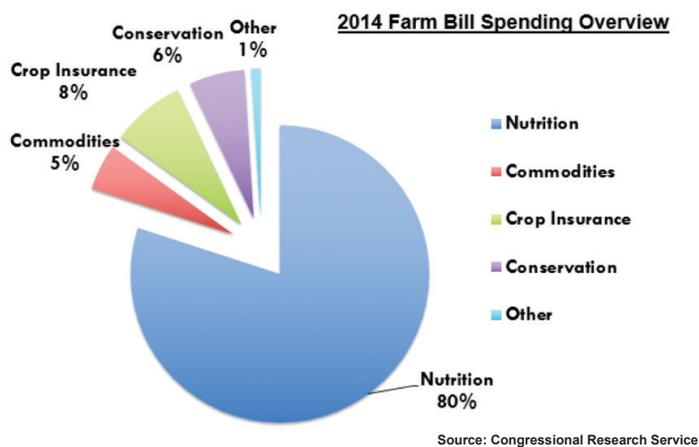


# The 2018 Farm Bill: I Live in Town, Why Should I Care?

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The federal Farm Bill really, really matters. In a predominantly agricultural state like Kansas, land use is overwhelmingly directed by the Farm Bill through subsidies for a few, select crops and some conservation programs. Farm Bills are passed by Congress every four to six years with the last Farm Bill coming in 2014. Kansas will now have a front row seat to the Farm Bill debate because Senator Pat Roberts is the chairman of the U. S. Senate Agriculture committee. As citizens, we can only hope there will be a serious and substantive debate on farming, on food and the true impact on our natural resources.

## What is the Farm Bill?



Farm Bills contain much more than just farming programs. In fact, eighty percent of their spending goes for nutrition programs, with food stamps (now called the Supplemental Nutrition Assistance Program—SNAP) being the largest program. Senators Bob Dole and George McGovern put food stamps in the 1977 Farm Bill to keep urban legislators supportive of farm subsidies. According to a November 2015 report from the Kansas Health Institute, one-sixth of households in Kansas are food insecure, meaning there may not be enough food in the household at the end of the month. If Congress were to block grant the SNAP program with a spending cap to the states and force the states to cost-share the program, greater instances of hunger in Kansas would occur—especially for children, because SNAP is the largest child-nutrition program in Kansas. SNAP provides food assistance to 107,873 children and 122,358 adults today in Kansas.

The remaining twenty percent of Farm Bill spending is for farm programs in this order: five percent for commodities, eight percent for crop insurance, six percent for conservation and one percent for all other marketing and research activities performed by the United States Department of Agriculture (USDA). Unfortunately, the actual payments to farmers are not distributed in a way that benefits the average farmer. The largest farms receive the greatest share of all Kansas farm payments. Eighty-seven percent of the commodity- and crop-insurance payments go to the top twenty percent of the 61,773 Kansas farms. This tends to drive consolidation of large farms and disadvantages beginning farmers. (These numbers can be verified at <farm.ewg.org> because farm payments are public records. Of the 61,773 farms in Kansas, only seven percent are operated by farmers under the age thirty-five.)

Comparison of statistics over the past several decades confirms these effects: in 1980, Kansas had 5,600 dairies in the state, but fewer than 400 remain today. Fifty mega-dairies account for two-thirds of the 120,000 dairy cows. Similarly, Kansas had over 13,500 hog farms in 1980 but today there are fewer than 1,400. Ninety-five percent of all pork sales come from 311 large, confined-feeding hog operations. The largest ten percent of farms in Kansas account for seventy-five percent of all farm sales. Eighty-six rural counties of the 105 counties in Kansas are now designated as “rural opportunity zones” because they have lost so much population in the last few decades. Since 2010, out of the 320 cities that had a grocery store, eighty-five have now lost their only grocery store.

In essence, Farm Bills subsidize five crops: corn, soybeans, wheat, cotton and rice. The USDA’s recommended Food Plate is supposed to be fifty percent fruits & vegetables, thirty percent grains (preferably fifty percent whole grains), twenty percent protein (meat to beans) and a serving of dairy on the side. The Farm Bill “agricultural subsidy plate” is a whole other matter. Feed grains (for meat and dairy, not human consumption) account for sixty-three percent of Farm Bill subsidies. Food grains account for only twenty percent. Sugar, starch, oil and alcohol account for fifteen percent, while nuts and legumes get two percent and fruits and vegetables less than

one percent. If the Farm Bill subsidies do not match up well with the USDA Food Plate recommendations, they do correlate more closely with the popular American diet of sugar, salt and fat, which is spreading worldwide, accompanied by an exploding obesity epidemic. Unfortunately, fewer than fifteen percent of all Kansans meet that dietary goal of five produce servings a day, while Kansas imports ninety-five percent of all the produce consumed in the state. Kansans spend over \$770 million yearly on fruits and vegetables but less than \$40 million is grown in Kansas.

