Reaction To The Farm Bill

“There is something profoundly wrong when a legislative majority is so eager to risk leaving so many Americans hungry,” writes E.J. Dionne Jr. in an op-ed in the Seattle Times. “That’s what the [House Farm Bill] would have done, and why defeating it was a moral imperative.” The bill cut the SNAP/Food Stamp Program by $20.5 billion, cancelling nutrition assistance for two million people, “many of them working families with children or senior citizens.” The billions in cuts in the Farm Bill should have been enough to kill the legislation – then Republicans backed an amendment toughening work requirements. That amendment violated “the most basic standards of human decency,” said Robert Greenstein, president of the Center on Budget and Policy Priorities, since it did not create employment, as other work requirements have done in the past, for people who “want to work and would accept any job or work slot they could get, but cannot find jobs in a weak economy.” Rep. Rosa DeLauro (D-CT) was highly critical of Republican House members who received farm subsidies from the bill, yet voted to cut SNAP/Food Stamp funding. The program has been “an enormous success in curbing hunger in our rich nation,” writes Dionne, “while also serving as a powerful stimulus to economic recovery in hard times.” The SNAP/Food Stamp Program, in its current form, was a bipartisan product of an alliance in the 1970s between former Senators Bob Dole and George McGovern, who were “both horrified that too many Americans were going without nourishment.”

The House Farm Bill, which contained more than $20 billion in cuts to the SNAP/Food Stamp Program, which would have cancelled benefits for millions, was defeated on June 20 in the House of Representatives by a vote of 234 to 195. Congresswoman Robin Kelly (D-IL) voted against the bill as she participated, with 30 other House Democrats, in the Congressional SNAP/Food Stamp Challenge to draw awareness to the challenges low-income Americans who receive SNAP/Food Stamps go through every day in order to put food on the table. “The SNAP program is a means of survival for more than two million residents in Illinois,” said Rep. Kelly. “The proposed massive cuts would have taken food out of the mouths of our children and made it that much tougher for working families and seniors to meet their basic food needs…I look forward to working with my colleagues to pass a Farm Bill that supports our farmers while also protecting the nation’s vital food safety net.”
In shopping for the Challenge, Rep. Kelly found it was tough to afford healthy food on a budget of $4.50 a day. Before the House vote, an amendment restoring the more than $20 billion in SNAP/Food Stamp cuts was defeated. “This is a debate about values and priorities,” said Rep. Jim McGovern (D-MA), the amendment’s sponsor. “Let us give priority to those among us who are struggling in these hard times.” Minority Leader Nancy Pelosi (D-CA) noted she is continually surprised that, in the world’s most affluent country, “one in four or one in five children goes to sleep hungry at night.”

Two freshman Representatives, Marc Veasey (D-TX) and Beto O’Rourke (D-TX), recently participated in the Congressional SNAP/Food Stamp Challenge, living on $4.50 a day in food, the average daily SNAP/Food Stamp recipient’s benefit amount. Veasey said that the proposed cuts to the SNAP/Food Stamp Program would hurt constituents in Democratic and Republican districts; 171,000 Texans would lose their benefits in the House version of the Farm Bill, according to the Texas Food Bank Network. Veasey grew up in a household that struggled financially, and said that his Challenge experience “was unlike anything I’ve faced, even as tough as I had it growing up. People should have more sympathy for those who are on SNAP.” His Challenge participation left him “pretty hungry by the end of the day,” and he was “constantly reminded that there are people in America who live on this and less every day.” Republicans, he said, are not serious about deficit reduction, as they are choosing to cut SNAP/Food Stamps while working to award agribusiness with subsidies. Instead, they “need to come talk to the people affected by this vote,” which would be “absolutely devastating to low-income families.”

The Illinois Department of Human Services was authorized to offer assistance through the Disaster SNAP/Food Stamp (D-SNAP) Program to 33 counties affected by April floods. Eligible for benefits were residents with flood-related damage and paid unreimbursed disaster-related expenses, or lost income from floods occurring April 16 through May 15. Total income and assets available to a household during the flood are taken into consideration when determining D-SNAP benefits levels, and households can deduct, with expense verification, non-reimbursed disaster-related expenses from their income.

Feed the Children cannot support a Farm Bill that disproportionately hurts those who struggle to put food on the table,” the Oklahoma-based organization told KRMG. The SNAP/Food Stamp cuts “run counter to our goals,” noted the organization in a statement. The program helps battle hunger for 272,000 Oklahoma children and generates $1.6 billion in the state’s economy. The food distributed by charities in the U.S. only amounts to 6% of the amount of food distributed by federal nutrition programs including SNAP/Food Stamps and school meal programs. “As millions of families are struggling to put food on the table, now is not the time to cut SNAP,” said Kevin Hagan, president of Feed the Children. “Feed the Children daily witnesses the success and efficiency of this program in meeting the basic needs of the most vulnerable. SNAP works, reaching those greatest in need.”

