

POLICY BRIEF

How Washington farmers would benefit from reforms to the federal Farm Bill

By Madi Clark,
Director, Initiative on Agriculture

July 2018

Key Findings

- 1. Renewed about every five years, the federal Farm Bill is broad legislation that re-authorizes multiple government programs, including commodity payments, crop insurance subsidies, conservation, energy, trade, rural investment, food programs, and research.*
- 2. Today, over 76 percent of Farm Bill funding goes towards the federal nutrition program (Food Stamps) and 23 percent is allocated to the farm income safety net (commodity payments, crop insurance, and conservation). Less than one percent of funding is used to fund the other programs, many of which are vital to Washington state agriculture, like research and trade promotion.*
- 3. Overall, the majority of farms (62 percent) in the U.S. do not take federal subsidy payments. In Washington state, 83% of farmers do not take subsidy payments.*
- 4. Small family farms benefit the least from government subsidies; a small number of larger producers tend to benefit most.*
- 5. Subsidy payments encourage farm consolidation and increase land costs, making it more difficult for young farmers to get started.*
- 6. Congress should shift the federal farm program to priorities that directly aid all Washington state farmers, by investing more in research and development, and by improving trade access for Washington-grown crops.*

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Introduction

Any conversation about the Farm Bill is complicated for American farmers. Since its inception, the federal subsidy program has created a network of operating rules designed primarily to control food prices while also providing a level of protection for farm income.

Political support for reducing farm subsidies is limited because farmers face pressures from the global market, foreign subsidies, trade barriers, and their vulnerable position as price-takers.¹ The current system, however, relies on the unpredictable and cash-strapped resources of federal taxpayers, which risks undermining the financial stability of farmers.

This existing federal policy is not the best option for Washington state farmers, because it favors a handful of commodities and large farms. As a diverse farming and trade dependent state, most Washington farmers would be better off if Congress shifted federal support to research and trade, rather than farm subsidies.

This paper briefly reviews existing federal farm programs, presents statistics regarding distribution of benefits nationally and in Washington state, highlights unintended consequences of the proposed farm bill, and identifies needed policy improvements that should be included in future federal Farm Bills.

Background – the historical justification of the Farm Bill

During the Depression of the 1930s, the federal government enacted several policies to protect America's farmers. Congress passed the Agricultural Adjustment Act in 1933 to ease the economic hardships being endured by U.S. farmers.²

At the time, the average American farmer was significantly poorer than the average citizen.³ A report by USDA states that, "In [the] 1940s, per capita income of farmers was, on average, 50.7 percent that of nonfarmers." Combined with the fact that nearly one in three Americans lived on farms during this time, efforts to alleviate

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- 1 Farmers have little ability to set the price of their own products, and must accept prices as set by the world market. For more see, "Farmers meet diverse demands, including keeping food affordable," by Madi Clark, Policy Brief, Washington Policy Center, April 2018, at <https://www.washingtonpolicy.org/library/doclib/Clark-Farmers-meet-diverse-demands-including-keeping-food-affordable.pdf>.
 - 2 "A Brief History of U.S. Farm Bills," by Stephanie Mercier, AgWeb Farm Journal Foundation, November 2016, at <https://www.agweb.com/blog/straight-from-dc-agricultural-perspectives/a-brief-history-of-us-farm-bills/>.
 - 3 "Farm Poverty Lowest in U.S. History," by Susan Offutt and Craig Gundersen, United States Department of Agriculture, Economic Research Service, September 2015, at <https://www.ers.usda.gov/amber-waves/2005/september/farm-poverty-lowest-in-us-history/>.

the poverty of farmers also improved the standard of living for a large portion of the U.S. population.⁴

Over time, federal farm programs adapted to new problems and policy demands. Renewed about every five years, Congress passed a series of Farm Bills that added programs which include commodity payments, crop insurance, conservation, energy, trade, rural investment, food programs, and research.⁵

Today, over 76 percent of Farm Bill funding goes towards the federal nutrition program (Food Stamps) and 23 percent is allocated to the farm income safety net (commodity payments, crop insurance, and conservation). Less than one percent of funding is used to fund the other programs, many of which are vital to Washington state agriculture, like research and trade promotion.

