

Spending in Tough Times Must Reflect Primary Needs of Citizens, Nation

by Jerry McReynolds

We have been taught from an early age that humans have four basic needs: food, water, clothing and shelter. Interestingly enough, it is the U.S. farm sector that provides two -- food and clothing -- out of those four needs. This fact puts farming and the programs that protect farmers from adversity -- known as the farm safety net -- pretty high up on this country's priority list.

Yet, farm programs account for just one quarter of one percent of the federal budget and some are advocating further reductions. While every dime we spend must be scrutinized, the fact remains that dollar for dollar, there is not a better investment of taxpayer funds than the U.S. farm safety net.

Take the federal crop insurance program, for example. It's hard to think of a federal program that exacts so much benefit per dollar of federal investment. This amplification is possible because crop insurance combines the best of government and private sector to help protect farmers from adversity and therefore ensure a safe, affordable, ample food supply for our citizens, and the world.

For example, in 2010, for a relatively small federal outlay combined with private monies from the farmers who purchased the policies, the government was able to augment a \$4 billion investment into an astounding \$80 billion in liability coverage for America's food, feed and clothing crops. That's a twenty-dollar return on every dollar invested.

But that's only the tip of the iceberg in terms of the overall benefits of the program. Should calamity strike our nation's farmers in the form of weather or market drops, it's the private sector, not the taxpayer, who would cover the cost of reimbursing the farmers for their losses and ensuring that they don't lose their businesses because of events out of their control. Indeed, the modern crop insurance model is proof perfect that public and private sectors can partner to harmonize their efforts and amplify their effectiveness.

When examining the programs that put food on the tables of the workers of this country, necessary budget cuts must be smart and must be targeted. The pressure on the food supply is increasing incrementally every year as the world's population creeps from nearly 7 billion now to 9.3 billion in the next few decades. That's why Kansas Senator Pat Roberts (R) recently urged Congress to let the Agriculture Committee, and those who understand the policy issues, "do that job from a policy standpoint."

Unfortunately, the farm safety net has been tapped several times in the recent past as the bottomless money reservoir to pay for other things, many of them not related to agriculture. In fact, all told, nearly \$12.45 billion total has been cut from crop insurance in the last several years. That's sobering for a farmer like me because I

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know how much I need crop insurance to protect myself from calamity and how important it is for farmers to have crop insurance in securing a loan.

Senator Roberts also warned those in the agricultural community against offering up one commodity or program to the sacrificial alter in order to stave off cuts from another. “It’s premature to play one off against the other or say Ill use one as a bank so I can get more of this,” he said.

Agriculture leaders and Congress need to be careful when charting a course for the future of farm policy. These programs provide the basic necessities of life in addition to the economic engine that is fueling our ascent from the brink of a near Great Depression.

A recent paper out of the Federal Reserve argues that agriculture is driving the economic recovery in the U.S. It’s fitting that a nation founded on agriculture would be rescued from economic disaster not by its manufacturing might or its high-tech savvy but by its farming sector, the very industry that provided the country's foundation in the first place. The future of any nation is inextricably linked to the future of its food supply, and for that reason alone, it would be hard to justify further weaken our farm safety net.

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