

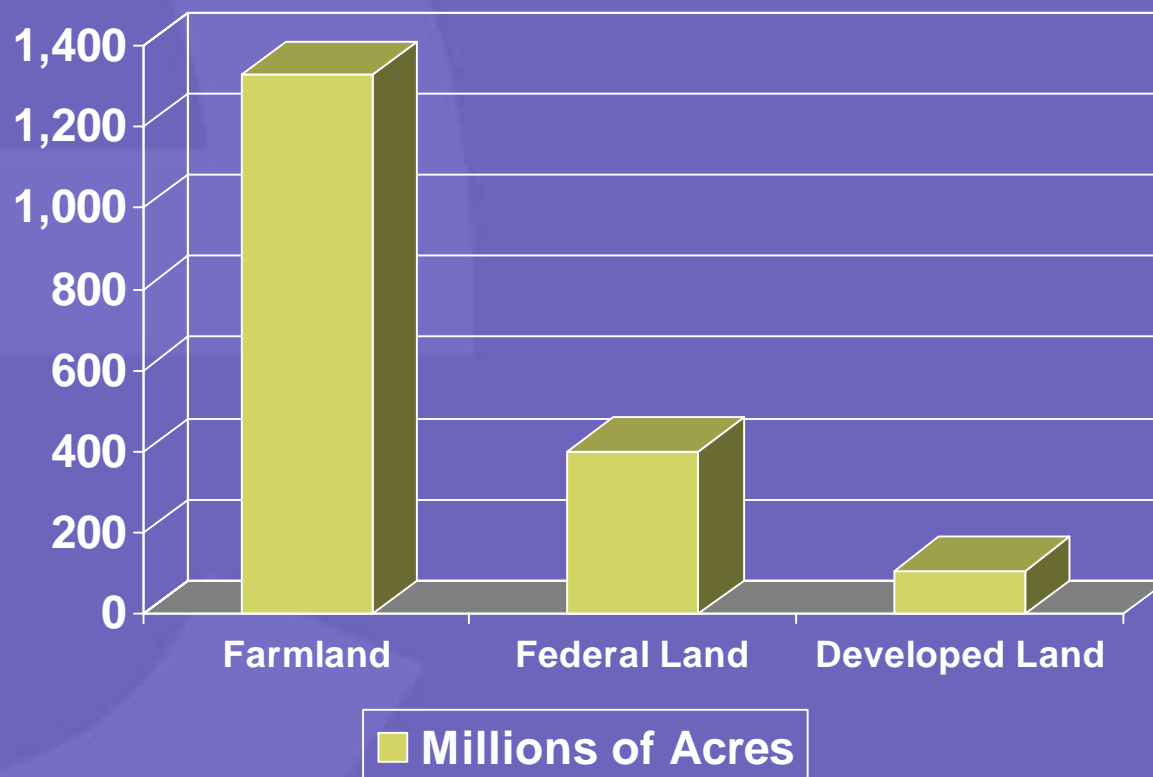
Reforming America's Farm Policies

e

ENVIRONMENTAL DEFENSE

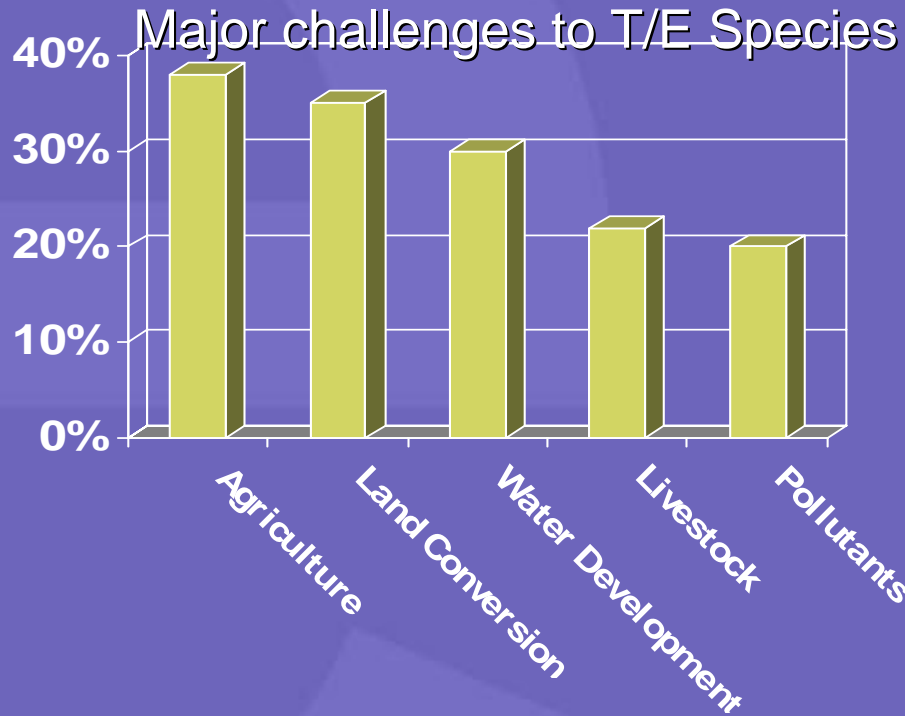
finding the ways that work

Farmers and Ranchers Manage More than Half of the American Landscape



Source: 2002 National Resource Inventory

