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OP-ED CONTRIBUTOR

Today's Harvest of Shame

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AS Congress heads into final negotiations over the farm bill, let's hope our elected officials are paying attention to the headlines: Brazil has scored yet another huge victory at the World Trade Organization over America's cotton subsidies; Mexico is likely to file a complaint with the global body over how we subsidize rice farmers; Canada may do the same over corn payments.

This is a troubling pattern, and there's a good chance America will lose more and more cases unless Congress makes changes in the farm bill, which expired last month. Washington simply must stop subsidizing farmers the way it does or risk reversing course on a half-century of steadily expanding trade opportunities.

I know all about subsidies. For years, I took them myself for my corn and soybean farm. I didn't really enjoy it, but they were available and I rationalized my participation: Other industries received payments and tax breaks — why shouldn't I? In addition, I spent 14 years as the head of the American Farm Bureau, the leading farmers' lobby and a prime player in the creation of the subsidy system.

In the 1990s, however, a trip to New Zealand made me realize that eliminating subsidies was not just a free-market fantasy, but rather a policy that could work in an advanced industrial nation. New Zealanders had stopped subsidizing their farmers, cold turkey, in 1984. The transition was controversial and not without its rough spots, yet it succeeded. On that visit and several later ones, I never met a farmer who wanted to go back to subsidies.

Today, it's obvious that we need to transform our public support for farmers. Many of our current subsidies inhibit trade because of their link to commodity prices. By promising to cover losses, the government insulates farmers from market signals that normally would encourage sensible, long-term decisions about what to grow and where to grow it. There's something fundamentally perverse about a system that has farmers hoping for low prices at harvest time — it's like praying for bad weather. But that's precisely what happens, because those low prices mean bigger checks from Washington.

Moreover, these practices hurt poor farmers in the developing world who find themselves struggling to compete. It's one of the reasons that the World Trade Organization won't let these practices stand.

Now would be a particularly opportune time to change the system. Food commodity prices are high, so a transition away from subsidies will hurt farmers less. Today's farmers enjoy much better marketing tools, crop protection and technology than they did only a decade ago.

The alternative is to put off the inevitable and risk a series of trade wars. When the United States loses a W.T.O. case, our aggrieved trading partners gain the right to retaliate through punitive tariffs on many American-made products, not just agriculture. For example, after the trade body ruled against the so-called Byrd amendment of 2000, which mandated that duties charged by Washington on imports deemed to be unfairly priced would go directly to American producers rather than to the Treasury, Canada and the European Union slapped sanctions on of such imports as American paper, cigarettes and oysters.

Politicians are fond of sticking out their chests and declaring that America's farm policies will be written in Washington, not Geneva. That's a good applause line, but at the same time Congress has rightly determined that it makes sense to participate in a global organization that establishes trade rules. American farmers depend upon the export market. For every two acres of wheat we grow, one is shipped abroad. The last thing we need is for our customers to quit buying because their governments are imposing tariffs with the approval of the World Trade Organization.

Yet Congress is getting in the way. It appears reluctant to approve bilateral agreements with Colombia, Panama and South Korea. With the Doha round of global trade talks having screeched to a halt, these accords are now the primary means for expanding export opportunities.

As for the farm bill, the answer isn't necessarily to get out of the subsidy business entirely (although it's preferable). The W.T.O. permits certain types of subsidies. The European Union spends substantially more public money on farmers per acre than we do, but its methods of payment are more compatible with global rules because they're based on acreage and production history rather than on current crop production and prices. This makes them less disruptive to international markets.

Congress can change the farm bill to meet global rules while serving our public interests of a secure food supply, rural economic development and a cleaner environment. If it doesn't, it will reap us nothing more than a long losing streak at the World Trade Organization.

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