

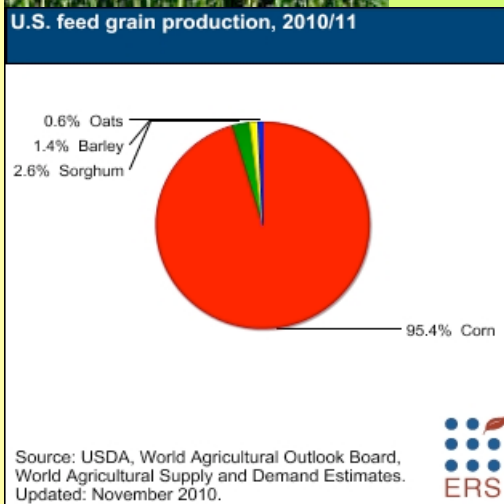
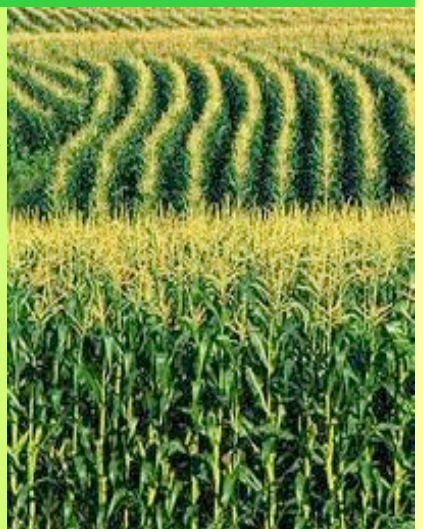
TraceOut U.S. Farm Bill

Title I of the 2008 Farm Bill states that American farmers who grow corn are entitled to direct payments at the rate of \$0.28/bushel for the years 2008-2012 (Sec. 1003b). This payment rate is multiplied by the yield per acre and the acreage farmed to determine the amount paid to each farmer (Sec. 1003c).



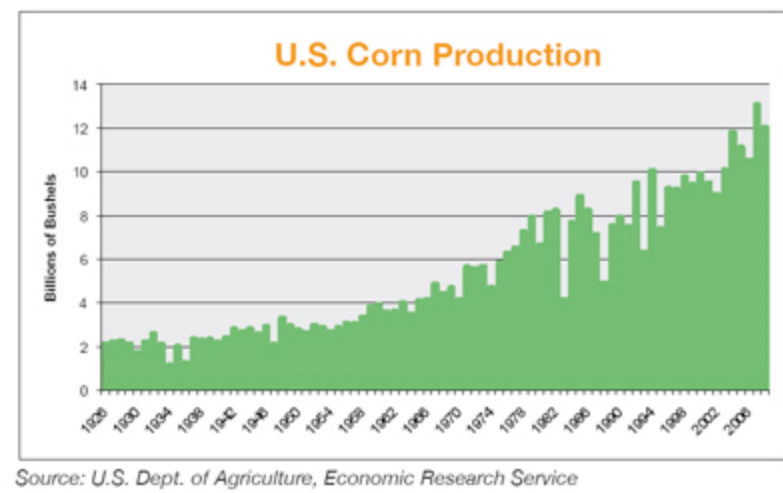
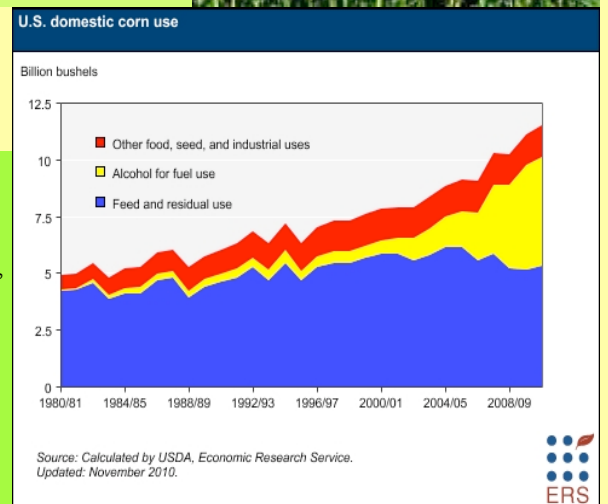
Between 1995 and 2009, the US Government paid almost \$13 billion in direct corn subsidies to farmers. When other kinds of subsidies are added to this amount (e.g. loan deficiency payments, crop insurance premium subsidies), payments total almost \$74 billion.¹ Similar programs exist for wheat, grain sorghum, barley, oats, upland cotton, long and medium grain rice and soybeans.

