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From supply management to agricultural subsidies—and back again? The U.S. Farm Bill & agrarian (in)viability

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A R T I C L E I N F O

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A B S T R A C T

Farm subsidies have become increasingly maligned in agricultural policy debates, but the merits of subsidies are a distraction from deeper political, economic, and ecological problems in agriculture. Drawing on a history of the U.S. Farm Bill, this paper argues that a fixation on farm subsidies ignores why they came into being, and more generally glosses over the imperative for modern states to intervene into agricultural economies. Karl Polanyi's 'double movement' framework is used to situate the rise and fall of agricultural supply management within food regime theory. In the second, or surplus food regime, the U.S. government wielded excess commodities as geopolitical tools—even as domestic farm policy labored to contain overproduction, and thus support agrarian viability. In the subsequent corporate food regime, "free market" agriculture displaces and discredits supply management, even as massive government intervention into how food is grown and sold continues. Making space to remember historical price support programs, to situate their accomplishments and limitations, and to recognize residual supply-management mechanisms (such as farm cooperatives and agricultural marketing orders) is crucial for fostering agricultural viability in the US and beyond. Twentieth century supply management had flaws, but it cannot be wholly omitted. This paper highlights key motivations, elements, and contradictions of these policies and programs to begin the process of considering how supply management principles and strategies could be updated and enhanced for 21st century agriculture. Such a framework would need to pay more attention to diversity within domestic and international agricultures, and be more sensitive to the multi-scalar dimensions of food systems.

1. Introduction

In a highly partisan and deeply divided United States political culture, there nevertheless remains nearly universal disdain for agricultural subsidies.[1] However, framing agricultural subsidies as waste and corruption produces confusion around the origin and purpose of farm programs in the first place, *and* fails to eliminate them.[2] A persistent few (Ray et al., 2003; NFFC, 2007; Naylor, 2011; Wilson, 2016) have argued that subsidies are not the wound, but the (inadequate) band-aid: or, even more evocatively, not the fire to be extinguished, but the smokescreen.[3] U.S. farm subsidies stay in place through changing political winds and intense opposition from across the political spectrum. Understanding why this happens requires an investigation of the political and economic origins of subsidies, which in turn requires looking back into the rise and fall of agricultural supply management in the U.S. Accordingly, the

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[1] Definitions of subsidies vary significantly and deserve their own thorough discourse analysis, which is beyond the scope of this paper. An expansive (and derogatory) framing says that subsidies include any government intervention measure that raises the price paid to farmers, including tariffs, import quotas, and price supports, as well as investments in infrastructure, education, and market promotion and supervision. In this paper, however, we define subsidies to only include cash payments to farmers, including crop insurance premium coverage.

[2] This paper is an analysis of key issues and fault lines that have emerged from multi-year community-based participatory action research on Farm Bill policy assessment with two U.S.-based, grassroots agrarian groups—the National Family Farm Coalition (nffc.net) and the Rural Coalition (ruralco.org), both of whom are part of the transnational agrarian movement, La Via Campesina.

[3] These metaphors appear throughout formal publications, informal blogs, and at National Family Farm Coalition (NFFC) annual meetings, where Darryl Ray was the 2015 annual meeting key-note speaker. George Naylor was president of NFFC 2003–2008, and Brad Wilson was an NFFC board-member and remains a persistent proponent for price-oriented farm justice history and advocacy.

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question guiding this paper asks: Why is there such scant discussion of supply management and instead a fixation on subsidies in agricultural policy debates–when the former has long been the critical driver of U.S. agricultural policy? This animosity towards subsidies excludes serious deliberation regarding the purpose and benefits of supply management and price supports in agricultural policy debates.[4]

In contemporary discussions around food and agricultural policy in the U.S., critics in the media, academia, and civil society have tended to gloss over the historical, economic, and political bases for farm subsidies. When agricultural policy finally makes the news, it is usually in the form of a fixation on subsidies as the chief problem. Criticisms span–and even confound–the political spectrum. On the conventionally understood 'right,' conservatives blast farm subsidies as impediments and affronts to market liberalism, dismissing them as passé "farm welfare" that distorts planting decisions, leads to a misallocation of resources, and wastes government funds supporting farmers who do not need help. Neoliberal Democrats have joined their Republican counterparts in this Smithian pro-market orthodoxy, which represents the dominant critique of subsidies, and the most potent (though not fully successful) threat to them. While the broad consensus governing the neoliberal agricultural regime is that farm policy should not intervene in the market, agricultural markets require a whole range of policies to function, and even exist–a paradoxical phenomenon astutely described by Karl Polanyi in his landmark book *The Great Transformation*: *The Political & Economic Origins of Our Time*.

