1. We Reap What We Sow

Governments have long played a role in food systems. Thousands of years ago, palace granaries’ stockpiles were distributed in times of need. Such policies may have been more a matter of self-preservation than altruism: passing out free bread, rice, or other staples goes a long way toward pre-empting rebellion.

Today, most countries accept that governments need to be involved in food production and hunger prevention. Just as a strong defense is regarded as national security, a diverse and well-developed agriculture is regarded as food security. In the United States, the Department of Agriculture is charged with this dual mission: support the creation of an abundant food supply, and ensure that all citizens receive basic nutrition. One of the primary mechanisms for this is legislation passed every five years known as the Farm Bill.

Unlike during the Great Depression, when the Farm Bill was first written, America is no longer a country populated by subsistence farmers. Today America is the world’s leading industrial agricultural powerhouse. The U.S. Census identifies over two million farms, but 90 percent of the nation’s farm output comes from only 500,000 mostly large-scale, highly mechanized operations. Feeding their 310 million countrymen is just one part of the job. The American farmer is also expected to counter the mounting trade deficit and feed the rest of the world (or so we are told) with a steady stream of exports. Now there’s the additional task of supplying crops for thirsty gas tanks, single-use packaging, and other products as a replacement for fossil fuels.

To promote this massive farm output, the government has embedded complex subsidies in various sections of the 700-page Farm Bill. Land payments, crop insurance, research assistance, export marketing, and many other programs serve to maintain an ample supply of certain foods and commodity crops. The scale of government intervention is such that talk of “free markets” is merely rhetorical. Conventional farmers stay afloat by farming the system, rather than growing what might best serve their particular tract of land or provide for more well-rounded healthy diets. If the government removes all financial risks from growing corn, offers generous tax breaks to ethanol producers and writes off figure checks to feedlot operators, for example, then farmers will plant corn and lots of it—even when the real winners are the agribusinesses and food manufacturers that buy it.

This plays out each spring, during what’s called “the fight for dirt,” when American farmers decide how much land to devote to each commodity crop. Corn wins easily, and is grown on upwards of 90 million acres of farmland, an area roughly the size of the entire state of Montana.

Then, because American farmers export 60 percent of the world’s corn and 40 percent of the soybeans, these choices send ripple effects across global commodity markets. Farmers who grow corn, cotton, wheat, rice, or soybeans in countries without strong subsidy programs can be severely disadvantaged. According to Tufts University agricultural researcher Timothy Wise, the dumping of subsidized U.S. corn on the Mexican market, for instance, has cost that country’s farmers as much as $200 per acre per year since the passage of the North American Free Trade Agreement in 1994.

An estimated 2.5 million small farmers in Mexico have been forced to look for other work in the burgeoning maquiladoras—manufacturing factories and sweatshops of U.S. corporations in cities like Juarez and Matamoros—in fields, orchards, vineyards, and slaughter plants across the border to the north.

Massive farm worker migration is just one of the social costs of what happens when a government subsidizes an oversupply of corn. Others are harder to measure. For instance, most corn grown by American farmers isn’t eaten by people. Instead, it is fed to animals in livestock warehouses and feedlots. It is fermented into ethanol (with the residual grains fed to animals), or turned into sweeteners and hundreds of other manufactured food ingredients. It contributes to a food system that relies heavily on farm chemicals, processing, packaging, and fossil fuels. The irony is that all this work conflicts with the government’s other major task in overseeing the food system—establishing healthy dietary guidelines and doing out nutrition assistance to those who are hungry.

It might seem that subsidizing an industrial food system would make food cheap and abundant for everyone. The reality, however, is that enrollment in Supplemental Nutrition Assistance Programs (formerly called Food Stamps) is at an all-time high. More than 44 million people in 2009 were recognized as living in “food insecure” households—the USDA’s latest term for going hungry.

What’s more, all the mountains of cheap food haven’t made us healthy; either. Indeed, our epidemic of obesity hits the poor hardest. Fresh fruits, vegetables and whole grains—the foods most recommended by USDA dietary guidelines—are largely ignored by Farm Bill policies. We have become overeaters of the wrong things, and many critics say that Farm Bill policies are at least partially at fault, and can play a dynamic role in reversing this crisis.
Today's global headlines reflect riots due to rising food costs, conflicts over growing crops for fuel rather than food, and disease outbreaks emanating from ever-larger meat, milk, and egg-producing animal factories. The number of people affected by and worried about these problems is growing—and, increasingly, they realize that the path to reform ultimately leads to government policy. As the adage says, we reap what we sow, and in that regard there may be nothing more important than the Farm Bill.
2. Why the Farm Bill Matters

On one level, we could make this a very short read by simply stating that the Farm Bill doesn’t matter, at least to the average citizen. It’s a fully rigged game run by the immensely powerful farm lobbies and monopolies that profit mightily from how our food is grown, processed, marketed and distributed. No matter what we concerned citizens do to change an unfair and unhealthy system for the better, we are inevitably going to fall short. There is simply too much money at stake in a corrupt political process to make any significant difference. Sadly, this may be all too true.

The next Farm Bill may well end up propping up the industrial agriculture complex with billions of annual taxpayer dollars, as it has done for decades. But this issue is far too important to go down without a serious debate. Here’s why.

If you eat, pay taxes, care about biodiversity, worry about the quality of school lunches, or notice the loss of farmland and woodlands, you have a personal stake in the Farm Bill. If you’re concerned about escalating federal budget deficits, the fate of family farmers, working conditions for immigrant farm laborers, the persistence of hunger and poverty, or how we value local and organic food, you should pay attention to the Farm Bill. There are dozens more reasons why the Farm Bill, and its attendant tens of billions of dollars, is critical to our land, our bodies, and our children’s future. Some include:

- The twilight of the cheap oil age.
- The onset of unpredictable climatic conditions.
- Looming water shortages.
- Plummeting wild fish populations.
- An aging farm population and lack of young farmers.
- Expansion in production of biofuels and bioplastics.
- Escalating medical costs related to obesity.
- Direct payments to corporate farms regardless of economic need.
- 50 million Americans, at least 20 percent of them children, who don’t get enough to eat.

The Farm Bill matters because it makes some big mega-farms scandalously rich as it drives family farmers out of business. It makes the ingredients of unhealthy food cheap and abundant and at the same time it produces a fragile rather than a resilient food system. It legalizes and supports polluting and destructive monoculture farming practices, then spends billions trying to put bandages on the damage. It artificially sets prices, while officials tout the virtues of “free markets” and “fair trade.” Its consequences contribute to poverty, rural exodus, and famine.

Although subsidies do provide a critical safety net in some years to family farms that continue to grow commodity crops, the big beneficiaries are absentee landlords, tractor dealers, and insurance companies that service farmers, as well as the corporate agribusinesses, grain distributors, animal feed operations, and ethanol producers that purchase subsidized crops. What started as an ambitious temporary effort to lift millions of Americans out of economic and ecological desperation during the Great Depression and Dust Bowl (supported initially by a tax on food processors) devolved over decades into a corporate boondoggle. As a result of the Farm Bill, citizens pay a national food bill at least three times: (1) at the checkout stand, (2) in taxes that subsidize commodity crop production, and (3) in environmental cleanup and medical costs related to the consequences of industrial commodity based agriculture.

Most analysts, most farmers, and even many legislators agree that our present course leaves the nation unprepared for the urgent challenges it faces in the 21st century. The silver lining is that Americans actually have a substantial food and farm policy to debate. Conditions for change are ripe, as market dynamics and public awareness rapidly align to create momentum against farm politics as usual.

Indeed, the Farm Bill matters because much needed funds can drive small-scale entrepreneurship, on-farm research, species protection, nutritional assistance, healthy school lunches, job creation, and habitat restoration. Our challenge is not to abolish government support; it is, rather, to make certain we are investing in a viable future for our food system. No one knows exactly how that change will unfold. But most observers agree that massive give-aways to corporations and surplus commodity producers must yield to policies that reward stewardship, promote healthy diets, enhance regional food production, support family farms, and make it easier for hungry families to eat healthy foods.
Course Correction

Americans deserve a Farm Bill that addresses the challenges of the times. Current Farm Bill programs shovel money to the largest producers and don't properly support the small- and medium-sized growers, otherwise known as the "agriculture of the middle." Our system is overloaded with animal products and manufactured foods and short on fruit and vegetable production.

With record budget deficits, rising energy costs, an unpredictable climate, and skyrocketing health costs due to preventable nutritional diseases, we can't afford not to act. Future Farm Bills must look forward to ensure that we have a farm population actively engaged in growing healthy foods, conservation incentives that protect our natural resources from contamination and over exploitation, research that gives farmers valuable tools, and nutrition programs that ensure healthy and affordable food for all.

Present Challenges

- Consolidation and concentration in the hands of a few corporate agribusinesses
- Soil and biodiversity loss
- Converging national health care crises
- Childhood obesity on the rise
- Chronic hunger and improper nutrition that affects over 45 million Americans
- Sprawl into prime farmland
- Record budget deficits
- World Trade Organization rulings declaring U.S. export subsidies illegal
- Devastated farm communities
- Rapidly aging U.S. farm population
- Escalating energy costs
- Increasing dependence on commodity exports and imports of "fresh" food
- Water contamination and water shortages
- Global warming
- Increasing outbreaks of infectious diseases related to confinement livestock production
- Declining honeybee and native pollinator populations
- Costly corn ethanol program

Solutions Proposed by Farm Bill Reformers

- Limit payments to individual recipients to level the playing field for all farmers
- Reform meatpacker regulations to break monopoly control of livestock industry
- Protect small and medium-sized farmers
- Make on-farm conservation efforts requirements of all insurance and subsidy programs
- Make no net soil loss a goal of farm programs through fully enforced Sod Saver, Soil Buster, and Swamp Buster provisions
- Better align crop supports with most recent USDA "MyPlate" nutrition guidelines
- Launch nationwide farm-to-school, farm-to-college, and other fresh food distribution programs that also include a strong educational and fitness component
- Maintain food assistance programs including improved access to healthy foods; Expand funding for SNAP-Ed and SNAP at farmers markets; Ensure that every American has access to affordable, healthy food
- Greater funding to keep farm and ranchland in agricultural use and open space rather than subdivisions and sprawl
- Make spending serve as true public investment with targeted results; Combine funding sources
- Shift subsidies toward green payments such as the Conservation Stewardship Program that rewards farmers for environmental caretaking rather than overproduction of export crops
- Investments and loans to revitalize and diversify rural sector; Rebuild livestock processing infrastructure
- Add 100,000 new farmers and ranchers over the course of the next Farm Bill
- Expand research into energy-effective farming systems and increase support for on-farm energy conservation and renewable energy infrastructure
- Invest in value-added processing and flexible supports for more diversified local and regional "specialty crops"
- Increase funding for efforts like the Fresh Fruit and Vegetable Snack program
- Research alternatives to synthetic fertilizers; Increase incentives for farming systems that protect watersheds
- Incentivize energy conservation, carbon sequestration, and pasture-based agriculture; Cap and trade
- Expansion of grass-pastured livestock operations; Place a moratorium on new CAFO creation; Eliminate EQIP funding for CAFO waste management; Phase out non-veterinary usage of antibiotics in livestock
- Expand wild habitat for native pollinators in and around farms; adapt new programs for beekeepers
- End corn ethanol subsidies; Evaluate what role advanced biofuels play; Increase fuel efficiency
3. What Is the Farm Bill?

Every five to seven years, Congress drafts, debates, and ultimately passes a gargantuan package of legislation about food and farming. It gets a formal name—such as the Food and Agriculture Act of 1977, the Federal Agriculture Improvement and Reform Act of 1996, the Farm Security and Rural Investment Act of 2002, or the Food, Conservation, and Energy Act of 2008—but people generally refer to each as simply “the Farm Bill.” Since its origins in 1933 as the Agricultural Adjustment Act, the bill has snowballed into one of the most—if not the most—significant legislative measures affecting land use in the United States.

The Farm Bill is an omnibus legislation because it addresses multiple issues simultaneously. However, modern Farm Bills traditionally have three primary thrusts: (1) food stamp and nutrition programs (now at least 72 percent of gross outlays), (2) income and price supports for commodity crops (about 22 percent), and (3) conservation incentives (about 6 percent). In addition to these, the Farm Bill directs and funds a wide range of other spending categories organized into “titles.” These programs include trade and foreign food aid, forestry (because forests and woodlots are important components of farms), agricultural credit, rural development, research and education, marketing, food safety, animal health and welfare, and very recently, energy, and organic agriculture.1,2,3,4 (See Figure 3, “How the Farm Bill Spends a Tax Dollar.”) A number of policies, such as food assistance, conservation, agricultural trade, credit, rural development, and research are actually governed by both the Farm Bill and a variety of separate laws, which can be, and at times are, renewed or modified as stand-alone bills. (The Child Nutrition Act, the Clean Water Act, and the Food Safety Modernization Act are recent examples of stand-alone legislations that address food and agriculture issues.) Increasingly, though, Congress finds it advantageous to combine many of these laws into a single, mammoth reauthorization of multiple statutes at the same time they renew the farm commodity programs.2 This omnibus nature of the Farm Bill keeps the public oblivious; it’s nearly impossible for any one person to really understand the full extent of all that’s actually covered.

Although well over two-thirds of the Farm Bill budget is presently targeted toward the safety net nutrition programs (still widely known as “food stamps”), it is commodity subsidies, crop insurance, and “price supports” that are the heart of the legislation.1 At their noblest, subsidy payments to farmers are intended to provide an income safety net in this economically and meteorologically volatile profession—thereby protecting the food supply and strengthening rural communities. Some programs genuinely invest in the long-term sustainability of the food supply and stewardship of the land. This was particularly true in the 1930s and ’40s, when the bill’s defining goals involved land tilling and installing contour strips to prevent over-supply of crops and protect the soil in exchange for loans and price supports for storable foods.

But along the way, the Farm Bill became an engine driving surplus production of commodity crops and a gravy train for powerful corporations that purchased and traded them; the rules of the game changed and the public benefit aspects of its origins derailed. After modest reforms over five decades, political realities and global economics collided in the 1980s. Increased global trade, the call for less government spending, the concentration of food distribution and processing centers, and low commodity prices took their toll on the farm sector and rural communities. Corporate agribusinesses and mega farms then succeeded in tilting subsidies completely in their favor. While control of today’s agriculture is concentrated in a small number of corporate operations, the public perception of American agriculture is still rooted in the nostalgia in the father and daughter in Grant Wood’s classic painting “American Gothic,” the illustrations of Norman Rockwell, and the iconic images of the Western cowboy.

Many Americans believe, for example, that the tens of billions of dollars the government spends on agriculture primarily support farms where a husband and wife work from dawn to dusk growing crops, with roosters crowing from fence posts, and cows grazing on rolling pastures. The real picture is not so idyllic. Commodity payments primarily go to producers who grow corn and other feed grains, peanuts, sugar, wheat and other food grains, rice, cotton, soy, oilseeds, and dairy. Three in five farmers get no payments at all, while the top 5 percent of subsidy recipients (often producer cooperatives, Indian tribes, and large corporate entities) average about $710,150 each.4 Another common perception is that Farm Bill subsidies that pay farmers not to grow crops have made soil erosion a relic of the Dust Bowl. Yet less than 10 percent of the USDA budget is linked to conservation practices; according to the USDA Natural Resources Conservation Service, nearly two billion tons of cropland soil is still being lost every year.6 Ethanol subsidies and generous crop insurance policies are encouraging an expansion of corn production and along with it risking a precarious escalation in soil erosion. One half to two thirds of agricultural counties in the U.S. have been designated as disaster areas in each of the last several years according to a 2009 USDA report.7 This is simply unsustainable in the long term. There can be no farming without healthy soils. The most frequently heard claim is that the Farm Bill underwrites the cheapest and
How the Farm Bill Spends a Tax Dollar

Nutrition, Farm and Conservation Spending

Taking Food Stamps Out of the Equation

Source: Actual Farm Bill Spending and Cost Estimates, Congressional Research Service
*No data prior to 2008
most nutritious food system in the world. But today’s beneficiaries are truly the large corporations and monopolies that trade grains and fibers and use and export “cheap raw materials” for livestock feed, ethanol, and mass manufactured foods. Ours is not necessarily cheap food, either. According to researcher Charles Benbrook, if food is assessed by the cost per calorie produced, rather than as a percentage of disposable income, more than 20 countries enjoy cheaper food systems than the United States.  