The following sections describe the two largest farm policies in the currently enacted Farm Bill: commodity programs and federally subsidized crop insurance. Both programs serve as the main components of the Federal government's "agricultural safety net."

The current Farm Bill structure

Of the \$17.2 billion in farm payments dispersed in 2016 by Congress, only 38 percent of U.S. farms benefited. The Farm Bill also favors a limited number of crop producers, with the top five based on dollars dispersed being subsidies for corn, soybeans, wheat, cotton and payments to the Conservation Reserve Program.⁶

Dryland farmers argue this emphasis on certain crops exists for a few reasons. First, they note they are price takers and cannot control prices, which are set by a worldwide market in bulk commodities like wheat. Second, they note their ability to diversify to other crops is limited by weather and soil. While they recognize putting their eggs in one (or a few) basket is risky, their options for growing other crops are severely limited.

Any changes to the Farm Bill program must address these legitimate concerns. Farmers have structured their businesses given the existing rules and regulations. Changing those rules will require time, and potentially capital, to adjust. Although we believe the existing structure of the Farm Bill is expensive and makes agricultural markets more fragile, we also believe it is important that any policy changes recognize the very real challenges of change and should keep the promises on which farmers have based their long-term plans.

4 "A Safety Net for Farm Households," by Craig Gundersen et al., Agricultural Economic Report-788, United States Department of Agriculture, Economic Research Service, October 2000, at https://www.ers.usda.gov/webdocs/publications/41144/32273_aer788_002.pdf?v=41271.

5 "A Brief History of U.S. Farm Bills," by Stephanie Mercier, AgWeb Farm Journal Foundation, November 2016, at <https://www.agweb.com/blog/straight-from-dc-agricultural-perspectives/a-brief-history-of-us-farm-bills/>.

6 "Environmental Working Group Farm Subsidy Database," Database, Environmental Working Group, 2018, by <https://farm.ewg.org/>.

Title I commodity programs have increased spending

Federal commodity programs were created to boost farm family income, by rewarding farmers of certain crops that Congress identified as commodities.⁷ The 2014 Farm Bill made significant changes to this program by eliminating direct payments – a subsidy that the government paid to farmers for almost 20 years, even when they were profitable.

Direct payments were replaced with two new shallow-loss revenue protection programs: Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC).⁸ Commodity payments are distributed when market prices fall below the reference prices set in the 2014 Farm Bill (PLC) or when a rural county's crop revenue for a specific commodity falls below 86 percent of the county benchmark revenue (ARC).⁹ Only fifteen crops are covered under these programs.¹⁰

The Congressional Budget Office (CBO) estimated that ARC and PLC would cost \$11.6 billion from 2016 to 2018¹¹, but actual payments in 2016 were 40 percent higher than projected. For 2017, CBO estimates payments were 85 percent higher than originally projected.¹²

Indirect costs associated with these shallow-loss commodity programs include trade distortion, land price increases, farm consolidation, less use of non-government risk management tools, and increased use of chemical inputs.¹³ These indirect costs have the unintended consequence of making it more difficult and costly for small family farms to continue and for young people to enter the farming profession.

Crop insurance is more expensive than promised

Recent Farm Bill reforms over the last decade encouraged crop insurance adoption but policy changes are needed to help American farmers react more rapidly to market prices and care for taxpayer interests. Federally subsidized crop insurance pays 62 percent of the crop insurance premiums for participating farmers and has seen significant growth in the last decade as Congress has increased support.¹⁴

The Congressional Budget office estimates that spending averaged about \$8 billion per year from 2007 to 2016, compared to just \$3 billion annually from 1997 to 2006 (adjusted for inflation).¹⁵ Under the existing federally subsidized crop insurance

7 "Agricultural Policy in Disarray Reforming the Farm Bill – An Overview," by Vincent Smith, Joseph Glauber, Barry Goodwin, and Daniel Sumner, American Enterprise Institute, October 2017, at <http://www.aei.org/wp-content/uploads/2017/10/Agricultural-Policy-in-Disarray.pdf>.

