

CITY SLICKERS HARVEST CASH CROP

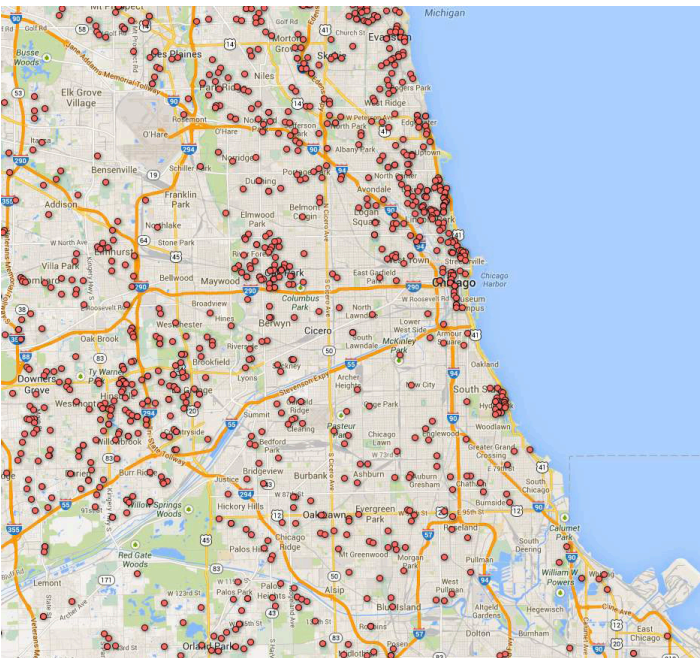
By Scott Faber, EWG Senior Vice-President of Government Affairs
and
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RESIDENTS OF AMERICA'S 54 LARGEST
CITIES COLLECTED MORE THAN
\$24 MILLION IN DIRECT PAYMENT
FARM SUBSIDIES IN 2012, ACCORDING TO
NEW RESEARCH BY THE ENVIRONMENTAL
WORKING GROUP.

A total of 18,276 city dwellers cashed in on the US Department of Agriculture's Direct Payment program, which was created in 1996 to wean farmers off subsidies but instead was continued in the 2002 and

Chicago, Ill.

393 recipients collected \$198,376 in farm payments in 2012.



2008 farm bills, EWG's study shows.

Congress must decide this month whether to extend the Direct Payment program, which cost taxpayers nearly \$5 billion a year. Both the House and Senate versions of the proposed new farm bill would end these payments, but it looks more likely

that Congress will vote to extend the current farm bill once again.

Unlike subsidies tied to current farm production and prices, direct payments are based on a farm's historical production. As a result, the checks go out regardless of need or even whether a farm has produced a crop. Land that has been converted to non-farm uses is legally not eligible for direct payment subsidies, but the Government Accountability Office (GAO) recently found that USDA does a poor job of tracking land use changes.

Many of the city dwellers who receive direct payments have an ownership interest in a farm, but are only marginally involved in its operation and may not even visit it.

From 2003 to 2011, about a quarter of all direct payments – \$10.6 billion – went to landowners whose

Denver, Colo.

821 recipients collected \$882,648 in farm payments in 2012.

