

Excessive and untargeted farm subsidies are a highly ineffective use of taxpayer dollars. Currently, farm subsidies provide few benefits to the public, let alone intended beneficiaries – small and struggling farms. Farm subsidies do a poor job of promoting rural development and sustaining farming communities and economies. Instead, farm subsidies encourage overproduction, farm consolidation, contribute to rural population loss and distort international trade.

## Reforming the 2007 Farm Bill: Using Our Tax Dollars Wisely



The current system does not serve as a family safety net or support the development of rural America. In fact, most farm households receive the vast majority of their income from off-farm sources. In 2004, the average farm household income climbed just above \$81,000, but only 17% was from farming revenue. Farm employment has also seen a decline of 30% over the last two decades and the number of farms has decreased by about 70% since the mid 1930's.

Farm subsidies are already capped at an astounding \$360,000 per farm, but loopholes in the current rules allow some producers to collect payments in excess of \$1 million. Subsidies are also concentrated amongst just a few farms that tend to not only be the largest producers, but also the least in need of federal assistance. Just 10% of recipients collect 72% of the subsidies. Payments are calculated on past farm size and production levels, so the larger the farm, the bigger the payment.

The commonly held myth that subsidies preserve the picturesque family farm is fading quickly into the distance. Agricultural subsidies have totaled nearly \$144 billion over the past 10 years but rural America is taking a turn for the worst. Farms are disappearing, population is declining, businesses and jobs are being lost and farm income from agriculture is at an all time low.

Our taxpayer dollars could be better spent on programs that create opportunities for America's farmers, support a diverse farm sector that sustains rural communities and provide a safe and healthy food supply. By shifting away from wasteful spending and investing in conservation, nutrition and rural development, America's tax dollars will be used more effectively.

Together, we can end poverty.