In essence, the Farm Bill has been hijacked by the powers dominating the industrial food system. What should be the government’s best effort to invest in the finest food system possible for its people, instead has created a concentration of wealth and production that we are frequently told is simply too big to fail. Yet despite the dysfunction and missed opportunities, the Farm Bill still represents one of our best chances to create a truly vibrant system and culture of food production that compensates family farmers when markets fail them, cares for those most in need, and conserves invaluable soils, water resources, and natural habitat for future generations. More than anything, the Farm Bill is a snapshot of our democratic process in action, one that anyone who eats, votes, and cares about the present and future should pay close attention to.

---

**Farm Bill Titles**

The order and total number of Farm Bill titles varies from bill to bill. In the 2008 Farm Bill, the titles run as follows.

- **Title I - Commodity Programs**
- **Title II - Conservation**
- **Title III - Trade**
- **Title IV - Nutrition**
- **Title V - Credit**
- **Title VI - Rural Development**
- **Title VII - Research**
- **Title VIII - Forestry**
- **Title IX - Energy**
- **Title X - Horticulture & Organic Agriculture**
- **Title XI - Livestock**
- **Title XII - Crop Insurance**
- **Title XIII - Commodity Futures**
- **Title XIV - Miscellaneous**
- **Title XV - Trade & Taxes**

---

**Mandatory Spending**

Programs with mandatory funding are generally assured, whereas programs with discretionary funding survive and perish at the hands of the Appropriations Committee. Certain program categories have achieved baselining levels of funding over the decades.

- Commodity Programs (1930s)
- Food Stamps (1965)
- Conservation (1980s)
- Rural Development & Research (late 1990s)
- Crop Insurance (2000s)

---

**Farm Bill Names**

Each Farm Bill is actually a reauthorization of the programs dating back to the 1930s as well as the authorizations of new programs.

- **Agricultural Adjustment Act of 1933**
- **Agricultural Adjustment Act of 1938**
- **Agricultural Act of 1948**
- **Agricultural Act of 1949**
- **Agricultural Act of 1954**
- **Agricultural Act of 1956**
- **Food and Agricultural Act of 1965**
- **Agricultural Act of 1970**
- **Agricultural and Consumer Protection Act of 1973**

Food and Agriculture Act of 1977
Food and Agriculture Act of 1981
Food Security Act of 1985
Food, Agriculture, Conservation, and Trade Act of 1990
Federal Agriculture Improvement and Reform Act of 1996
Farm Security and Rural Investment Act of 2002
Food, Conservation, and Energy Act of 2008

Sources: The National Agricultural Law Center and the USDA Economic Research Service.
Crop Subsidies at a Glance

Taxpayer-funded programs have taken most of the financial risks out of modern farming in America. Growers plant all they want and have a government security blanket to guaranteed income.

**Direct payments**—Landowners receive these payments according to historical land use—"base acres"—even in years of record income, even if they did not plant commodity crops that year. Direct payments are crop specific. Half of U.S. farms are ineligible for the $5 billion distributed each year because they don't grow commodity crops.

**Counter-cyclical payments**—These compensate farmers when the price of commodity crops drops below a target price established by Congress. Also tied to historical commodity base acres. Producers can even receive payments for crops they are no longer growing.

**Marketing assistance loans**—Producers take out these loans, using their commodity crops as collateral, then hold the crops to sell as prices rise. If prices fall below the loan repayment rate, however, the government will accept crops as payment. Producers may receive a loan deficiency payment, or LDP, to cover any gap between the market price and guaranteed price.

**Dairy subsidies**—The Milk Income Loss Contract (MILC) program compensates dairy producers when the average monthly price of milk falls below government targets. USDA purchases surplus dairy products to sop up excess supply. Milk prices are also artificially controlled through marketing orders, which set minimum prices that handlers must pay for milk in specified areas. Restrictions on dairy imports also limit supplies to boost milk prices.

**Sugar program**—Quotas limit the amount of sugar that can be imported, and from where, to protect America's corn and beet growers. These can hurt unsubsidized farmers in other countries because putting the U.S. market off limits depresses prices.

**Livestock supports**—Environmental Quality Incentives Program offers hundreds of thousands of dollars in cost-share assistance to help Concentrated Animal Feeding Operations to comply with clean air and water regulations. Food animal producers receive assistance through a suite of other programs: Livestock Compensation Program, Emergency Livestock Feed Assistance, Livestock Emergency Assistance Program, and the Livestock Indemnity Program.

**Federal purchase programs**—The U.S. government purchases surplus meat, eggs, dairy, vegetables, fruits, grains, and other farm products for distribution to the National School Lunch Program and various food assistance programs.

**Crop insurance**—Taxpayers pay about 60 percent of crop insurance premiums that cover nearly 80 percent of insurable acres. This system of risk-free farming is being rapidly expanded. Critics say it encourages expansion of crop production into highly sensitive marginal lands and is just another taxpayer financed income transfer.

**Disaster assistance**—Average Crop Revenue Election (SURE) is a revenue loss guarantee. In recent years, the program has paid nearly $500 million per year to farmers enrolled in the program. The Supplemental Revenue Assistance Payments Program (SURE) reimburses total crop revenue loss for the entire farm. These can be supplemented with ad hoc emergency disaster funding.

**Ethanol subsidies**—Refiners get 45 cents for every gallon of ethanol they blend with gasoline, costing taxpayers $6 billion a year. Ethanol imports are hit with a $0.54 per gallon tariff and a 2.5 percent ad valorem tax.
4. Promises Broken: The Two Lives of Every Farm Bill...

Every Farm Bill goes through two distinct phases. First comes the authorization of the bill itself—technically the reauthorization of the existing bill dating back to the 1930s along with the introduction of any new programs. The Senate and House Agriculture Committees negotiate a balance among the many competing interests served by the Farm Bill and provide directions on how taxpayer funding should be allocated. The result is essentially a set of promises made by Congress about the direction of U.S. farming and food policy.

Some programs acquire "mandatory funding" status in the reauthorization process, a signal that support for these programs should be made available throughout the term of the legislation. Other programs receive "discretionary funding" status, meaning their fate rests on the Farm Bill's second phase—the yearly appropriations process.

The final say on whether a Farm Bill program actually receives money rests with the Agriculture Appropriations Subcommittees of the Senate and House Appropriations Committees. These subcommittees set spending levels and thus determine the yearly survival of the discretionary Farm Bill programs. But their powers don't end there. The Appropriation Subcommittees can also pass changes in funding to the "mandatory" programs. If Congress approves such changes through the annual Agricultural Appropriations legislation, the Farm Bill's funding directives for that year are overridden. "Flat funding" is one inside-the-Beltway term used to describe this process. "ChIMPing," short for Changes in Mandatory Program Spending, is another. (So much for those supposed mandatory dollars promised for land conservation, organic agriculture research, or expanding farmers markets.)

As a rule of thumb, commodity price supports are the only untouched spending categories in the appropriations process. If anything, commodity growers successfully lobby for more money, not less, through supplemental disaster payments in response to floods, droughts, market fluctuations, or other circumstances. Programs that serve the broader public, however—conservation incentives, sustainable agriculture research funds, beginning farmers supports, farm-to-school distribution arrangements, even food assistance for mothers and children, and so on—are historically the first on the chopping block.

Flat funding, ChIMPing, and other forms of budget tinkering don't necessarily end with the annual appropriations process. In response to a projected deficit, Congress can also demand "budget reconciliation," forcing committees to recalculate their budgets and further decrease spending for mandatory and discretionary programs. After the 2002 Farm Bill passed, the reconciliation process tilted spending even further toward mega-agriculture, slashing at conservation and farm-to-school programs, while giving away billions in loan deficiency and counter-cyclical payments to compensate commodity growers for low market prices. Such cuts have long-lasting budgetary effects. When the baseline for a program is reduced in the middle of a Farm Bill, this can automatically trigger new lower spending levels in the next omnibus Farm Bill legislation.

The importance of the yearly money battles cannot be overstated. Regardless of promises in the Farm Bill, if no money is appropriated to carry out the work, the program is dead. A relatively recent example was the Conservation Security Program, which later morphed into the Conservation Stewardship Program (CSP) in 2008. This initiative to reward farmers for environmental stewardship (rather than maximizing yields and acreage) was the primary concession offered to an alliance of conservationists and sustainable farming advocates during the 2002 Farm Bill negotiations. It was widely heralded as the best way to reform U.S. farm policies, with new supports based on green payments—financial incentives for land owners to maximize environmental benefits.
like stable soil, clean water, and species protection. It represented a whole new conservation approach to farm support, by "rewarding the best and motivating the rest," and offering subsidies to a population of small producers long ignored because of the focus on commodity agriculture. Among other practices, qualifying participants had to actively prevent manure from polluting waterways, limit fertilizers from entering streams, minimize or eliminate pesticide use, improve energy efficiency, and set aside habitat for wildlife.

But flat-funding of conservation programs is sadly typical. The 2002 Farm Bill promised that CSP would have funding status equal to the Commodity Title and that all U.S. farmers would be able to apply for conservation-related farm supports. That never happened. In fiscal year 2005, Farm Bill conservation programs were cut by nearly one-third, meaning that the backlog of qualified, under-funded applications to protect habitat on both agricultural and non-agricultural lands far exceeded support. Further slashes to the CSP budget occurred in 2007, with $113 million taken from what had been promised. Things have only gotten more dire for the Conservation Title. The Environmental Quality Incentives Program funding was cut by nearly $500 million in 2010 alone.

As deficit concerns escalated in 2011, budget appropriators slashed $500 million from conservation programs. The hemorrhaging continued in appropriations for 2012, when $1 billion was taken from so-called mandatory funds for CSP, EQIP, Wetlands Reserve Program, and other programs. On top of these cuts, renewable energy program budgets were reduced by nearly $500 million in 2012. Commodity subsidies suffered no such losses in 2011 or 2012, driving home the point that conservation programs are disproportionately tilted toward the Farm Bill spending categories.

In addition to budget slashing, appropriations committees often assume interpretive legislative powers. For example, the Agriculture Appropriations Committee pushed back the implementation of the "mandatory" Country of Origin Labeling program (COOL)—established to inform consumers where their perishable foods originated—for four years, from September 2004 to September 2008. They also tinkered with organic standards by voting to allow non-organic-certified additives and ingredients in certified organic processed foods. Changes to the organic standards were ultimately dropped due to significant public resistance.

Authorization of the Farm Bill signals the beginning—not the end—of the annual appropriation struggles that continue through every five- to seven-year process. If any constituency (besides that of commodity producers) hopes to see promised Farm Bill funds, they must be prepared to fight tooth and nail every year.
5. Where It All Started

The idea of a nation built by hard-working, God-fearing farmers taps a deep nerve in America. In 1801, when Thomas Jefferson became the United States' third president, 95 percent of the population of the young nation made their full time living from agriculture. Jefferson envisioned the United States' democracy as orbiting around a citizenry of yeomen farmers. He wrote:

_Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous and they are tied to the country and seeded to its liberty and interests by the most lasting bonds. I think our governments will remain virtuous for many centuries so long as they are chiefly agricultural._

Half a century later, Abraham Lincoln extended this vision by establishing the railroad land grants, the Morrill Land Grant College Act of 1862, and the Homestead Act of 1862, all intended to spread independence, encourage settlement, and foster stability.

But as the decades wore on, wave upon wave of new settlers, bringing with them crops, domesticated livestock, and farming methods often not well suited to the land, exploited the continent's natural resources. By the early decades of the 20th century, more than half of the population had moved off the farm, and it was becoming clear that Jefferson's notion of an agrarian democracy was giving way to an urban industrial society with fewer and fewer farmers growing its food. For many, fewer people working in agriculture was a sure sign of prosperity as it meant a growth of manufacturing and service sectors of the economy.

It took the Dust Bowl and the Great Depression to bring on total collapse of the agrarian-democratic ideal. By the 1930s, one in four Americans still lived on farms, but increasing numbers of tenant farmers and sharecroppers were being forced from their land or pushed into desperate poverty. Farm foreclosures had become commonplace. Drought, searing heat, dust storms, floods, monopolistic and unfair market practices also took a punishing toll. The nation's most valuable agricultural resource—the soil—was literally blowing away. On a single Sunday afternoon in 1935, for example, a storm barrelling through the Texas Panhandle swept 300,000 tons of topsoil into the air—twice the volume of soil excavated during the entire construction of the Panama Canal. It ravaged the countryside, choking people and animals, blanketing houses and cars. By most accounts, the United States was becoming a child of the

America during the Great Depression was a hungry nation, whose most valuable natural resource—the soil—was literally blowing away in catastrophic fashion.
of civil unrest. In *The Grapes of Wrath*, John Steinbeck described the situation this way:

And the dispossessed, the migrants, forced into California, two hundred and fifty thou-
sand, and three hundred thousand. Behind them were tractors going on the land and the tenants were being forced off. And near towns were on the way, new waves of the dispossessed and homeless, huf- tend, and dangerous. 5

Ironically, the farm crisis of the 1930s, like the Dust Bowl, had been triggered by overplanting. A decade of zealous and speculative field expansion, combined with technological advances such as tractors and nitrogen fertilizers synthesized from natural gas, resulted in chronic overproduction of most crops. Oversupply of crops also meant low prices. The growing disparity between low income levels in rural areas and the ris-
ing economic power in the cities created an ever-widening gap in American society. 6 The world was rapidly changing. While low crop prices directly benefited distributors, proces-
sors, and monopolists who were increasingly controlling the food system, the U.S. agrarian culture and economy were unraveling. In order to stay afloat, farmers and sharecroppers planted more and more acreage. But this just further oversaturated the markets, exacerbated land abuse, and dropped crop prices below what it cost to produce them. Total farm income decreased by two-thirds between 1929 and 1932. Six of every ten farms had been mortgaged to survive, and many did not make it. In the single year of

1932, five of every one hundred farms in Iowa were foreclosed and sold at auction. 7 In 1933, the price of corn plummeted to 80–90% of the price of grain as it was sold at auction. 8 In Le Mars, Iowa, a group of farmers staged a revolution to get control of the grain elevators and rejected the mone-
y profits. When more than 100 farmers were arrested, the local police were called in to ease the situation. 9

Widespread hunger;
Catastrophic erosion and soil loss due to prolonged drought and poor land stewardship;
Unavailability of credit and insurance to subsistence farmers;
Need for electricity, water, and infrastructure in rural communities;
Unclear export policies prohibiting free and fair trade; and
Increasing civil unrest.

Henry Wallace was a gifted lifelong farmer, a vegetarian, and a spiritual seeker, whose father had also served as a Secretary of Agriculture. Under Wallace's direction, the USDA was transformed into one of the largest arms of the government, with more than 146,000 employees and a budget of more than $1 billion. (USDA yearly budgets now reach well over $100 billion, but still less than 2 percent of the total federal budget.)

One of the driving principles of Wallace's administration was the creation of a farm support program based on a concept known as the "Ever Normal Granary." This initiative was intended to provide a solution to the problem of food shortages caused by weather and natural disasters. The idea was straightforward, but politically controversial. The government would purchase and stockpile surplus crops and livestock during good years as a protection against drought and other natural disasters. This helped to accomplish two important goals: (1) raising market prices for farmers by contracting supply; and (2) distributing meat and grain products in times of need.

In addition, farmers participating in federally supported programs were required to reduce their acreage, in an attempt to prevent overproduction. Author Michael Pollan explains how the early programs worked to regulate markets, such as the early Marketing Assistance Loan: For storable commodities such as corn, the government established a target price based on the cost of production, and whenever the market price dropped below the target, the farmer was given a loan. Instead of dumping the corn into a weak market (thereby weakening it further), the farmer could take out a loan from the government—using his corn as collateral—that allowed him to store his grain until prices recovered. At that point he could sell the corn and pay back the loan; if corn prices stayed low, he could elect to keep the money he'd borrowed and, in repayment, give the government his corn, which would then go into something that came to be called, rather quaintly, the "Ever Normal Granary."

Early Farm Bill programs were also attempts at maintaining fair markets by serving as a balance between farmers and large distributors. Because non-perishable commodities can be stored for a long time, large companies have the ability to withhold crops to keep prices high. In contrast, commodity markets to artificially suppress prices. By increasing supply they can drive the price down
when they want to buy commodities from farmers. Alternatively, they can drive the price up by making supply scarce when they want to sell. When commodity programs were first established, writes Scott Marlowe of the Rural Advancement Foundation International, the government acknowledged that without its intervention, companies could drive the price so low that it would be impossible for farmers to survive. Thus, early commodity programs were designed in part to counteract the domination of powerful corporations in agricultural markets.

