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Subject: Farm Bill 2007 Official Comments - 09/04/2005 11:46 PM CDT
Date Sent: 09/04/2005 11:46:19 CDT
Date Received: 09/04/2005 11:47:41 CDT

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Question1: SOME SUBSIDIES NEED TO BE REVIEWED AND CHANGES MADE SO THAT TAXPAYERS ARE NOT FOOTING THE BILL FOR UNINTENDED COSTS OF THE SUBSIDIES. GIVE US A BREAK!!

Taxpayers: Why is the Government Throwing Good Money After Bad?

Since passage of the 2002 Farm Bill, direct government payments to farmers have soared to more than $20 billion per year, up from an average of $9 billion per year in the early 1990s.

At the individual crop level, the price tags are just as staggering. Congress's investigative agency estimates that sugar is one of America's most-heavily subsidized industries, at $1.4 billion per year or $500 per acre. U.S. cotton cost 86 cents per pound to produce in 2002, but was exported for 37 cents per pound. The difference is made up by U.S. taxpayers.

Paying billions for federal programs that don't work is hard enough for Americans to swallow; paying billions more for programs that work against each other is outrageous. One example is the government's dairy policy. First, farmers receive Milk Income Loss Contract payments to keep producing when prices are low (which means there's probably an oversupply of milk in the first place). Then, they can qualify for government Dairy Price Support buyouts of the extra milk. In other words, Washington encourages large dairy farms to create the very same surpluses that the government is stuck with buying and storing!

(Sources: National Taxpayers Union, letter to Senator Charles Grassley, February 15, 2005; National Taxpayers Union, CAFTA fact #4., July 2005; News release, "UN Official Urges End to Cotton Subsidies That Come at Expense of Poor Farmers," March 26, 2004.)

Small Business Owners and Employees: Subsidies and Price Supports Can Threaten Our Livelihoods.

Millions of small establishments and employees -- from restaurants to corner convenience stores -- are already burdened by high taxes and regulations at every level. Federal farm policies work the same way, by making the meals they serve costlier to produce, and the groceries they offer less attractive to consumers. A 2002 study estimated that the Farm Bill enacted that year would ultimately come at a cost of $271 billion in government-inflated prices over the next decade. By forcing business owners and their workers to pay taxes for programs that in turn raise prices of the products they use and stock on their shelves every day, Washington, DC is undermining the small-town economies that serve rural areas.

(Source: The Heritage Foundation, "Agriculture Lobby Wins Big in New Farm Bill," by Brian Riedl, April 9, 2002.)

Consumers: At the Table or at the Pump, We Feel the Pinch.

From cheese to canned fruit, federal price supports and protectionist tariffs can make the processed foods we all buy more difficult to afford. For some low-income consumers, that means going to the government for nutrition assistance; other working-class and moderate-income households have no choice but to tighten their belts.

But government's agriculture schemes affect consumers in other, less visible ways. The recently-enacted Energy Bill provides another round of government giveaways to promote ethanol fuel, which is mainly derived from corn (and more recently sugar). Because it can be costly to produce, transport, and blend with existing gasolines, ethanol rarely makes economic sense for consumers. In fact, some studies show that ethanol subsidies and "mandates" requiring its increased use in cars can raise prices when motorists fill up at the gas station.

(Source: Associated Press, "Senators Want More Ethanol in Cars," May 25, 2005.)

Farmers at Home: Federal Payments Are Helping Agri-Businesses Bury Us.

Currently, the richest 10 percent of farm-subsidy recipients gobble up almost 2/3 of all government payments, while the bottom 80 percent receive less than 1/5 of the total. That's because big corporate farms are in a perfect position to pump out a flood of surplus goods that qualify for payments. These policies are supposed to "preserve family farms," but they really just encourage their sale by inflating rural property prices. In effect, the government is pitting wealthy competitors against family farmers and luring those same farmers off the land they've owned for generations!

(Source: The Heritage Foundation, "Still at the Federal Trough: Farm Subsidies for the Rich and Famous," by Brian Riedl, April 30, 2002.)

Farmers Abroad: We Thrived when Big Government Got Out of Our Way.

Some say that ending crop subsidies and price supports would drive more farmers out of business. Tell that to Australia's and New Zealand's farmers, whose governments made the transition to more free-market agricultural systems in the early- and mid-1980s. In New Zealand, only about 1 percent of all farms faced forced sales after the reform program was completed.

