Danielle Paquette: ‘The Bachelor,’ billionaires and farm subsidies for the rich

Farm subsidies have for decades disproportionately benefited richer Americans.

Even if they live in posh Manhattan penthouses. Even if they’re, say, on hit television shows. Chris Soules, this season’s star of “The Bachelor,” for example, has raked in more than $370,000 in farm subsidies since he turned 19 in 2001.

Call it agricultural inequality. The country’s top recipients swept 77% of subsidies from 1995 to 2012, said Craig Cox, senior vice president of agriculture policy at the Environmental Working Group.

The U.S. Department of Agriculture will soon propose a rule that could drive that percentage down, Politico reports, starting with tightening the definition of an “actively engaged” farmer. The eligibility for agricultural subsidies remains broad: Anyone who invests time, money or guidance in a farm can qualify for a fat government handout.

“It’s a loophole some folks not ‘actively engaged' in farming are using to collect farm benefits,” USDA spokesman Cullen Schwarz said, “and we’re trying to close that to the extent that we can.”

The USDA proposal is parked in the Office of Management and Budget, Schwarz said. Change could take months. Farm subsidies, meanwhile, continue to cushion the privileged.

Soules, a 33-year-old Iowa native, bills himself as a small-town farmer. The show’s host described him differently: “Soules is a fourth-generation land baron,” ABC’s Chris Harrison told USA Today. “If you say he’s just a farmer, you’re missing it. He’s a millionaire. Very good-looking guy. He really wants to find a wife and live the American dream.”

The bottom 80% of farm subsidy recipients in his home state collected far less: an annual average of less than $1,565. The majority of agricultural subsidies nationwide go to commercial farms with average incomes of $200,000 and net worths of nearly $2 million, a Heritage Foundation report found.

Records show “Prince Farming” is actually a farmer. Soules, one of the top 20% of recipients in Iowa, didn’t do anything wrong. He played by the rules — rules built on years of Big Agriculture’s lobbying and bipartisan angst.

Farm subsidies have long drawn political ire. Economists don’t really like them, either.

In the past 20 years, at least $11.3 million in farm subsidies went to 50 billionaires — including Microsoft co-founder Paul G. Allen, investment giant Charles Schwab and Chick-fil-A founder S. Truett Cathy.

“That just shows how really skewed these farm subsidies have become and how far they’ve drifted from their original purpose, which was to give a leg up to smaller, struggling family farmers,” said Cox, who pushes for farm subsidy reform.

This time last year, Congress passed a five-year farm bill that sought to squash $16 billion in government spending and update a broad range of agricultural policies, including how farm subsidies are distributed. The 959-page bill ended direct subsidy payments, a broadly reviled policy where farmers received a fixed check for every acre they owned — planted or not.

Detractors say the bill dealt a blow to poor families, cutting $8.7 billion from the food stamp program, which helps provide sustenance to nearly 47 million people. The change reduced benefits for about 850,000 households, the Congressional Budget Office estimated.

As help for the poor shrank, relief for the wealthy remained. Today, rich farmers can still pocket big benefits: Those with incomes up to $900,000 can still receive $125,000 annually from these programs. Furthermore, there is no limit to individuals who can claim to help “manage” the same operation, regardless of whether or not they’ve stepped foot on a farm. They can bank the same amount.

Then there’s the new crop insurance program, intended to replace direct payments. It comes with no income cap and can help out the kind of earners who don’t necessarily need to be saved.

Here’s David Dayen in The New Republic:

“The politicians patting themselves on the back for repealing subsidies to farmers have found a surreptitious way to deposit these savings right back in the pocket of agribusiness. That’s because the farm bill will expand subsidies for crop insurance, which looks like a private-sector program but which actually hands over virtually the same amount of taxpayer money to farmers, mostly wealthy ones, as the old direct payment program.”

The shift from direct payments to crop insurance, Dayen notes, means it will be much harder to track how the handouts are distributed. Language in the Federal Crop Insurance Act prohibits the USDA from releasing some information agriculture watchdogs have enjoyed for years: Names, information about individual policyholders, underwriting gains ... and more.

That could slow reform, said Marion Nestle, a professor of food studies and public health at New York University. A lack of transparency, she said, further muddles Americans’ understanding of an already complicated policy.

“I have students who say, ‘that’s a really great deal,’” Nestle said of crop insurance, “because they think no matter how much money you pay out, the government will compensate.”

On the first day of farm bill class, Nestle asks the room: What should an ideal agriculture policy do? Her students, she said, respond predictably: It ensures there’s enough food to go around, pays farmers a decent living, preserves the land ... .

“It protects agriculture business,” Nestle said of the farm bill. “Very, very little help is available for poor farmers. It mostly serves the most successful people.”

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