Farmers join fight against tax

By Jim Bradshaw
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Louisiana's farm leaders have become the latest industry group to join in opposition to President Clinton's proposed BTU tax.

The Louisiana Farm Bureau Federation says that if the tax is enacted, Louisiana's 30,000 production farmers could find themselves paying nearly $17 million more to put in a crop.

The largest part of the increase would come from higher diesel fuels, they say, but increased irrigation and fertilizer costs would also be significant, they say.

Ronnie Anderson, president of the Louisiana Farm Bureau Federation, says that many Louisiana farmers are just making ends meet, "surviving from crop year to crop year." He says the tax, combined with President Clinton's proposed reduction in farm spending, "could spell disaster for the state's farm economy."

"Agriculture is one of Louisiana's top energy-consuming industries," Anderson says. "Fuel and agricultural chemicals are the lifeblood of farming. This tax, along with a possible reduction in farm program spending, could very well drive many farmers out of business."

In addition to an energy tax, the president's budget outline targets farm programs for cuts by increasing the unpaid flex acres from 15 percent to 25 percent in fiscal 1996. Assessments would be increased on non-program crops, including sugar and soybeans.

Anderson says that, overall, it is predicted that agricultural programs will be reduced by $7 billion over the next five years.

Anderson said that unlike other industries that could be impacted by the tax, farmers have no way to pass the cost along to consumers.

"Oil companies and other energy-using manufacturers will simply increase the cost of their products to make up for the tax," he said. "But farmers have no control over the price they receive for their commodities. That's controlled by global forces. For the most part, the farmer is stuck with the tax."

According to figures provided by the Louisiana Cooperative Extension Service, the average Louisiana farmer would have to spend an additional $250 per year for diesel fuel. Other input costs would be based on the amount of agricultural chemicals needed to grow a specific crop.

Anderson said the farming community realizes the need for increased revenues to offset the country's spending woes, but, he says, there are other alternatives.

"Before we raise taxes," he said, "we should look for ways to reduce federal spending. Farmers are consumers, too, and a BTU tax, or any other kind of tax, would hit us twice as hard."