Management of Agricultural Land Critical to Wildlife Habitat

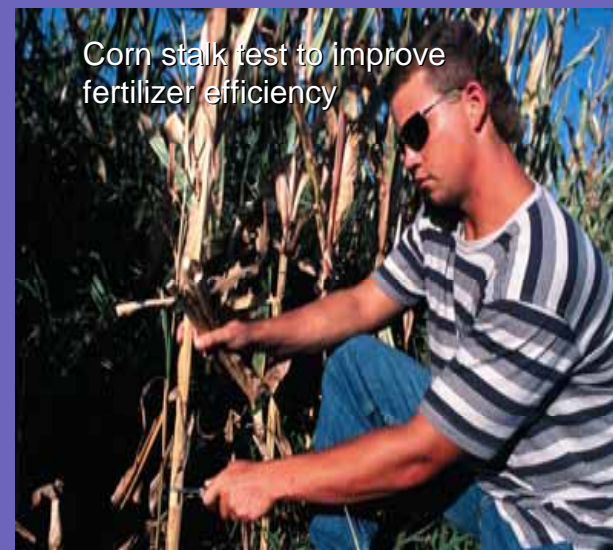


80% of populations of imperiled species
found on private land

Source: BioScience

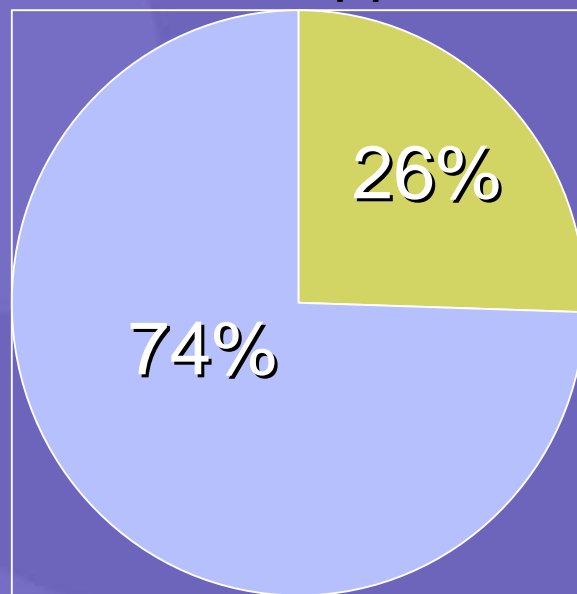
Farm Policy Reform Campaign

