



THE ECONOMIC PAMPHLETEER
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The case for radical changes in U.S. farm policies

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Over the past decade, I have written numerous columns and articles advocating transformational changes in farm policies (Ikerd, 2015, 2019, 2020, 2022). I have freely admitted that my proposals have been too radical to be considered relevant in previous farm bill debates. However, I think public support is growing for radical changes in both farm and food policies. Furthermore, the current bureaucratic chaos in Washington, D.C., may provide an opportune political environment for radical change.

It is time to truly start thinking “outside the box”—in this case, outside the box of the U.S. Department of Agriculture (USDA). The inclusion

of farm and food policies in the 2025 federal budget reconciliation bill, the “One Big Beautiful Bill Act of 2025,” provides opportunities to change the way farm and food assistance policies are funded and administered. The bill didn’t change previous funding priorities. It provides increased funding for industrial commodity producers, reduced funding for food assistance programs, community development, and local foods, and redirects climate change funding to subsidize conservation practices for commodity producers. However, funding agri-food programs through the regular budgeting process, rather than a separate “farm bill,” weakens the grip of the industrial

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Why an Economic Pamphleteer? In his historic pamphlet *Common Sense*, written in 1775–1776, Thomas Paine wrote of the necessity of people to form governments to moderate their individual self-interest. In our government today, the pursuit of economic self-interest reigns supreme. Rural America has been recolonized, economically, by corporate industrial agriculture. I hope my “pamphlets” will help awaken Americans to a new revolution—to create a sustainable agri-food economy, revitalize rural communities, and reclaim our democracy. The collected Economic Pamphleteer columns (2010–2017) are available at <https://bit.ly/ikerd-collection>

agricultural establishment on farm and food policies.

Policies focused on industrial agriculture would be more appropriately administered in the Department of Commerce, and biofuels by the Department of Energy. Agriculture and related industries compose less than 6% of the GDP, and commercial agriculture has more in common with industry than agriculture (USDA Economic Research Service, 2025a). Industrial agriculture should be regulated as any other industry is and compete with other industrial sectors for government funds. USDA Rural Development programs probably would find a more accommodating and supportive environment than they have had in the USDA in a renamed Department of Housing and Community Development.

Supplemental food assistance programs evolved in the USDA because they were initiated as a means of disposing of surplus agricultural commodities. More than 80% of current SNAP recipients live in urban areas (USDA Food and Nutrition Service, 2022, p. 2). Supplemental nutritional assistance programs could be more logically administered in a new Department of Domestic Food Security (DDSF). Government programs supporting organic, regenerative, resilient, and other sustainable farming systems would also be in the new DDSF. The focus on food assistance programs would be on *short-run* food security: meeting the nutritional needs of today. Sustainable farming programs would focus on *long-run* food security: meeting the food needs of the future as well as today.

The only defensible public purpose for policies specific to farming and food production is to ensure domestic food security. Food security was the justification for the farm bills of the 1930s, 1940s, and 1950s, and had been for food stamps and their replacement, the Supplemental Nutrition Assistance Program (SNAP), since the 1960s (Ikerd, 2022). Markets have never met the nutritional needs of all within any society.

Today, however, government-subsidized crops

fuel our cars, provide cheap feed for concentrated animal feeding operations (CAFOs), and help the balance of trade, and they produce a lot of empty calories that contribute to malnutrition or *nutritional* insecurity. Giving money to malnourished people who have no means of selecting, accessing, or preparing nutritious food is better than letting people starve, but it does not ensure nutritional food security. Paying commodity producers to just slow the depletion of soil fertility and mitigate pollution actually threatens *long-run* food security by subsidizing the production systems that

continue to deplete and pollute.

The vast majority of people, including most mainstream farmers, know there is something fundamentally wrong with the current systems of farming, food processing, and food retailing. The agri-food systems are not working for consumers who are suffering from a variety of diet-related health issues. They are not working for the smaller diversified family farmers who are forced to rely on off-farm income to make a living. They are not working for the rural communities that have supported and been supported by farming families. They are not working for the land; agricultural chemicals and biological wastes pollute the soil, air, and water. Current farm policies are not even working for the large commodity producers who feel trapped in farming systems that conflict with their social and ethical values. If you are going in the wrong direction, it is good to slow down—but ultimately, you need to stop and change direction.

Unfortunately, there is no widely shared vision of realistic farm and food policies that would be fundamentally better than those of today. Most farm and food policy debates have been about ways to make today's failed systems less bad rather than how to make them fundamentally better. Most debates about farm policy center on whether to allocate more or less money to subsidize commodity production and more or less to compensate farmers for adopting conservation and environmental protection practices, such as cover crops and buffer strips. Most debates also focus on

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budgeting more or less money for supplemental food assistance programs.

The rest of this column focuses on suggestions for radically different farm policies. I will make the case in future columns for radical changes in policies affecting access to farmland, government food assistance, and community development.

First, we need to quit subsidizing commodity production and start sharing the risks with farmers who want to begin, or transition to, ecologically and socially sustainable farming systems. Government programs that currently absorb the risks of unsustainable commodity production must be systematically replaced with programs that absorb the risks of transitioning from industrial to sustainable farming systems. The transition will take time because farming sustainably is *knowledge- and management-intensive*. It takes time and commitment to learn to farm sustainably. Degraded agroecosystems also take time and attention to heal and restore their fertility and natural productivity.