Government involvement in the food system, however, did not begin and end with credit, price supports, and grain warehousing. Wallace's vision for farm policy included a range of departments and programs that, taken together, combined to make up an integrated food, farming, and stewardship platform. The Soil Conservation Service (originally the Soil Erosion Service and today the Natural Resources Conservation Service) addressed erosion control with alternative methods of tillage, cover cropping, crop rotation, and fertilization. In coordination with state agencies, more than 3,000 soil demonstration districts were established, primarily at the county level, to promote agricultural practices to combat Dust Bowl conditions. Participation in government subsidy programs required farmers to sign contracts agreeing to production control and conservation programs. Land use incentives helped regulate crop acreage and maximize the fallowing and recovery of fields. Programs were specifically tailored to assist sharecroppers and the rural poor. Credit and crop insurance programs met the early and late season needs of farmers. Research into plant and animal diseases along with new varieties and uses of crops led to critical innovations for farmers. Food relief and school lunch programs were part of an overall policy to provide a baseline of hunger and nutritional assistance for an extremely needy population.

Despite a demonstrated seven-times 'multiplier effect' whereby every government dollar spent generated seven more in the overall economy, New Deal agriculture reforms were controversial from the outset. Many farmers considered hunger relief both a shameful charity and a threat to free markets. Helping the needy was somehow perceived as un-American. As a consequence, in the early years of the Farm Bill, millions of young hogs purchased by the government to restrict supply (bump up prices) and feed the hungry never reached their intended beneficiaries. Instead they were slaughtered and dumped in the Missouri River. Likewise, millions of gallons of milk were poured into the streets rather than nourishing the famished. Not until the term relief was dropped from the name of food distribution programs and replaced with the Federal Surplus Commodities Corporation were they ultimately accepted by powerful farmer coalitions. Surplus commodities could at last be distributed by the boxcar load to counties, schools, welfare agencies, charitable
institutions, etc.

In 1936, the Supreme Court ruled that initial programs to limit acreage and set target prices for upland cotton were unconstitutional, though marketing loans and deficiency payments (to boost farmer income up to a preset target price) were later upheld. Farmers themselves seem to have been conflicted about this emerging agricultural order. Historian Bernard DeVoto wrote that “farmers throughout the West were always demanding further government help and then furiously denouncing the government for paternalism, and trying to avoid regulation.” A decade prior to the 1930s Farm Bill programs, H. L. Mencken said of American farmers, “When the going is good for him he robs the rest of us up to the extreme limit of our endurance; when the going is bad, he comes up bawling for help out of the public till...there has never been a time, in good season or bad, when his hands were not itching for more.”

Henry Wallace, meanwhile, moved on from Secretary of Agriculture to become vice president during the second term of Franklin Roosevelt, and his vision for an integrated farm and food policy was never completed. A genuine attempt had been made to enact policies that brought balanced abundance to the people, protected against shortages, and buffered farmers against losses with loan and insurance programs. And the two foundations of today’s Farm Bill—nutrition assistance and aid to farmers—were firmly established.

Ultimately, however, these programs could not solve agriculture’s looming challenge: overproduction in a rapidly globalizing and industrializing food system.

6. Family Farms to Mega-Farms

After World War II, a great deal of America’s 5 million farms remained alike in many respects. They were similar in size with a fair degree of surrounding natural habitat, raising a diversity of marketable crops depending on the growing region, including livestock (for meat, dairy, eggs, and fertilizer), honeybees (for pollination and honey), and other products. Agricultural policy was likewise diverse: more than 100 commodities received some form of federal price support, mainly in the form of loans. All that would soon change in ways few could have ever predicted.

The technological and industrial capacities developed during the war were unleashed upon the civilian economy, and agriculture became one of the primary outlets. Tractors replaced horses, taking on tank-like power. Chemicals were concocted into a slew of pesticides, herbicides, and synthetic fertilizers. Squadrors of crop dusting planes were deployed in the Cold War effort to meet rising global demand for food. Plant breeding also evolved, creating high-yielding hybrid grains tailored to these shifts in chemical inputs and mechanical growing and harvesting. These unprecedented gains in farm productivity came to be widely known as the Green Revolution.

Even as yields shot up, farming became more expensive to undertake, and not necessarily any more profitable, except for the largest operations. Between 1950 and 1970, according to agricultural historian Paul Conkin, the workforce in agriculture declined by 50 percent, while the total value of farm output rose by 40 percent. Fewer people could harvest much more food—and this oversupply led to consistently low prices. Employment in the manufacturing and service sectors led to a time of unprecedented prosperity. In Washington, Congress struggled mightily to find an answer to the “farm problem”: chronically low income across rural America.

Government policies provided an essential platform for these changes to take place. The Farm Bills of the New Deal era had opened the federal treasury’s coffers to agriculture. Despite a few attempts to return to a free market system, the emergency measures of the 1930s and 40s gradually became institutionalized, and ultimately gave way to annual taxpayer support for an
increasingly powerful farm lobby. For the next 50 years, the federal government maintained a system of production control and grain reserves along with loan benefits and price supports for farmers. Conservation programs continued, and in some cases were expanded. But with continual gains in output due to mechanization and industrialization, even taking land out of production did little to limit surpluses or raise prices. Farms were growing in size through consolidation and becoming more prolific, with yields steadily breaking records. Like other businesses, agriculture was also becoming more specialized. In the decades following World War II, it became increasingly rare even for family farmers to keep chickens, hogs, or dairy cows for market. With so many employment opportunities outside of agriculture in the booming postwar economy, many farmers left altogether or farmed part-time. Retiring farmlands provided for both the rise of agribusiness and an aggressive expansion of suburban housing developments around the country.

By the 1970s, government agriculture policy was being shaped by a controversial Secretary of Agriculture named Earl Butz, who, at the end of his career, earned a reputation for uttering offensive racial and religious insults, was convicted of tax evasion, and launched a campaign to drive the final nails into the coffin of the American family farm culture. In response to a rare period of surging prices and foreign demand, followed by a secret “Russian grain deal” in 1972, Butz decided that export markets were going to solve America’s chronic problem of oversupply and low prices—America would feed the world.

Under Butz, progress was measured by increasing yields, with little attention paid to any harmful effects of monoculture and the industrialization of agriculture. He spurred on farmers to “Get big or get out,” “Adapt or die,” and “Farm fencerow to fencerow.” In addition to production loans, a new form of income compensation—deficiency payments to boost income when prices fell—was established. Larger operators were heavily favored in the new system. America’s strategic grain reserves were nearly emptied out as the boom cycle continued. To add acreage, farmers leased lands or bought out smaller growers. Those who had maintained wild or semi-wild field borders (long encouraged by former administrations), tore out shelterbelts, windbreaks, filter strips, and contour terraces. Wetlands were drained and forests obliterated (often with direct technical assistance and financial aid from the USDA Soil Conservation Service). The rise of “clean farming” meant the loss of naturally buffered aquatic systems and non-cultivated habitat for native pollinators and beneficial insects. The American farm assumed a factory-like efficiency.

Animal agriculture epitomized this shift in farming as the animals were taken off the land and housed in windowless buildings by the thousands and tens of thousands. Rather than grazing on pasture, local forage crops, or local food waste, these animals in their factory-like
The "Green" Revolution

"The precolonial famines of Europe raised the question: What would happen when the planet's supply of arable land ran out? We have a clear answer. In about 1960, expansion hit its limits and the supply of unfarmed, arable lands came to an end. There was nothing left to plow. What happened was grain yields tripled.

The accepted term for this stranger turn of events is the green revolution, though it would be more properly labeled the amber revolution, because it applied exclusively to grain—wheat, rice, and corn. Plant breeders tinkered with the architecture of these three grains so that they could be hypercharged with irrigation water and chemical fertilizers, especially nitrogen. This innovation meshed nicely with the increased "efficiency" of the industrialized factory-farm system...it also disrupted long-standing patterns of rural life worldwide, moving a lot of no-longer-needed people off the land."

—From Richard Manning, "The Oil We Eat"

warehouses had their feed brought to them, sometimes transported across vast distances. The heavy output of waste from such intensive concentrations of animals became a toxic liability rather than a replenishing fertilizer, as it was spread across the landscape, often finding its way into groundwater and stream channels. By the mid-1970s, Concentrated Animal Feeding Operations (CAFOs) were identified by the Environmental Protection Agency as point sources of pollution because of increasing concern over industrial agriculture's negative impacts on the country's rivers, lakes, and streams. Between 1980 and 2000, the percentage of U.S. livestock produced in factory farms increased dramatically. Nowhere was this more astounding than in the pork sector, where the number of U.S. hog operations fell by a factor of almost 10, from just under 500,000 to about 60,000 between 1982 and 2006. But the number of animals stayed roughly the same.

It could be argued that these mid-20th century changes in agriculture were serving a higher purpose. People all over the world were worried about an imminent shortage of global food stocks and potential famine. So the New Deal's Ever-Normal Granary programs of loan-based, county-by-county supply regulation, and grain reserves, were eventually phased out in favor of payments designed to reward farmers for maximizing crop yields. Farmers
specialized their operations and plowed up more acreage—even marginally productive lands. Debt leveraging became business as usual. And when prices inevitably plummeted once again, bankruptcies and foreclosures followed, along with a rise in depression, suicides, and rural outmigration.4

By the early 1980s, large grain handlers like Carrell and Archer Daniels Midland and other agribusiness giants were essentially writing the Farm Bills for their own benefit. With the elimination of price floors and acreage controls, they got a steady oversupply of cheap commodity crops that they could trade internationally or process into value-added products.5 There was money to be made in agriculture, to be sure, but not for the family farmer.

Despite a $20 billion program to boost farm income in 1985, 16 percent of farms were financially stressed. That year alone, about 300,000 farmers sold out and left agriculture entirely. The big got bigger and the small and medium-sized independent farms—often referred to as the “Agriculture of the Middle”—disappeared.

The Butz era irrevocably changed the scale and face of agriculture. With the move from family farms to mega farms, agriculture had become increasingly dominated by concentrated corporate interests in almost every sector. American farmers assumed a manufacturing mentality. They became low-cost producers of the industrial ingredients of modern food. As with manufacturing, economies of scale allow the largest operations to spread fixed costs over a large swath of assets. And with industrialization came whole new sets of problems: carbon-intensive production; widespread environmental damage to soil, air, waterways, and marine life; the shuttering of entire farm communities; overuse of antibiotics and hormones in animal factory operations; disappearing grasslands, forests, and wetlands; and a rise in the number of endangered species and impacted fisheries.

During this time a sustainable agriculture movement also began to take root in America as a counter to the trend toward agribusiness. Inspired by the promise of living self-sufficiently on independent farms and concerned about an oil crisis, an estimated several million Americans went back to the land to work on farms, communes, and other arrangements during the late 1960s and 1970s. This “Back to the Land” movement was led by innovative, organic producers motivated around ideals of a clean environment, healthy food, and viable communities rather than profit and market domination as a reaction to an industrial food production system. Their efforts were unfunded by Farm Bill programs and based on sharing of information between growers. In the end, many back-to-the-landers found self-sufficient farm life extremely difficult or unsustainable without some sort of economic safety net—either strong markets or the type of taxpayer support that commercial farmers had received for decades. Ironically, many were replaced by yet another wave of rural

refugees: immigrants from Mexico and Latin America unable to earn a living as farmers and farm workers in their respective countries. In the four decades after the sustainable agriculture movement began, those organic farmers that did remain succeeded in launching a modern food and farming revolution of their own. Organic products have become one of the fastest growing market segments in the food industry over the last decade, a movement that is now global and has finally been acknowledged with some degree of USDA Farm Bill funding and oversight.

Early in the 21st century the United States has more than 2 million farmers but only a quarter of them—150,000 operations—report sales of $50,000 or more.6 Of course, food production doesn’t only take place at the farm level. It involves increasingly complex systems for processing, marketing, and distributing, which according to the USDA Economic Research Service together consume 88 cents of every dollar spent on food. Less than 12 cents of every food dollar actually returns to the farm sector. The top three or four conglomerates in grain handling, corn exports, beef packing, pork packing, pork production, turkey production, broiler chicken production, and flour milling control at least 40 percent of their respective markets.7 (See Figure 7, “Big Ag.”) Oligopolies also dominate the crop insurance industry, the seed business, food retailing, food processing, fertilizer production, and ethanol manufacture, among many others.8

Even conservative financial institutions recognize that commodity subsidies have led to excessive corporate concentration that is failing rural communities. The federal Reserve Bank of Kansas, hardly a liberal think tank, reported in 2005 that Commodity programs used farming regions to an ongoing pattern of economic consolidation. It should not be surprising, therefore, that the very places that depend most on federal farm payments also happen to be places where economic consolidation is happening apace...Traditional programs simply do not provide the economic lift that farming regions need going forward.9

In other words, what’s good for megafarms and mega processors is usually not good for local and regional economies or their communities. The Federal Reserve Bank of Kansas also found that between 2000 and 2005, in nearly two-thirds of the counties that received heavy farm subsidies, the growth rate for job creation fell below the national average. A majority of heavily subsidized counties also lost population.

And so it goes: the lingering damage of Farm Bills under Earl Butz.
7. The Farm Bill’s Hunger Connection

Even more controversial than government intervention in agricultural markets was the other half of the Farm Bill equation: public food distribution or financial assistance for the needy. Until 1932, that responsibility lay solely at the feet of local communities and charities. Critics of food assistance programs believed hunger relief would lead the country irrevocably toward socialism and the dole. Even as crop surpluses and global competition spawned record low prices, and displaced farmers and sharecroppers waged protests and joined the staggering unemployment lines during the Great Depression, no resolution appeared to the paradox of want in the midst of overabundance.

The Federal Surplus Relief Corporation, created in 1933 as part of the Agricultural Adjustment Act (the first Farm Bill), was charged with purchasing, storing, and processing surplus food to relieve the hunger stemming from unemployment and to stabilize prices for farmers. Although the distribution of surplus food didn’t always function perfectly, this legislation established a lasting connection between Americans’ nutritional health and the nation’s farm policy. Later in the Depression the government initiated the first Food Stamp program. Recipients purchased one dollar’s worth of orange stamps for a dollar and exchanged them for any foods they wanted. In addition, they received 30 cents worth of blue stamps. Relief came in the form of these free blue stamps that could only be spent on select seasonally available government surplus foods—i.e., dairy products, eggs, fruits, vegetables, and wheat flour.

America’s entry into World War II effectively wiped out agricultural surpluses and mass unemployment, and the New Deal food distribution and assistance programs were phased out by 1943. Policymakers remained acutely aware, however, of the hazards of undernourishment. During wartime, 40 percent of draftees had been rejected from military duty because of malnutrition. Hunger was no longer simply a moral or social issue, but a threat to national security. With broad bipartisan support, the federal government passed the National School Lunch Act in 1946. As its name implied, the act established school lunch programs—which included distribution of surplus commodities throughout most public schools. It remains one of the largest and most heavily relied-upon public food assistance programs, with 30 million children receiving meals every school day.

Otherwise, the strong postwar economy coupled with flagging political and public awareness of the lingering problem of hunger in the U.S. led the government to largely abandon food assistance programs for years. It wasn’t until the late 1950s that John F. Kennedy and a few other senators picked up the torch for federal hunger and nutrition assistance. Having witnessed rural poverty firsthand on the campaign trail, President Kennedy signed an executive order in the early months of his administration that revived the Food Stamp program in select counties.

In the spring of 1961, unemployed West Virginia miner Alderson Muncy and his wife Chloe were driven 25 miles to a grocery store where they were met by Secretary of Agriculture Orville Freeman and a television crew. The Muncys ceremoniously received $95 in food stamps to feed their family, including 13 children, and the modern era of nutrition assistance was born. Tensions remained high, however, between Cold War conservatives and Great Society liberals, over the acceptability of persistent income supplements to farmers on the one hand and government food giveaways on the other.