Farm subsidy programs began in earnest in the US following the Great Depression, with the 1933 passage of the Agricultural Adjustment Act (AAA). Subsidies were initially structured such that when corn prices were falling, farmers were encouraged to reduce their output, thereby supporting prices. Beginning in the 1970s, however, as world grain prices reached new heights, this structure was modified, and farmers had a new incentive to sell as much corn as they could at any price.² One consequence of this policy change, has been generally increasing production levels and decreasing grain prices.³

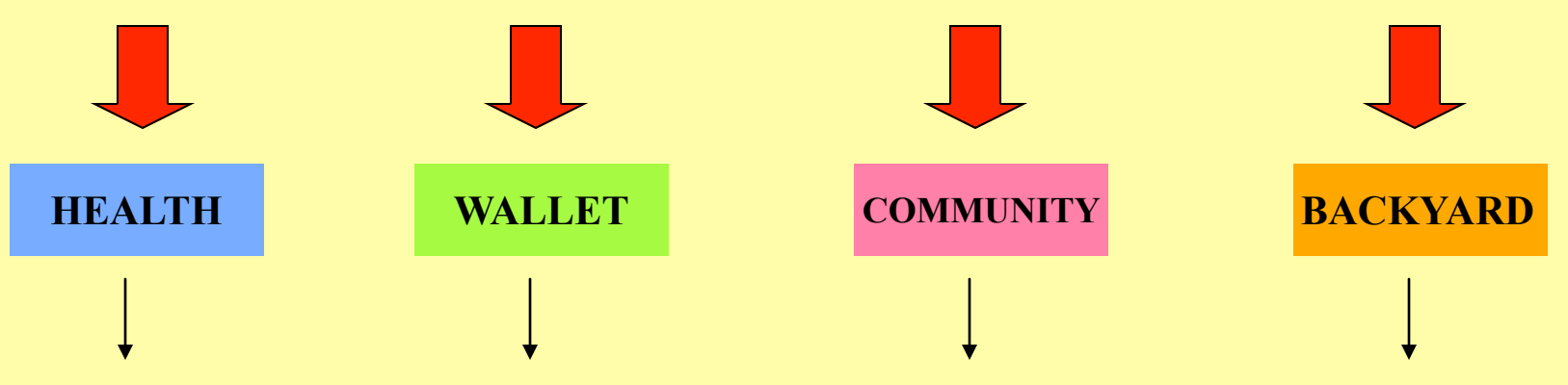


Corn is the most widely produced feed grain in the US, accounting for more than 90 percent of the production and value of feed grains.⁴ The vast majority of the US corn crop today is inedible without substantial processing, and is used primarily to feed livestock (e.g. cattle, chickens, pigs) and make fuel (e.g. ethanol), with only a small portion used for food and beverage manufacture.

Farmers grow more corn each year largely a consequence of production subsidies, resulting in a "plague of cheap corn".⁵



Production subsidies since 1996 have acted as an engine for ever-increasing levels of corn production. The resulting plague of cheap corn affects the lives of ordinary Americans in a number of ways. Follow the arrows below to see how the Farm Bill's provisions on corn affect the way you live.



America's corn, cheap and abundant as it is, has made its way into the food you eat and beverages you drink as high fructose corn syrup, corn starch, corn fillers and other highly processed corn derivatives. Because corn is also versatile, food manufacturers can add/substitute corn byproducts into their recipes.

DID YOU KNOW?



Since 1977, Americans consume 200 more calories per day on average than they did previously.



The calorie increase can be partly traced back to increased consumption of cheap corn-based products, like soda and fast food.⁷

One-third of American adults are obese.⁹ Obesity can cause heart disease, diabetes, hypertension, sleep apnea and other serious health problems.

