

News from Senator

BOB DOLE



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USDA OKAYS DOLE RECOMMENDATION WHEAT PRODUCERS TO GET MARKETABLE CERTIFICATES IN PLACE OF COSTLY DELAYS

WASHINGTON -- Following through on a recommendation made last week by Kansas Senator Bob Dole, Secretary of Agriculture Dick Lyng announced today that grain producers with wheat under loan can now cut through red tape to get "up-front" deficiency payments.

"Rather than waiting for the Agriculture Stabilization Conservation Service (ASCS) and the elevators to process split receipts on warehouse loans, farmers will have the option to receive generic certificates redeemable immediately for cash," Dole said. "This important change will save winter wheat producers about \$14-\$28 million. Much of these losses would have been in Kansas, where 90% of grain under loan is warehoused. I am pleased the USDA agreed to review the split receipt problem so our producers won't have to take losses because of red tape delays."

Under the advance payment program, the Commodity Credit Corporation had originally intended to forgive the appropriate portion of a producer's existing loan before making any payments in generic commodity certificates. In the case of farmers with warehoused loans, the delay in processing a split receipt through the ASCS office and elevator could take from four to six weeks. During the interval, from early May to mid or late June, harvest pressures could reduce per bushel prices by 25 to 50 cents or more. The problem is particularly acute in the winter wheat states of Kansas, Oklahoma, Nebraska, Colorado, and Texas. Dole proposed the farm policy change in a letter to Secretary Lyng last week.

In Kansas, 28,000 of the 30,000 wheat loans maturing on April 30 and 14,800 of the 15,000 loans due on May 31 are on grain in commercial warehouses.