Farm Subsidies – Joseph Heller Style

It is extraordinary how much the rest of the world subsidises agriculture. I included a link to a farm subsidies graph in yesterday's post but it deserves its own comment.

The Economist estimates government support makes up 60% of farm receipts in Norway. For Norwegian farmers, more money comes from the government than from selling produce.

It reminds me of Major Major's father in Joseph Heller's Catch-22:

> His specialty was alfalfa, and he made a good thing out of not growing any. The government paid him well for every bushel of alfalfa he did not grow. The more alfalfa he did not grow, the more money the government gave him, and he spent every penny he didn't earn on new land to increase the amount of alfalfa he did not produce. Major Major's father worked without rest at not growing alfalfa. On long winter evenings he remained indoors and did not mend harness, and he sprang out of bed at the crack of noon every day just to make certain that the chores would not be done. He invested in land wisely and soon was not growing more alfalfa than any other man in the county. Neighbors sought him out for advice on all subjects, for he had made much money and was therefore wise. "As ye sow, so shall ye reap," he counseled one and all, and everyone said, "Amen".

The farmers in Japan say "Amen" too. There the level of producer support is over 50%, in the US it's about 10% and poor old Australian farmers get about 3% of their revenue from the government. Only New Zealand farmers fare worse. They get next to nothing.

Which is why we have the most efficient farmers in the world. And probably one of the reasons they aren't making any money.

At least subsidies have been coming down over the past decade. Perhaps, if the playing field ever levels, Australian farmers will see some of the benefits of their efficiency?