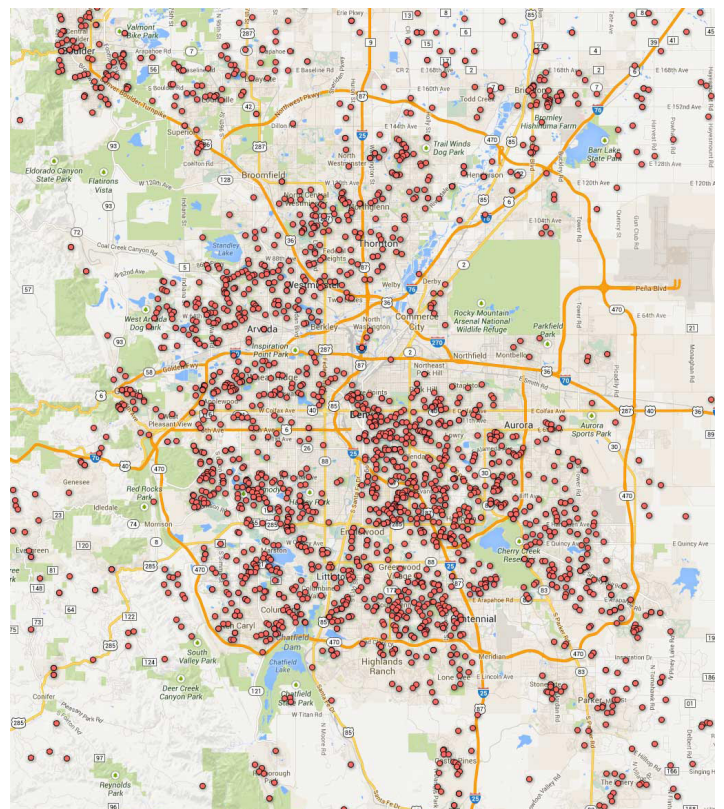


Table 1 - Direct payment rates

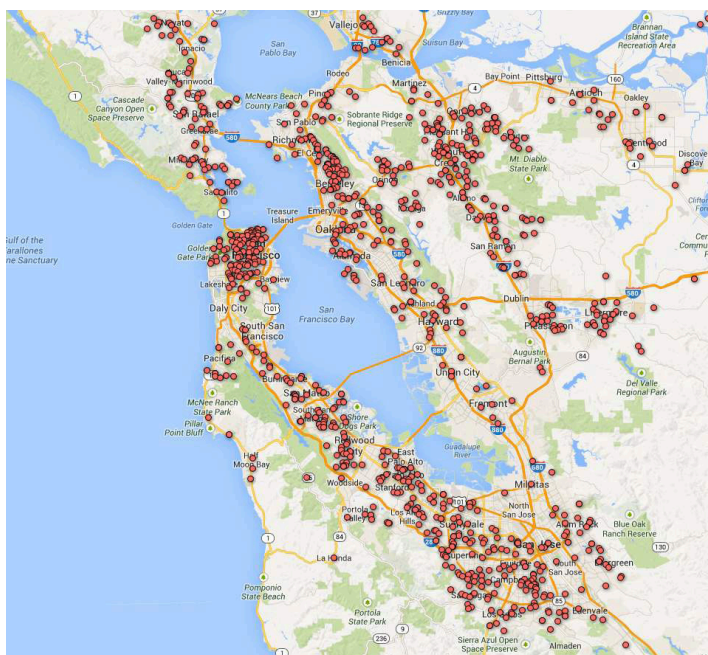
Commodity	Unit	Direct payment rate	Direct payment rate if enrolled in ACRE
Wheat	Bushel	\$0.52	\$0.42
Corn	Bushel	\$0.28	\$0.22
Grain sorghum	Bushel	\$0.35	\$0.28
Barley	Bushel	\$0.24	\$0.19
Oats	Bushel	\$0.024	\$0.017
Upland cotton	Pound	\$0.0667	\$0.0534
Medium-grain rice	Hundredweight	\$2.35	\$1.88
Long-grain rice	Hundredweight	\$2.35	\$1.88
Soybeans	Bushel	\$0.44	\$0.35
Other oilseeds	Hundredweight	\$0.80	\$0.64
Peanuts	Ton	\$36.00	\$28.80

farm did not grow the crop associated with its historic production, and many landowners reported their land as fallow – with no crop at all – GAO found.

Here is how the Direct Payment program works: Landowners annually enroll based on a farm's historical production and the payment rates set in the 2008 farm bill. A payment is calculated by multiplying the payment rate by the farm's historic acres and

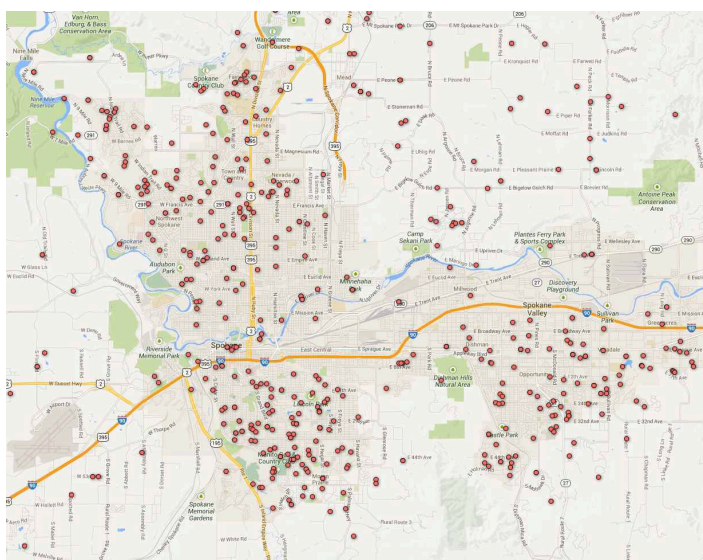
San Francisco, Calif.