Meanwhile, conventionally described 'Left' critics, activists and policy analysts argue that agricultural subsidies further enrich the wealthiest absentee landholders and serve the needs of industrial meat producers for cheap feed, thereby contributing to land and market consolidation and aggravating 'corporate welfare.' Another branch of the progressives decry the international impact of U.S. subsidies on farmers (and eaters) around the world. Despite vast ideological differences across the traditional left-right divide (which is often a poor fit for agricultural debates), there is an ironic convergence in policy prescriptions around ending subsidies (see Fig. 1).

Moreover, while the World Trade Organization (WTO) dictates that domestic farm policies should cause minimal trade distortion, the U.S. is willing and able to flout this consensus with agricultural policies that best meet dominant domestic political demands. We employ the insightful framework of 'food regimes' to help explain the rise of this WTO mandate, and also how the U.S. state retains political power to defy and concurrently benefit from the neoliberal mandate. Though food regime analysis crystallizes the geopolitical context and implications of U.S. overproduction and exports, it glosses over a key aspect of the story: *domestic* causes and results of commodity crop surpluses, and that subsidies emerged in the wake of the rise, and fall of supply management.

Accordingly, we aim to answer our central question–Why is there such scant discussion of supply management and instead a fixation on subsidies in agricultural policy debates–when the former has long been the critical driver of U.S. agricultural policy?–through an historical overview of the supply management regime in the United States dating to the New Deal. Supply management was not the end-goal of these policies, but rather the central technique for reaching stable, viable farmgate prices; as such, it merits attention. To answer our central question, we analyze Farm Bill history by applying and combining the two aforementioned influential political-economic theories: the 'food regime' periodization effectively contextualizes the current neoliberalization of agri-food geopolitics, while Polanyi's 'double movement' theory helps explain the domestic context for U.S. supply management policies throughout the 20th century. Shifting the discussion beyond subsidies back to root causes of agrarian inviability sheds light on the drivers of agricultural policy—and their failures. Chronically low and volatile farm-gate prices are the root cause of agrarian instability (Mazoyer and Roudart, 2006), and are aggravated by surplus production, globalized trade, and processes of financialization (Ray et al., 2003; Newman, 2009). Accordingly, the broad subject of supply management demands attention, despite—or perhaps because of—its having been systematically blacklisted in policy and political circles for decades. The fact that supply management has become untenable as a political possibility—or even legitimate topic—in agricultural policy shows how agrifood systems become *food regimes*, defined by Harriet Friedmann as "the rule-governed structure of production and consumption on a world scale" (1993:30–31). Bill Winders further explains– "[t]wo of the fundamental aspects of a food regime include the extent of state intervention into the market (such as tariffs and subsidies) and the direction of trade flows" (2009: 133).

The 'food regime' framework emerged from rural sociologists Friedmann and Philip McMichael (1989) as an attempt to chronicle and explain how food has been deployed in geopolitics, and has since been deepened and expanded by other agri-food scholars (cf 2009 special issue in *Agriculture and Human Values*; Magnan, 2016; Pechlaner and Otero, 2010). This historical periodization begins with British-led late colonialism, and moves on to a second food regime, this time U.S.-led and grounded in food aid and trade. According to McMichael and other scholars, the late 20th century brought a third food regime, brokered and dominated by transnational agribusiness interests and the WTO itself.[5] Friedmann meanwhile contends that an extended, complex period of transition has unfolded after the demise of the second food regime: agrocorporate actors respond to consumer and civil society demands for sustainability with greenwashing, even as alternative foodways become stronger and robust (2005, 2016). As explained later in the paper, this periodization proves helpful in delineating specific eras in international political economy and in showing how agricultural surpluses expand the power of those who ruled or are ruling their respective regime. It also helps clarify how such food-driven regimes solidify and operate, namely through hegemonic rules. Here, the operative principles are inferred by that which is not spoken, but which wields power by being unspoken or even unspeakable. In this paper, we argue that current agricultural politics' entrenched aversion to price and supply management drives what has been called the current, corporate "Third Food Regime" (McMichael, 2009, 2016) even as the topic has become politically untouchable.

This essay seeks to further develop the food regime analysis by focusing specifically on the U.S. domestic dynamics within the broader context of international food regime power configurations. Specifically, we foreground the role of U.S. agricultural policy in staving off—or not—the ongoing, differentiated, but hidden U.S. agrarian crisis throughout the second and third food regimes. According to food regime theory, from the 1920s through the 1970s (the second food regime), the U.S. gained geopolitical power by wielding its agricultural surpluses. Yet, surpluses were not the goal

[4] Price supports are mechanisms a government uses to provide a viable price floor for a commodity crop. They have historically been a key element of supply management programs, which are a set of government policies used to prevent overproduction of a commodity crop so as to prevent price collapse.

[5] The recent wave of neo-mercantilist, proto-nationalist, anti-trade political rhetoric (under Brexit and Trump elections) could portend a fourth food regime of post-neoliberal capitalism–or not.