Stewards of our Environment



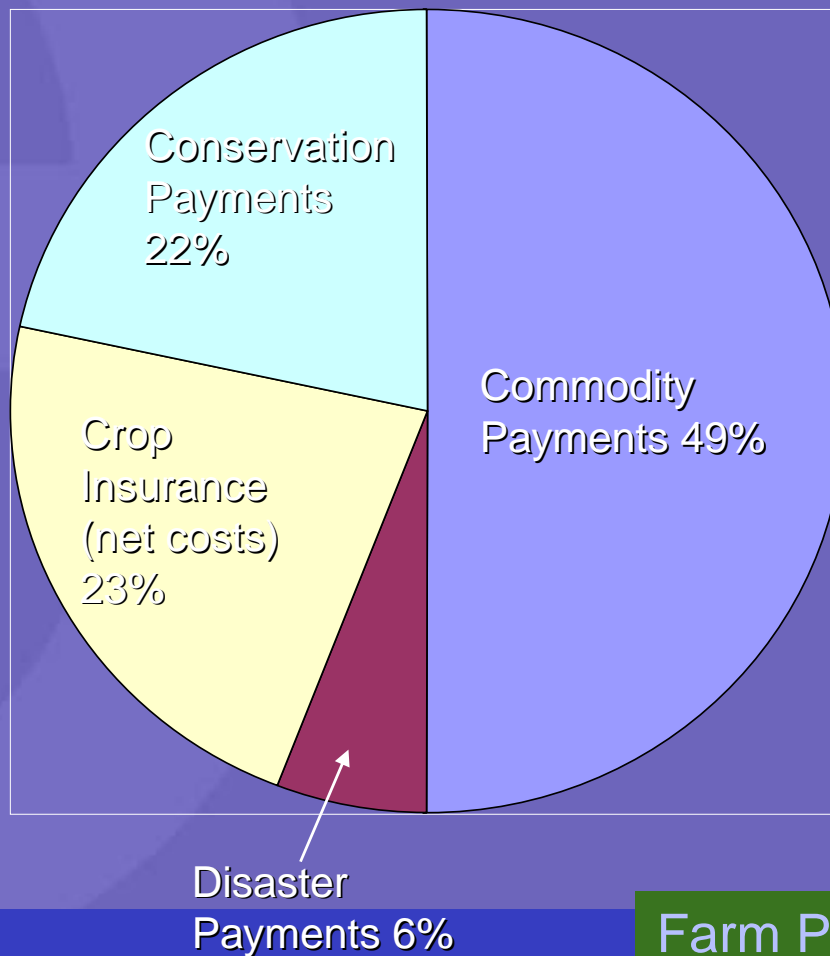
Majority of Stewards Rejected

2004 Total Applications

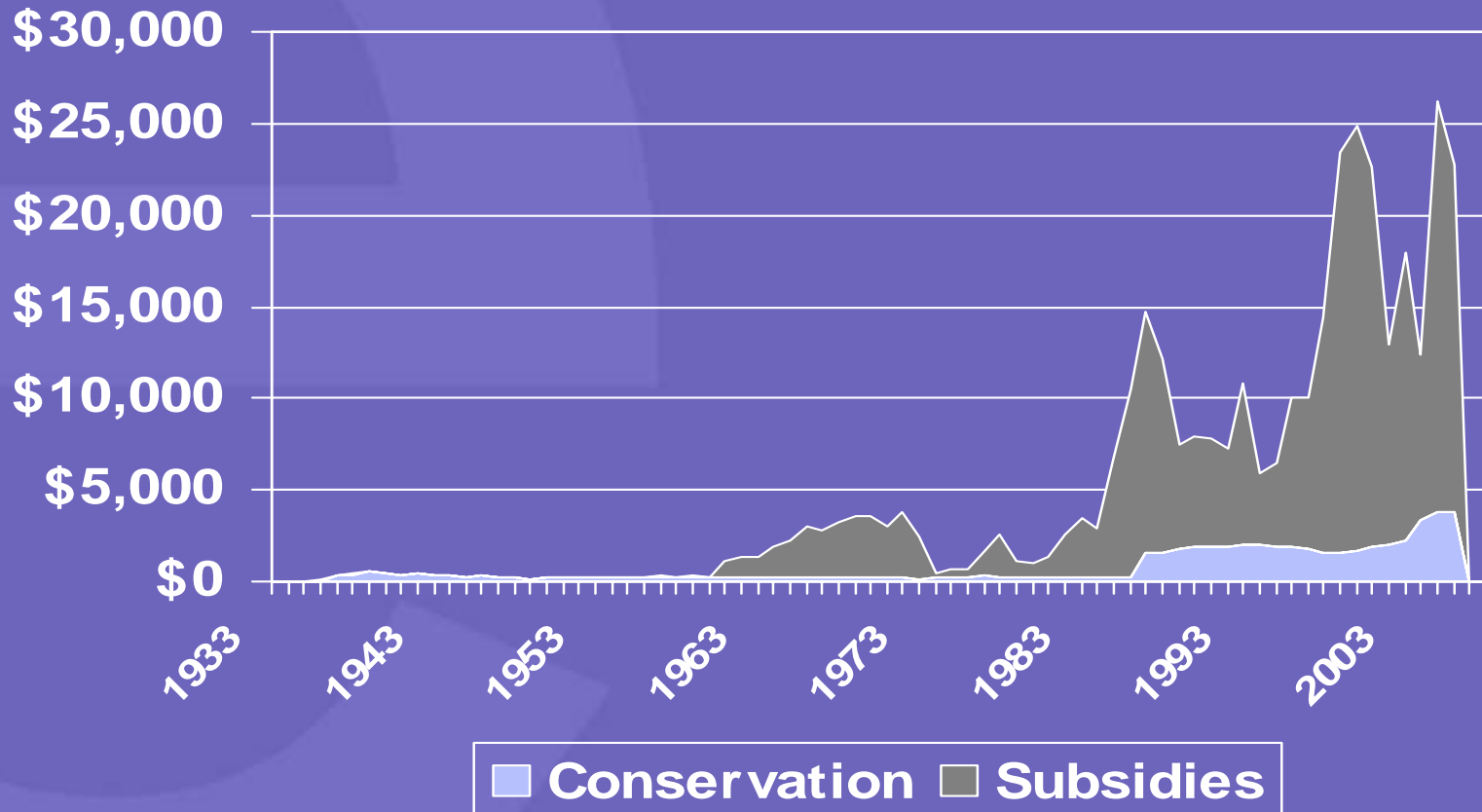


■ Funded ■ Unfunded

Most Funds For Subsidies Only One Fifth for Conservation