116 recipients collected \$446,302 in farm payments in 2012.



Spokane, Wash.

611 recipients collected \$1,046,051 in farm payments in 2012.



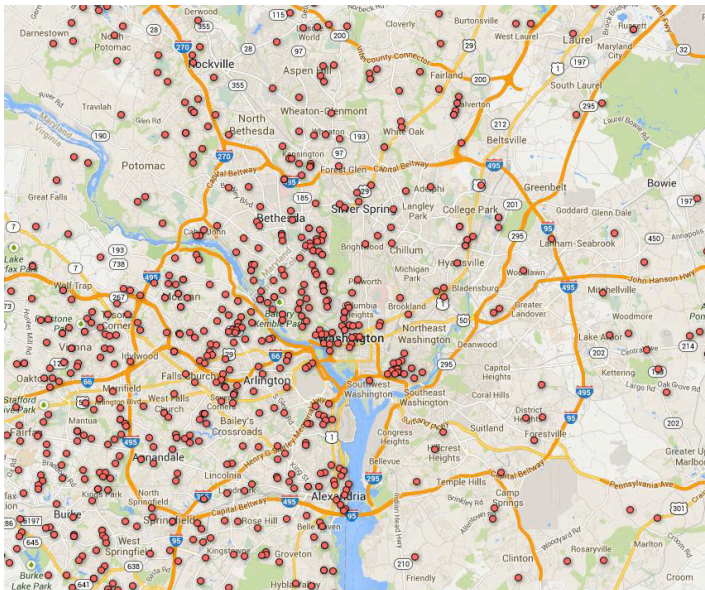
yields, as specified in the 2002 farm bill. If the farm also participates in the separate ACRE subsidy program, the direct payments are cut by 20 percent.

This table shows the payment rates for 11 eligible commodity crops:

There are some limits on direct payments. Landowners can grow many crops on eligible lands, but they are prohibited from growing fruits, vegetables and wild rice. An individual landowner is supposed to be limited to no more than \$40,000 a

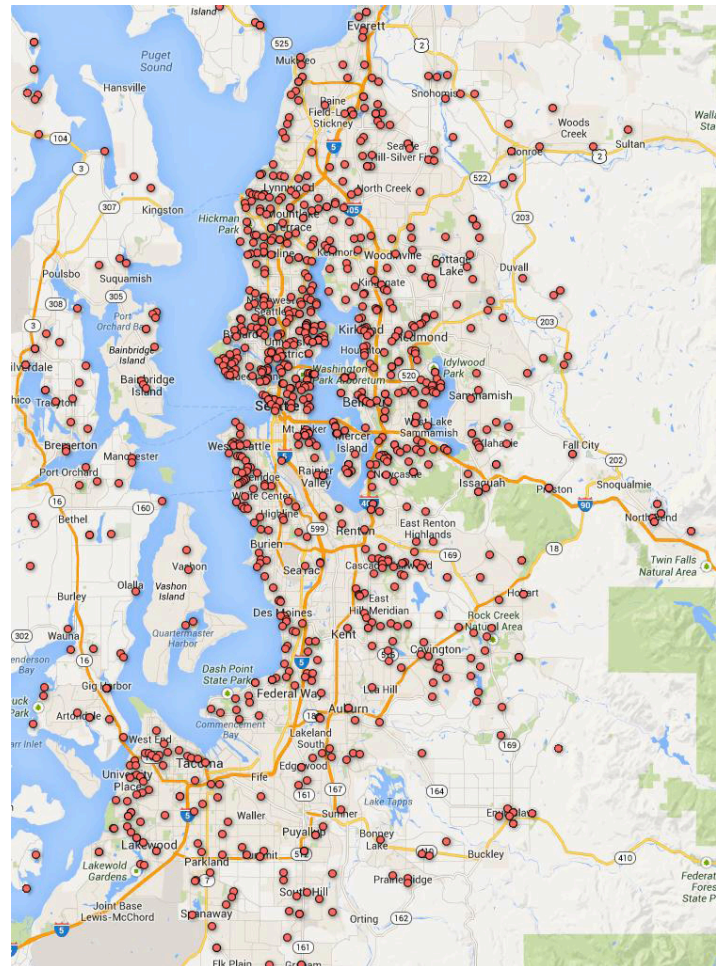
Washington, D.C.