8 Ibid.

9 "ARC/PLC Definitions," United States Department of Agriculture Farm Service Agency, at https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/arc-plc/pdf/definitions_arc_plc.pdf.

10 "Covering Losses with Price Loss Coverage, Agricultural Risk Coverage, and the Stacked Income Protection Plan," by Bruce Babcock, American Enterprise Institute, October 2017, at <http://www.aei.org/wp-content/uploads/2017/10/Covering-Losses-with-Price-Loss-Coverage-Agricultural-Risk-Coverage-and-the-Stacked-Income-Protection-Plan.pdf>.

11 "Estimated Budgetary Effects," by Douglas Elmendorf, Congressional Budget Office, United States Congress, January 2014, at <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/costestimate/hr2642lucasltr00.pdf>.

12 "CBO's January 2017 Baseline for Farm Programs," Congressional Budget Office, United States Congress, January 2017, at <https://www.cbo.gov/sites/default/files/recurringdata/51317-2017-01-usda.pdf>.

13 "Effects of Farm Subsidies on Farm Management Decisions," Report, Taxpayers for Common Sense, March 2018, at <https://www.taxpayer.net/wp-content/uploads/2018/03/Report-Effects-of-Farm-Subsidies-on-Farm.pdf>.

14 "Federal Crop Insurance: Background," by Dennis A. Shields, Congressional Research Service, August 2015, at <https://fas.org/sgp/crs/misc/R40532.pdf>.

15 "Options to Reduce the Budgetary Costs of the Federal Crop Insurance Program," Publication 53375, Congressional Budget Office, United States Congress, December 2017, at <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53375-federalcropinsuranceprogram.pdf>.

program farmers received an average of \$2.22 for every dollar paid in premiums.¹⁶ By comparison, the average auto and home insurance policies pay out \$0.60 for every dollar paid in premiums.¹⁷

The revenue and harvest yield protections included in crop insurance programs creates an incentive for farmers to take more risks and to produce crops that are less compatible with current market conditions.¹⁸ Unfortunately, crop insurance decreases a farmer’s sensitivity to market signals, increases needless risk-taking, and is far more expensive to taxpayers than Congress originally expected.¹⁹

Washington state farmers receive a small percentage of federal aid

Washington state’s low participation rate in farm subsidy programs indicates reform is possible without unduly affecting the livelihood of our state’s farmers.

Washington state’s farm aid has a different composition than the national average. Ranked 23rd out of 50 states in the amount of federal dollars received, Washington’s subsidies are heavily directed toward dryland wheat production areas. Additionally, only 17 percent of Washington farmers receive government support.²⁰

Washington is a small player when it comes to receiving federal farm support; growers in the state received just 1.7 percent of the total federal aid paid out in 2016. In 2016, the top five states receiving federal payments were Texas, Illinois, Iowa, North Dakota, and Nebraska, which together received 38.4 percent of total payments.²¹

Summary of Federal Farm Subsidy Payments - 2016		
	United States	Washington
Total Subsidy Payments	\$17.2 Billion	\$291 Million
Commodity Programs	\$8.82 Billion	\$112 Million
Crop Insurance Subsidies	\$5.86 Billion	\$86.9 Million
Conservation Programs	\$1.96 Billion	\$80.6 Million
Disaster Programs	\$565 Million	\$11.4 Million
Number of Farms that did not receive subsidies	62%	83%
Top Five Programs	<ol style="list-style-type: none"> 1. Corn Subsidies 2. Soybean Subsidies 3. Wheat Subsidies 4. Conservation Reserve Program 5. Cotton Subsidies 	<ol style="list-style-type: none"> 1. Wheat Subsidies 2. Conservation Reserve Program 3. Disaster Payments 4. Livestock Subsidies 5. Price Loss Coverage - Wheat
WA’s Rank out of 50 states	N/A	23rd