New statistics show that areas in Massachusetts are relying heavily on the SNAP/Food Stamp Program, and Governor Deval L. Patrick said he’s worried that so many people need the assistance. When Governor Patrick was a child in Chicago, his family
received SNAP/Food Stamps. “It’s a modest benefit,” he said. “It’s just a way to sustain yourself until you can get up on your own feet. The reason the program utilization has expanded…is because more people have needed them and we’re doing a better job of finding where those people are and who they are.” In June 2001 there were 200,000 SNAP/Food Stamp recipients in Massachusetts, and the number has climbed to 887,900 recipients, according to statistics the governor recently released. Boston SNAP/Food Stamps participation is at 21% of residents; 45% of Springfield residents rely on the program, as do 42% of Holyoke residents 25% of Worcester residents. The Springfield and Holyoke numbers indicate the “real economic pain” in those communities, said John S. Baick, professor of history at Western New England University in Springfield.

Rep. Doug LaMalfa (R-CA), a rice farmer from California’s Central Valley, “is proud to stand up for the principles of limited government and individual responsibility,” writes Michael Hiltzik in this column. Rep. LaMalfa is also skeptical about SNAP/Food Stamps and other safety net programs, seeing them as part of the “oppressive” government co-opting funds from working people. However, LaMalfa’s farm, which he co-owns with family members, received $5.1 million in government crop subsidies between 1995 and 2012. At a recent hearing in Washington, Rep. LaMalfa said individuals and churches are better for helping the poor, as that help “comes from the heart, not from a badge or from a mandate.” The average SNAP/Food Stamp participant receives about $1.48 in assistance per meal, and in 2011 only 2% of households receiving SNAP/Food Stamps had disposable income above the poverty line. Program enrollment skyrocketed 70% from 2007 to 2011, when it reached 45 million people according to the Congressional Budget Office; at the same time, unemployment rates also soared. Congress, though, proposes cutting SNAP/Food Stamp funding while expanding and protecting farm subsidies. Farm Bill crop insurance currently pays farmers 90% of the benchmark price for wheat, corn, rice and other commodities — and today’s prices are historically high. These payments are “a bait-and-switch,” said Scott Faber, vice president for government affairs at the Environmental Working Group. “[B]oth houses are taking savings from direct payments and plowing them into new entitlements.” Hiltzik concludes by asking “Why is it important for government to skip out on aid for families, but pony up for farmers like [LaMalfa]?"

Knowing how long households are food insecure, and how frequently, is important in order to maximize the effectiveness of programs designed to alleviate it. According to studies by USDA’s Economic Research Service (ERS), food insecure households – those households unable at times to acquire adequate food because they lack enough money or resources – infrequently experience food insecurity for five years. Two studies, The Survey of Program Dynamics (SPD) study and The Early Childhood Longitudinal Study (ECLS) analyzed food security of households with children from 1998 to 2007, when the children were in kindergarten and grades 3, 5 and 8. While 16.9% of households in the SPD study were food insecure in at least one of the survey years, only 1.0% of households in the study were food insecure in each of the study’s five years. The ECLS report found the same proportions. Very low food security was found to be even more transient. “A corollary of the extent to which households move in and out of
food insecurity is that a considerably larger number of households, are exposed to food insecurity at some time over a period of several years than are food insecure in any single year,” notes this Amber Waves article by Mark Nord. The studies suggest that USDA’s nutrition program must be quick and flexible enough to meet the needs of a large share of food insecure households experiencing transient food insecurity, while also meeting the needs of the smaller portion of households that are food insecure because of chronic or persistent conditions.

Multimillion-dollar taxpayer-backed safety nets for sticky-rice makers, alfalfa growers and catfish farmers are just three of the myriad subsidies tucked into the House farm bill. With more than 100 amendments tacked on and more being considered, neither side of the aisle was entirely happy with bill.

That’s good, critics say, because as a whole, the bill does little to fix the decades of loopholes and costly subsidies that make another appearance in the bill. Other big beneficiaries of price guarantees in the House bill include peanut and cotton farmers.

“This so-called farm bill is filled with corporate handouts,” Christine Harbin, a federal policy analyst for Americans for Prosperity, said. Harbin’s group objects to the subsidies farmers receive to buy crop insurance – a practice she calls “corporate welfare.”

One federal subsidy would guarantee farmers of Japonica Rice – the kind used in sushi rolls -- that if market prices dip below 115% of the average price of all types of rice, the government would pick up the difference.

These programs were initially put in place to protect farmers by supplementing their income during difficult harvest. Supporters say some of the subsidies are still needed in order to provide a strong safety net for America’s farmers, who fuel one of the country’s largest industries.

Most of the discussion in the House has centered on funding for food stamps but now others are raising alarm about subsidies that remain in the bill.

Scott Faber, vice president at the Environmental Working Group, calls the House version of the bill “terrible” and a “windfall” for already profitable farmers and insurance companies.

