

Waste Action Alert

*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)
Rep. Jim Jordan (R-OH), RSC Chairman*

Eliminate Direct Payment Subsidies for Agriculture

January 18, 2012

Program or Item Targeted: Agriculture direct payment subsidies.

Cost of Program or Item: A preliminary score from CBO indicates that elimination of these subsidies would save \$28 billion over the next ten years.

Background on Program or Item to Be Sunseted: Created in the 1996 Freedom to Farm Act, direct payments were intended to serve as a temporary transitional handout to farmers as they moved in a more market-oriented direction. Instead of expiring, Congress made direct payments permanent in 2002 and they have cost taxpayers more than \$41 billion since then. Amounting to an approximately \$5 billion annual giveaway, direct payments go to farmers and property owners because historically their land produced select commodities.

Why This Program Is Wasteful: These fixed direct payments are not tied to current production or prices and do not require any current commodity production on the land. This equates to individuals receiving billions in taxpayer subsidies whether they farm or not, whether prices were high or low, or whether yields were great or poor. A [Washington Post](#) article during the run-up to the last Farm Bill reauthorization reported on \$1.3 billion in direct payments since 2000 going to people who do no farming whatsoever.

While an agreement eluded the deficit reduction committee earlier this year, there was widespread agreement from across the ideological spectrum that deep cuts to federal agricultural spending are in order and ending direct payments should be at the top of that list. In fact, it was rumored that the hastily assembled Farm Bill proposal by the House and Senate agriculture committees included direct payment elimination. Congress must take action to eliminate agriculture direct payments subsidies outright and permanently.

MEMBER ACTION ITEM: Rep. Jeff Flake has introduced H.R. 2487, the “Reducing the Deficit through Eliminating Agriculture Direct Payment Subsidies” or REAPS Act. This bill will amend the Food, Conservation, and Energy Act of 2008 to terminate direct payments for covered commodities and peanuts. If you are interested in being a cosponsor for H.R. 2487 please contact Chandler Morse at Chandler.Morse@mail.house.gov.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail Rick.Eberstadt@mail.house.gov.

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

*“The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,
working to sunset programs that taxpayers shouldn’t be paying for.”*

