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Question1: It is clearly true that farm subsidies inflate the cost of land. It is essential that subsidies be eliminated and that we move to a market based farm economy. The artificial inflation of land values due to subsidy is counter-productive. It indeed does present a barrier to entry for new and first time farmers and ranchers.

Question2: We can be a low cost producer of most farm commodities. From an economic standpoint it is essential that we continue that practice. It is also essential that farmers participate in adding value to their products. Commodity selling is not in the best interest of US farmers and ranchers. They must become better educated and invest in keeping more profits by value-added and vertical integration. We clearly have the capacity to produce more crops than the market can readily absorb. Current farm subsidy policy continues to encourage that over production. Unless this overproduction can be diverted to other uses, this continued subsidy policy is damaging. We as a nation cannot continue to encourage overproduction. Some farm operations will not be economically competitive and as painful as that is they must go out of business.

Question3: The argument that current farm supports encourages increase in farm size and disproportionate distribution of benefits is clearly true. The current subsidy regime encourages overproduction. It casues producers to look for economies of scale and large producers can dispropotionaletly take advantage of that circumstance. The Adjusted gross income limitation for receipt of farm payments must be set at a very low level. It would, from an economic perspective be best to completely eliminate the payments altogether.

Question4: Current conservation programs are rife with fraud. This fraud is perpetrated by farmers with the complete participation of NRCS employees. The fraud is encouraged by national funding policy which bases agency existence on meeting numbers of participants and dollars spent. It would be more appropriate to ensure that the benefits to conservation and the taxpayers are physically demonstrated. If we are to continue the "conservation" programs as they are let us clearly identify them as FARMER WELFARE PAYMENTS. I am not opposed to conservation technical assistance, nor to payments which preserve open space due to keeping farmers and ranchers on the land. I am opposed to preferential treatment and failure to comply with published regulations.

Question5: They work well enough now. Additional expenditures are not warranted.

Question6: Energy generation and new uses of agricultural products are appropriate expenditures. However, market driven approaches are best. Too much "incentive" leads to corruption.