



The Excesses of Corn

Reforming Farm Policies for a Sustainable Corn Industry

Susana E. Gonzalez

Environmental Studies Department, College of Saint Benedict & Saint John's University, Faculty Advisors: Dr. Derek Larson and Dr. Diane Veale-Jones

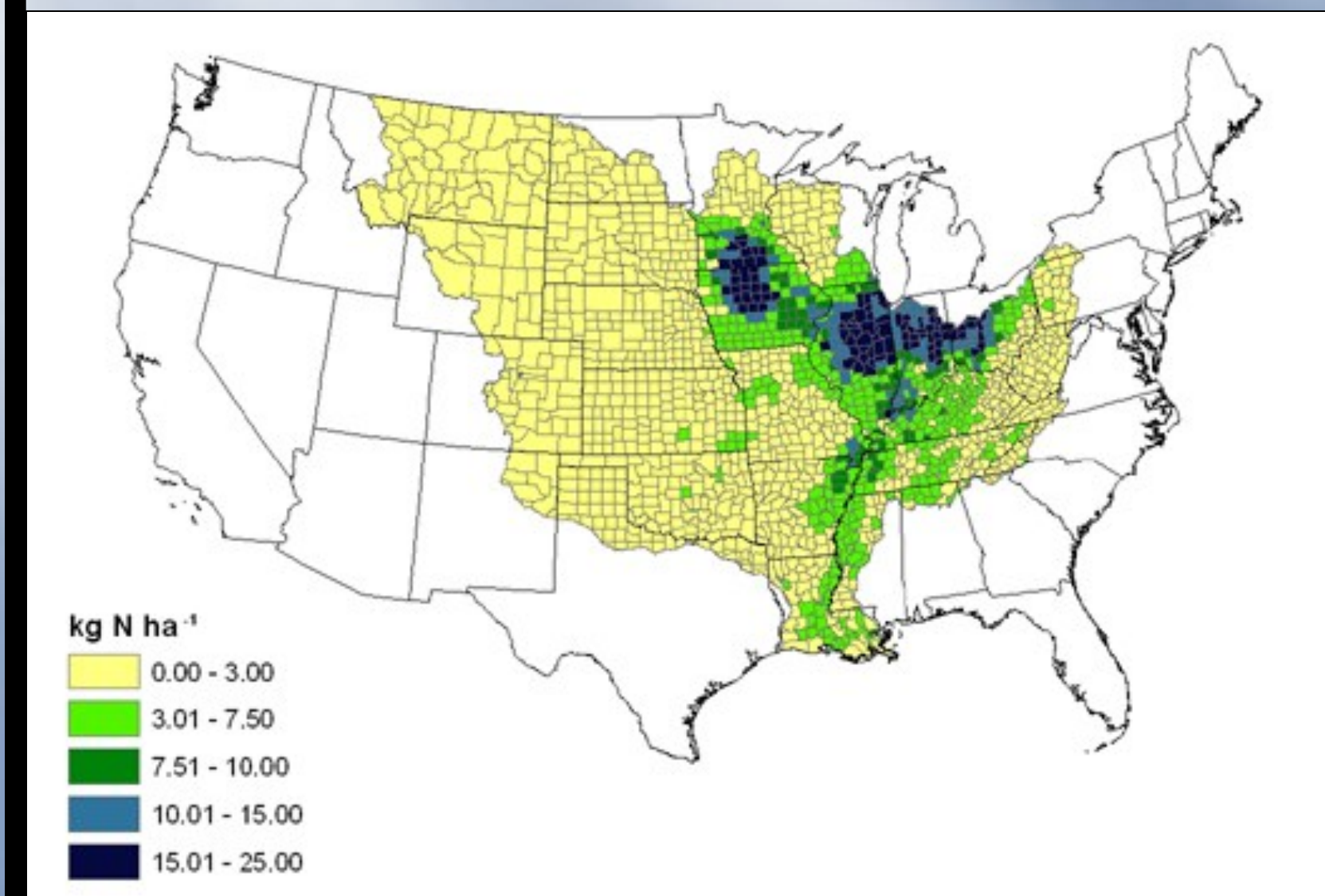
Introduction:

In 2011, 91,921,000 acres of corn planted produced 13,530,771,200 bushels of corn (147.2 bu/acre). USDA database shows that in 2011, the total frozen corn in cold storage stocks ranged between 200 million to 800 million pounds (~140m-560m bushels). The excess of corn has been occurring for the past decades, and even though the market price for corn has hit \$6.01 per bushel, subsidies continue to flow. Between the years of 1995-2010, \$80.6 billion have funded corn subsidies. Corn subsidies have created an unsustainable corn industry not only economically, but environmentally and socially. How did the corn industry come to be unsustainable? What obstacles prevent it from becoming sustainable? How can the obstacles be overcome to achieve a sustainable corn industry? All the answers lie in the Farm Bill, where corn subsidies can be traced back to. Farm policies have not encouraged a sustainable way of producing corn, therefore the overproduction of corn and its negative environmental, social, and economic impacts should be discouraged by properly allocating the funding within the programs of the Farm Bill.

Environmental Impacts

Pollution and Exhaustion of Land & Natural Resources

The Corn Belt is an example of the amount of land and resources devoted to corn causing soil erosion, chemical run-off, and depletion of natural resources.



<http://www.futurity.org/earth-environment/gulf-dead-zone-tied-to-tile-drainage/>

The loss of nitrate in the Corn Belt (Midwest) to streams in the Mississippi river basin have created a dead zone in the Gulf of Mexico.

Social Impacts

Public Health Crisis

Obesity can be partly traced to increased consumption of corn-based products because surplus subsidized corn has allowed fast food and soda to become cheap & available through high-fructose corn syrup.

“Public health and social justice advocates began to note that the greater affordability and availability of processed foods, among others factors, correlated with rising rates of obesity and diet related illnesses in the U.S., especially among low-income consumers”
-Michael Pollan, *Omnivore's Dilemma*, 2006

“Most subsidized crops enter our diets indirectly—and almost invisible— as feed or processed ingredients. The U.S. Surgeon General reports that Americans spend \$110 billion annually on illnesses caused by obesity, with taxpayers footing an increasingly large percentage of these costs”
- Daniel Imhoff, *Food Fight*, 2007.

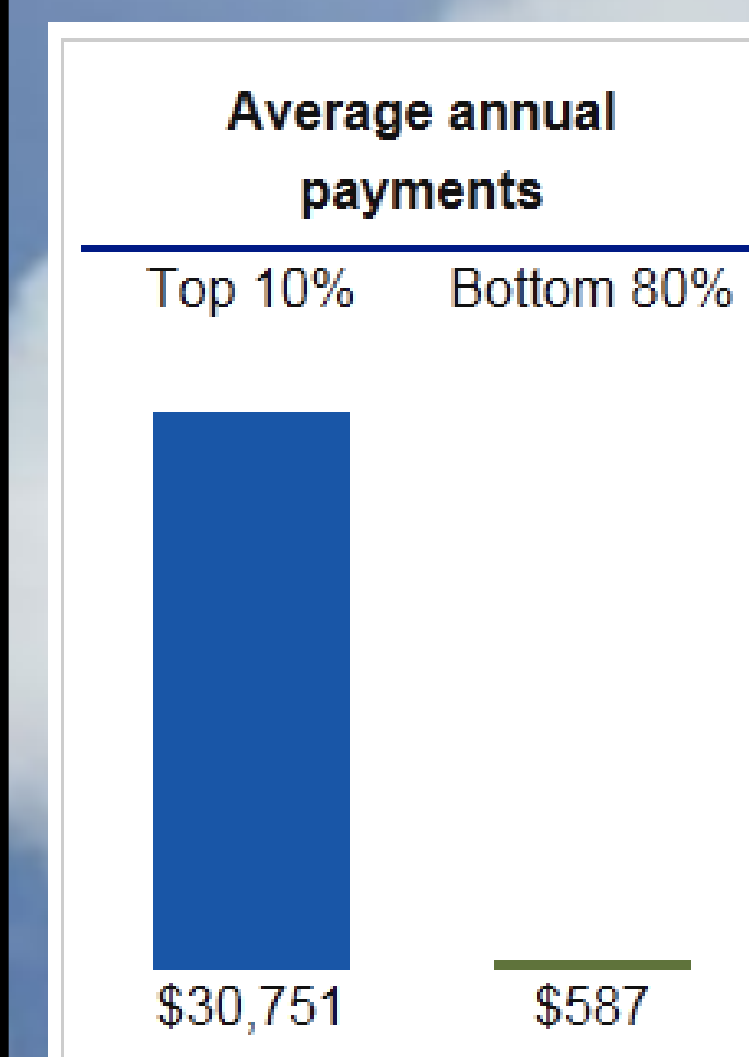
Economic Impacts:

Unfair Distribution of Subsidies

Subsidies mostly go towards a small wealthy percentage of farmers, demonstrating how inefficient farm policies have been in providing a safety net for all farmers.

“From 1995 to 2010, the top 10% of commodity payment recipients were paid 76 % of commodity payments”
(Environmental Working Group database).

Commodity Recipients from 1995-2010.



\$261.9 billion subsidy total
\$80.1 billion corn subsidy total

62% of farms did not collect subsidy payments according to the 2007 USDA Census of Agriculture.

Methods and Results:

The methods of research involve literature review and the analysis of farm policies in the 21st and 20th centuries. The literature review includes case studies on the environmental and social effects fostered by agricultural methods and high consumption of corn. Databases from the U.S. Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), and the Environmental Working Group (EWG) are used as supporting evidence for the critique of the corn industry. In addition, The National Agricultural Law Center, the book *U.S. Farm Bills and Policy Reforms* by Nadine Lehrer, and other online articles and posts help analyze farm policies in the 21st and 20th century identifying the historical rural-urban alliance, capitalization of subsidies into land values, entrenched legislation, and other factors that have shaped the Farm Bill.

Farm Bill Highlights:

1930s—The Great Depression

- 1933 Farm Bill: federal response to farm crisis

1940s— farm crisis ends

- 1948 Farm Bill: retains uncontroversial subsidies
- 1949 Farm Bill: reinforces subsidies and becomes “permanent” legislation

1950s-60s— excess commodity supply

- 1954 and 1956 Farm Bills: attempts to control surplus through food aid and idling lands
- 1965 Farm Bill: provides direct payments to farmers

1970s—Nutrition groups join policy debate

- 1973 Farm Bill: provides deficiency payments with “fencerow to fencerow” message
- 1977 Farm Bill: adds Nutrition Title due to urban-rural alliance

1980s— farm crisis allows environmental and Sustainable groups to get involved

- 1981 Farm Bill: adds Conservation Title
- 1985 Farm Bill: adds Conservation Reserve Program (CRP)

1990s-00s— trade disputes

- 1996 “Freedom to Farm” Farm Bill: decouples subsidies and promotes free trade
- 2002 Farm Bill— Adds countercyclical payments (re-couples subsidies)
- 2008 Farm Bill: no major commodity reforms and expires in September 30, 2012
- 2012 Farm Bill debates currently under way

Conclusion:

The solution proposed is to reduce and cap subsidies in order to eliminate the incentives heavy subsidies impose and actually provide a safety net for all farmers. Subsidies based on price and production influence farmer’s planting decisions, leading them to plant as much as they can in order to receive subsidies and be able to compete in the market. With reduced subsidies, the incentives to produce as much as possible will be eliminated, giving farmers the opportunity to play in a fair market without the government’s intervention. Therefore, the Commodity Title of the Farm Bill needs to be reformed by reducing subsidies to discourage the overproduction of corn. Funding should be shifted towards the Conservation Title to address the current environmental impacts fostered by current agricultural methods. Moreover, the creation of a new title for fruits and vegetables should be created to help balance the commodity title.