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ “Time to Reform the US Federal Agricultural Insurance Program,” by Vincent Smith, Joseph Glabuer, and Barry Goodwin, American Enterprise Institute, October 2017, at <http://www.aei.org/wp-content/uploads/2017/10/Time-to-Reform-the-US-Federal-Agricultural-Insurance-Program.pdf>.

¹⁹ Ibid.

²⁰ “Environmental Working Group Farm Subsidy Database,” Database, Environmental Working Group, 2018, by <https://farm.ewg.org/>.

²¹ “Environmental Working Group Farm Subsidy Database,” Database, Environmental Working Group, 2018, by <https://farm.ewg.org/>.

Crop diversification allows farmers to be self-reliant

Washington state is an example of resilience that comes from crop diversification.²² With over 200 crops grown in Washington (second only to California in crop diversity), our state is already managing farming’s inherent risk.

Researchers note that diverse cropping systems, “tend to increase farmers’ chances of encountering favorable conditions while decreasing the probability of widespread crop failures.”²³

Federal crop insurance subsidies incentivize farmers to practice riskier behavior in the form of monoculture, and make it more attractive for farmers to neglect activities that might avoid crop loss, like spending more money to prevent pest infestation.

Given the structure of the current Farm Bill, this risk-taking approach makes sense – spending money to reduce pest loss lowers risk to taxpayers, but does nothing for farmers. With federal incentives in place, why spend the time, money, and effort to increase crop resiliency?²⁴

Under existing farm programs, crop diversification is neglected and crops receiving subsidies tend to be overproduced, creating distortion in the market because government subsidies set a price floor. Farmers have strong economic incentives to continue planting subsidized crops, beyond what they can sell and what consumers need.

Nationwide, the majority of subsidy payments go to only a few crops. Financial claims for the federal crop insurance program were dispersed to growers of corn (38%), soybeans (15%), wheat (16%) and cotton (10%) between 2000 and 2016.²⁵ All other crops combined received only 20 percent of federal claims paid out.

In Washington state, wheat is the top recipient of claim payments. Overall, government payments only account for 13 percent of gross cash income for Washington wheat farmers.

Government Payments by Crop in Washington State (2016) ²⁶										
	Total	General Cash Grains	Wheat	Other Field Crops	Specialty Crops (F,V,N)	Cattle	Hogs	Poultry	Dairy	All Other Livestock
Farms	35,901	56	1,595	9,371	6,348	12,063	578	1,174	404	3,612
Government payments	\$5,658	\$32,529	\$55,513	\$5,155	\$2,449	\$3,650	\$0	NA	\$9,978	\$230
Gross cash income	\$228,468	\$359,720	\$416,761	\$202,327	\$597,665	\$26,381	\$9,382	\$126,009	\$3,091,487	\$28,200
Variable expenses	\$150,032	\$177,253	\$243,399	\$97,855	\$399,029	\$23,386	\$17,942	\$90,047	\$2,508,292	\$34,594
Net cash farm income	\$51,092	\$91,079	\$100,344	\$70,729	\$149,845	-\$5,311	\$14,924	\$28,632	\$353,662	\$13,943
Gov't Payments % of Gross Cash Income	2%	9%	13%	3%	0%	14%	0%	NA	0%	1%

22 “Do Farm Subsidies Affect Crop Diversification?” by Chadwick O’Neal, Research Paper, Georgia College and State University, February 2017, at <https://kb.gcsu.edu/cgi/viewcontent.cgi?referer=https://www.google.com/&httpsredir=1&article=1460&context=src>.

