

THE COMMITTEE ON THE BUDGET

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BUDGET BOONDOGGLE AWARD

MULTI-MILLIONAIRE FARMERS REAP WHAT THE TAXPAYER SOWS

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More than 2,700 farmers with incomes exceeding \$2.5 million a year have received farm subsidy payments from the Federal Government, according to a recent report by the Government Accountability Office [GAO]. It is another example of wasteful government spending – a kind of reverse-Robin-Hood transfer payment – earning the latest Budget Boondoggle Award.

Among the highlights of the GAO report:

- In 2006, the U.S. Department of Agriculture [USDA] handed over \$49 million taxpayer dollars to 2,702 farmers with adjusted gross incomes of more than \$2.5 million.
- The USDA actually identified 87 of these individuals as ineligible for payments – but paid them anyway!
- Nine of the subsidy recipients did not even reside in the U.S. Payments were mailed to addresses in Saudi Arabia and Hong Kong, among other locations.
- One founder and former executive of an insurance company received more than \$300,000 in payments over a 4-year period. An executive with a technology company received nearly \$1 million in payments over the same time.
- An individual with an ownership interest in a professional sports team received more than \$200,000 in payments over a 4-year period.
- Seventy-eight percent of the ineligible recipients lived in or near metropolitan areas – hardly the rugged agrarians of farm program mythology – continuing the USDA’s trend of paying urban farmers instead of those who actually toil on the soil.



Thus, while “wealthy” people earning \$250,000 a year may worry about a forthcoming tax hike, they can make up for it by taking up farming. That way they can legally collect taxpayer-funded subsidies while earning up to \$2.5 million a year – and even more if the USDA fails to fix this persistent boondoggle.