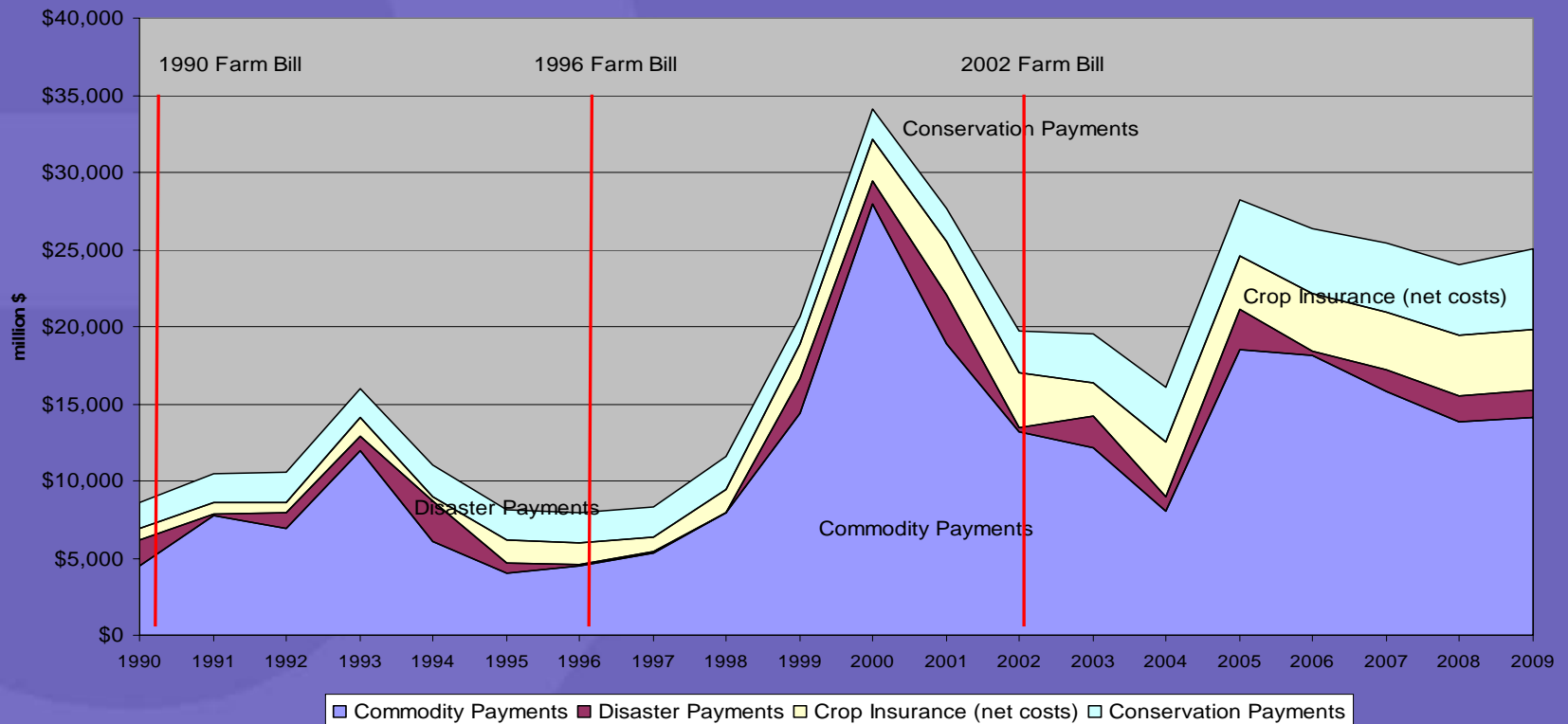
Soaring Cost of Farm Payments



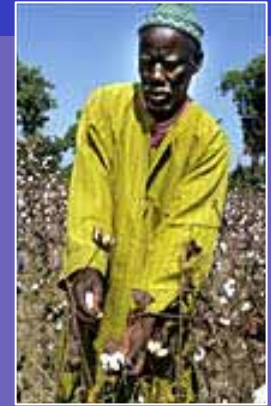
Source: USDA ERS & OBPA

Subsidy Structure is Not Economically Rational

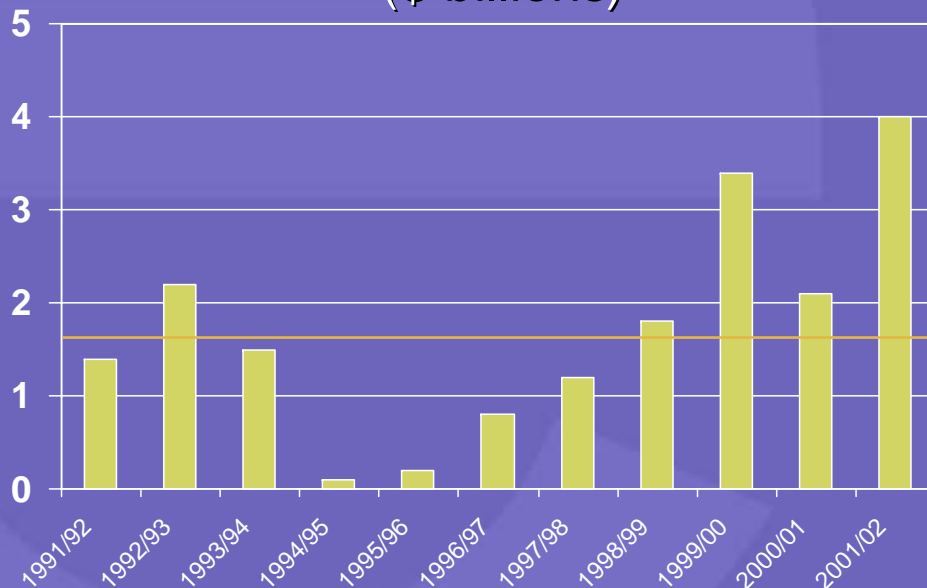
Trends in Farm Program Payments, 1990-2009



