

The Good, the Bad, and the Ugly

The Economic Fall-Out from a Kind-Flake Farm Policy would be Disastrous.

The Good. The House Agriculture Committee *unanimously rejected a Kind-Flake farm bill*, seeing the proposal as an invitation to costly and unbudgeted ad hoc emergency economic relief such as those required during the 1980s farm financial crisis and in response to the collapse in prices in the late 1990s.

The Bad. *Even if commodity prices were high*, Texas A&M's Agriculture and Food Policy Center found that a Kind-Flake scheme would:

- Cause all crop farms and nearly all dairy farms to suffer a drop in cash receipts, net cash income, and net worth.
- Cause nearly half of all crop farms to suffer a more than 25% drop in net cash income.
- Cause all crop farms and nearly all dairy farms to suffer lower net worth, some experiencing a more than 25% drop.
- Cause all crop farms to “have a more difficult time providing their share of the funds required for environmental cost-share.”

The Ugly. *But if prices dropped modestly*, the Agriculture and Food Policy Center found that a Kind-Flake farm bill would:

- Cause all crop farms, all dairies, and at least some livestock producers to suffer a drop in cash receipts, net cash income, or net worth. And for most, a drop in all three.
- Cause nearly all crop farms to suffer a more than 25% drop in net cash income.
- Cause most crop farms to suffer a more than 25% drop in net worth.
- Cause “a negative overall impact on net farm income and the economic viability of crop and dairy farms.”
- Cause “most of the farms and ranches [to] not be able to survive the erosion in farm income.”

About the study: The Agriculture and Food Policy Center conducted a study on the economic impacts of a Kind-Flake farm bill on 38 representative farms, ranches, and dairies located in 24 states in every region of the country, including Alabama, Arkansas, California, Colorado, Georgia, Idaho, Iowa, Indiana, Kansas, Missouri, Montana, Nebraska, New Mexico, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, Wisconsin.

To view the full study, visit: <http://www.afpc.tamu.edu/pubs/3/475/briefing%20report.pdf>

Bottom Line: It's “Kinda Flakey” to Destroy American Agriculture.

Oppose Kind-Flake, Support a Strong Farm Bill