Prior to reform those two countries had farm policies with many of the same flaws as our own. As Australian government official Bernard Wonder described, farmers in his country were encouraged to make "decisions based on assistance rather than commercial or production criteria."

Before New Zealand reformed its farm programs, the situation was even worse: the level of subsidization was nearly twice that of farmers in the United States But after eliminating its subsidies, New Zealand's farm output has increased 40 percent, while farm productivity growth has averaged 6 percent annually. Best of all, most farmers prospered under the new system, by being allowed to make smart business moves free from government interference.

(Sources: Cato Institute, "Save the Farms -- End the Subsidies," by Tad DeHaven and Chris Edwards, March 6, 2002; "Australia's Approach to Agricultural Reform," speech by Bernard Wonder, Department of Primary Industries and Energy, Australia, March 13, 1995.)

Consumers: When Protectionists Win, We Lose, and So Do Farmers.

No other country sells as much food abroad as America does, but we risk destroying our competitive advantage because of trade policies that invite other countries to raise barriers of their own against our farm products. That's especially tough on American farmers with specialty crops who could get a good price -- without big government's "help" -- for their items in the global market.

Congress has cleared away some of these pointless restrictions. According to the American Farm Bureau Federation, the recently-ratified Central American Free Trade Agreement will create important new opportunities for our farmers and ranchers, and could boost U.S. agricultural exports by $1.5 billion when fully implemented.

But, much more needs to be done. Our elected officials are being pressured to block imports of "milk protein concentrates" because they supposedly hurt domestic prices and production. These are vital ingredients in products ranging from snack foods to nutrition bars to geriatric and infant formulas. Yet, the International Trade Commission concluded that there is no "clear and direct relationship between imports of milk protein products and the all-milk price" in the U.S.

Why should senior citizens on fixed incomes and single mothers struggling to make ends meet be forced to deal with higher prices or fewer choices for products that are vital to their families' lives, for a program that doesn't even work as advertised?

(Sources: National Taxpayers Union, CAFTA Fact #6, July 2005; International Trade Commission as quoted in National Taxpayers Union letter to the House Committee on Ways & Means, February 8, 2005.)

Taxpayers: Farm Subsidies Have Hidden Costs that Hit Us Year After Year.

Even when Congress enacts laws that promise to "straighten out" farm problems, the bills often keep coming. Programs like government-backed crop insurance, and the whole range of subsidies in the 2002 Farm Bill, were supposed to ease the pressure on taxpayers over the long run by eliminating the need for yearly "emergency relief" actions from Congress. But less than a year after President Bush signed the last Farm Bill into law, he had given approval to a new farm rescue package with a price tag of $3.1 billion.

While the U.S. continues to subsidize domestic agriculture at the expense of trading partners (including many developing nations), American taxpayers are stuck with annual bills that exceed $1 billion each year in food aid that is sent to many of these same struggling nations (including those in Africa, Asia, and Latin America). Rather than forcing American taxpayers to subsidize domestic producers, fund Food Stamp increases, pay higher prices for imported goods that face tariffs, and then spend billions in foreign aid, wouldn't we all be better off if Congress just phased out this whole scheme?

(Sources: National Taxpayers Union Foundation, Capital Ideas, "Sow-ing Machine," July/August 2003; National Taxpayers Union Foundation, Policy

Paper 146, "Free Trade: A Good Deal for American Taxpayers," by Paul Gessing, November 20, 2003.)

Question2: HAVE STATES VISIT OTHER COUNTRIES EXPLAINGING THE AVAILABILITY OF AG PRODUCTS FROM THEIR STATES.
Question3: LIMIT SUBSIDIES TO LARGE CORPORATIONS BENEFITING FROM LAW THAT WERE INTENDED FOR SMALL FARM PRODUCERS.
Question4: IMPLEMENT THE LAWS ALREADY PASSED.
Question5: CONTINUED INVOLVEMENT IS NEEDED IN AREAS OF TECHNOLOGY DEVELOPMENT FOR THE SMALL RURAL ENITIES.
Question6: CONTINUE WHAT IS WORKING AND DROP WHAT IS NOT WORKING TO MAXIMIZE USE OF ASSISTANCE FROM ANY GOV'T SUBSIDIES.