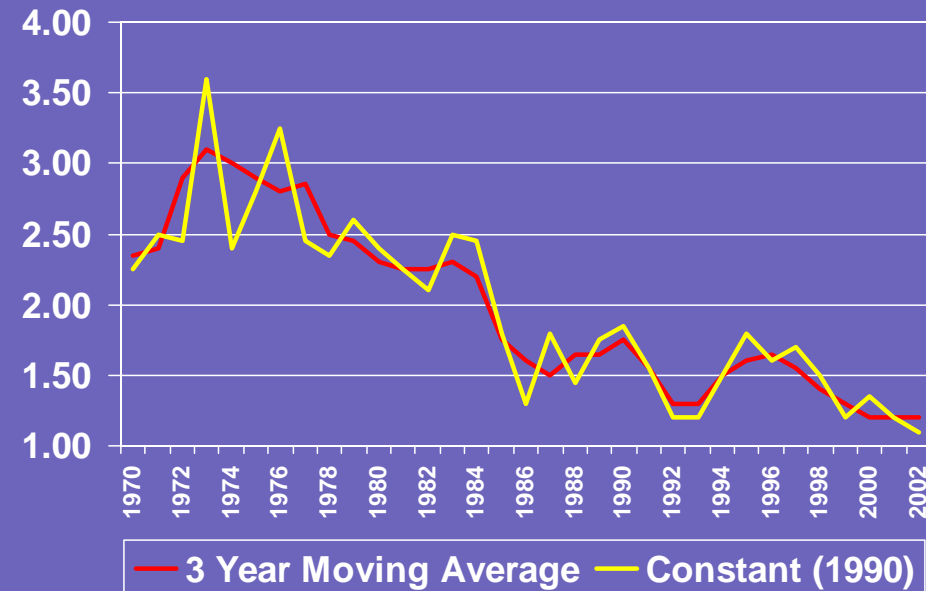
Vicious Circle: Subsidies- Overproduction-More Low Prices-More Subsidies



Assistance to US Cotton Growers (\$ billions)



Cotton Prices (\$ per kilogram)



