

THINK TANK THEORIES VS. THE REAL WORLD OF FARMING

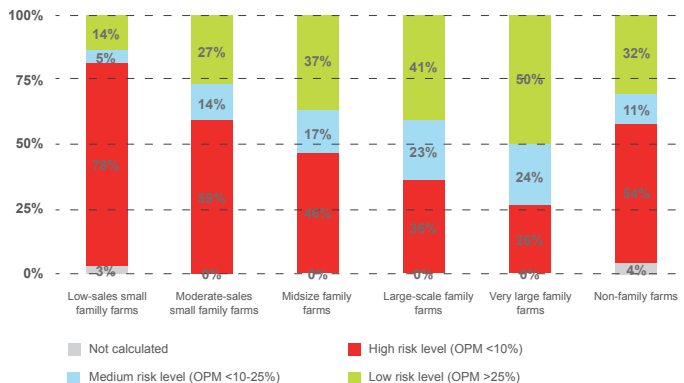
How Anti-Farm Policy Proposals Would Hurt the United States at Home and Abroad

CRITICS SAY:

“Agricultural risk is not a significant issue for most farmers.”

Farms by Operating Profit Margins and Farm Type, 2015

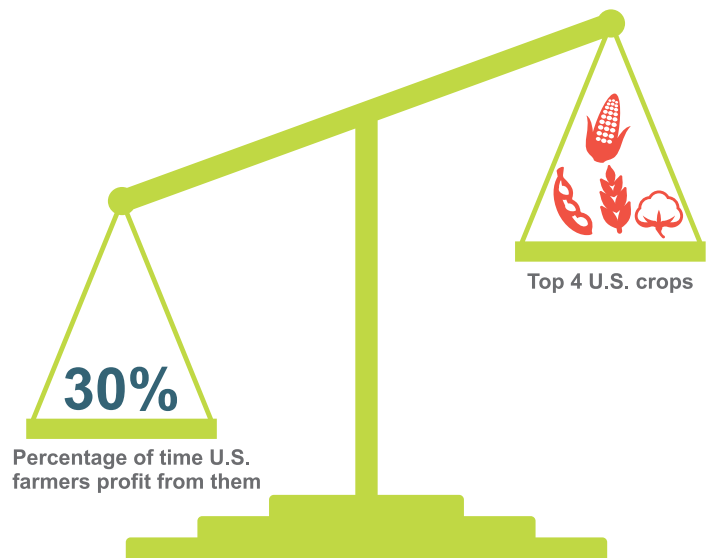
Source: Agriculture Resource Management Survey



In 2015, 46% of mid-sized family farms and 36% of large family farms were deemed “high risk” by the USDA. And farmers and ranchers have sustained two more years of depressed prices since.

CRITICS SAY:

“U.S. Farmers have the financial means to manage without a safety net.”



Net farm income has fallen by 52% over the past 3 years. Over the past 18 years, farmers have essentially had to pay to produce our top 4 crops. According to the USDA, they make a profit less than 30% of the time.

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“The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways.”

— President John F. Kennedy

THINK TANK THEORIES VS. THE REAL WORLD OF FARMING

How Anti-Farm Policy Proposals Would Hurt the United States at Home and Abroad

CRITICS SAY:

"Eliminating farm policy would give the U.S. moral authority to demand more of its trading partners."

"Trade negotiations proceed in a uniquely transactional environment. Member countries give defensive concessions in order to secure offensive gains. To succeed in this environment, the United States needs bargaining power – tangible, offensive leverage that will convince other countries to come to the table."

– John Gilliland, The Heritage Foundation's Farm Policy Proposals: Harmful to U.S. Farmers and Ranchers and Ineffective in Advancing Free Trade, June 2017



While the United States has significantly reduced its support for American cotton growers in the farm bill, China ramped up "massive subsidization and stock-building programs" that created a glut in the global market, depressing cotton prices "to the detriment of farmers in the United States, Africa, and elsewhere."

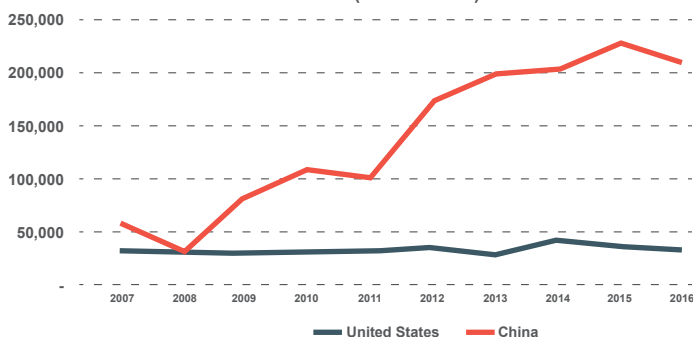
BOTTOM LINE

"Any 'moral' high ground U.S. farmers gained from the repeal of their farm support had virtually no impact on China's willingness to devote billions of dollars in new subsidies for its own cotton industry."

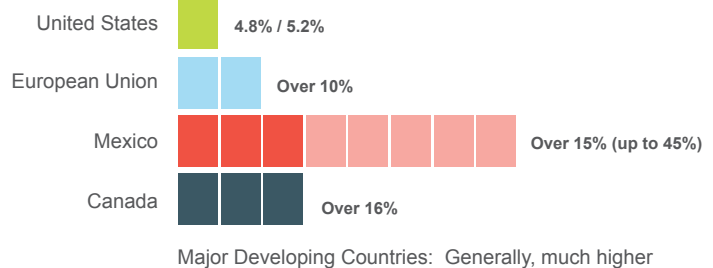
CRITICS SAY:

"U.S. Farmers are heavily protected from foreign competition."

U.S. vs China: Producer Support Estimates
(2007 to 2016)



2015 Tariffs



In a single year, China over-subsidized just three crops by as much as \$100 billion. Put in perspective, it would take the entirety of U.S. farm policy about 8 years to rack up a tab equal to a single year's illegal, excess spending by China.

BOTTOM LINE

Foreign countries are more heavily protected than the United States. And rising tariffs and subsidies in major developing countries show they are spending more just as we are scaling down.