23 “Crop Species Diversity Changes in the United States: 1978 – 2012,” by J Aguilar, et al., PLOS One, August 2015, at <https://doi.org/10.1371/journal.pone.0136580>.

24 “Should Washington End Agriculture Subsidies?” by Vincent Smith and Robert Goodman, *Wall Street Journal*, July 2015, at <https://www.wsj.com/articles/should-washington-end-agriculture-subsidies-1436757020>.

25 “Environmental Working Group Farm Subsidy Database,” Database, Environmental Working Group, 2018, by <https://farm.ewg.org/>.

Farming trends in Washington state

In Washington state, and nationally, the federal crop subsidy program has the effect of favoring large operations over small farms. Washington's moderate-sized, midsize, and large farms received on average \$19,705, \$25,207, and \$36,835 in payments per operation per year, respectively (see appendix).²⁶ At the same time, small farms, with low sales, received substantially less, only about \$5,082 a year, per operation.

Government figures show federal payments make up a very small portion of gross cash farm income for Washington farmers, following the national trend.²⁷ Farms operated by retirees have the most substantial portion of their income supplemented by subsidies, at 19 percent. These farms are still in production on a small scale, but their owners report that the main operator is retired from full-time work.

Of all farm categories, small family farms with a low volume of sales need the most financial security because the income of farm owners in this category falls below the average U.S. household income. Owners of farms in all other categories are substantially higher than the average U.S. household income; government subsidy payments make up only a small portion of their gross yearly income.

Notably, all farm categories heavily rely on non-farm income sources to supplement their farming activities. The reliance on a second income follows the national trend of non-farm households, which have also have increased these of dual incomes.²⁸ However, as farm size grows, dependence on a second income decreases.

Reforming federal farm programs has the potential to benefit small farmers. When lawmakers in New Zealand's reformed that country's agricultural programs in the late 1980s, small farmers benefited. Over the following 15 years, New Zealand saw a reduction in the total number of farms, but experienced an increase in the number of viable small farms.²⁹

Government Payments by Farm Type for U.S. and for Washington ^{31,32}									
	Small Family Farms				Midsize Family Farms	Large-scale family farms		Non-family Farms	All Farms
	Retirement	Off-Farm Occupation	Farming-Occupation			Large	Very Large		
			Low Sales	Moderate Sales					
Total U.S. Farms (2016)	366,812	860,739	506,001	110,524	122,980	53,763	6,449	24,992	2,052,260
No. of US Farms Receiving Payments (2016)	118,672	166,390	141,592	59,765	87,369	36,653	2,660	12,856	625,958
% of US Farms Receiving Payments (2016)	32%	19%	28%	54%	71%	68%	41%	51%	31%
Total WA Farms (2016)	7,252	13,916	9,802	1,224	1,769	1,266	265	407	35,901
% of WA Farms Receiving Payments (2012)	15%	12%	16%	53%	63%	58%	44%	28%	19%
WA Farms, Gross Cash Farm Income (2016)	\$13,422	\$12,708	\$35,043	\$233,450	\$594,606	\$2,186,913	\$10,593,035	\$1,650,588	\$1,914,971
WA Farms Gov't Payment Receipts (2016)	\$2,597	\$918	\$5,082	\$19,705	\$25,207	\$36,835	\$5,039	\$12,332	\$13,464
WA Farms, Total Cash Expense (2016)	\$15,183	\$16,120	\$43,630	\$192,813	\$410,023	\$1,849,163	\$7,151,959	\$1,003,799	\$1,335,336
WA Farms, Net Cash Farm Income (2016)	-\$1,761	-\$3,412	-\$8,587	\$40,637	\$184,583	\$337,750	\$3,441,076	\$646,789	\$579,634
WA Farms, Gov't Payments % of Gross Cash Income	19%	7%	15%	8%	4%	2%	0%	1%	1%
WA % of U.S. average household income	141%	161%	65%	106%	245%	314%	2607%		
WA % of household income from farming	5%	-2%	-23%	57%	67%	89%	97%		
WA Farms by Category % of Total Receipts (2012)	14%	13%	7%	11%	25%	18%	2%	10%	

26 United States Department of Agriculture National Agricultural Statistic Service.

27 "Farms and Free Enterprise: A Blueprint for Agricultural Policy," by Daren Bakst, The Heritage Foundation, September 2016, at http://thf-reports.s3.amazonaws.com/2016/Farms_and_Free_Enterprise.pdf.