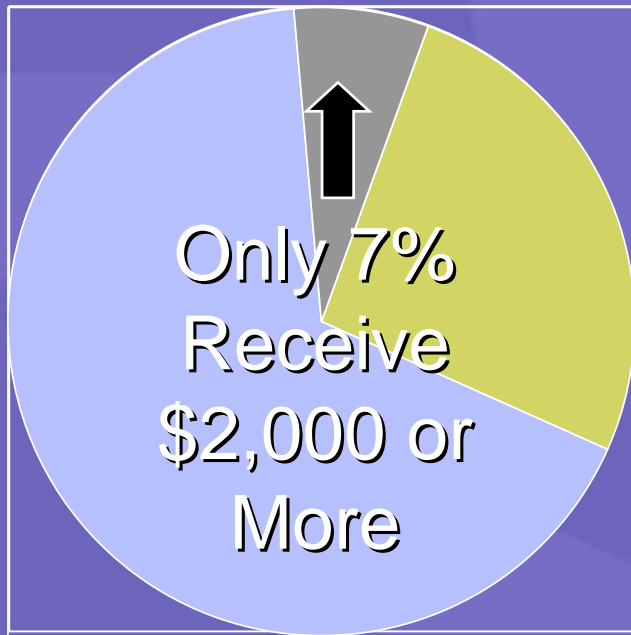
Source: World Bank, 2004

Subsidies Encourage the Conversion of Grasslands to Cropland

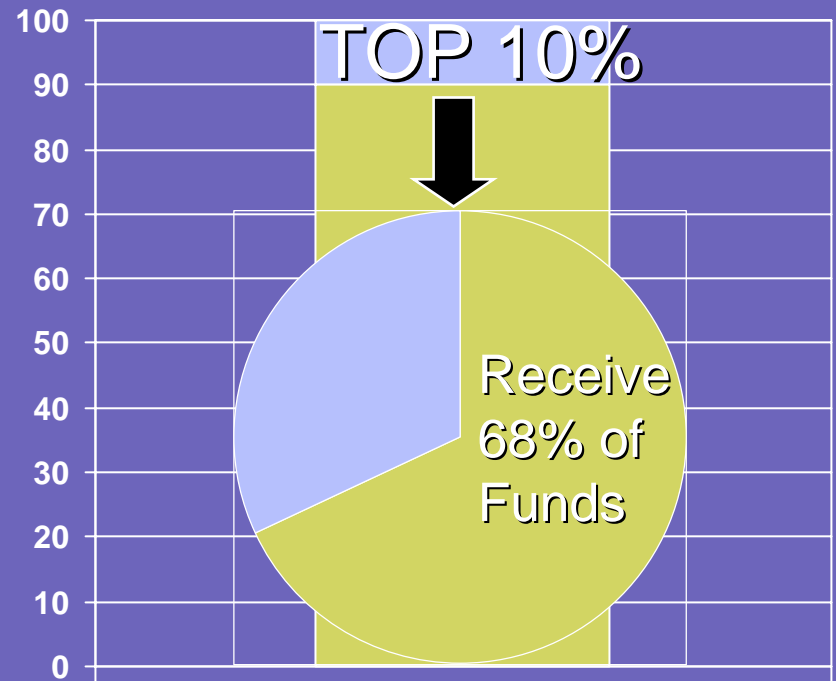


Few Farmers Benefit

Farmers Eligible for Subsidies



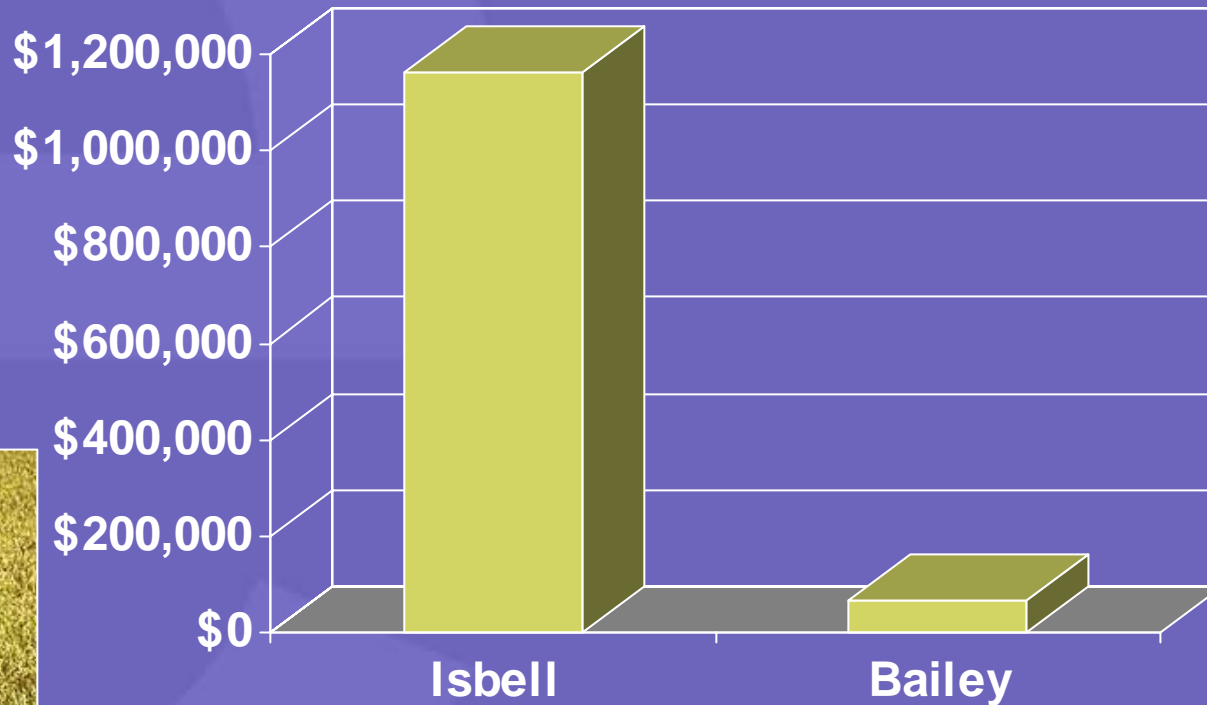
■ Eligible ■ Ineligible



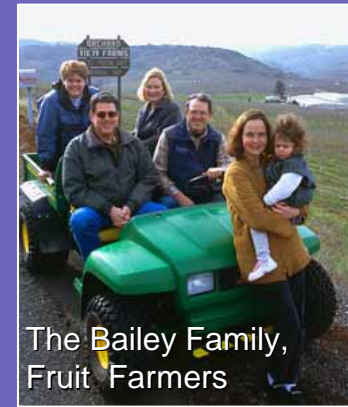
All Farmers

A Tale of Two Farmers

Subsidy Payments, 2001-2003

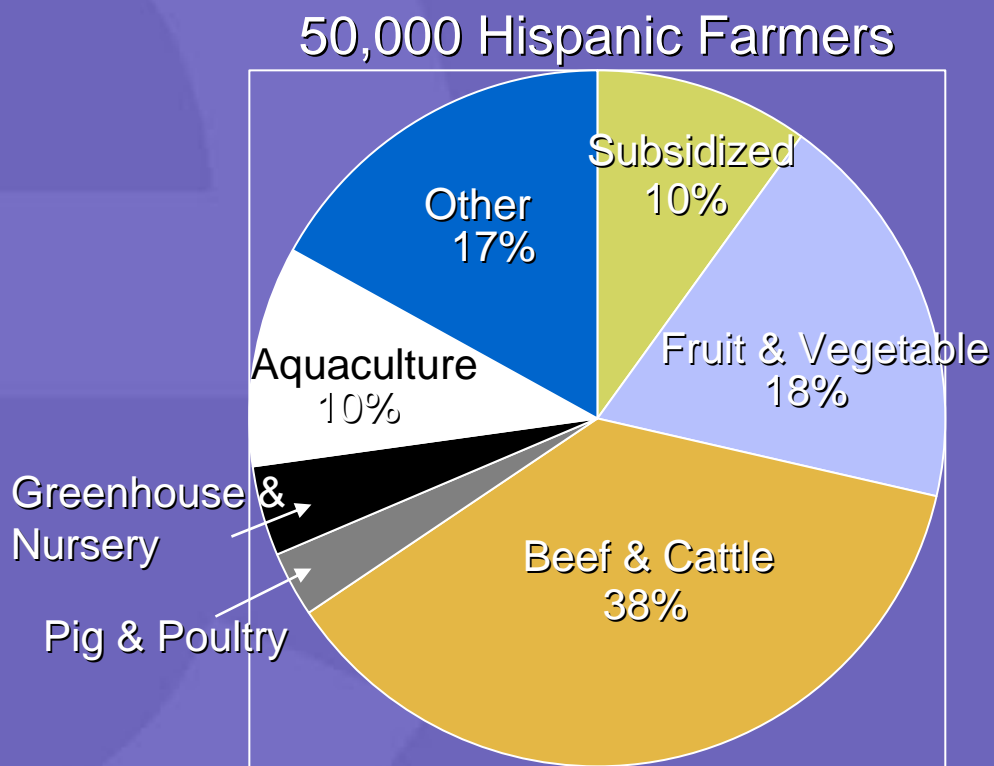


Chris Isbell,
Rice Farmer



The Bailey Family,
Fruit Farmers

Subsidy Structure Discriminates Against Minority Farmers

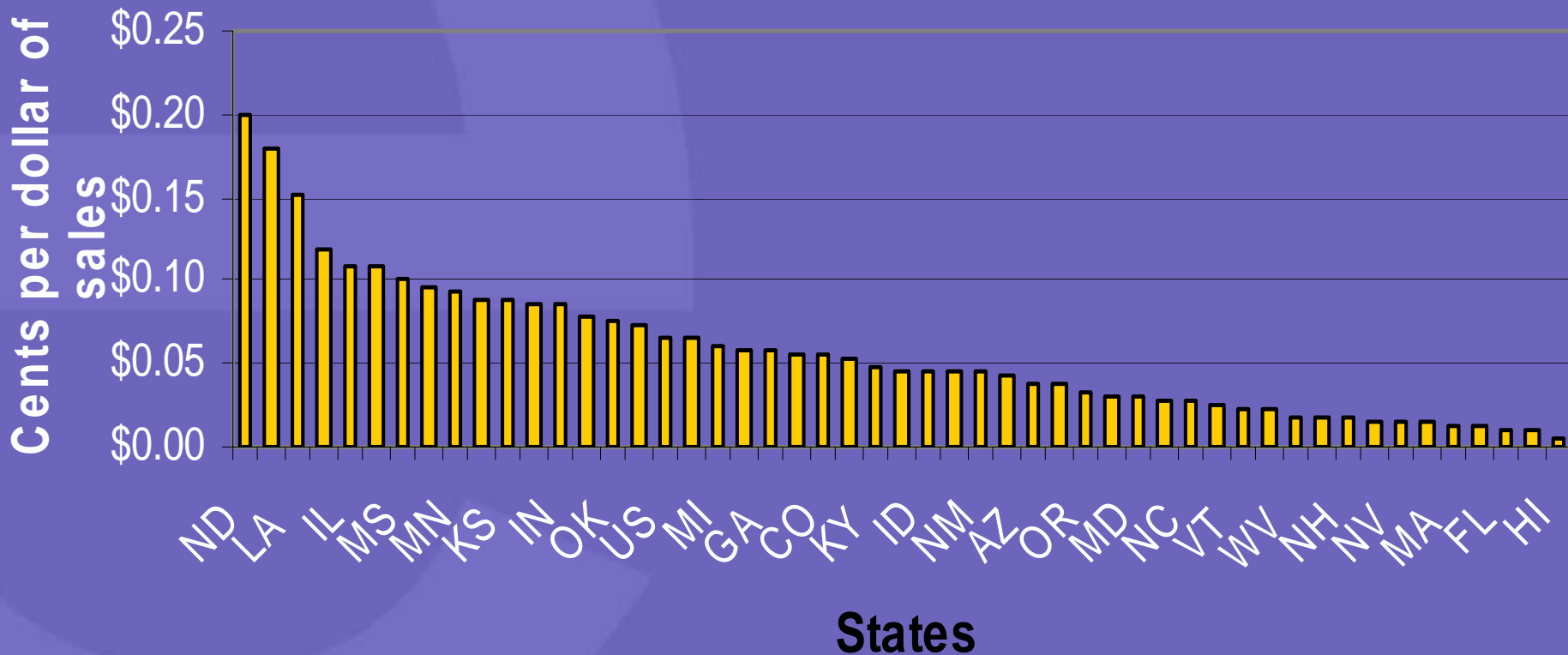