Farmers beginning or transitioning to sustainable farming would need to be assured of consistent, dependable support over a period sufficient to regenerate soil fertility, restore agroecosystem integrity, and nurture a new generation of management-intensive farmers. The best way to ensure adequate long-run government funding as the number of sustainable farms and farmers grows might be to fund the transition program through the U.S. Internal Revenue Service (IRS) rather than the new DDSF. Compensation for transition risks and potentially higher sustainable farming costs would be encoded in IRS rules, rather than determined by farm bills crafted by the industrial agricultural establishment, as has been the case in the past.

One way to absorb transition risks would be through refundable tax credits. Most tax credits are

nonrefundable, meaning that if taxpayers owe less tax than the amount of the credit, they do not receive the full benefit of the credit. If they have no taxable income, the credit is worthless. In contrast, a refundable tax credit is paid to the taxpayer even if their taxable income is less than the tax credit. Examples include the off-road vehicles Fuel Tax Credit for farmers and the Earned Income Tax Credit for low-income taxpayers (IRS, 2025). The Child Tax Credit is partially refundable.

The refundable tax credit for sustainable farming would ensure that farmers who develop and implement an approved plan to establish or transition to a sustainable farming system can maintain a family income equal to or at parity with nonfarm families in their area.

This was the intent of early farm bills that ensured parity prices for agricultural commodities (Ikerd, 2022). The program would be limited to individual farmers and farm couples who file income taxes jointly. Family corporations and Limited Liability Corporations (LLCs) would be excluded, as these are means of consolidating farms for industrial production. If calculations on the individual or

joint IRS tax return resulted in an “after-tax income” less than the median nonfarm after-tax income of individuals or families for the area, the refundable tax credit would make up the difference.

On the current IRS Form 1040, the “total other payments and tax credits” would be added to “taxable income” to calculate total individual or

household income. “Taxes owed,” if any, would be subtracted from “total income” to calculate “after-tax income.” The farm household’s after-tax income would be compared to the median after-tax income for nonfarm households for the area,

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provided by the IRS. If the farm household's after-tax income is smaller than nonfarm household incomes, the difference would be a "farm income tax credit." The farm income tax credit would be added to any taxes withheld or estimated taxes paid to calculate the total amount to be refunded by the IRS. If the farm household's after-tax income is larger, there would be no additional tax credit or adjustment in taxes owed to the IRS. The same basic process would be followed for individual tax returns.

The total amount of refundable farm tax credits would need to be limited, possibly to the median nonfarm income for the area. If losses from the farming operation resulted in a negative income for a farm household, then the farm household's after-tax income would be less than the median nonfarm income by the amount of the loss. In this case, the loss would be mitigated, but not eliminated, by the sustainable farming tax credit. The farm would be required to show progress toward becoming "economically sustainable" to remain eligible for the farm tax credit.

The multiyear plans for transitioning to sustainable farming would be developed in collaboration with a cadre of Cooperative Extension and USDA Natural Resource and Conservation Service field staff. Land-grant universities would need to collaborate with experienced farmers to re-educate field staff. They would need to learn to develop and monitor the implementation of plans for sustainable whole-farm systems rather than promote industrial farming technologies and best management practices. Farmers would be required to verify that they are following approved plans for transition to or maintaining sustainable farming systems to qualify for the farm tax credit.

The cost of sustainable farm tax credits would likely be less than the costs of current commodity programs. The median incomes for farm households have been higher than for nonfarm households since the early 2000s, when the government started essentially guaranteeing profitability for producers of commodities covered by government

programs. In 2023, the median for farm households was US\$97,984 compared with US\$80,610 for nonfarm households (USDA ERS, 2025b). The sustainable farming tax credit would be for those who are motivated to farm sustainably but lack the economic means to do so, rather than those trying to maximize incomes and wealth. The tax credit

would also allow farm families currently dependent on off-farm income to transition to being full-time family farmers.

Since the mid-1990s, government subsidies for commodity producers have averaged around US\$20 billion per year, with approximately 80% of the subsidies going to the largest 10% of recipients (Schechinger & Faber, 2023).

These funds should be system-

atically reduced and then eliminated to allow sustainable farmers to expand to meet an increasing share of domestic food needs. The refundable farm tax credits would not require congressional appropriations. There are only about 1.2 million farmers in the U.S. who rely on farming as their primary occupation (USDFA NASS, 2024). Sustainable farm tax credits of US\$20 billion would provide US\$50,000 each to 400,000 transitioning farmers, which could decline to US\$20,000 each to 1,000,000 farmers as farms progress in profitability and the number of sustainable farmers grows.

Once government subsidies for commodity production are removed and sustainable farming reaches its full potential, there will be less need for government programs to support sustainable farmers. However, resource conservation, regeneration, and protection require long-term investments that cannot compete economically with investments that result in resource extraction, depletion, and pollution. Current commodity-based government programs either subsidize or permit continuing extraction, depletion, and pollution by industrial agriculture. Government programs that ensure domestic food security, by one means or another, must make it economically feasible to farm sustainably—even if such programs seem radical.

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