As in the Depression era, the initial 1960s food stamps were offered at a discount rather than given free of charge. This “copayment” arrangement was intended to dignify recipients and deflect the idea that it was an act of welfare. (Food stamps without restrictions seemed to some legislators too much like “free money” that could be used to buy whatever one wanted, even though alcohol, tobacco, and imported foods were ineligible.) As the decade wore on, however, a new political force emerged in Farm Bill negotiations. Nutrition and food assistance advocates—a.k.a. the “hunger lobby” began to wield power, trading votes with “farm bloc” representatives, and ultimately gaining passage of the Food Stamp Act of 1964, expanding the program to reach 500,000 people. More importantly, the housing of responsibility and oversight of food assistance within the U.S. Department of Agriculture would prove to be an invaluable bargaining arrangement for the agency and key power brokers in future decades as Farm Bills evolved. Farm programs benefited rural states with relative-
Hunger in America. The Food and Nutrition Title is by far the largest Farm Bill spending category. Also funded by the Child Nutrition Act, food and nutrition programs make up over 70 percent of all USDA spending. There is a valid reason for this. The number of households classified as "food insecure," a technical term for going hungry, is experiencing significant increases every year. Supplemental Nutrition Assistance Program (SNAP) participation is also on a steady rise. According to the USDA Food and Nutrition Service, in an average month of 2011, 44.6 million Americans received food stamp benefits. These averaged $134 per person per month, an increase related to the stimulus package. Total spending for SNAP reached $58.2 billion in 2010 and even higher in 2011. The hunger crisis could be far worse than these figures suggest. Typically only 60 to 70 percent of eligible individuals actually register for and receive food stamps.

Food Stamp Rising Demand

Millions of Americans Participating

2002 03 04 05 06 07 08 09 10 11

Food Stamp Program
SNAP

USDA Food and Nutrition Service, in an average month of 2011, 44.6 million Americans received food stamp benefits. These averaged $134 per person per month, an increase related to the stimulus package. Total spending for SNAP reached $58.2 billion in 2010 and even higher in 2011. The hunger crisis could be far worse than these figures suggest. Typically only 60 to 70 percent of eligible individuals actually register for and receive food stamps.

Food Stamps (known since 2008 as the Supplemental Nutrition Assistance Program, or by its most recent upbeat acronym, SNAP) have been part of every subsequent Farm Bill, attempting to ensure that most low-income Americans receive a monthly stipend that allows them a low-cost nutritional adequate diet. By the mid 1970s, nearly 20 million Americans, or around 10 percent of the population, received assistance. In 1977, during the Carter Administration, Congress stopped requiring recipients to purchase stamps and distributed them for free. The program would come under assault at various times in subsequent administrations—during the Reagan Administration and in the Republican-led Congress of the mid 1990s in particular—with enrollment rising and falling along with the political perception of food assistance entitlements.

Today the Farm Bill's Food and Nutrition Title, which includes SNAP funding as well as other programs such as child nutrition assistance and emergency food distribution, is by far the largest chunk of money spent by Farm Bill programs. Over $75 billion was projected for SNAP in 2011, serving more than 45 million Americans. The stamps themselves (and much of the social stigma attached with food related) are a thing of the past, having been replaced with plastic credit cards called Electronic Benefit Transfers, or EBTs.

One striking difference exists between the farm lobby and the hunger lobby. Thomas Forster, formerly with the Community Food Security Coalition in Washington, D.C., explains: "Along the way, benefits to farmers got subverted as the [crop] subsidies were increasingly channeled to the very largest producers, absentee landowners, and agribusiness and insurance corporations—often masquerading as family farmers. By contrast,
Struggling to Cope
Food Stamps Are A Lifeline for 45 Million Americans

Mother: Crystal S
They give me $376 in Food Stamps. To try to make it through a month you have to put cash to it; there's no way Food Stamps are gonna make it alone, it's not gonna work. With the money food stamps provide, I was able to feed her breakfast that morning. Without it what would she have eaten? She had cereal. She had milk. She didn't have to go without.

Mother: Shelly G
Let's say Welfare is giving me this money... every two weeks I get a check but I still have to make with those hands money. Because my kids still need to eat for those two weeks. So they say food banks... the food banks, you can't have money. Who's gonna eat cans of tomato sauce? Nobody. I may do someone's hair and be able to get noodles with that tomato sauce to feed the kids, to feed myself.

Mother: Imani S
I was on my way to the overtime job that I was doing when I got my food stamps cut off. They had called me to work there for one day. So, I was thinking to myself, "Well, if I go down here this one day, are they going to cut my food stamps off?" I really didn't know what to do. At the time I was walking through there, it made me think, "Was I going to get cut off again?" What kind of programs can this city do to help us stay on the food stamp program when we do extra work? I don't think it's fair for us to get reprimanded for doing something positive.

Mother: Melissa H
My son, he's already on the small side and he needs every bit of food that he can get to make him healthy, keep him healthy. He has failure to thrive. He has a bone deficiency that doesn't allow him to grow. He's only thirty pounds. And the kids know my food stamps got cut off. Because when they came home from school today, they didn't have their snacks. So they know that I didn't go to the market. I really didn't tell them why or anything like that, because I don't think they understand. But it affected them.

Food policy has not been subverted from its original intent to serve as a hunger safety net for the poor. While hunger advocates continue to fight to make sure food reaches populations in distress, a bitter irony remains: Farm Bill programs make sure Americans are fed, but not necessarily properly nourished. Addressing hunger is now widely recognized not simply as a matter of delivering calories. Rather it means providing consistent access to affordable nutrient-dense foods, including daily servings of fresh fruits, vegetables, and whole grains. Improving the diets of the more than 50 million Americans now classified as food insecure may be the largest challenge and opportunity for Farm Bill reforms in the decades ahead.

Indeed, SNAP plays a critical role in ensuring that basic nutritional (i.e., caloric) needs are met. Without food stamps, tens of millions of Americans—particularly children—would be suffering from hunger-related diseases. SNAP has demonstrably positive impacts on children, including increasing their well-being, reducing or preventing food insecurity, reducing hospitalizations, improving birth outcomes, and raising test scores.

And yet, the program could be improved to better serve its recipients. It is important to recognize that SNAP does not reach all who need it or who are eligible for assistance. And it does not provide enough money to enable even purchasing the USDA's "Thrifty Food Plan" diet. Perhaps most alarming, according to a 2009 study by Dr. Jay Zagorsky at Ohio State University, the longer an adult remains on SNAP benefits or food stamps, and the greater his or her dependence upon them for all food purchases, the higher the chance that he or she will become overweight or obese. The study found a link between food stamp use and weight gain, particularly among women, even after controlling for income and other factors. With extra body mass comes an increased vulnerability to diabetes, hypertension, cardiovascular disease, and certain forms of cancer. While Dr. Zagorsky noted the need for more research in this area, his findings raise an important issue and highlight the potential benefits of improving SNAP.

Some reformers are taking a "carrot" approach, calling for an increase in programs that double the purchasing power of SNAP recipients to buy fresh produce in farmers markets. Others argue for a "stick," such as eliminating the ability to use SNAP benefits to purchase sugar-sweetened beverages. The anti-hunger community has largely rebuffed any attempts to limit the free choice among Food Stamp recipients as an assault on personal dignity. Improving diets for SNAP recipients would not only increase their health and well being, but also have economic ramifications. Economists Mark Zandi estimated that increasing food stamp budgets was one of the most effective ways to stimulate a depressed economy. Every SNAP dollar spent generated a ripple
8. The Conservation Era Begins—Again

The 1972 deal to sell U.S. surplus grain to the Soviets—and subsequent commodity crop price spike—set off a decade-long fury of borrowing, speculation, and agricultural expansion (followed by the inevitable overproduction and price collapse). Particularly caught up in the euphoria were farmers in the Prairie Pothole Region, which spans parts of Iowa and Minnesota, the Dakotas, northeastern Montana, Saskatchewan, and Alberta. The Potholes Region—rolling hills and grasslands pocked by wetlands—is also called North America’s duck factory, because up to 70 percent of waterfowl are hatched in this habitat. Farmers began draining wetlands to expand their harvest potential in the great blow-up inspired by the promise of new foreign grain markets.

A prolonged drought in the Pothole region in the early 1980s laid bare the damage that had been done. The loss of vital habitat, combined with severe weather conditions, reduced the populations of ducks, pheasants, geese, deer, and other species to record-low levels.

Legislators responded with the new conservation programs in the 1985 Farm Bill (formally the Food Security Act of 1985, but also frequently referred to as the “Environmental Farm Bill” or the “Environmental Act”). Funds were made available to enroll up to 37 million acres—approximately 10 percent of total U.S. farmed acreage—in the Conservation Reserve Program (CRP). This was, in essence, a contract with farmers to idle a certain amount of highly erodible land as set-aside acreage. That same Farm Bill included “Swamp Buster” and “Sod Buster” provisions. These “disincentive” programs immediately withdrew federal payments from farmers who drained wetlands (“Swamp Buster”) or plowed up protected grasslands (“Sod Buster”).

The global grain conglomerates hotly contested these conservation initiatives that had been championed by hunting, fishing, and environmental groups, insisting that they would result in massive crop shortages. The next two decades, however, proved them wrong. Every year there were more farmers willing to idle fields than conservation funds available—and until the corn ethanol boom started in 2005, surpluses persisted and global commodity prices stayed low. According to Farm Bill conservation program expert Ford Hoefner at the Sustainable Agriculture Coalition in Washington, D.C., in 2004, three out of every four farmers applying to participate in Farm Bill conservation programs were rejected due to lack of...
Conservation Milestones in the Farm Bill

1985 Conservation Compliance ("Swamp Buster" and "Sod Buster" provisions); Conservation Reserve Program; National Sustainable Agriculture Information Service (NSAIS); Low-Impact Sustainable Agriculture

1990 Sustainable Agriculture Research and Education Program; Integrated Farm Management Program; Wetlands Reserve Program; Water Quality Incentives Program; National Organic Program; Outreach Program for Socially Disadvantaged Farmers

1992 Beginning Farmer and Rancher Down Payment Loan Program; set-aside of loan funds for beginning farmers and ranchers

1996 Planting Flexibility; Environmental Quality Incentives Program; Farm and Ranch Lands Protection Program; Farmers and NGO representatives added to NRCS State Technical Committees; Fund for Rural America; Community Food Grants

1998 Initiative for Future Agriculture and Food Systems

2000 Insurance Non-discrimination Policy for sustainable and organic-ag Risk Management Education Program

2002 Conservation Security Program; Conservation Partnership and Cooperation; Wetlands Reserve Program increase; Increase in Value-Added Producer Grants to pay for local, sustainable and organic marketing and processing; Beginning Farmer Credit Reforms; Organic Farming Research; Organic Certification Cost Share; Farmers Market Promotion Program; Contract Agriculture Reform; Small- and Mid-Size Farm and Rural Research

2008 Conservation Stewardship Program; Biomass Research and Development

Source: National Sustainable Agriculture Coalition

Funds. In fact, the 2004 backlog for conservation dollars exceeded the total funding available in 2005 by a three-to-one margin. Meanwhile, a study by the Natural Resource Conservation Service estimated an increase of nearly 26 million ducks and waterfowl in the Prairie Pothole region between 1992 and 2003, a success largely attributable to CRP land idling.1 After 1985, each successive Farm Bill added conservation programs. In 1990, the Wetlands Reserve Program (WRP) provided money to set aside and restore 1 million acres of wetlands.2 While this could in no way compensate for the losses—500,000 acres per year—that had been occurring since the 1950s,3 it targeted critical habitats for restoration that benefit a variety of species and protect the nation’s aquatic systems.4 Nearly 2 million acres of wetlands have been restored under the WRP, most under permanent or long-term easements. It is arguably the most successful and still among the neediest Farm Bill conservation programs.5 Pilot programs introduced in 1996 furthered the conservation emphasis. The Wildlife Habitat Incentive Program (WHIP) provides assistance for protecting sensitive species and restoring or maintaining critical habitats in farming regions. The Environmental Quality Incentive Program (EQIP) offers funds for a wide variety of environmental improvements and efforts to meet clean air and clean water regulations. Incentives and cost-sharing cover measures such as soil erosion and air pollution reduction, forest replanting and thinning, and stream bank restoration. Thanks to lobbying from meat, egg, and dairy industries in the 2002 Farm Bill, however, hundreds of millions of precious EQIP dollars have been used to fund the construction of expensive manure lagoons, along with other dubious solutions to the problem of vast quantities of animal waste at industrial dairies, hog factories and feedlots.6

While demand for conservation programs has soared, funding remains modest, and such programs remain a prime target for the hatchets of appropriations committees and budget reconciliation. During the 2008 Farm Bill, the Wetlands Reserve Program, which mostly buys permanent easements to save and restore large swaths of critical habitat, suffered steep cuts, as did the Environmental Quality Incentives Program. For example, $500 million was slashed from conservation programs in 2011, while commodity spending at a time of unprecedented strong markets was left unscathed.7 In addition, as markets for exportable commodities and biofuels strengthen, farmers are quick to beg release from land idling contracts to cash in on high prices. So much for the social contract when there is money to be made.

Paying landowners to not grow crops may seem a counterintuitive use of tax dollars unless it’s viewed as a long-term investment in soil protection, habitat conservation, and the preservation of healthy water systems. In fact, well-directed conservation efforts are arguably some of the very best tax dollars we can spend. When large, continuous habitats
are restored, they provide resilience against species loss, catastrophic weather events, and water shortages. All of these efforts are vital to safeguarding our natural legacy for future generations, especially on lands being used for productive agriculture.

The market does not currently take into account all of the total costs of food production—known by economists as externalities. Conservation measures were in fact a requirement for all farmers enrolling in early Farm Bill programs, a policy we hope will continue to be the case. However, as the old saying goes, there is no free lunch. If we don’t make the commitment to protect soils, streams, habitats now, we will surely pay later.

**Paying the Polluters**

**Taxpayers Are Footing the Bill for Confined Animal Feeding Operations (CAFOs)**

Massive dairies, mega-hog farms, poultry factories and battery operations, and other livestock feeding facilities house thousands, often tens or even hundreds of thousands, of animals, producing outputs of waste equivalent to the sewage volumes of small cities. Brother David Andrews of the National Catholic Rural Life Conference describes the problem as "a fecal flood."

The 2002 and 2008 Farm Bill Conservation Title offered billions of dollars on confinement animal facility feedlots (CAFOs), not only to clean up existing pollution, but also to fund new feedlots and expand old ones without accounting for their overall impacts on the environment. These Farm Bill mandated that 60 percent of the Environmental Quality Incentives Program (EQIP) budget be allocated to animal agriculture operations with the largest potential impact for remediation. This means preference is given to the most egregious bad actors, rather than healthy operations that might still have a need for improvements. In fact, CAFOs are eligible for up to 75 percent of costs up to $300,000 per owner (reduced from the 2002 cap of $450,000) to pay for hauling fees, building storage facilities for animal waste, and other costs of complying with regulations. Meanwhile, projects with organic production benefits are capped at $20,000 annually or $80,000 in any six-year period.

CAFOs first became eligible to receive EQIP funding at the same time that the Clean Water Act was expanded to address CAFO pollution issues. Thanks to hefty campaign contributions from agribusiness lobbies and the support of a few anti-pollution advocacy groups, Farm Bill conservation dollars are being diverted to build and fortify manure lagoons on corporate feedlots, even as landowners eligible to protect wetlands, conserve invaluable habitat for wildlife, and provide other urgent environmental services are turned away due to a lack of funding.

Due to an abysmal lack of public data about the amounts of money distributed to CAFOs through the EQIP program, it is extremely difficult to understand the full scope of this government funded pay the polluter policy. Where information on specific contracts to industrial operations is available, it is troubling. For example, one producer received $285,500 through EQIP in 2009 to build a manure lagoon that was nearly 1 million cubic feet in size, approximately the size of 7 football fields 10 feet deep. In 2007, the average waste storage EQIP contract in Plymouth County, Iowa—one of the top hog-producing counties in the nation—was worth $89,174, more than twice the national average. And in Missouri, NRCS has approved a total of nearly $5 million in funding since 2003 for manure transfer payments alone—federal funding to move manure off the farm and out of the area, because the operations produce too much waste to apply to surrounding cropland as fertilizer. In its book CAFOs Uncovered (2008), the Union of Concerned Scientists estimated that with just a pittance amount of information available to the public, the CAFO industry has received over $100 million per year in EQIP funding.

The issue raises a number of important concerns about the unwholesome connections between large livestock operations and Farm Bill subsidy programs.

1. **Taxpayer-funded CAFO infrastructure.**

While enhancing water and air quality are indeed goals in the public’s interests, should taxpayer funds be used to build the infrastructure for agribusiness to comply with regulations? Unfortunately, some politicians and even a few environmental organizations believe that the only way massive hog farms, beef, and poultry factories can comply with regulations is if we pay them to do so. Construction loans and other financing mechanisms are one thing. These cost-share programs are corporate giveaways for some of the country’s most horrendous polluters.