Some of the subsidies are rooted in programs written in the 1930s when the country’s agriculture landscape looked a lot different than it does now. Back then, American farmers were being edged out of their livelihoods and reporting record losses. Today, farmers are earning more than they have in four decades.

Critics of the bill also want the government to scale back or modify who it provides aid to. They say the areas of the biggest waste include billions of dollars on subsidies that benefit businesses and people who don’t need the assistance to stay afloat. Bruce Springsteen and Jon Bon Jovi are just two examples of rich rockers-turned-farmers benefiting from taxpayer dollars. Between 1995 and 2012, the government gave American farmers $256 billion in subsidies. Springsteen received some because he leases land to an organic farmer. Bon Jovi, who raises bees on his estate, benefitted from a government program where he only had to pay $100 in property taxes.
While the crops are made in the USA, they are being insured by private companies in Japan, Switzerland, Australia and Canada. According to a report by Environmental Working Group, Americans paid over $7.1 billion from 2007 to 2011 to sell crop insurance policies to 20 foreign insurance companies.

Taxpayers’ pay 38% to 80% of premiums to insure more than 100 commodities, and subsidize insurers for administering the coverage -- but the costs have skyrocketed to $3.1 billion from 2000-2006. Estimates for 2013-2022 are around $8.9 billion a year, according to The Heritage Foundation.

The government has a commodity program that gives farmers unable to secure commercial credit the opportunity to borrow money. Direct loans are available for up to $300,000.

Another key component of the Farm Bill is the Direct Payments Program. This program gives payments to producers based on past production; farmers collect the payments even when prices are high or their land is uncultivated, provided their average annual farm income does not exceed $750,000. In some cases, however, high-income commercial farms gathered millions of dollars in subsidies without planting a single seed.

Food stamps and farm subsidies are joined at the hip in part because the former (a.k.a. the Supplemental Nutrition Assistance Program) is overseen by the Department of Agriculture, which also administers the panoply of farm supports. The combination is politically expedient because it puts lawmakers from urban areas with high poverty rates on the same side as those from farming regions.

This year the urban-rural coalition has been threatened in the House by the bill’s proposal to reduce food stamp spending by $20.5 billion over 10 years. That's on top of the reduction in food stamp benefits scheduled for November, when the temporary boost Congress provided in the 2009 stimulus bill expires.

The $20.5-billion cut, which would shave less than 5% off the program's budget, wouldn't be deep. But with about 1 in 6 Americans on food stamps, even a trim has a sizable effect. In this case, it would cause an estimated 1.8 million people -- typically, the working poor Americans -- to lose their benefits, and an addition 1.7 million would see their benefits shrink.

The argument that food stamps breed dependency or discourage people from working is a myth. On the contrary, the data suggest that most people receiving the aid are trying to work their way out of poverty.

It takes a special insensitivity to appearances to be able to propose a cut in food stamps while offering yet more welfare for farmers -- including giant agribusinesses.

The House proposed to do away with the "direct payments" program, an income-guarantee program to farmers based on acreage they farmed and the crops they historically planted. In its place, it has proposed new forms of protection that could prove to be even more expensive.

Another is "price loss coverage," that would have taxpayers cover the difference if crop prices fell below the federal target. An alternative, called "revenue loss coverage," would have taxpayers fill in the gap when a farmer's income falls below 85% of what it would have been had prices stayed at recent
averages. The bill also would provide subsidies for supplemental crop insurance policies that guaranteed up to 90% of a farmer's income.

The common thread is that the bill seeks to maintain farm incomes near their current levels, which are remarkably high. That's a far cry from the ostensible purpose of farm programs (to protect vulnerable family farmers from ruin); it's a potentially costly gamble, agricultural economist Vincent Smith of Montana State University opined in U.S. News & World Report. "If crop prices shift towards longer-run historical levels, taxpayers could face an estimated $16 to $20 billion in new farm subsidy costs," Smith wrote. "That's a lot of money, and most of it would go to the wealthiest farmers, corporations and landowners in the farm sector."

According to the U.S. Public Interest Research Group, almost three-fourths of the subsidy dollars go to just 4% of the country's farmers.

The principle underlying the federal farm program is simple: To ensure a reliable food supply, farmers should be protected against the vicious ups and downs in harvests and crop prices. But policymakers have never been willing to take the most direct approach to the problem, which would be a means-tested system that helps only those farmers who run into trouble.

Considering the federal government's fiscal problems, which contrast sharply with the healthy profits rung up by American farmers in recent years, now would be a good time for Congress to tackle the corporate welfare in the farm program -- not just the food aid in the farm bill.

CONTACT CONGRESS

Tell your members of Congress that now it has an opportunity to create a farm bill that is balanced in what it provides in corporate welfare in farm programs and what it provides in food aid to poor and hungry people at home and abroad.

A balanced farm bill must not ignore the needs of farmers nor increase hunger in the United States and abroad.

The USDA’s nutrition program must be quick and flexible enough to meet the needs of food insecure households suffering chronic or persistent hunger.

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