



VIRTUAL  
**ANIMAL LAW  
SYMPOSIUM**  
COVID-19 AND ANIMALS

Explicit and implicit  
subsidies in animal  
farming

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# Animal-based products are “too cheap”



*Animal products (in red) continue to be cheaper than their plant-based (in green) competition. Sources: meat and egg prices are national retail averages based on US Bureau of Labor Statistics data for August, 2019, compiled by the USDA's Economic Research Service. For all other products, I found the lowest priced option on Walmart.com, except for Beyond Beef (which is cheaper at Target), and Just Egg and the Impossible Burger (which aren't available at Walmart.com).*



# Explicit subsidies (EWG): government payments as a share of farm income

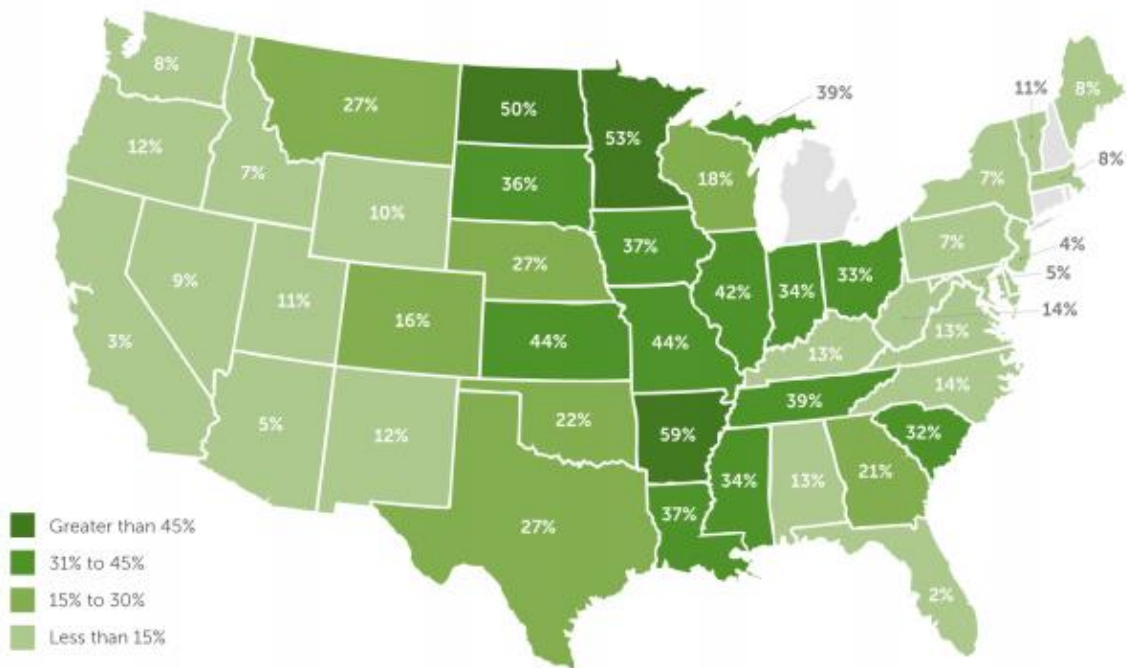


Figure 10. Map showing direct government payments as a share of net farm income, average of 2018–2019.  
(Agricultural Economic Insights calculations based on USDA ERS data.)



# Explicit subsidies types (EWG)

| Program                                      | Total Payments<br>1995-2020† |
|--|------------------------------|
| Livestock Forage Disaster Program            | \$7,720,624,366              |
| Livestock Compensation Program               | \$1,446,177,860              |
| Emergency Livestock Feed Assistance          | \$1,250,169,452              |
| Livestock Indemnity Payments                 | \$583,568,928                |
| Market Facilitation Program - Dairy and Hogs | \$570,262,380                |
| Livestock Emergency Assistance Program       | \$443,492,941                |
| Cattle Feed Program - Nonfat Milk            | \$136,704,376                |
| Market Facilitation Program - Hogs           | \$128,218,404                |
| Small Hog Operation                          | \$122,137,432                |
| American Indian Livestock Feed Program       | \$26,821,394                 |
| Livestock Relief                             | \$25,288,004                 |
| Emergency Feed Grain Donation                | \$3,505,281                  |
| Livestock Indemnity-contract Growers         | \$1,073,848                  |



# Additional explicit subsidy types

(Greenfield Project)

## Examples

- Loans and capital
- Research grants for efficiency improvement
- Environmental mitigation
- Disaster relief
- Profit protection
- Price floors (e.g. milk)
- Advertising
- Purchasing



# Implicit subsidies

Arise as a result of externalities.

*Overall, for every \$1 of animal products sold, the animal food system imposes almost \$2 in hidden costs on taxpayers*

(David Robinson, Meatonomics)

## Examples

- Inputs (land, water, energy) are not fairly priced
- Environmental (air pollution, water pollution, climate change via GHGs)
  - Direct
  - Indirect (feed production)
- Human suffering
  - Working conditions and resulting social costs
  - Emotional costs
  - Pathogen (disease) transmission
- Animal suffering
  - Is worse the more “efficient” production is



