

President's Letter
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The Bucks Need to Stop Here

As we seem to rush headlong into a Federal Welfare “Nanny” State, what’s amazingly consistent is that everyone wants to stop government programs for others, but not those that affect themselves or their friends.

Dr. Bob Young, American Farm Bureau Federation Chief Economist, claims that the federal government currently spends \$11,475 per man, woman and child every year in this country. In order to get rid of the \$1.5 trillion annual deficit, we must cut benefits or raise revenues by \$5,000 per person, man, woman, child, each year in this country. He goes on to say that 80-90% of the population is paying less tax than the government is spending on them or their behalf.

Those of us in agriculture like to point to the myriad social welfare programs as the culprit behind this spending spree by Congress but we really should look in the mirror. The USDA budget has 70% or more in supplemental nutrition assistance programs (food stamps, etc.). However, that still leaves 30% for a variety of farm giveaways. Over the years, Linda and I have purchased several farms to operate with Southwind Dairy. These farms all came with their own direct and countercyclical payments, even though we purchased the farms simply to vertically integrate our business and control our inputs. The payments are figuratively stuffed into our pockets similar to what my grandma used to do when I visited as a youngster. As farmers we also qualify for:

- CRP – Conservation Reserve Program – we are paid not to farm millions of acres in this country.
- Pivots – We are paid to install pivots for water conservation even though the business model shows that a pivot pays for itself within 3-4 years by labor and water savings alone.
- Farmers can apply for financial assistance to apply manure to farm ground because “it’s a good thing to do for the soil.”
- We are offered disaster dollars for frozen pipes and frozen cows in a tough winter when prudence would indicate that we could have prevented nearly all losses by being better prepared.
- We are given stipends to combat a drought – in a desert!!
- We are encouraged to accept MILC payments that have a cap on payments, favoring smaller producers.

- We are given DELAP payments of \$20,000 (also capped) to offset millions in losses. I considered refusing the DELAP payment to make a statement, but I was convinced that no one would hear my “statement.”
- Farmers are given direct farm payments even while the price of corn approaches \$8.00 and hay and cotton are reaching new highs (Why?)

National Milk Producers Federation, as part of its FFTF plan, is promoting the notion that since the proposed Federal Margin Guarantee may cost the taxpayers slightly less than the MILC and DPSP they intend to disband, that we should support it. With federal budgets in such terrible shape, I wonder whether the country would be better off just eliminating federal farm supports and instead working to guarantee farmers a pay price based on the milk cost of production formulas used for the Margin Guarantee Program.

We are not owed a living by the taxpayers. All we really need is a fair price based, at least in part, on our inputs.

Government spending must be reduced for the benefit of all Americans. Farms programs rightfully so are on this list, and we should be ready and willing to do our part.

On a different subject, I would like to take a moment to thank all those who helped plan and execute the Milk and Dairy Beef Drug Residue Prevention meetings recently held around the state – thanks to Larry Dominguez, Kaye Dunnahoo, Robert Hagevoort, Beverly Idsinga, Sharon Lombardi, Alf Reeb, John Wenzel, Jeff Witte. The meetings were well attended and a lot of good information was shared. Thank you to all who attended as well.