108 recipients collected \$124,491 in farm payments in 2012.



Seattle, Wash.

309 recipients collected \$292,653 in farm payments in 2012.



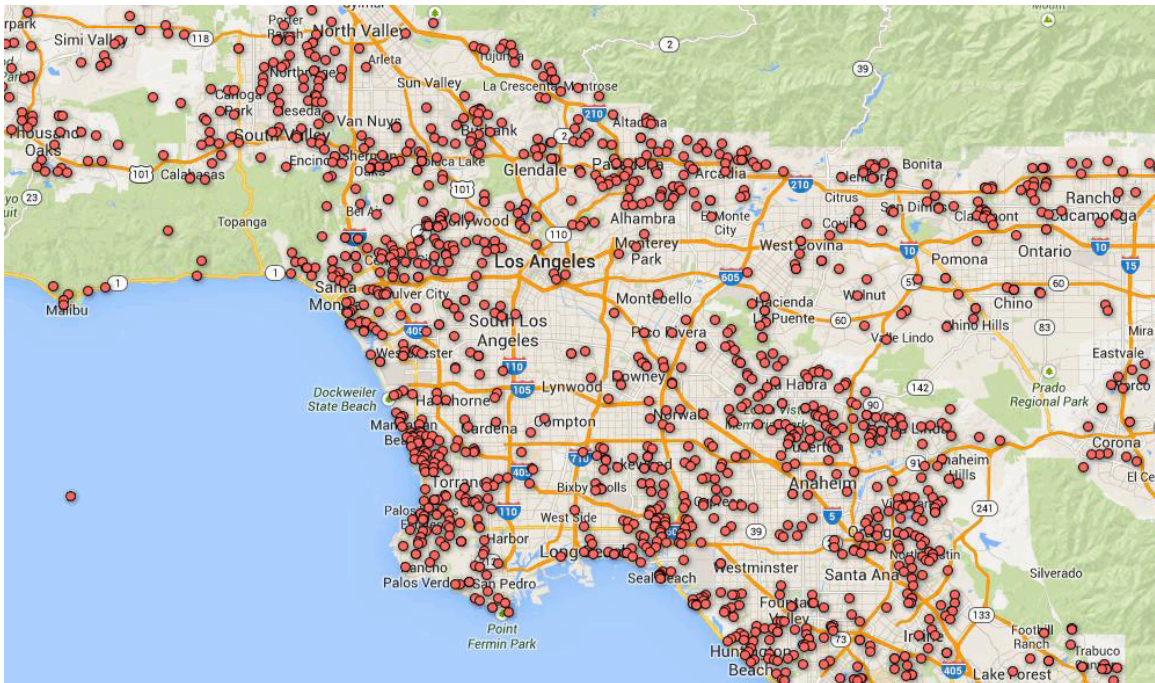
year in all, but this limit does little to level the playing field for family farmers. According to GAO, recipients of the top 25 percent of direct payment checks pulled in 73 percent of the total in 2011.

Because the current farm bill expires at the end of September, Congress must decide soon how to extend the current programs – including whether or not to extend direct payments. Senate Agriculture Committee Chairwoman Debbie Stabenow (D-Mich.) got it right when she [concluded](#) during a recent colloquy that extending direct payments “is indefensible in the current budget climate. It makes no sense to pay farmers when they haven’t suffered a loss.”