Subsidies Encourage Concentration

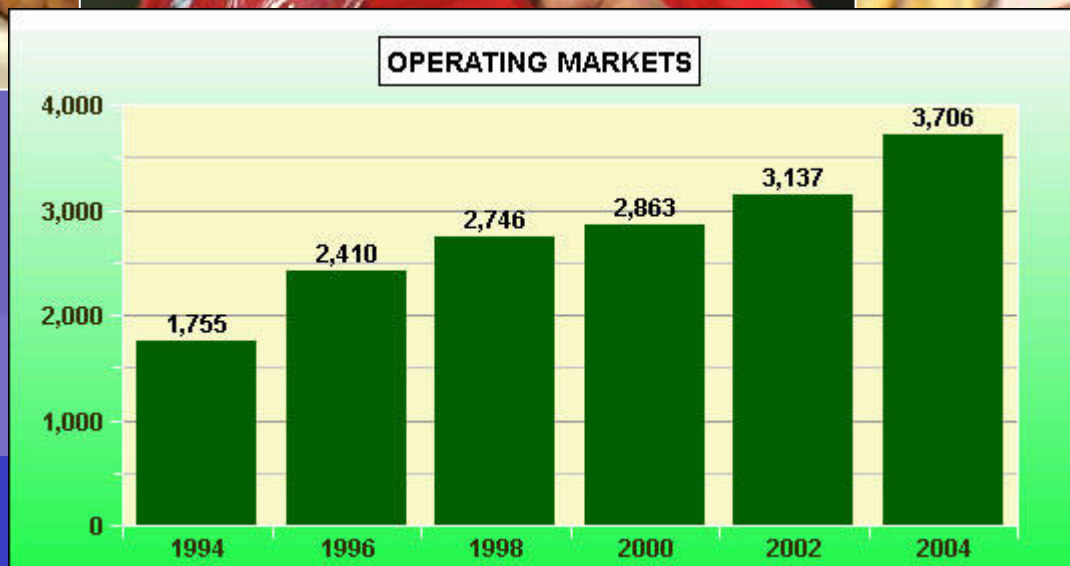
- 3% of farms produce 50% of all farm products by value on 17% of land
- 90% of farms produce 33% of all farm products on 70% of land.

Few States Benefit

Cents of Government Payments per Dollar of Agricultural Sales, 1990-2003 Average



Farm Policy Could Do More to Promote Farmers Markets



Failing to Promote Renewable Fuels

- Biodiesel
- Biogas
- Ethanol from grass, trees, and other farm by-products
- Geothermal
- Solar
- Wind



Case for Reform

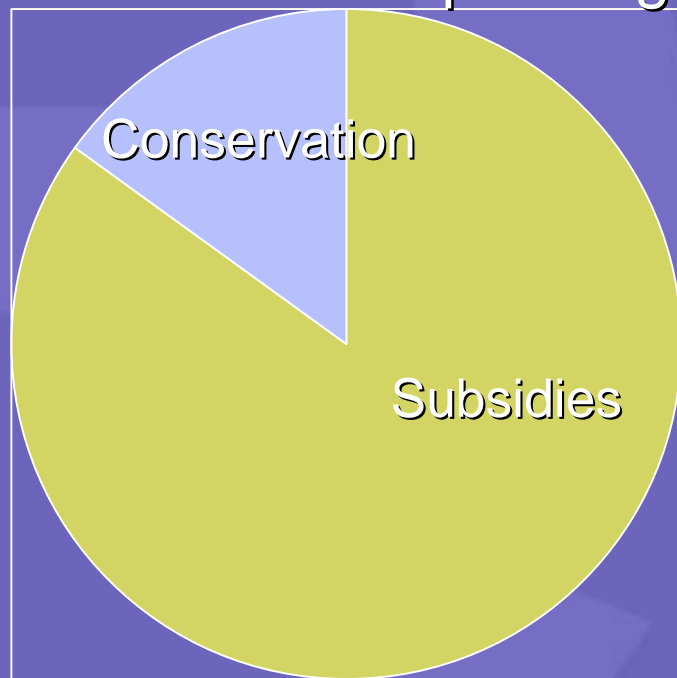
- Fails to help most farmers
- Fails to reward stewardship
- Undermines small and subsistence farmers
- Invites retaliatory tariffs
- Ignores energy needs
- Cost too much

Alternative Ways of Helping Farmers

- Incentives to improve the environment
- Reward farmers based not on how much they produce but how environmentally well they produce it
- Promote the development of new markets for sustainably grown farm products
- Help trigger cellulosic biofuels market

Goals: Reform Subsidies, Expand Conservation Funding & Make it More Effective

2003 USDA Spending



Proposed Changes in Spending