# Actions needed

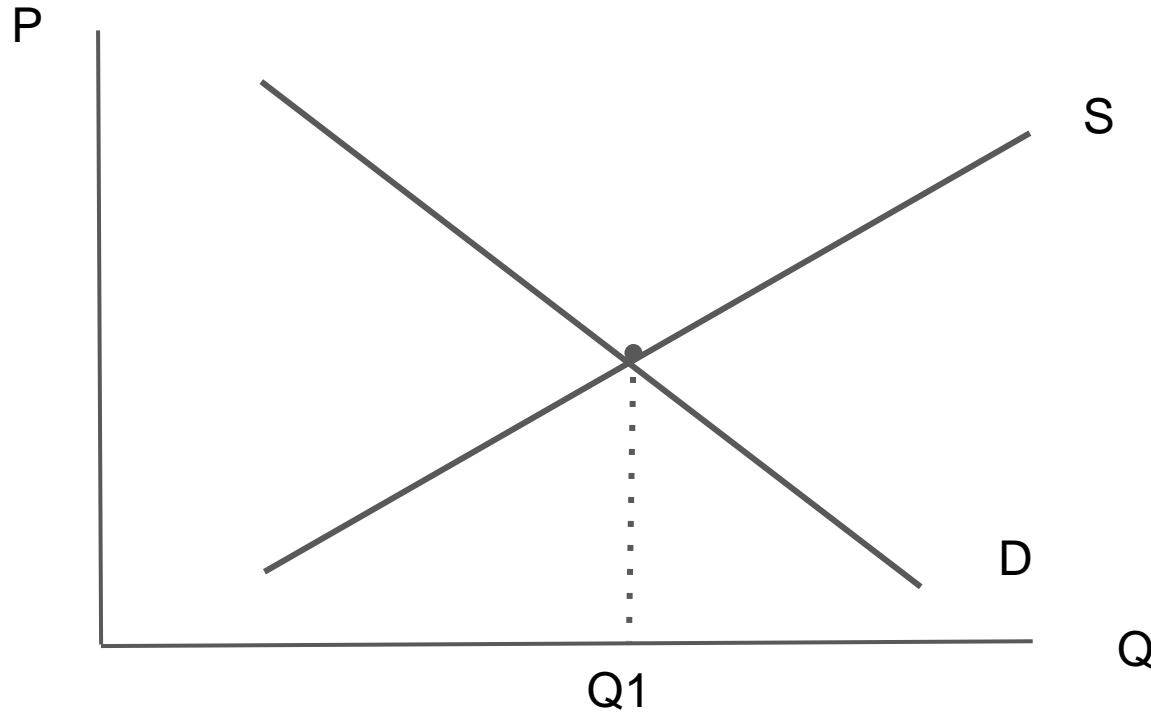
Things we can do to level the playing field

- Fight against explicit subsidies of all types
  - Direct lobbying
  - Supporting politicians starting at low level
- Internalize externalities via lawsuits and policies
  - Labor practices
  - Pathogen transmission
  - Environmental costs (including GHGs)
  - Etc.
- Advocate for fair treatment of all crops and commodities by government and the NGOs (e.g. in USDA grant distribution)



# Econ 1 version of what it will achieve

Market equilibrium for a specific animal-based food product

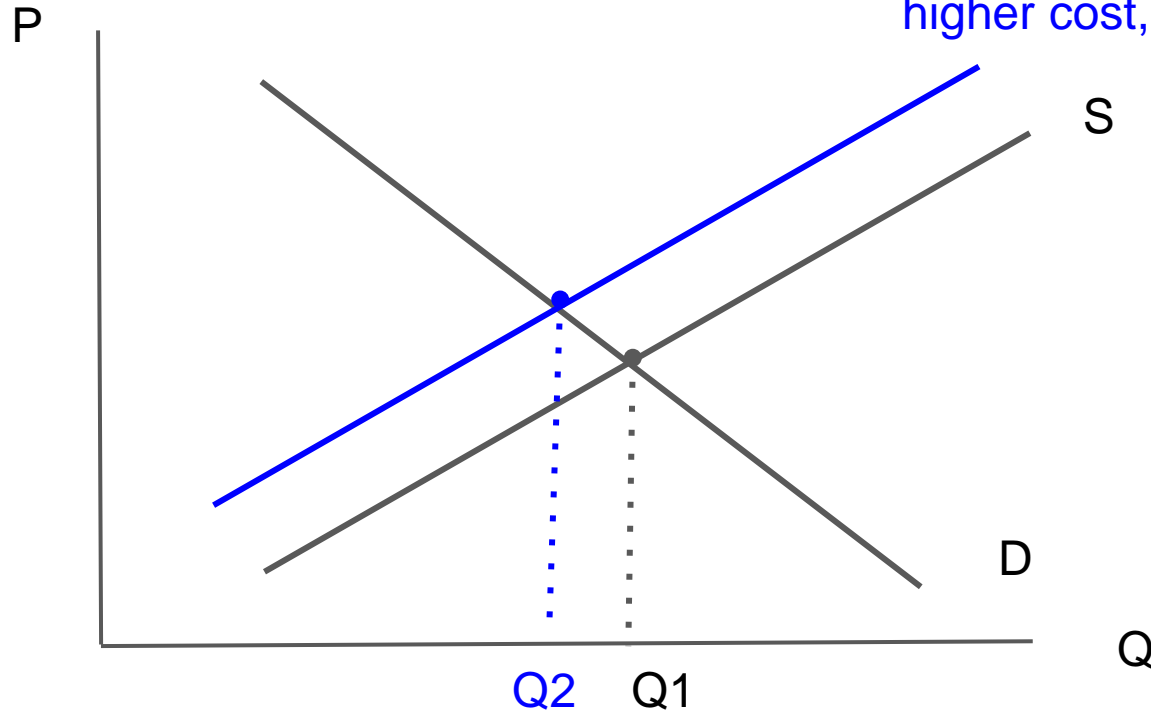




# Econ 1 version of what it will achieve

Market equilibrium for a specific animal-based food product

S : higher price due to higher cost, at any Q



# Econ 1 version of what it will achieve

Combine with consumer advocacy

S : higher price due to higher cost at any Q

D - want to buy less at any given price