2. **Compliance is not conservation.** EQIP funds come out of the Conservation Title of the Farm Bill. Misconstruing end-of-pipe factory farm pollution compliance as conservation is twisted logic. It’s not benefiting the environment, but rather perpetuating environment-degrading...
feeding operations. In fact, a 2006 study by the United Nations Food and Agriculture Organization revealed that animal factory feedlots are a major contributor to climate change, generating even more greenhouse emissions than automobiles, and causing land and water degradation on a global scale.13

3. CAFOs and energy production. One of the largest emissions from CAFOs is methane, a potent greenhouse gas, which, when captured, produces energy. The limitation on incentive payments under EQIP is $300,000, unless USDA rules that the project is of "special environmental significance (including methane digesters)." Methane digesters convert animal waste in liquid manure lagoons into combustible fuels and residual solids and liquids. They are being installed particularly on industrial dairies to deal with excessive manure output. Energy-capturing digesters represent an extremely valuable technology, particularly for small- and medium-scale operations, but they have proved to be extremely challenging to adapt effectively at an industrial scale. Many government-funded digester programs have stalled out after consuming millions of taxpayer dollars. Others reportedly trap methane for nothing more than to use that energy to operate the digester. Proponents are calling this green power, but at the industrial scale, it seems more brown than clean.

4. Pasture operations deserve support. While EQIP is used by many livestock and crop producers to carry out important environmentally beneficial practices, a disproportionate share of funds now flow to large-scale animal factories. This is a fundamental flaw in the policy and may jeopardize its goals and long-term effectiveness. EQIP funds can play an integral part in a healthful long-term solution to the CAFO crisis by shifting its support solely toward perennial, grass pastured, integrated livestock farms, the program's original intent.
9. Freedom to Farm and the Legacy of Record Payoffs

Rhetorically, the 1996 Farm Bill—known as “Freedom to Farm”—was supposed to signal the end of the subsidy era and a return to free-market agriculture not seen since the early days of the New Deal. It was passed by a Republican-controlled Congress in a time of strong crop prices, tight federal budgets, and on the heels of a World Trade Organization agreement where developed countries committed to eliminating their agriculture subsidies. Congress claimed Freedom to Farm would weaken American agriculture off federal support over the following seven-year period. Instead, it triggered more than a decade of the largest agricultural payments in history, and is the main reason politicians and citizens alike cringe when they hear the words “farm subsidies.”

Among heralded legislative improvements was the concept of the “decoupled payment.” These subsidies were no longer linked, or “coupled,” to growing a specific crop. Instead, decoupled payments rewarded landowners on the basis of their subsidy history—whether they were growing commodity crops or not. The intent of these “base acreage” lump payments was to afford farmers flexibility to transition to new crops and alternative approaches, while the sun slowly set on the Washington subsidy game.

Freedom to Farm also eliminated the acreage set-aside requirements of past Farm Bills that served as both a soil conservation measure and a supply management strategy. In addition, the government shuttered what remained of its decades-old strategic grain reserve. With no county by county management of crop acreage, and no relief valve for surpluses, farmers now flooded markets with their entire harvests.

Phasing out subsidies did not go according to the script. With oversaturated markets, the farm economy swooned into one of its cyclical tailspins. Commodity prices plummeted and Washington reengaged on the phase-out plan. The few preceding years of high crop prices had reduced the cost of commodity subsidy programs down to $3 billion to $4 billion per year.

After the passage of Freedom to Farm, however, they soared to between $15 billion and $25 billion, ballooning with supplemental multi-billion-dollar “emergency market loss” bailouts on top of subsidies. These moves, originally intended to rein in government spending, shifted...
Government Debt Is Your Debt
Budget Deficits and Surpluses, 1995–2012

The End of Entitlements? The mounting costs of the pro-
longed wars in Iraq and Afghanistan, the global eco-
nomic downturn, Medicare, Social Security, Bush-era tax
cuts, and unexpected national disasters like Hurricane
Katrina will force legislators to scrutinize all spending.
The hard and honest truth is that—with the exception of
record payouts for commodity producers—many pro-
grams have already been cut to the bone through the
annual appropriations process. Unfortunately, the price
of doing nothing to address the complex interrelated
challenges of current food and farm policy in the long
term may be unaffordable.

The 2002 bill made permanent Freedom to Farm’s temporary transition shuck-
decoupled payments—in the form of direct
payments. They became an instant entitle-
ment program that recked more of 18th-cen-
tury feudalism than present day democracy.
Growers received direct payments just for
owning land with a particular commod-
ity production history. It didn’t matter if
they had lost money that year or even if
they were planting commodity crops or
not. Direct payments were also favored by
lenders financing the expansion of farming
operations; and they were not limited by
WTO agriculture guidelines. In addition,
the blockbuster disaster bailouts of the late
1990s became normal budget items in the
2002 Farm Bill, this time as “counter-cyclical
payments” that fluctuate depending on glob-
al market prices to insure farmers don’t lose
money in oversupplied markets. In fact, this
type of deficiency subsidy to ensure farmers
at least receive a pre-set target price based on
estimated production costs had been around
at least since the 1970s. Now the subsidies
reached new heights.

To satisfy environmentalists and the out
door “hook and bullet” constituencies, the
2002 Farm Bill also set a record for conser-
vation spending—at least theoretically.
This included a new program aimed at transition-
ning agricultural subsidies into green pay-
ments, the Conservation Security Program,
along with new Grassland Reserve Program
funds to protect rare remnant prairies and
grassland habitats. But, as so often happens,
these promises were eventually broken.
Conservation programs wound up drasti-
cally underfunded (flat funded or Chumped)
during the annual appropriations process.
As many as four out of five applicants were
turned down for programs due to lack of sup-
port over the course of the 2002 bill. Ducks
Unlimited and other conservation groups
warned of another aggressive expansion into
Prairie Pothole habitats that were previously
un economical or impractical to farm, with

Sources: Budget and Economic Outlook: Historical Budget Data, January 2010, Congressional Budget Office.
The Budget and Economic Outlook: Fiscal Years 2010 to 2020, Congressional Budget Office

Project 0
The Failure of "Freedom to Farm"

In 1996 when Freedom to Farm was passed conditions on the farm and in government were similar to what we see in 2011; farm prices were high and the federal budget was tight. Additionally, developed countries had just started feeling pressure from the WTO to eliminate subsidies. With that year's farm bill, Congress aimed to permanently phase out farm subsidies, but its plan backfired.

- In 1996, Freedom to Farm eliminates land idling requirements and the grain reserve program.
- The lack of idling requirements results in a combined increase of 35 million harvested acres of corn and soybeans between 1995 and 1997.
- Without a grain reserve program, farmers flood the market with their surplus crops.
- Due to oversupply, between 1996 and 1999 the price of corn falls by 50 percent, soybeans by over 40 percent.
- Farmers plant more acres to make up for low prices, which results in larger surpluses and even lower prices.
- Congress establishes disaster payments to supplement falling farm incomes.
- Congress makes disaster payments permanent in the 2002 Farm Bill, perpetuating the cycle.

Source: "Farm Subsidies 101 Fact Sheet," Food & Water Watch, February 2011

up to 22 million acres at risk to be plowed. These fears proved to be well warranted.

With so little money dedicated to environmental stewardship and diversified farming, the remaining incentive was to "farm the system" by planting as much as possible. The largest and most aggressive operators received the most benefits and used these land- and production-based subsidies to drive up cash rents and arable land values, exerting even more financial pressure on small and medium-sized farms and beginning farmers. For example, corn farmers received $2 billion in federal direct payments in 2007, a year during which they experienced record yields and strong prices, most of it going to just 10 percent of the largest operations in highly concentrated geographic regions.

Farmers now had a system exactly as they wanted it—the freedom to plant as much as they wanted, along with a litany of supports that guaranteed the government would bail them out if they experienced low yields, low market prices, unfavorable weather conditions, or crop failures because they planted on marginal lands. Countercyclical payments, crop insurance, disaster relief, other Farm Bill price supports, along with ethanol tax incentives virtually eliminated most risks for commodity agriculture operators. The concentration of power of corporate agribusinesses continues, at the expense of small and medium-sized farms and fueled by taxpayer dollars.

Farm Insurance Fraud is Cheating Taxpayers Out of Millions
P.J. Hufsstutter

The federal investigator took the witness stand and described the crime scene: a sprawling field clogged with boulders, native grasses and knee-high soybrush.

The defendant, a California farmer, had said the site was a 200-acre wheat field. But the investigator found no tillled soil, no tractors, no plows. In fact, she testified, she found no wheat.

The field was just a field—and a prime example, federal prosecutors allege, of a wave of agricultural insurance scams sprouting across the nation.

Such crimes are being perpetrated by farmers who fraudulently claim that weather or insects destroyed their crops to cash in on a government-backed insurance program. Some cheats never bother planting at all. Others sell their harvests in secret and then file claims for losses, collecting twice for the same crop.

One North Carolina tomato grower, armed with a camera and a party-size bag of ice cubes, created a mock hailstorm in his fields and swindled the federal government out of $9.2 million.

These growers—along with crooked insurance agents and claims adjusters—are using the program to bilk insurance firms and the U.S. government out of millions of dollars a year, according to prosecutors, industry officials and high-tech experts who review questionable claims for the U.S. Department of Agriculture.

Taxpayers are on the hook for many of those losses.

The federal government has been fighting back against such criminals, using satellite technology, advanced data-mining techniques and other tools to spot fraud. The penalties, too, have grown stiffer. These efforts have saved taxpayers at least $730 million over the last decade, by some estimates.

Critics, however, say that such high-tech oversight catches only the most egregious cases, and that insurance companies have little incentive to be more aggressive lest they lose lucrative federal subsides to sell crop policies.

"Politically, it makes sense not to care too much, because otherwise the insurance companies get hauled up to Washington and read the riot act for not using taxpayer money efficiently to help out the poor farmer," said Bruce Babcock, director of the Center for Agricultural and Rural Development at Iowa State University.

The vast majority of U.S. farmers follow the rules. Insurers and federal officials said. Bert Little, director of the data-mining group Center for Agribusiness Excellence, said that less than one-half of 1% of the farmers who take part in the program cheat the system.

"But that less than 1% represents a pretty big chunk of money, between $100 million to $200 million a year," said Little, whose Texas group is contracted by the federal government to
analyze farm records in search of fraud clues. By its very nature, farming is risky. The federal government created the Federal Crop Insurance Corp. and, in 1938, started selling policies to farmers to help them recover from the Great Depression. By the 1980s, the government was subsidizing farmer premiums to encourage participation, and Congress had voted to expand the program and turn it into a public-private partnership.

Washington handed over the selling and servicing of these rural policies to a tight-knit group of insurance companies, with some lucrative incentives. Lawmakers agreed the U.S. Treasury would still guarantee the riskiest policies. The government would also pay agents’ commissions, cover some of the insurers’ operating costs and continue to subsidize farmers’ annual premiums. Today, taxpayers cover about 60% of these premiums.

The program ballooned, thanks to insurance industry lobbying and federal rules that make it tough for farmers to go without coverage. Although the amount of acreage covered remained relatively stable, the value of insured crops climbed to $78 billion in 2010 from $36.7 billion in 2001. Premiums, tied to the volatility of the commodity futures market, jumped in price. Agents’ commissions, which are tied to crop prices and premiums, have tripled over the last decade. The trouble, critics say, is that private insurers and their agents reap most of the benefits while the public still picks up the losses.

In 2009, taxpayers shelled out nearly $4 billion to the 16 insurers involved in the program, according to the USDA’s Risk Management Agency, which administers the program. Of that, $1.5 billion was paid in commissions to an estimated 15,000 insurance agents. Because there were more gains than losses, the USDA said it retained $1.4 billion, some of which came from farmers’ premiums.

Meanwhile, taxpayers paid $1.7 billion to subsidize farmers’ premiums.”

The net effect is that the industry keeps the most profitable customers and shifts the riskiest, least profitable customers to the taxpayers,” Iowa State’s Babcock said.

The insurance industry disputes the figures and argues that the government gets a good deal for its investment. Insurers said their profits are reasonable, given the expense and risk involved. Without them, industry officials said, the public would end up paying more.

“If a disaster struck, taxpayers would undoubtedly be called on to support agriculture,” said Tom Zacharias, president of the trade group National Crop Insurance Services.

USDA officials agree that the program plays a crucial part in the broader economic safety net for farmers. But in the face of ballooning federal deficits and complaints from farmers about agent commissions, the USDA pushed through a plan last year that cuts $6 billion over the next 10 years and caps how much of the insurers’ administrative costs the government will pay. More cuts to this and other farm subsidy programs, officials warn, could be coming.

“It’s on the table. No doubt about it, because everything is on the table,” said Risk Management Agency Administrator William J. Murphy.

Complaints about fraud and waste have fueled calls for changes to the program. In recent years, criminal investigators have unearthed fraud in potato fields in Michigan, cotton farms in Texas and sweet potato plantings in Louisiana. In eastern North Carolina, federal officials have uncovered one of the nation’s largest crop insurance scandals to date.

Twenty-two people so far have pleaded guilty in connection with a conspiracy to swindle at least $22 million by pretending foul weather had destroyed farmers’ tobacco fields. Prosecutors said growers secretly sold off their harvested tobacco for additional millions. The conspiracy involved at least 14 farmers, three warehouse workers, two rural check cashers, two insurance agents and an insurance adjuster. That investigation, dubbed Operation Under the Barn, is ongoing.

At the federal courthouse in Sacramento, Stockton-area wheat farmer Gregory P. Torlai Jr. is on trial, accused of defrauding the Federal Crop Insurance Corp. and a private insurer of at least $400,000. Prosecutors said he filed phony crop information and lied about how many acres of wheat he planted in Lassen, San Joaquin and Contra Costa counties. To get the payout, prosecutors alleged, Torlai submitted dumbed-up store receipts for seeds he’d never bought and filed insurance claims for land he’d never owned.

Torlai, 49, pleaded not guilty to the 17 counts. He and his attorney declined to comment. In court documents, defense attorney Donald Heller argued that Torlai didn’t know he was making false statements in his insurance claims. He was simply following the instructions given to him by an independent insurance adjuster.

If found guilty on all charges, Torlai faces up to 30 years in prison and a $1-million fine. Last month, as the trial progressed, prosecutors showed snapshots of Torlai’s farm in Lassen County, about 200 miles northeast of Sacramento. They had been taken by Marla Fricke, an investigator with USDA’s Office of the Inspector General. Torlai, a slender man with weathered skin, sat stone-faced, gripping his brass rodeo belt buckle, one leg bouncing nervously under the defense table.

Assistant U.S. Atty. Michael Anderson asked Fricke what she saw in the photographs.

“Native grasses, sagebrush and rocks,” Fricke said. “Pits. Garbage put into those big pits. Normally, in wheat fields, you don’t see garbage pits.”

This article originally appeared in the February 6, 2011 Los Angeles Times.
10. The Beginnings of a Food Bill?

Throughout the 2007 and 2008 debates, Farm Bill negotiations were dominated by discussions about the country’s exploding nutrition crises. A third of U.S. adults and 17 percent of children were classified as clinically obese. The ranks of citizens affected by food insecurity swelled to more than 50 million people. Nutrition programs, which already made up 50 percent of Farm Bill spending, were eventually awarded another $10 billion from Congress to boost consumption of fruits and vegetables and to increase benefits for the Food Stamp program over the next decade. In the midst of the greatest economic downturn since the Great Depression, record numbers of Americans were applying each month for government assistance, and SNAP received 80 percent of that increase. Per meal allowances, also known as the Thrifty Plan, had not been updated in more than a decade and were given a modest raise.

With the nation entrenched in recession, the Food, Energy and Conservation Act of 2008 became largely a Food Stamp Bill. In 2010, with a huge infusion from the Stimulus Bill, the SNAP program would account for more than 70 cents of every dollar spent by USDA. Other gains in that nutrition package included:

- $1.26 billion increased funding for The Emergency Food Assistance Program (TEFAP), which distributes surplus foods primarily through food banks, emergency shelters, food pantries, and other nonprofit assistance centers. TEFAP also responds with food relief in the case of natural disasters.
- $1 billion for the Fresh Fruit and Vegetable Program, to provide fresh fruits and vegetables as snacks to elementary school children, specifically those eligible for free or reduced price meals.
- Expanded use of Electronic Benefit Transfer cards (SNAP-style credit card) at farmers’ markets.

