

Ag subsidy roots buried deep in U.S.

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The seeds of controversy were planted more than a decade ago when the first opinion writer coined the phrase "Farm Crisis."

As the 1980s began, the nation's agricultural community was indeed in dire straits. Experts agree most of the problems were brought on by plummeting land values and rising interest rates.

Other farm failures, admittedly, were the result of poor management.

Yet some folks wondered how such a heavily subsidized industry could experience a "real" — whatever that was — economic disaster.

Through land management programs, some farmers were (and still are) being paid *not* to grow crops. And federal commodity programs were (and still are) making up the difference between the federally-set "target" price for select products and the actual market price those goods are able to fetch.

Some who doubted the severity of the so-called "crisis" thought the losses experienced by farmers in the early 1980s were all "on paper," and that the problem was more a media invention that made for good copy and heart-wrenching reports on the 10 o'clock news.

"Farmers will be okay," the skeptics said. "The government will make sure of that."

Their concern for what was happening in rural America was diluted by the fact that everyone from Congress to the local bankers were scrambling to come up with a plan for saving the family farm.

Federal lenders forgave some loans. Congress offered expanded farm subsidy programs.

Fast forward to 1989.

The farm crisis is no longer worthy of capital letters, and has been replaced in the national news by an endless series of other problems — AIDS, Iran-Contra, crack cocaine, etc.

Much of non-agricultural America assumes that farmers are back on their collective feet and that all is well in the Heartland.

Now the Bush administration is pitching an idea that some say will throw U.S. agriculture right back into financial chaos.

U.S. negotiators at the General Agreement on Tariffs and Trade in Geneva have proposed sweeping reforms in the way governments subsidize farmers.

Agriculture Secretary Clayton Yeutter and others have proposed that all farm subsidies be taken away over the next 10 years, so that by 1999 farmers around the world will compete head-to-head in a wide-open global market, without external help from farm programs.

Critics of the plan say it's too much to ask of U.S. farmers, especially since many of them are just now rebounding from the aforementioned "crisis." They warn of a

The public speaks

The U.S. Department of Agriculture says American soybean producers will experience an ever-shrinking piece of the market in the next decade as foreign competitors convert more acreage to soybean production. This has prompted some soybean producers to seek U.S. subsidies similar to those paid for corn production. Do you believe the present agricultural subsidy program should be expanded, maintained the same or reduced in scope?



Bill Minard Waterloo

"I think we have too many fat cats negotiating prices. If farmers could get a fair price for their crops, they wouldn't need subsidies."



Julie Kuebler Waterloo

"I thought all farmers were rich. But then, during bad times like the drought, I guess they need the money."



Lewis Hanna Waterloo

"I think they should just leave them (subsidies) as they are. Changing them would only hurt us in the Midwest."



Debra Huck Waterloo

"If they yank all the subsidies all at once, everyone would just get out of farming. It would have to be done slowly. Ten years might work."



Glen Walters Independence

"What I'm afraid of is they're going to open things up too much for foreign competitors. I think farmers need all the help they can get."

Callers say cut, kill subsidies

The majority of last week's callers believed the government's agricultural subsidy should be reduced or halted. Here is a sampling of calls:

"I think that the agricultural subsidy program should be reduced. It's about time that the farmers learned that they shouldn't always be getting money from the government."

"I don't believe that they should subsidize the soybean farmers and they shouldn't subsidize the corn farmers either. It should be supply and demand."

"The present agricultural subsidy program should be disbanded immediately. I've never understood the purpose of it. What

they're doing is rewarding somebody who can't make a living at that business for not being able to make a living at it."

"The present agriculture program should be expanded to keep farmers from going into bankruptcy. They need more money to produce the cheap food supply that people want and repair their machinery and raise their state's of living. I see no reason to deny the farmers a decent living."

"I believe the present agricultural subsidy program for the farmers should be reduced. In fact, I believe it should be stopped completely. Let the farmers not be dependent on the government for help."

backlash of higher food prices and the proliferation of "corporate farming."

Others feel the "handouts" should be discontinued. They say ending farming's reliance on government checks would force farmers to be more efficient.

The battle lines are drawn and the war over farm supports will be won or lost in Congress, where the Senate must ratify any agreements reached in Geneva before joining the House in December to wrangle over the 1990 Farm Bill.