



PlatteChat

AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

Platte
INSTITUTE
for economic research



Energy/Ag Subsidies Subject to Scrutiny

When Presidential candidates oppose ethanol tax credits while stumping in Iowa, it is clear that a fundamental shift in American politics is taking place. The current economic situation has forced politicians to take note of our nation's spending problem and look for common sense solutions.

"The truth about federal energy subsidies, including federal subsidies for ethanol, is that they have to be phased out," said former Minnesota Governor Tim Pawlenty in his announcement to run for President on Monday.

The passage of the 2007 energy bill coupled with the passage of the 2008 farm bill created a system that ensures billions of taxpayer dollars will be spent on agriculture subsidies, regardless of the actual farm economy. But the politics of federal spending and unsustainable debt have put all federal spending projects, including agriculture and ethanol subsidies in the Midwest, on the table.

Nationally, farm subsidies have cost the American taxpayer \$246.7 billion from 1995 to 2009, with massive agri-business corporations receiving hundreds of millions of dollars. Let's review some of the payouts from 1995-2009:

- [Riceland Foods](#) in Arkansas - \$554.3 million
- [Producers Rice Mill](#) in Arkansas - \$314 million
- [Pilgrims Pride Corporation](#) in Virginia - \$26.4 million
- [Cargill Turkey Products](#) in Virginia - \$17.5 million

In Nebraska about \$1 billion in subsidy benefits are up for grabs annually. And 10 percent of farming operations collect 62 percent of total subsidy payouts. From 1995-2009 payouts in Nebraska include:

- [Kaliff Farms](#) in York, NE- \$7.7 million
- [C J Farms Gen Ptnr](#) in Holdrege, NE - \$5.4 million
- [H-r-w Farming](#) in Friend, NE - \$4.9 million
- [Danielski Harvesting & Farming](#) in Valentine, NE - \$4.8 million.

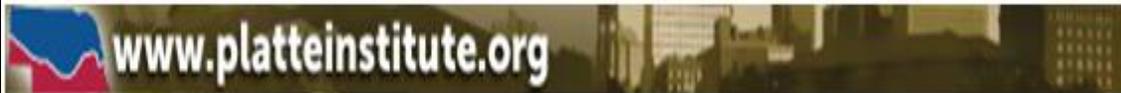
Meanwhile, the bottom 80 percent of Nebraska farming operations receive an average of \$1,316 in annual benefits. And 27 percent of Nebraska farmers did not collect subsidy

payments at all, according to the USDA.

These startling statistics demonstrate why the Platte Institute for Economic Research encourages lawmakers to begin reforming agriculture subsidy programs. When 'farms' are receiving half-a-billion in taxpayer subsidies the system needs reform. Simply put, agriculture and energy subsidies as they stand amount to corporate welfare and the current system is unsustainable.

The Platte Institute is pleased this conversation is finally underway - and in Iowa, of all places.

- For more statistical information visit the Environmental Working Group: <http://farm.ewg.org/>
- For a history of Ag Subsidies in America, visit the Foundation for Economic Education: <http://www.thefreemanonline.org/columns/our-economic-past-the-origin-of-american-farm-subsidies/>



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