The 2008 Farm Bill also saw increased cooperation between nutrition advocates and regional food production promoters. They lobbied forcefully for grant and loan programs to invest in local food production networks. These included expanding upon previous pilot programs like Farm-to-School that help cafeterias purchase local food and produce and the Farmers Market Promotion Programs that generate opportunities for local farmers and consumers alike. Important study mapped the country’s food deserts, impoverished areas where community access to healthy foods is critically limited if not nonexistent.

This merger of the public health and local food communities is an important evolution in Farm Bill discussions. It is leading to the creation of innovative urban and rural food distribution networks, with the broader goals of creating jobs, solving distribution and marketing challenges for family farmers, increasing public access to healthy foods, and fighting hunger. One victory involved just the insertion of regulatory language while adding nothing to the Farm Bill baseline. A Geographic Preference rule gives K-12 schools that receive federal funds from the school lunch program flexibility to specify a geographic preference for their purchases: i.e., local vendors rather than simply the lowest cost producers.

For the first time, specialty crop farmers—who grow fruits, nuts, and vegetables—grabbed a slice of the Farm Bill pie. Nearly $1 billion was dedicated to research and marketing programs, including a dubious California media campaign to convince the public about the safety of pesticides applied to fruits and vegetables. Other specialty crop funds were more ingeniously directed toward increasing supplies of vegetables and fruits in school snacks and meals, and doubling the purchasing power of SNAP beneficiaries who buy fruits and vegetables at farmers’ markets.

Some opportunities to fight hunger and improve nutrition were squandered, however. Despite heavy lobbying, many of these programs got miniscule budgets relative to their enormous public paybacks, including Community Food Projects, Value Added Producer Grants, Community Food Grants, and Senior Farmers Market Nutrition programs.

The organic industry also furthered its inroads into the Farm Bill. With upwards of $30 billion in food sales, and 4 percent of the food market, organic farming is significantly under-served by grower supports and USDA research and data collection programs. Essential needs that could further boost organ ic production, such as farming research, insur ance programs, and market data collection, have all been largely ignored by Farm Bill programs in the past. An organic coalition led by the Organic Farm and Research Foundation in Santa Cruz, California, successfully lobbied for $78 million in research, $22 million to share the costs of organic certification fees, and $5 million for marketing. Unfortunately, over the life of the Farm Bill, the organic program fell under the EQIP program and the Natural Resources Conservation Service, not always a champion of chemical-free farming methods, and implementation has turned out to be spotty.

Despite promises of big budget increases, conservation efforts overall didn’t gain much momentum. Even with 9 percent of the 2008 Farm Bill budget, these funds could not meet demand. The financial situation for conservation programs only worsened after so
many were gutted during annual appropriations and budget reconciliation. Incentives to keep grasslands unplowed, plant buffer zones around sensitive streams, and reward farmers for environmental stewardship were awarded a modest increase under the renamed Conservation Stewardship Program extended through 2017. Meanwhile, the Wetlands Reserve Program and Environmental Quality Incentives Program all were heavily Chipped.

Worse, tucked on to the 2008 bill was a lavish $5 billion “Permanent Disaster Assistance” program. This established a permanent fund to insure farmers who plant in vulnerable areas such as the Great Plains or Deep South that are highly prone to drought or flooding. Why is this such a problem? Agricultural scientists, as well as organizations such as the Environmental Working Group, have documented that these types of revenue assurance schemes, coupled with ongoing ethanol subsidies and soaring commodity prices, have led to a reckless expansion of crop acreage. According to the Iowa Erosion Project data, nearly one third of Iowa counties were experiencing unsustainable rates of soil erosion in 2009. Carried along with the lost soils are heavy amounts of nitrate and phosphate fertilizers and other farm chemicals that travel watersheds, and in the case of the Mississippi River Basin, make their way to the Gulf of Mexico’s expanding Dead Zone.

Increasingly, crop insurance programs are overtaking subsidies as a way of getting money to farmers. Although crop insurance sounds like it should be a service of the private sector, taxpayers cover at least 60 percent of the costs associated with these various weather and revenue warrants. Farmers now regard insurance as a vital component of the “farm safety net” to protect them in the case of crop failure or revenue loss. But the conservation requirements on insurance policies are weak to nonexistent. Record flooding on the Mississippi and Missouri Rivers, droughts in the Southwest, and cold, wet planting seasons are just a few weather-related disasters farmers contend with in 2011. However, without conservation requirements attached to crop insurance programs, one wonders how taxpayers can be protected from permanently bailing out the expansion of fields onto highly erodible, marginally productive, or disaster prone areas.

Instead, the biggest tragedy in the Conservation Title might have been the elimination of the Sod savers Provision, which would have denied federal crop insurance and disaster program payments to any land owner who converted native sod to cropland. What could have been one of the strongest conservation assurances to prevent risky and unstable plowing was eventually watered down. The final legislation was limited to only the Prairie Potholes regions of Montana, North Dakota, South Dakota, Minnesota, and Iowa—and only if the governor acted to put it in force. None did.

In the end, the agribusiness lobby got exactly what it asked for—a continuation of direct payments, counter-cyclical deficiency

For years, the U.S. meatpacking industry—the small number of enormous corporations that buy and slaughter nearly all of the country’s livestock and poultry—has taken unfair advantage of America’s independent family farmers and ranchers. They rigged the game to benefit huge feedlots and Concentrated Animal Feeding Operations (one of which they themselves own), and pay small poultry, hog or cattle producers less for their animals—even when the quality of the animals is exactly the same.

Meatpackers have also turned the job of raising animals, particularly swine and poultry, into a contract arrangement more like running a factory or sweatshop. The livestock integrators own the animals, and the contractors raise them to exact specifications; responsibility for mortalities and disposal of waste lies with the contractor. Smaller producers have either accepted corporate control, or have left the livestock sector altogether. The agency charged with regulating anti-competitive behavior in the meatpacking industry is called the Grain Inspection, Packers and Stockyards Administration—GIPSA. It’s housed within the U.S. Department of Agriculture. Until recently, GIPSA has not performed its intended function of regulating fair markets. Congress gave GIPSA the power to prevent large corporations from using unfair contracts, price manipulation, self-dealing, and other anti-competitive practices to gain monopoly control over the industry under the Packers & Stockyards Act of 1921. However, USDA did not issue regulations needed to implement the Act until 2010.

A coalition of family farmer and rancher, food justice and consumer groups lobbied Congress to require USDA to write new rules for GIPSA as part of the 2008 Farm Bill. At a meeting, USDA and the Department of Justice examined the meatpacking industry to determine the extent of anti-competitive behavior in livestock markets. A new set of rules was drafted. According to those new rules, packers would have to keep records detailing why premiums are paid. Contract terms would have to be transparent. Packers would be prohibited from retaliating against contract growers who voice concerns or seek improvements. The USDA would be required to more clearly define unfair and discriminatory practices.

The big meatpackers immediately pressured Congress and USDA not to finalize the rules, arguing that such changes would cost the industry and consumers billions. They demanded an economic analysis, a common stalling tactic. Congress has blocked USDA from implementing the new rules for fiscal year 2012. In the meantime, the meatpacking industry is marshalling all of its forces to maintain unfair domination of animal food production in the next Farm Bill.

The 2008 Farm Bill gave USDA more power to police anti-competitive behavior by meatpackers. Yet so far a minority of powerful meat and poultry industry interests have delayed these reforms, squashing any hope for a more diversified, competitive and fair food system.
payments, and marketing loans with a whopping increase of crop insurance and disaster relief. Efforts to reform income eligibility requirements or cap the amount of federal assistance an individual farming operation can receive were heartily rebuffed. And for the calloused and cynical, the 2008 Farm Bill alsoproved that no omnibus spending law gets by without absurd earmarks and giveaways. Budget hawk Mitch McConnell, the Senate’s minority leader, championed tax breaks for racehorse owners in Kentucky. Timber magnates in the southeast as well as farmers in Alaska also lined up at the public trough.

The silver lining of the 2008 Farm Bill was that more concerned citizens tuned in to this debate, and voter disappointment at the lack of reform was palpable. Legislators who used to vote the party line or trade their support for future favors were forced to cast their ballots in the clear light. For many centrist Democrats in farm country whose main charge was to successfully bring home a generous Farm Bill to their congressional districts, however, the strategy to postpone reform backfired. Voting for this unpopular bill did not protect many of them from defeat in the 2010 mid-term elections.

Organic’s Fair Share

By the year 2000, the organic food movement was reaping the benefits of two decades of pioneering work from farmers, retailers, and consumers across the country. While economic growth in much of the food industry remained static, the market for certified organic products was experiencing brisk yearly expansion. Annual sales of organic foods exceeded $25 billion by the time of the 2008 Farm Bill reauthorization, capturing nearly 4 percent of all food sales.

Organic food was moving into the mainstream, but not in terms of federal support,” says Bob Scowcroft, founder and former director of the Organic Farming and Research Foundation. “Our strategy was simple. We wanted our fair share of research dollars and other production support from national Farm Bill programs.”

The fair share strategy was already eight years in the making, having started in the lead-up to 2002 Farm Bill. At that time organic farming was not included in the definition of “good farming practices” that qualified farmers for federal crop insurance benefits. With a legislative champion in their corner, an amendment was introduced to include organic farming under that provision. While it ultimately passed into law, there would be further reforms necessary to tailor crop insurance premiums to the high value of organic crops.

This small victory was symbolic of the growing influence of the organic food and farming movement on the political process. Organizational capacity had been steadily increasing over the years. Consumers had once generated over 300,000 public responses to defeat an attempt to allow sewage sludge, genetically modified organisms, and nuclear irradiation under the national organic standards. Groups such as the Organic Trade Association, National Organic Coalition, Organic Farming and Research Foundation, Organic Consumers Union, Center for Food Safety, National Sustainable Agriculture Coalition, grower cooperatives, and others presented a formidable voting block.

It helped to have sympathetic allies in Congress with aides willing to craft language that their legislators could champion. A bi-partisan “Organic Caucus” consisting of three Democratic and three Republican representatives was formed to drive the movement’s legislative agenda. A primary focus was on research dollars to develop innovative strategies and markets for organically produced crops. The 2002 farm Bill had introduced a modest pilot research program: $15 million over 5 years.

The Organic Caucus wanted to expand that research purser devoted exclusively to organic and sustainable agriculture to 25 to 3 percent of the $1 billion annual USDA research budget. In the end, $78 million in research funding was devoted to organic farming over the course of the 5-year bill. A second policy objective was to help farmers with third-party certification, a time consuming and costly part of verifying that something is actually grown without chemicals. That effort netted $22 million over 5 years. Individual farms
can receive up to 75 percent of certification costs with a $750 limit. Funds were also approved to assist farmers transitioning from conventional to organic production, a process that typically takes three years to complete.

Champions like Sam Farr (D-CA) and Tom Harkin (D-IA), ultimately pushed these programs into the law and budget. There is still a way to go to actually get organic’s fair share of the farm bill budget. But in the short term there has been a push for crop insurance that takes into consideration organic’s high cost and value in the marketplace, along with better market data collection to improve trending and forecasting. Finally conservation programs such as EQIP now recognize organic production as an environmental benefit.

One can expect the organic caucus to continue to leverage its share of Farm Bill funding and attention, and to focus on the real goals having organic farming principles become the standard for agriculture in a country focused on health, a clean environment, energy conservation, and food security.

**Lessons from the Organic Caucus**

1. **Assess Your Organizational Capacity**
   Be honest. How much time do you and your organization have to devote to the Farm Bill? Are there other NGOs you can collaborate with? Among the coalition, who has connections in Washington D.C.? Who has media skills? Can you forge a strategy together?

2. **Who are your congressional allies?**
   Do you know anyone on the Agriculture or Agriculture Appropriations Committees?
   Can you find a sympathetic ear from a staff person who can help with the long, hard work ahead?

3. **Create a Media Strategy.**
   Identify influential publications and key reporters on the national and regional agricultural policy beat, such as the Washington Post, New York Times, and Politico. Look for charismatic spokespeople—farmers, doctors, policy makers, school lunch coordinators—to carry your message to the media. Help reporters in your area tell Farm Bill stories that drive the policy conversation on local level.

4. **Generate funding to support your effort.**
   A combination of special events, corporate support, and grant writing can help you pay people, including interns, for the hard work that this Farm Bill lobbying entails. Budgets may include travel to Washington D.C.

---

### 11. Who Gets the Money?

Billions of Farm Bill dollars flow into America’s rural communities each year to boost income for farmers, who continue to face an onslaught of financial, environmental, and agricultural challenges. But are the farmers and landowners who cash those subsidy checks the ultimate beneficiaries of these programs or are other interests being served? Following the Farm Bill money trail involves understanding the complex circumstances surrounding what it means to be a “farm.” It also requires focusing on in on the government single out so few crops for subsidies. Finally, it means drilling down into deep divides: family farms versus corporate mega farms, producers versus buyers, commodity versus diversified agriculture.

Farm Bill funding is undoubtedly skewed toward a very narrow group of crops and the handful of congressional districts where those crops are grown. Of the $246 billion U.S. taxpayer dollars spent on commodity subsidies between 1995 and 2010, almost 70 percent went to the production of just five crops: corn, cotton, wheat, rice, and soybeans. Half of that money went to the eight states that produce most of those commodities. Furthermore, the system is easily gamed. Although the 2002 Farm Bill prevented subsidy payments to farmers earning over $2.5 million per year, at least 2,002 individuals in this income bracket collected a total of $49 million in subsidies.

Given these bread brush strokes, it’s easy to demonize commodity farmers. Often cited in the news media is this statistic: the richest 10 percent of farm subsidy recipients take in almost three-quarters of payments. While the system certainly suffers from rampant abuse, those numbers must be unpacked to get a more accurate assessment of the financial state of the American farm.

The USDA identifies approximately 2.2 million farms in the country. In fact the agency’s definition of a farm is quite broad: “any place from which $1,000 or more of agricultural products were produced or sold, or normally would have been sold, during the census year.” When the USDA averages farm income, it includes a sizable category called “rural resident farms”—households that may own a cow or a few sheep, but do not list their occupation as “farmer.” Only 23.5 percent of farms actually grow enough crops or animals to earn over...
Farms that comprise less than 10 percent of all operations—those that gross between $100,000 and $250,000 from farming and whose operators claim farming as their primary occupation—and a far different picture develops. According to an analysis of USDA farm data by Tufts University researcher Timothy J. Wise, in 2003, these commercial family farms earned an average net income of $30,000 a year from farming—more than half of which came from subsidy payments. Of all small- and mid-sized farms in this income segment, 82 percent received some sort of government payment. In other words, contrary to popular belief, a significant majority of family farmers receive benefits from farm programs and rely on them to keep their operations afloat.

Even as commodity prices reached record highs in 2007, family farmers continued to struggle. While crop prices increased 87 percent between 2003 and 2007, fertilizer costs jumped 67 percent. Fuel costs doubled. At the same time, counter-cyclical payments to small and mid-sized farms, which kick in when the market price of a crop falls below a set target price, dropped by half. As a result, small and mid-sized farms’ net income from agriculture actually declined between 2003 and 2007, from $30,000 to $26,000. Farm households supplemented their income with an average of $31,000 from off-farm jobs during the period of Wise’s study. Combined, household income was just barely above the U.S. average. Without the farm subsidies, many of the small and medium-sized farms would border on poverty.

The elite group of mega farms felt no such squeeze. These are the large commercial farms earning over $250,000 per year that control vast acreages, benefiting from farm payments tied to land ownership and historical production. According to Wise’s analysis of USDA data, very large commercial farms were responsible for 44 percent of commodity crop production and received 32 percent of commodity payments in 2003. “The concentration of farm payments,” Wise says, “is caused primarily by the concentration of land and production in the hands of a relatively small number of large farms. It may be necessary to address the root causes of this concentration in order to meaningfully address inequities in U.S. farm programs.”

Even among those “wealthy farmers” at the top of the scale, however, the statistics can be somewhat misleading. Of the top 20 recipients of government farm and conservation payments between 1995 and 2010, none was an individual family farm. Instead, their ranks included corporations, Indian tribes, or cooperatives that distributed payments among their members, and, to a lesser extent, conservation organizations. It is important to keep in mind the type of agriculture—for both plants and animals—that our federal subsidy system has intentionally perpetuated. The farm sector has been converted to a manufacturing model, designed to provide buyers with a lowest-cost product. Labor is replaced...
with energy-intensive machinery and chemicals whenever possible. These are extremely expensive costs that are most economically beneficial when spread over a maximum number of acres or animals. Once invested in such a capital-intensive system, it is extremely difficult for an operator to make any significant change in the scale or approach to farming. In fact, as harvests and production become more and more efficient, the main response, as in manufacturing, is simply to try to grow the scale of the operation.