28 "Employment Characteristics of Families – 2017," Bureau of Labor Statistics, United States Department of labor, April 19, 2018 at <https://www.bls.gov/news.release/pdf/famee.pdf>.

29 "New Zealand Farm Structure Change and Intensification," by Stephanie Mulet-Marquis, John R. Fairweather, Research Report No. 301, Lincoln University, March 2008, at https://researcharchive.lincoln.ac.nz/bitstream/handle/10182/500/aeru_rr_301.pdf?sequence=1&isAllowed=y.

Policy Recommendation: Washington farmers would benefit from reducing federal subsidy payments to a select few and adopting broader policies that benefit all farmers

As one of the most diverse and trade-dependent agricultural states in the nation, agricultural support that favors mid-western commodity states is a mismatch for Washington state.³⁰ The federal farm subsidy program decreases incentives for crop diversity and encourages farmers to grow crops at a high volume that cannot be sold to consumers, creating a crop surplus and distorting the market.³¹

In drafting future Farm Bills, Congress can help Washington farmers by making modest reforms to the agricultural safety net by shifting federal funds to programs that expand opportunities to more farmers in the future.

1. Reduce dependence on federal farm subsidies

Such modest reforms include reducing the subsidy level for insurance premiums by 15 percentage points and revising the way insurance payouts are calculated by ending Harvest Price Options. These changes would save taxpayers \$8.1 billion and \$1.9 billion respectively from 2018 to 2027.³²

Additional reforms to the safety net should include capping the total amount of payouts, limiting the size of farm operations that are eligible to receive government payments, and banning the practice of double dipping from commodity payments and crop insurance programs, a practice which overwhelmingly benefits agribusinesses and not small family farms.³³

2. Increase funding for research and trade promotion

These savings can be directed to two programs that would aid all Washington farmers: research and trade promotion. First, lawmakers should invest more in research and development of new crops, technologies, and other basic research. Federal support of research reduces the risks associated with market changes.³⁴ This is especially needed for dryland farmers who have a harder time diversifying the kinds of crops they grow.

Agricultural research funding has averaged only 1.5 percent of USDA's total annual budget for the last decade, despite the agency's original intent of promoting research and development for America's farmers. The social benefit of research is estimated at \$32 for every one dollar spent.

Research investments would increase the number of rotational crops available to Washington's dryland farmers. Dryland farmers rightly note they are limited on crop

30 "Agriculture: A Cornerstone of Washington's Economy," Washington State Department of Agriculture, November 2017, at <https://agr.wa.gov/aginwa/>.

31 "Farms and Free Enterprise: A Blueprint for Agricultural Policy," by Daren Bakst, The Heritage Foundation, September 2016, at http://thf-reports.s3.amazonaws.com/2016/Farms_and_Free_Enterprise.pdf.

32 "Options to Reduce the Budgetary Costs of the Federal Crop Insurance Program," Publication 53375, Congressional Budget Office, United States Congress, December 2017, at <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53375-federalcropinsuranceprogram.pdf>.

33 "Farm subsidies need reform. Congress can start by ending 'double dipping,'" by Vincent Smith and Eric Belasco, American Enterprise Institute, March 8, 2018, at <http://www.aei.org/publication/farm-subsidies-need-reform-congress-can-start-by-ending-double-dipping/>.