The mantra is that the world's population will hit 10 billion by 2050, so food production will have to be doubled. Dr. Rhonda Janke's research provides a suggestion for hope. She has shown that Kansas could grow 100 percent of our primary fruit and vegetables on less than 100,000 acres; however, today there are fewer than 10,000 acres in produce. Kansas has approximately twenty-one million acres in cropland of which three million acres are under irrigation, nine million acres in wheat, five million in corn and four million in soybeans. There are an additional sixteen million acres in pasture. From a humanitarian perspective, exports of feed grains from the United States primarily go to the developed nations for their meat consumption, not to combat hunger in the poorest nations. So, the question might be asked: "What are we going to feed the world and how could the world feed itself?"

Consolidation and corporate control can hardly be overstated in food production in the United States. Four corporate firms (Cargill, Tyson, JBS, National Beef) now control eighty-two percent of the beef market. These companies have divided up the market among themselves, so many feedlots are getting only one packer bid. Over seventy percent of live cattle are either packer owned or forward-contracted to a given packer. JBS is a Brazilian firm and now the largest meat company in the world. JBS just paid a \$3.2 billion fine for political corruption.

In the pork world, there is no free market left since ninety-eight percent of hogs are now packer owned or forward-contracted to a given packer such as Smithfield Foods, Tyson, JBS or Cargill. Smithfield Foods has recently been bought for \$5 billion by a Chinese firm (WH Group) which has been given significant investments from the Chinese government. China now owns one of every four hogs in the U.S.

The poster-food industry for corporate control is the chicken industry dominated by companies such as Tyson, JBS, Perdue and Sanderson. These companies have fully integrated their poultry operations by owning the animal

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from the genetics, through the hatchery, through the chicken house, through the processing plant, to the retail meat counter. The chicken growers that contract with Tyson must raise the \$200,000 to construct a chicken house and are responsible for disposing of tons of chicken litter, paying the utility bill to keep the birds alive, and getting rid of any dead birds. Today, the majority of chicken growers live in poverty without some outside income. (*Consolidation, Globalization, and the American Family Farm* – August 2017 Policy Brief – Organization for Competitive Markets [www.competitivemarkets.com](http://www.competitivemarkets.com))

Recall that only six percent of Farm Bill spending goes to conservation initiatives. Nevertheless, conservation programs have been very important in Kansas. By far the largest is the Conservation Reserve Program (CRP) that was authorized in the 1985 Farm Bill to provide



Cattle feedlot and waste water lagoon, courtesy of Kansas Geological Survey, Bill Johnson, photographer.

environmental and economic benefits through voluntary partnerships. With the use of ten-year contracts, CRP restores wetlands, provides natural habitat for wildlife, protects streams and removes carbon dioxide from the air. Because of federal budget cuts, CRP has been downsized nationally from thirty-five million acres to 23.5 million acres, with only 7.3 million of this acreage now in continuous CRP sign up for conservation practices. The Conservation Reserve Enhancement Program (CREP) accounts for 1.1 million acres through 47 agreements in 33 states. Kansas has just over two million CRP acres.

The Conservation Stewardship Program (CSP), which was expanded in the 2014 Farm Bill, supports conservation measures on working farms. In 2016, Kansas had a budget of \$5.1 million for this program, which supported 478,000 CSP acres through 243 contracts. Because of this limited funding, just fifty-six percent of the qualified applicants were funded. The other key environmental program is the Environmental Quality Incentives Program (EQIP) that funds not only on-farm conservation programs but also environmental quality waste controls for large Confined Animal Feeding Operations (CAFO). In 2016, Kansas had 902 EQIP contracts totaling \$23.4 million. But only thirty-seven percent of eligible applicants were accepted. With more generous funding for these programs, Farm Bills could do much, much more for conservation and restoration of the natural ecosystems. The need is there, as is the interest on the part of Kansas farmers.

In the light of these facts, what should a sound Farm Bill look like? There could be significant improvements to the 2018 Farm Bill. Congress should put strict subsidy limits for commodity payments and crop insurance to the largest farms, phased in over five years. Crop insurance subsidies should require conservation practices and be expanded to cover more specialty crops and diversified farming operations. The funding saved by capping commodity payments and crop insurance could be used

to fully fund the best environmental CRP practices and expand funding to all eligible applicants for CSP. Instead of relying on specific crop subsidies and crop insurance payments, increased conservation payments for many more farmers could give them an income floor to diversify their operations into more specialty crops, management-intensive grazing and greater use of cover crops to improve habitat and preserve soil.

As the average American farmer passes sixty years of age, there need to be focused, beginning-farmer programs to transition land to the next generation. Existing and new anti-trust law, such as banning packer ownership of animals, should be enacted and enforced to bring a freer and fairer market for the farmer and the consumer. Regional and local food markets should be expanded to ensure a safer and more resilient food supply in these times of climate change and natural disasters.

To learn more about better ways to design Farm Bills for the future, consult the National Sustainable Agriculture Coalition (NSAC), which is a coalition of over 100 grassroots organizations nationwide that promotes a healthier, more vibrant food and farming system. NSAC was key in developing the Conservation Stewardship Program for working farms. NSAC's priorities include sustainable/organic research, beginning-farmer programs, expanding conservation programs, enforcing/expanding anti-trust laws, supporting regional food systems and advocating for farmworker fairness and safety-net food programs. NSAC has assisted with the introduction of the "Local Farms Act" in Congress. NSAC distributes weekly email reports. The website for NSAC is: <[sustainableagriculture.net](http://sustainableagriculture.net)>.

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