Scotty Pippin, The Prince of Lichtenstein, and Christmas Trees

It's understandable that we want to ease the plight of the family farmer. But, as we can see from the discussion above, drawing a line between what constitutes a family farm and a corporate mega-farm has become an extremely complicated issue. One recurring problem with farm subsidies is the lack of practical limits on how much a single farming operation can receive. Thanks to numerous legal loopholes, lax enforcement, and loose definitions of what it means to be actively engaged in farming, essentially no caps currently exist.

Starting in the 1970s, federal law technically capped subsidy payments at $50,000 per farm per year. But farmers and landowners easily circumvented this by morphing into multiple entities (sometimes referred to as "Christmas trees"), each eligible for payouts. In 1986 a nationwide scandal erupted when reports surfaced that the Prince of Lichtenstein had collected more than $2 million in cotton and rice subsidies as an absentee landlord. In response, Congress created the so-called three-entity rule. Under this provision, a farmer could collect $50,000 in subsidies in his own name, and, as halfowner, up to $25,000 for each of two other entities. But since those limits were enacted in 1987, new subsidy programs have proliferated and new loopholes have further eroded subsidy caps. Farmers and landowners creatively form complex family partnerships with associated limited liability companies that grow new tenancies into the subsidy gravy train. Lawyers and accountants opportunistically exploit these loopholes, offering "payments limitations planning" services that stretch the legal definitions of "actively engaged in farming." According to a report in the Atlanta Journal Constitution, for example, in 2005 at least 195 U.S. farming operations—or more accurately, landowners—collected more than $1 million each from taxpayers. That same year, 100,000 farms nationwide received between $25,000 and $100,000 each.

Under the 2008 Farm Bill, direct payments are capped at $40,000 for an individual or twice that for a married couple where both spouses are actively engaged in the farming operation. Current law defines this as a contribution of 1,000 hours of labor on the farm or involvement in its management. However, the vague and largely unenforceable regulatory standard for "actively managing" farm operations has foiled lawmakers' attempts to target payments to working farmers. Counter-cyclical payments are capped at $85,000 ($150,000 for an actively engaged couple). Loan deficiency payments and marketing loan gains are not capped. So, you can see, incentives can add up considerably. It's one thing supporting a family farmer. It's quite another subsidizing the expansion of a mega-farm operation that puts family farmers out of business.

European princes haven't been the only sources of indigination. "The Scotty Pippin Rule"—drafted after the multimillionaire NBA basketball player's farm subsidy receipts made headlines in 2002—determined that no one with an adjusted gross income over $2.5 million, of which less than 75 percent came from farming, could receive program supports. But enforcing such rules has become a bureaucratic nightmare and the payment system is easily scammed. In 2004, a Government Accountability Office (GAO) study found that USDA Farm Service Agency field offices failed to use their own tools to determine eligibility at least half of the time. A lot of non-farmers receive subsidy payments. According to a 2006 report by the Washington Post, the federal government paid $1.3 billion between 2000 and 2006 in rice and other crop subsidies to landowners who did no farming at all. Included in this group were subdivision developers who bought farmland and advertised that prospective homeowners could collect subsidies on their new backyards. Congressmen past and present have also been beneficiaries, sometimes raking in sizable yearly payments. According to the Environmental Working Group, 24 members of Congress or their immediate family members received farm subsidies between 1995 and 2010, some totaling millions of dollars.

The True Beneficiaries

The goals, strategies, and rules for today's Farm Bill subsidies represent a complete departure from the price-stabilization policies that dominated the first four decades of FARM Bills. In general, the government purchased grain from farmers during harvest time when it was plentiful and sold it off when grain was more scarce. Other programs, such as land...
Factory Farms at the Public Trough

Savings from Below-cost Feed, 1997–2005

<table>
<thead>
<tr>
<th>Hogs</th>
<th>Broilers</th>
<th>Eggs</th>
<th>Dairy</th>
<th>Fed Cattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>$945 m</td>
<td>$1.250 m</td>
<td>$433 m</td>
<td>$733 m</td>
<td>$501 m</td>
</tr>
</tbody>
</table>

Average Annual Savings as % of Operating Cost

15% | 10% | 5% | 0%


set-asides, also helped manage supply, boost prices, and impose some fundamental soil conservation practices.

These programs were slowly dismantled beginning in the 1970s, when globalization began to shape the political and economic agenda. The U.S. encouraged its farmers to plant fences to fence off to generate exports. By 1980, the grain reserve program was eliminated by a Republican-dominated Congress. With the government out of the supply management game, farmers once again planted as much as they could, hoping to get ahead. The result was deflationary oversupply. In the ensuing years, the market price of corn fell to an average of 25 percent below the farmers’ cost of production. As rural communities founded, a flustered Congress instituted so-called “emergency payments” in 1998 to help keep farmers afloat. Those payments were made permanent in the 2002 Farm Bill.

With that move, the U.S. completed its shift away from policies designed to stabilize commodity prices for farmers to a system that encourages low market prices and then attempts to make up the difference with subsidies, revenue insurance, and disaster assistance programs.

In the meantime, the companies that buy commodity crops have been riding high. According to Timothy Wise, Tyson, the country’s largest chicken producer, saved nearly $300 million a year in the decade after the 1996 Farm Bill because it could buy chicken feed at a price lower than what farmers (and the government) paid to produce it. Smithfield, the world’s largest hog producer, saved nearly the same amount. In total, the top four chicken companies saved more than $1 billion in the decade after the 1996 Farm Bill, while the top four hog giants saved nearly $6 billion on their feed costs. (See Figure 15, “Factory Farms at the Public Trough.”)

Big processed-food manufacturers have also fared well following the dismantlement of USDA supply management programs that attempted to regulate fair minimum prices for farmers. According to a 2011 paper by Food & Water Watch and Public Health Institute, corporations like Coca-Cola reap huge capital benefits when high fructose corn syrup (HFCS) is made cheap and abundant. That’s because just 2 cents of every consumer dollar spent on soda returns to the pockets of farmers who grow the corn that becomes HFCS. The remaining 98 cents goes to the beverage manufacturers and marketers. The authors report that soda companies have saved an estimated $400 million each year on their corn bill since supply controls were dismantled. Going back to the 1980s when HFCS began to replace cane sugar as a sweetener of choice, those total savings reach $1.7 billion. Another sticky issue is that farmers who grow the perishable produce so necessary for a balanced diet have been kept out of the subsidy game for decades. With 20,000 miles of waterways, nearly 80,000 farms, and over $30 billion in annual on-farm revenues, California tops all states in terms of agricultural sales, yet 90 percent of its growers receive no subsidies. (California contributes more than 12.5 percent of the total U.S. agricultural market value and nearly half of all fruits, nuts, and vegetables, yet its farmers receive less than 10 percent of commodity payments.) Florida is another prolific food producer, with extensive citrus, row crop, dairy, and calf-breeding operations. Yet only 10 percent of Florida’s farms and ranches receive direct subsidies. According to the Environmental Working Group, if farm payments were based on overall contributions to the nation’s food and fiber supplies rather than the narrowly targeted commodity groups, five other states with large, but mostly unsupervised, farm sectors would immediately benefit: North Carolina, Pennsylvania, Washington, Oregon, and Colorado. Other regions traditionally left out would also get their due or fair share according to their food and fiber output: all of New England (from Maine to New Jersey) the mid-Atlantic (from Georgia to Maryland), most of the upper Midwest, and states scattered across the South and West.

Conclusion

In understanding the subsidy game, it’s often more important to know who ultimately benefits from policies, rather than who directly gets the money. The real win-
The answers may require a fundamental shift from 20th-century policies that encourage overproduction and low prices. Rather, policies should be reoriented toward a complete economic system, one that helps qualifying family farmers earn a fair price for their products, caps payments, rewards environmental stewardship, incentivizes more diversified and resilient food and farming systems, and recognizes the value of family farms as key drivers of community health and economic development.

Subsidy Tracking

1. Over 60 percent of farm program payments went to the largest 12 percent of farms in 2008.

2. In 2009, 305 farm operations each received $200,000 or more in direct payments, in part because they were structured so that five or more partners or members of a farm business were eligible to receive the payments.

3. In 2006, 4.6 percent of individuals receiving program payments reported adjusted gross income of between $200,000 and $500,000, whereas 2.3 percent of other tax filers reported income at this level.

4. Corn farmers had record yields in 2007, yet received $2 billion in federal direct payments (income supplement checks).

5. In 2006, under a separate loan deficiency payment (LDP) program, farmers—predominantly corn growers—pocketed an estimated $3.8 billion more than was needed to make them whole under the government’s price floor.

6. The USDA paid out nearly $1.2 billion between 2000 and 2005 on agricultural subsidies for Mississippi Delta farmers, most of whom are white. Only a fraction of that sum went to rural development projects to build up the economy of the region, where the population is predominantly black.

7. From 2003 to 2006, the USDA Farm Services Agency overpaid a number of individuals who reported income in excess of the statutory $2.5 million Adjusted Gross Income Maximum. Of the 1.8 million individuals receiving farm payments, 2,702 payments were made to beneficiaries with an AGI of $2.5 million or more. Over the four years reviewed by the Government Accountability Office, FSA overpaid almost $49.4 million to ineligible farming recipients.

8. In 2010, 1 percent of farming entities received over 20 percent of all direct payments. The same year, 10 states received nearly two-thirds of all direct payments, yet produced only one-third of all agricultural GDP.

9. American taxpayers foot the bill for storage of cotton and peanuts to the tune of $57 million per year, money that could be wisely invested in research or infrastructure programs.

10. Cotton subsidies are a particularly egregious form of corporate welfare, funneling about $3 billion a year to fewer than 20,000 planters, who tend to use inordinate amounts of water, energy and pesticides.

22. Local Food: The Emerging Agricultural Economy

More Americans today care about the source of their food than ever before. As part of a burgeoning local food movement, they are seeking out organically grown fruits and vegetables, pasture-raised meat, eggs, and dairy products. They want to leverage their food dollars to support their local economy, family farmers, and high standards of animal welfare, and to consume the best tasting foods. They are turning farmers markets and community gardens into dynamic social hubs in urban areas, and pushing municipalities to change laws to allow for urban farming.

Local food is a dynamic vehicle for public health, job creation, resource protection, and food security—but Farm Bill policies have been relatively slow to catch on. Soon, though, it will be impossible for Washington policymakers to ignore a cultural phenomenon sweeping across cities throughout the country. Consider some of the trends in the rapidly evolving local food movement:

- America had more than 7,000 farmers markets in 2011, up from 2,746 in 1998.
- By 2009 more than 2,000 schools had Farm to School (FTS) programs to purchase locally grown food snacks and lunches for students. In 2001, there were just six such programs.
- According to USDA, sales of local foods totaled over $5 billion in 2010; 20 percent of those sales were direct to consumers.
- Cities and rural areas around the country have developed over 100 “food hubs” that serve as centers for storing, processing, and distributing foods grown in surrounding rural areas.

Shortening Food Supply Chains

New business models have vastly increased the amount of local food consumed, particularly in urban areas. Community Supported Agriculture arrangements engage members who pay a monthly or annual fee to a farm in return for regular deliveries of seasonal produce and foods like eggs, grassfed meats, and honey. Farm to School programs are changing schools’ purchasing...
ing priorities to give preference to local farmers so that lunch and snack programs include fresh fruits and vegetables, rather than frozen and processed ingredients. Farmers markets have expanded customer bases for producers and offered opportunities for consumers to participate in a local food economy by reaching into areas previously untapped by this model. Local producers in northern climates are using high tunnel greenhouses systems to extend the growing season for local greens and other high value crops.

Some Farm Bill grants and loans are helping stimulate these new, shorter supply chains. Programs like the Farmers Market Promotion Program, Seniors Farmers Market Nutrition Program, and Value Added Producer Grants have been around for at least a few Farm Bill cycles, long enough to sizably increase the number of markets and the production necessary to supply them. But truly scaling up local food capacity will require significant investment in infrastructure: processing facilities where produce can be prepared, dried, and packaged; multi-species slaughter facilities where regional livestock can be processed; hubs where foods can be stored centrally until distributed; and new retail outlets especially in areas where fresh food access is limited. USDA funding sources such as Specialty Crop Block Grants and Community Facilities Grants are just beginning to address such needs with programs to get more fresh foods into inner-city convenience stores, for example. Revolving loan funds and forgivable loan funds are just a few means that policy makers have to spur innovation and build infrastructure at the state and local levels.

In fact, the local food movement is challenging the Farm Bill's underlying conception of rural development. Is an urban farmers market that opens new business opportunities for producers who live outside the city technically "rural development"? What about a grant that helps a rural dairy set up a cheese-making facility in a county that is heavily urbanized? Current Farm Bill definitions around rural development pose funding limitations for counties that have both dense urban populations as well as a balanced rural sector capable of diversified local food production. The very idea of "rural development"—long a goal of Farm Bill program promoters—may become a pressure point for change as the clamor for increased local food production gains steam.

Underlying regional food production efforts is a broader public discussion about the best way to feed a surging global population. The conventional agriculture industry has for the most part shunned (and sometimes aggressively attacked) the regional food movement as elitist and boutique. They argue that local agriculture is unable to meet the needs of a rapidly changing world. Local food advocates are pushing against that charge. They view diversified regional food production as a necessary shift away from a food system that is almost totally reliant on heavily centralized large-scale producers and distributors. Rather than a threat, local food advocates see regional production as an essential complement to an industrial food system that is both vulnerable and overly centralized.

The ramping up of regional food production can be an engine for reviving economic development as well as an important evolution in a more diversified U.S. agriculture. The specialization of fruit and vegetable crops in just a few states—California and Florida in particular—offers important opportunities for job creation in communities around the country. One wonders what the effects of severe weather in either of those states could be on fresh produce supplies, for example. Similarly, the costs of shipping foods across the country could easily escalate as petroleum becomes more scarce. Diversification of fruit and vegetable production to the local level also has community development potential. An estimated 15 million acres of fruit and vegetable production would be required if people increased their consumption to satisfy USDA's dietary recommendations and that food was grown in the U.S.²

With increased exposure to risks from uncertain weather, rising energy costs, contamination, and a host of other factors, urban areas are looking at the scaling up of local food production as an integral element of basic food security. Motivated by public health concerns and the desire to enhance community development, local governments, food councils, NGOs, and others are working to boost local supplies of fruits and vegetables and to establish food outlets in neighborhoods where access is limited.

Know Your Farmer, Know Your Food

The public's growing interest in connecting consumers with farmers hasn't been entirely lost on the USDA. Over the course of the 2008 Farm Bill, Deputy Secretary of Agriculture Kathleen Merrigan launched the Know Your Farmer, Know Your Food (KYF2) initiative to put the promotion of local agriculture on USDA's agenda. KYF2 was a task force charged with breaking down traditional inter-agency silos in an attempt to identify opportunities to support local food production capabilities. Even though the program had no office, staff, or distinct budget, it immediately began to breathe new air into a bureaucracy gripped by the inertia of decades of supporting commodity agriculture. The KYF2 task force used its resources and skill sets to connect the dots between USDA programs and the revitalizing local food economy. Specific goals included:

- Stimulating food and agriculture-based community economic development;
- Contributing new opportunities for farmers and ranchers;
- Promoting locally and regionally produced and processed foods;
- Cultivating healthy eating habits and educating, empowered consumers;
• Expanding access to affordable fresh and local food; and
• Demonstrating the connection between food, agriculture, community and the environment.

Memos were compiled to identify existing programs that could fund local food initiatives, such as Value Added Producer Grants and Business and Industry Guaranteed Loan Programs. Already, efforts that fall under the Know Your Farmer, Know Your Food directive are having tangible impacts on citizens’ daily lives. A growing number of farmers markets now accept electronic SNAP benefits, spreading the local food movement to new sectors of the population.

Government grants and credit programs are spawning local businesses that create jobs and add value to farm products—jam, cheese, and vinegar facilities, and mushrooms raised in agroforestry operations. Disadvantaged farmers, young people, and high school students are all getting involved in agriculture as a result of USDA outreach and education programs. Crucial mapping has been done to identify productive livestock regions that lack nearby slaughter and processing facilities—a critical need in an era of overconcentrated meat packing and processing.