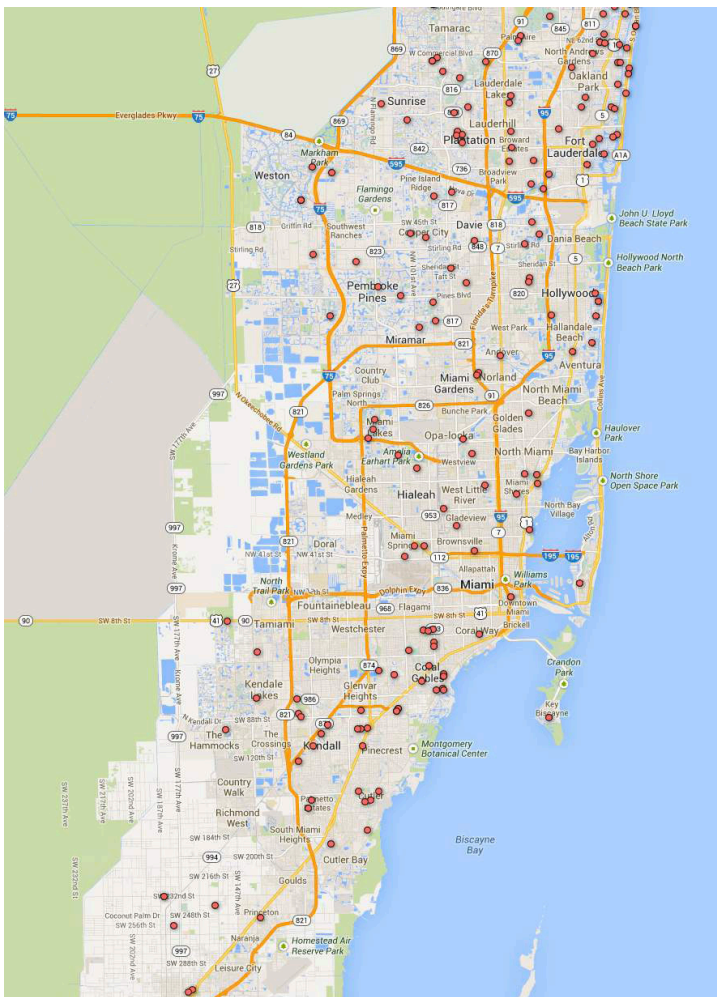
Any farm bill extension – including a short-term extension – should finally end direct payments and use some of the savings to finance other small but important programs, including those that help organic farmers, beginning farmers and local food initiatives.

Los Angeles, Calif.

131 recipients collected \$112,484 in farm payments in 2012.



Miami, Fla. 84 recipients collected \$82,843 in farm payments in 2012.



**54 cities collected more than \$24 million in
Direct Payments in 2012**

City	State	Direct payments	Number of Recipients
New York City	New York	\$169,461	152
Phoenix	Arizona	\$1,195,157	267
Chicago	Illinois	\$198,376	393
Washington	District of Columbia	\$1,24,491	108
Miami	Florida	\$82,843	84
Los Angeles	California	\$112,484	131
Seattle	Washington	\$292,653	309
San Francisco	California	\$446,302	116
Spokane	Washington	\$1,046,051	611
Denver	Colorado	\$882,648	821
Houston	Texas	\$1,917,257	1405
Brooklyn	New York	\$39,819	26
Philadelphia	Pennsylvania	\$51,562	24
Bronx	New York	\$-2,423	6
San Antonio	Texas	\$998,666	814
Dallas	Texas	\$1,025,083	925
San Diego	California	\$316,954	224
Las Vegas	Nevada	\$268,359	182
Minneapolis	Minnesota	\$622,403	521
Saint Louis	Missouri	\$718,551	1017
San Jose	California	\$107,334	116
Detroit	Michigan	\$11,329	27
Cleveland	Ohio	\$24,203	32
Atlanta	Georgia	\$173,246	237
Indianapolis	Indiana	\$773,680	620
Cincinnati	Ohio	\$190,115	308
Milwaukee	Wisconsin	\$103,702	88
Tucson	Arizona	\$521,594	328
Seattle	Washington	\$292,653	309
Austin	Texas	\$1,063,645	929
Portland	Oregon	\$285,055	288
Columbus	Ohio	\$1,129,487	495
Jacksonville	Florida	\$164,700	163
Saint Paul	Minnesota	\$545,665	390
Pittsburgh	Pennsylvania	\$38,061	42
Fort Lauderdale	Florida	\$68,615	80
Memphis	Tennessee	\$954,419	812
Orlando	Florida	\$53,895	81
Louisville	Kentucky	\$217,045	431

Sacramento	California	\$936,167	154
Fort Worth	Texas	\$671,090	593
Baltimore	Maryland	\$34,367	39
Tampa	Florida	\$88,886	100
El Paso	Texas	\$206,770	144
Charlotte	North Carolina	\$72,826	162
Buffalo	New York	\$48,728	24
Oklahoma City	Oklahoma	\$816,846	851
Salt Lake City	Utah	\$115,741	124
Albuquerque	New Mexico	\$436,771	348
Kansas City	Missouri	\$942,645	1114
New Orleans	Louisiana	\$97,884	105
Fresno	California	\$1,850,899	196
Dayton	Ohio	\$437,421	290
Richmond	Virginia	\$ 76,851	120