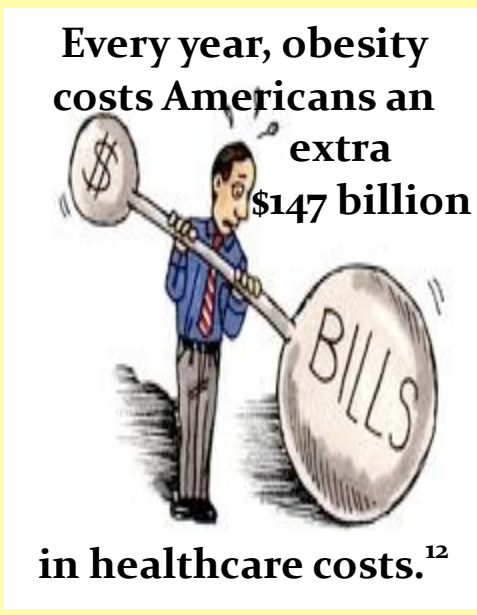
Because corn is cheap, many items produced using corn are also cheap, often cheaper than healthier alternatives. This has made it easier for families to eat adequately; but, this cheap food comes at a high cost. Poor health, to which poor diet is a contributor, results in rising healthcare spending.

DID YOU KNOW?



"Corn is the number-one reason that fast food is so cheap and available."¹¹

The beef and chicken used in fast food is raised on corn, and French fries are fried in corn oil.



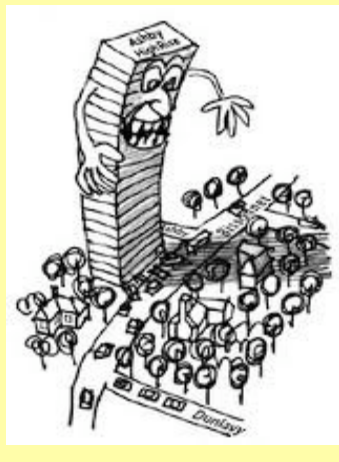
Because subsidy payments are linked to the size of a farmer's crop, the largest of American corn farms receive the vast majority of payments. This system supports and accelerates the demise of small and mid-sized farms, once the mainstay of American agriculture (this happens to farmers in other countries too). This negatively affects the health of rural communities, and discourages the sustainable farming practices so often employed on smaller farms.

DID YOU KNOW?



One acre of farmland goes into development every two minutes in the US.¹⁴

Farmers, unable to stay in business, sell their farms to real estate developers, investment funds and equity groups.

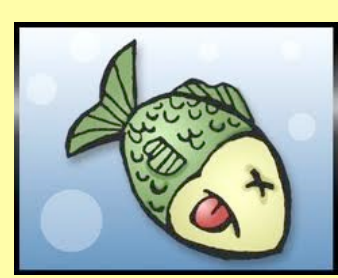


Since 1945, the number of farms has dropped by two-thirds, and the average farm size has more than doubled to 441 acres.¹⁵



US corn farmers have an incentive to plant as many acres of corn as they can in order to reap the biggest subsidy payments and to offset the lower corn prices caused by the surplus. Large-scale agriculture in the US involves monocropping and heavy use of chemical pesticides and fertilizers. These practices result in soil erosion, poor soil quality, drinking water contamination and other environmental damage.

DID YOU KNOW?



Excess nitrogen and phosphorus from fertilizing corn in the Midwest runs into the Mississippi River and then to the Gulf of Mexico, where it has created a "dead zone" the size of the state of Massachusetts.¹⁶ The resulting oxygen depletion causes fish, shrimp and crabs to either move away or suffocate.

Atrazine, a commonly used corn herbicide (weed-killer), is the most common drinking water contaminant in the US.¹⁷



Atrazine is an endocrine system disruptor and possible human carcinogen (it causes cancer in rats).

Corn eats 1/2 gallon of fossil fuel per bushel.¹⁸ Corn is fed heavy doses of pesticides and fertilizers. Industrial pesticides are made using oil, while nitrogen fertilizer is derived from natural gas.