The Know Your Farmer, Know Your Food Initiative’s Regional Food Hub Subcommittee focused on studying and promoting one of the most dynamic developments in local food system work. Food hubs are central locations where local or regional crops are aggregated, stored, processed, and distributed. The business management structures for food hubs vary widely: some are private, others are nonprofits, some are extensions of food cooperatives. Food hubs service farmers on the one hand—many of whom may be too small to supply traditional wholesalers—and wholesale consumers on the other—restaurants and schools, for example, interested in sourcing local products that aren’t always readily available from wholesale. For small growers that don’t own refrigerated trucks or warehouse spaces, food hubs can be a godsend, providing much needed infrastructure and marketing support. Likewise, for purchasers seeking local foods, a food hub can provide a steady supply of otherwise hard-to-source products.

According to a USDA survey, food hubs in existence for an average of five years, for example, typically employ six or more people, work with 40 farmers and ranchers, and generate $700,000 in total gross annual sales. In addition, 40 percent of food hubs are specifically targeting areas with limited access to fruits and vegetables. One can expect the food hub to rapidly expand and evolve in municipalities around the country as a crucial nervous system for regional food production.

The Know Your Farmer initiative has also spawned partnerships outside of USDA. Nonprofit organizations across the nation, for example, are designing nutrition incentive programs to connect low-income families with small farmers through farmers markets. These programs help people receiving federal nutrition assistance in the form of SNAP or WIC vouchers to attend farmers markets and to use their assistance dollars to purchase healthy food—in many cases doubling their purchasing power when they buy fruits and vegetables. In California, Roots of Change (ROC) helped create the Farmers Market Consortium, which includes 8 local NGOs in 16 counties, benefiting 754 individual small farmers selling specialty crops at 124 farmers markets, 70 of which offer incentives. Over a two-year period, ROC and its regional partners raised nearly $250,000 in matching money, which has been distributed in $5 and $10 contributions to SNAP and WIC recipients who buy fresh fruits, vegetables and nuts at participating farmers markets. This not only puts healthy food on people’s tables but boosts local farmer income as well. Similar networks are managed by Market Umbrella in New Orleans, Fair Food Network in Michigan, and Wholesome Wave in several states on the East Coast. Together, these organizations are collecting data—such as weight loss and other health indicators—to share with Congress in order to create a permanent federal program that ushers in an effective approach to nutrition assistance across the nation.

Cities Taking Charge

In 2010, Seattle took a unique approach to Farm Bill organizing. Richard Conlin, president of the Seattle City Council, assembled a group that included health care practitioners, farmers, retailers, and other civic leaders such as Dennis Hayes, organizer of the first Earth Day. They drafted a set of food system principles, beginning with the idea that the Farm Bill could be an economic and policy driver of such concerns as social justice and community development. By taking on the Farm Bill as a local priority, cities may soon challenge the USDA with a whole set of new priorities around urban agriculture.

CITIES ACROSS THE COUNTRY IMMEDIATELY BEGAN TAKING NOTICE. DULUTH, MINNESOTA, ADAPTED THE PRINCIPLES FOR ITSELF. PHILADELPHIA, SALT LAKE CITY, NEW YORK CITY, AND MINNEAPOLIS ESTABLISHED FARM BILL WORKING GROUPS IN THE LEAD-UP TO THE 2012 FARM BILL REAUTHORIZATION. IN NOVEMBER 2011, THE NATIONAL LEAGUE OF CITIES PASSED A RESOLUTION SUPPORTING HEALTHY FOOD, PUBLIC HEALTH, AND SUSTAINABILITY BASED ON THE SEATTLE FARM BILL PRINCIPLES. THIS ORGANIZATION SUGGESTS A RESOURCES FOR MORE THAN 1,600 DUES-PAYING MEMBERS AND REACHES TENS OF THOUSANDS OF OTHERS THROUGH ITS NETWORK.
of thousands of other cities and towns through advocacy and networking programs.

These efforts to develop a vibrant agriculture at the interface of urban and rural areas are moving swiftly. By taking on the Farm Bill as a local priority, cities may soon challenge the USDA with a whole set of new priorities around urban agriculture. These discussions are already extending far beyond SNAP benefits and healthy food access. New York, for example, has been providing conservation incentives to farmers in surrounding rural areas for nearly a decade to ensure that their water supply is cared for far upstream, a policy that saves millions of dollars in mechanical filtration costs. Air pollution from farms and animal feeding operations is another critical issue with city policy makers, as is the preservation of beauty and wildlife in a region. Many cities are working on a variety of levels to contain urban growth boundaries and prevent future sprawl and subdivisions from gobbling up remaining productive lands. Farm Bill funding sources like the Farm and Ranch Lands Protection Program could help urban areas to protect surrounding farmland and open space, work already being led by land trusts and other organizations in many areas of the country.

Conclusion
Healthy foods produced locally—the kinds of efforts championed by the Know Your Farmer initiative, the Seattle Farm Bill Principles, and numerous food policy charters—are the tip of a burgeoning agriculture revolution. The motivation is not about expanding farmers markets so that elite urban consumers can buy expensive organic foods. It’s about saving small farms before they disappear altogether, and making good-tasting food a centerpiece of the debate around issues of health, environmental sustainability, and social equity. Rural and urban constituencies need one another. By supporting regional food production, we become healthier, happier, more engaged, more secure citizens.

Expanding local food production capabilities does not mean the end of trade or the end of supports to large-scale production. As the world’s food and health needs intensify and we are challenged by all kinds of unpredictable and unimaginable situations, we will need a wide range of sustainable food systems thriving and functioning properly.

If our Farm Bill dollars are limited, as they are and no doubt will be for the foreseeable future, our question should be how to best spend them. As more and more city dwellers and suburbanites realize how federal food and agriculture policies actually impact them, the Farm Bill may no longer be perceived as an arcane program to help Midwestern corn farmers and provide SNAP benefits to the poor. The Farm Bill may become, in the very near future, a local food bill too.
Activist Tool Kit: USDA Agencies and Farm Bill Programs Worth Looking At

Familiarize yourself with the work of agencies and programs from recent Farm Bills that have a record of achievement. Over the past two decades, a number of important programs have been created to promote a healthy food and farming system. See if they can be applied or expanded to your area of influence.

Agricultural Marketing Service
- Farmers Market Promotion Program
- Federal-State Marketing Improvement Program
- Specialty Crop Block Grants

Farm Service Agency
- Farm Loan Programs
- Farm Storage Facility Loans

Food and Nutrition Service
- Senior Farmers’ Market Nutrition Program
- Supplemental Nutrition Assistance Program
- Special Supplemental Nutrition Program for Women, Infants, and Children
- WIC Farmers’ Market Nutrition Program

National Institute of Food and Agriculture
- Agriculture and Food Research Initiative—Improved Sustainable Food Systems
- Agriculture and Food Research Initiative—Agricultural Economics and Rural Communities
- Beginning Farmer and Rancher Development Program
- Community Food Projects
- Small Business Innovation Research
- Sustainable Agriculture Research and Education

Natural Resources Conservation Service
- Conservation Stewardship Program
- Conservation Technical Assistance
- Environmental Quality Incentives Program
- Farm and Ranch Lands Protection Program
- Grassland Reserve Program
- Wetlands Reserve Program

Risk Management Agency
- Risk Management Education and Outreach

Rural Development
- Business and Industry Guaranteed Loan Program
- Community Facilities
- Rural Business Enterprise Grants
- Rural Business Opportunity Grants
- Rural Cooperative Development Grants
- Rural Microentrepreneur Assistance Program
- Value-Added Producer Grants

Step 1

Stay up to date. The Food and Farm Bill field is complex and constantly evolving. Check these websites to learn more about the issues and stay up to date with the latest news and changes:

Center for Rural Affairs
Lyons, NE
(402) 987-2100
www.cra.org

Environmental Working Group
Washington, D.C.
(202) 667-0982
www.ewg.org

Farm Bill Budget Visualizer
Baltimore, MD
http://www.fbpdi.edu/if/programs/visualizer/
FarmPolicy.com
www.farmpolicy.com

Institute for Agriculture and Trade Policy
Minneapolis, MN
(612) 470-6455
www.iatp.org

National Sustainable Agriculture Coalition
Washington, D.C.
(202) 547-5794
www.sustainable- agriculture.net

Watershed Media
Haldenburg, CA
(707) 435-2936
www.farmbill2012.org

Step 2

Get involved. Assembled here is a list of organizations, agencies, educational institutes, and other entities to help you find organizations in your field of interest or your area to work with.

Conservation Groups
- Defenders of Wildlife
  Washington, D.C.
  (800) 385-9712
  www.defenders.org

- Environmental Defense Fund
  New York, NY
  (800) 684-3322
  www.edf.org

- Green Cities California
  www.greencities california.org

- Izaak Walton League of America
  Gardnerville, MD
  (301) 368-0150
  www.iwla.org

- Natural Resources Defense Council
  New York, NY
  (212) 727-2700
  www.nrdc.org

- Soil and Water Conservation Society
  Ankeny, IA
  (515) 289-2351
  www.swcs.org

- Wild Farm Alliance
  Waseca, CA
  (855) 761-8408
  www.wildfarmalliance.org

- Xerces Society
  Portland, OR
  (503) 232-6639
  www.xerces.org

- Sustainable Agriculture
  Alabama Sustainable Agriculture Network
  Birmingham, AL
  (563) 346-1090
  www.alsustain.org

- American Farmland Trust
  Washington, D.C.
  (202) 331-7300
  www.farmland.org

- California Climate & Agriculture Network
  Seattle, WA
  www.ccalnet.org

- Dakota Rural Action
  Brookings, SD
  (605) 697-0871
  www.dakarural.org

- Ecological Farming Association
  Scoop, CA
  (831) 763-2111
  www.ecofar.org
Adjusted Gross Income – An income formula that determines eligibility for subsidy payments. At present, millionaires and non-farmers are welcome.

Appropriations – The annual process of allocating funds to specific programs within the Farm Bill and all other legislation. Programs can be funded at any level, regardless of what was authorized by the legislation.

Authorization – The writing and approval of legislation, theoretically determining how funds should be allocated. However, programs may or may not actually be funded at the authorized level.

Base Acreage – Historical planting records calculated by averaging the previous five years for wheat or feed grains, or the previous three years for cotton and rice, plus land idled through an acreage-reduction or diversion program. The result determines the amount of subsidy payments.

Beginning Farmer/Rancher – A person with less than ten years of experience operating a farm or ranch.

Budget Reconciliation – The process of changing authorized spending levels without re-authorizing an entire bill. This process can take place at any time, even in legislation intended to last for a set number of years.

Cellulosic Ethanol – Ethanol made from inedible plants or inedible parts of edible plants, including grasses, leftover corn stover, and woody materials.

Change in Mandatory Program Spending (ChIMPS) – A political term for when committees revise promised budgets for a program, usually to a lower amount.

Child Nutrition Act – A federal law originally passed in 1966 to assure the health of the nation’s children. The School Breakfast Program, Special Milk Program, and Special Supplemental Nutrition Program for Women, Infants, and Children are among the programs included in the act.

Conservation Reserve Program (CRP) – A program offering financial incentives to eligible farmers who agree to idle part of their land in order to prevent soil erosion, increase wildlife habitat, improve water quality, and reduce the damage of floods and other natural disasters.
Conservation Stewardship Program (CSP) — A green payment program that rewards landowners for habitat protection, chemical reduction, energy conservation, and other environmentally directed efforts.

Contained Animal Feeding Operation (CAFO) — An EPA term for an animal factory farm, which is regulated as a potential point source of pollution under the Clean Water Act.

Counter-Cyclical Payments — A program that provides financial stability and security to farmers producing certain crops like wheat, corn, upland cotton, and peanuts by making up any gap between the market price of the crop and a set target price.

Cover Cropping — Crops planted between harvests to restore and protect the soil.

Crop Rotation — A practice of changing crops between seasons to break disease cycles and naturally restore organic matter and nutrients to the soil.

Direct Payments — Automatic payments formally established in 2002 for landowners who formerly produced commodity crops. They do not need to be farming or producing commodity crops to receive the payments.

Disaster Assistance — Payments to compensate growers for weather-related losses.

Disincentive Programs — Penalties that deny landowners or farmers federal subsidies if they plow erosion-prone grasslands (Sod Buster) or drain or alter wetlands (Swamp Buster) to expand crop acreage.

Dried Distiller Grains and Solubles (DDGS) — The residual grains left over after corn ethanol production that are fed to live stock.

Environmental Quality Incentives Program (EQIP) — Financial and technical assistance to farmers to improve soil, water, plant, animal, and air related resources on agricultural land; unfortunately, a majority of these funds go to CAFO operations.

Farmers Market Nutrition Program (FMNP) — A program associated with the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), with an emphasis on providing access to local fresh produce.

Flat Funding — See ChMPing.

Food Crop Ethanol — A biofuel made from feed crops grown on arable land that could otherwise be used to grow food for humans.

Food Desert — A fresh food-free zone with (1) a poverty rate of 20 percent or higher or where 2) at least 500 people or 55 percent of the population lives more than one mile (in an urban area) or more than ten miles (rural area) from the nearest supermarket or large grocery store.

Food Hub — A central location for the aggregation, processing, storage, and distribution of locally or regionally produced foods.


Genetically Modified Organisms — Crops given specific attributes, such as resistance to herbicides, by being implanted with genes from another species.

Green Payments — Subsidies to support conservation efforts.

Know Your Farmer, Know Your Food (KYFD) — An effort within the USDA to promote the strengthening of local and regional food systems and to cultivate a national awareness of the value of local food systems.

Loan Deficiency Payments — Subsidies that provide an influx of cash when market prices are typically at harvest-time lows, allowing the producer to delay the sale of the commodity until more favorable market conditions emerge.

Marker Bill — A legislative bill used to introduce specific measures or issues into a larger legislative debate. While not intended to ever come to a vote on the floor, a marker bill is proposed as a “placeholder” for specific aspects of a larger bill.

Monoculture — A large area planted with one single crop, usually with detrimental effects on biological diversity.

Omnibus — A single piece of legislation that addresses several measures or diverse subjects.

Peak Oil — The point at which half of the world’s petroleum has been tapped, after which supplies begin to rapidly decline.

Principal Farm Operator — The person designated as most responsible for making daily decisions about the farm business and running the farm, in the case that there is more than one person performing these tasks.

Production Agriculture — An agricultur- ism term describing commodity-based industrial agriculture: predominately corn, cotton, wheat, rice, soybeans, animal foods, and sugar.

Rural Energy for America Program (REAP) — Grants to fund on-farm renewable energy and energy conservation projects, formerly known as Section 9006 grants.

SNAP-Ed — A program that provides nutrition education to recipients of Supplemental Nutrition Assistance in order to help them make healthier choices.

Sod Buster — A disincentive program included in the 1985 Farm Bill that withdrew federal payments from farmers who plowed up protected grasslands.
Sod Saver — A provision to deter landowners from converting grasslands, particularly native sod, to cropland in the drought and flood-prone lands of the Prairie Pothole Region.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) — A program that provides nutrition and other health assistance to pregnant and postpartum low-income women and children up to five years of age found to be nutritionally at risk.

Specialty Crops — Farm Bill term for fruits, nuts, vegetables, dried fruits, and nursery crops.

Supplemental Nutrition Assistance Program (SNAP) — A program that helps people who cannot afford sufficient nutrition for themselves and their families to purchase food.

Swamp Buster — A disincentive program included in the 1985 Farm Bill that withdrew federal payments from farmers who drained wetlands.

Three Boxes — The World Trade Organization’s three classifications of government supports to agriculture: Amber, Blue, and Green.

Target Price — A price floor established by Congress for agricultural products. When the price of a good falls below this point, deficiency payments kick in.

Trade Distorting Subsidy — A subsidy that artificially depresses prices for a given good, giving that country’s exports a market advantage over the competition.

Wetlands Reserve Program (WRP) — A voluntary easement program that pays farmers to preserve wetlands, aiming to achieve greatest wetland function and wildlife habitat.

Wildlife Habitat Incentive Program (WHIP) — Financial and technical support for farmers to establish practices that improve fish and wildlife habitat.


“Austerity, Farm Style.” Chicago Tribune, April 2013.


...transcript...

Clayton, James. “Organic Foods in Relation to Nutrition and Health: Key Facts.” Information Sheet summary of “Coronary and Diabetic Care in the UK 2004,” by the Association of Primary Care Groups and Trusts, Soil Association, United Kingdom.


