



## 2023 Farm Bill: Principles for Common Sense Reform

### Significant opportunities for taxpayer- and farmer-friendly reforms in the next farm bill

November 29, 2022

Dear Senator/Representative:

US food and agriculture policies are in need of reform. Some of the country's largest agricultural operations receive unlimited subsidies while beginning farmers struggle to afford land. Crop prices recently rose to record highs, but challenging input costs – for everything from fuel to fertilizer - are eating away at profits. Food supply and inflation challenges continue to make headlines. Meanwhile, children go to bed hungry while one-third of food is wasted.

**The farm bill, our nation's guiding agricultural policy, exacerbates many of these problems rather than solving them.** Farm subsidies primarily benefit large landowners and agricultural operators growing commodity crops such as corn and cotton. Meanwhile, many small, diversified farms growing fruits, nuts, and vegetables carve out niche markets and innovate with little to no government support. This illustrates why experts have linked certain farm subsidies to market distortions, farm consolidation, higher land prices, and lower adoption of unsubsidized, on-farm risk management practices such as crop diversification.

**The 2023 farm bill must promote resilience, instead of dependence on federal farm subsidies.** Certain farm commodity and crop insurance subsidies that shift undue risk onto the backs of taxpayers should be reformed. Congress should also identify innovative ways to promote the use of on-farm risk management strategies in addition to opportunities for small, new, and beginning farmers.

**Farmers, rural communities, consumers, the environment, and taxpayers alike would benefit from common sense reforms to farm bill programs,** particularly those in the Commodity, Conservation, and Crop Insurance titles. To this end, Congress should adopt the following principles when developing the next farm bill:

- (1) **Cost-effective** – Numerous opportunities exist to save taxpayer dollars in the next farm bill and prioritize investments to produce the best bang for taxpayers' buck. This includes prioritizing programs proven to reach more producers at a lower cost to taxpayers, such as research, education, extension services, and technical assistance, while eliminating subsidies that pay large, industrial operations for the normal costs of doing business.
- (2) **Transparent** – Farm bill spending should be transparent and easily accessible on the U.S. Department of Agriculture's (USDA) website. With farm commodity subsidy data already publicly available, similar data on ag disaster aid and crop insurance should also be transparent.
- (3) **Sensible** – Policies should work in concert instead of at odds with one another. For instance, certain farm subsidy programs should be reformed to ensure they are not working at cross purposes with

conservation goals, including the adoption of risk-reducing practices such as composting, crop rotations, and diversification. Policies should be tailored to local conditions and needs to ensure they make sense on the ground, accounting for regional and operational differences.

- (4) **Responsive** – Farm programs should be more responsive to actual needs and current economic conditions for farmers and rural communities. Sending billions of dollars in ad hoc disaster aid to producers who did not suffer losses or whose losses are already accounted for in existing farm bill programs, for instance, wastes taxpayer dollars and undercuts a stable, predictable farm safety net.
- (5) **Fair** – Most American farms receive no farm subsidies at all. Meanwhile, farm commodity programs and unlimited crop insurance subsidies often benefit individuals who do not require high levels of taxpayer support, including the largest industrial farms, millionaires, nonfarmers, and even foreign landowners. Unlimited subsidies cannot continue to be concentrated in the hands of certain individuals and the largest landowners and operations at the expense of most farmers, consumers, taxpayers, and the environment. Loopholes promoting waste, fraud, and abuse in farm subsidy programs must be closed, and reasonable subsidy caps must be instituted in the federal crop insurance program.<sup>1</sup>
- (6) **Simplified** – Steps should be taken to consolidate duplicative programs and reduce the time farmers and ranchers spend filling out unnecessary paperwork and making trips to county offices. These barriers disproportionately prevent small, beginning, and underserved farmers from accessing program benefits and needed technical support.

Numerous opportunities exist to deliver taxpayer- and farmer-friendly reforms in the next farm bill. We look forward to working with you to make these principles a reality.

Sincerely,

National Sustainable Agriculture Coalition

R Street Institute

Taxpayers for Common Sense

U.S. PIRG

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<sup>1</sup> Past Presidents' budget requests – ranging from the Trump to Obama Administrations – proposed common sense reforms to these programs, and similar [amendments](#) to trim crop insurance and farm subsidy costs passed with [bipartisan](#) support in past farm bill debates.