group study determined those programs paid out \$15.4 billion in 2009. That's less than the \$17 billion the USDA paid in 2008 but more than the \$13.9 billion paid in 2007.

In addition, farm payment are highly concentrated. In 2009, 10 percent of the recipients were paid 61 percent of all USDA subsidies, the EWG study said.

### **Top five subsidy states**

Texas, Iowa, Illinois, Kansas and Minnesota were the top five states receiving farm subsidies. But farmers in all 50 states receive USDA money.

Growers of corn, wheat, cotton, rice and soybeans receive the biggest payouts. They say the system helps keep the prices of American food low.

Critics of the system tried to change it in the last farm bill and will try again in the new farm bill.

"We are going to stop lavishing money on people who don't need it," Carr said.

### **New income limits**

Smith of the American Farm Bureau Federation said she "would be shocked" if there isn't an attempt to set new income limits on certain farm programs.

Farmers are currently excluded from subsidies if their non-farm income is more than \$500,000 and their farm-related income is more than \$750,000.

The Obama administration wants to lower those caps by \$250,000.

But farmers have political clout, said Sally James, a policy analyst at the Cato Institute.

"Never underestimate the ability of U.S. farmers to seek and get extra money," James said.

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#### **Top 10 states receiving USDA payments (2009)**

**Texas**....\$1.5 billion

**Iowa**.....\$1.2 billion

**Illinois**.....\$936 million

**Kansas**.....\$883 million

**Minnesota**...\$877 million

**North Dakota**..\$859 million

**Nebraska**.....\$730 million

**California**.....\$610 million

**South Dakota**...\$603 million

**Missouri**.....\$519 million