34 "Waste Not, Want Not – Transactional Politics, Research and Development Funding, and the U.S. Farm Bill," by Philip Pardey and Vincent Smith, American Enterprise Institute, November 2017, at <http://www.aei.org/wp-content/uploads/2017/12/Waste-Not-Want-Not.pdf>.

options. The existing farm bill does not help provide additional options, while creating strong incentives to stick with existing crops, even when market forces indicate otherwise.

Research has been neglected because the benefits are slow to materialize and are dispersed among society.³⁵ Economists note that basic research –with only speculative economic application – is an appropriate use of taxpayer dollars, because such research, while useful, has a long and uncertain payback that is difficult to justify for many businesses, especially for farmers who face uncertainty every year.

3. Fairly and effectively enforce global trade agreements

Global trade agreements are meant to open world markets for U.S. producers, not allow foreign producers to cheat on agreements to gain access to the U.S. market. For that reason the federal government should vigorously pursue World Trade Organization (WTO) violations.³⁶ As the U.S. moves away from subsidies, we will have greater leverage in fighting WTO violations, as New Zealand leaders found after enacting their own farm subsidy reforms.³⁷

Reducing trade barriers will allow Washington agricultural crops to be sold to more consumers around the world and will make the U.S. less vulnerable to WTO complaints from other countries.³⁸ Enforcing WTO guidelines is the best way to open markets for American-grown crops.

That approach, however, must be backed up by efforts to support farms who continue to face pressures from overregulation, unpredictable markets, trade barriers, adverse weather, and other risks. By making farmers more resilient, the Farm Bill can provide assistance that helps large and small farmers in a way that is responsible to taxpayers and to consumers.

Conclusion

As lawmakers consider passage of new and future Farm Bills, Congress should recognize and correct the imperfections that exist within current federal farm subsidy programs. Reforms would improve the economic position and stability of Washington farmers and the safety and security of the overall American food supply, while reducing the financial burden on taxpayers.

35 “Waste Not, Want Not – Transactional Politics, Research and Development Funding, and the U.S. Farm Bill,” by Philip Pardey and Vincent Smith, American Enterprise Institute, November 2017, at <http://www.aei.org/wp-content/uploads/2017/12/Waste-Not-Want-Not.pdf>.

36 “Trump’s agricultural trade policy with China: trade-offs or trade disputes?” by Steve Suppan, Institute for Agriculture and Trade Policy, June 2017, at <https://www.iatp.org/blog/201706/trumps-agricultural-trade-policy-china-trade-offs-or-trade-disputes>.

37 “The stab in the back that did us a favour,” by David Williams, Weekend Review, National Business Review, January 2013, at <https://www.nbr.co.nz/article/stab-back-did-us-favour-dw-134625>.

38 “U.S. Farm Policy and Trade – The Inconsistency Continues,” by Joseph Glauber and Daniel Sumner, American Enterprise Institute, October 2017, at <http://www.aei.org/publication/us-farm-policy-and-trade-the-inconsistency-continues/>.

Appendix

Farm definitions used in this study are based on USDA Definitions of Farm Typology with the following categories:

- Retirement Farms: Family farms with gross sales less than 350,000, main operator self-classified as retired
- Off-Farm Occupation: Family farms less than \$350,000, primary occupation excludes farming
- Farming Occupation Low Sales: Family farms with gross sales less than \$150,000
- Farming Occupation Moderate Sales: Family farms with gross sales from \$150,000 to \$349,000
- Midsize Family Farms: Family farms with gross sales from \$350,000 to \$999,999
- Large Family Farms: Family farms with gross sales from \$1,000,000 to \$4,999,999
- Very Large Family Farms: Family farms with gross sales greater than \$5,000,000
- Non-Family Farms: A farm classified as a non-family farm

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Madilynne holds a Master's Degree in Agricultural and Resource Economics from Colorado State University as well as a B.S. in Environmental Economics, Policy and Management from Oregon State University. When not working for WPC, she enjoys knitting, running, and every minute with her husband, two sons, and their dog, Parli.