

## New Farm Policy

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“It will help save the family farm,” is the promise made by each new Farm Bill passed by Congress since the Great Depression. However, fewer family farmers have survived each new farm bill. The early Farm Bills were actually meant to help farm families. Back in the 1930s, farmers still accounted for a third or so of the population and the nation needed family farms to provide food security for a growing population. Following World War II, the focus of farm policy shifted to food security through economic efficiency, which resulted in fewer, larger farms and fewer farm families. More recently, the policy priority has shifted to global competitiveness of American agriculture, thus relying on global markets for national food security. For several decades, “saving the family farm” has been little more than rhetoric to gain public support for programs that increasingly subsidize wealthy landowners and agribusiness corporations – at the expense of family farmers and taxpayers. The first priority for a *new* farm policy should be to eliminate the *old* farm policy.

In the early 1900s, America was still an agrarian nation. The transition from small family farms to large commercial farms seemed to make sense at the time. A more efficient agriculture freed farmers to work in the factories and offices of a growing industrial economy and reduced the claims of food on consumers' incomes, allowing them to buy the things produced by the new industrial economy. Today, however, less than two percent of Americans are farmers and consumers only spend about ten percent of their income for food. Furthermore, of each dime spent for food, farmers only get about two cents; the other eight cents goes to cover the costs of food processing and marketing.

Our current farm policy simply doesn't make sense anymore. There are few people left on farms to be moved into factory and office jobs, even if those kinds of jobs still existed. So little of consumer income is spent for food and so small a portion of food costs are associated with farming, that the *efficiency* of farming no longer makes much difference in public well-being. In addition, the industrial farming methods supported by government programs are now the source of rising public concerns. The industrialization of agriculture – specialization, standardization, and consolidation of agriculture into larger and fewer farming operations – is creating far greater ecological and social costs than can be justified by any possible remaining public benefits.

The agro-industrial establishment continues to defend current farm programs as being necessary for national food security. To the contrary, current farm programs, with their industrial agricultural bias, are helping to bring American agriculture under the contractual control of a handful of multinational food corporations. These corporations are not people; they have no family, no community, and increasingly, no nationality. Their primary responsibility is to their global stockholders, not American consumers. Eventually, these food corporations will produce agricultural commodities wherever in the world they can produce at the lowest cost. Increasingly, that will be somewhere other than America, because our land and labor costs are too high to be globally competitive. A nation's only real food security is in the natural productivity of its farmland, and in farmers who are committed to caring for that land for the

benefit of themselves and others of *their* nation. The only real food security for America is its *new* sustainable farms and farmers.

Most new farmers pay little attention to national farm policy; they don't qualify for most government programs and seem to have a basic distrust of government. This attitude is understandable, even though new farmers should be the logical beneficiaries of conservation and environmental programs and the few organic and sustainable research and education programs.

The seminal government program for agricultural sustainability appeared in an “agricultural productivity” provision of the 1985 farm bill. It was supported by a coalition made up of conventional farmers who were concerned about the farm financial crisis and the economic viability of farming. They were joined by organic farming advocates, who were concerned about the impacts of conventional agriculture on soil productivity and environmental quality, and rural advocacy organizations, who were concerned about economic and environmental impacts of agriculture on rural communities. The program emerging from this provision was called Low Input Sustainable Agriculture (LISA). The program was retained and expanded in the 1990 farm bill. Its name was changed to Sustainable Agriculture Research and Education (SARE) and it has continued to receive minimal funding in each farm bill since, including the Food, Conservation, and Energy Act of 2008.

Sustainable agriculture was defined by the LISA and SARE programs as integrated systems of crop and livestock production that: conserve natural resources and protect the environment, maintain the viability of the agricultural economy, and preserve a desirable quality of life for farmers, rural residents, and society as a whole. The National Organic Program expanded this agenda in 2002 by providing USDA standards for certification of organic foods, accompanied by modest funding to support research on organic farming methods. Various other government programs have provided indirect support for sustainable agriculture, including a small program to promote farmers markets and other local foods programs. However, USDA funding for sustainable and organic agriculture remains an insignificant aspect of the USDA agricultural research and education budget.

Several more significant government programs over the years have focused on soil and water conservation. However, such programs have done little more than slow the agricultural industrialization process. Lands taken out of production and diverted to conservation uses under programs such as the current CRP have invariably been brought back into production during times of production shortfalls and rising prices. Funds from some environmental programs such as the current EQIP have been diverted to uses that actually subsidize agricultural industrialization. The relatively new Conservation Stewardship Program shows some promise in that it rewards farmers for ecologically sound farming practices. However, it has been adamantly opposed by industrial agriculture advocates and is subject to being co-opted, as other programs have been, now that it has received significant funding in the 2008 farm bill.

The best hope for national food security is to rethink U.S. agricultural policy, from the ground up. I have proposed that current farm programs linked to specific commodities – corn, soybean, wheat, rice, cotton – be replaced with a farmers' *tax credit*. Currently authorized spending levels for farm commodity programs would allow each full time farmer to receive a payment of at least

\$20,000 per year to be credited against any tax liability. Farmers would have to submit a whole-farm plan, such as required for the new Conservation Stewardship Program, for transitioning from conventional to sustainable agriculture in order to qualify for the farm tax credit.

Farmers who were approved for the tax credit would pay a higher *tax rate*; I have suggested 50% of net farm income. Thus, as net farm income increases, the advantage of the individual farmer's tax credit would diminish. At a net farm income of \$40,000, for example, the taxes owed (50% of \$40,000) would offset the \$20,000 tax credit. At some higher level, probably between \$60,000 and \$80,000, the farmer would be better off to give up the special farm tax credit, and pay taxes as any other business. At this point, however, the sustainable farming operation would be sufficiently profitable to ensure its sustainability without any further government support.

Farmers and ranchers would be free to own and operate as many acres and to produce as much as they choose, but the tax credit would be limited to a specific amount for each full-time, independent farmer. No one would dictate who should produce how much of what products. Those decisions would be made by farmers and ranchers, not by the government, and not by the multinational corporations. Farmers and ranchers who chose not to participate in the farmer's tax credit program would not be required to have a sustainability transition plan but would not be allowed to exploit their land or degrade the natural environment. Such farms would be classified as industry, rather than agriculture, and would be subject to the same environmental regulations as any other industry. No one, either American or foreign, has the *right* to exploit either the land or the people for short run economic gain.

The tax credit program would provide farmers and ranchers with many of the employment security benefits available to other public workers – minimum wages, unemployment benefits, and workers compensation. They would have the assurance of the tax credit to tide them over in years of crop failures, depressed prices, and times of ill health or other economic setbacks on their way to achieving sustainability. Over time, farmers and ranchers would be required to show progress toward sustainability to remain eligible for the tax credit. If, after some specified number of years, they fail to achieve economic sustainability, they could be helped to find employment elsewhere, freeing up their farm for a beginning farmer, who would then be eligible for the farm tax credit. New farmers don't need a government handout; they just need a fair chance to prove their worth.

The necessary changes in farm policy are not likely to occur without a rebellion of consumers and taxpayers against the current industrial food system and the government programs that support it. The most important thing new farmers can do to help is to demonstrate that the *new* farm is a *better* farm – for farm families, rural communities, and society. The future depends on new farms and new farmers; there can be no higher public policy priority than a *new* farm policy.