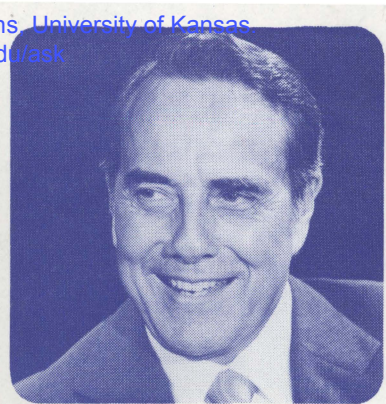


# News from Senator

# BOB DOLE



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## DOLE LAYS OUT PLAN TO HEAD OFF GRAIN STORAGE CRISIS

Washington, DC -- In response to a shortage of grain storage facilities in principal corn and soybean production regions that is approaching crisis proportions, Senator Bob Dole (R-KS) today proposed a plan which encourages farmers to repay Commodity Credit Corporation (CCC) loans and directly market their commodities.

Sen. Dole said his plan would have the federal government forgive accrued interest on CCC loans and provide certificate payments equal to the difference between the face value of the loan and the cash price on the date of loan maturity. The plan was outlined in a letter from Dole to Agriculture Secretary Richard E. Lyng.

"This approach would provide a viable alternative to forfeiture for producers holding loans on their 1985 crops," said Sen. Dole in his letter. "With CCC loans scheduled to mature on more than 2.8 billion bushels of corn and 380 million bushels of soybeans by the end of the year, redemption and movement of these volumes into commercial channels would provide meaningful relief from the imminent storage crisis."

Dole noted his plan would also break the accelerating cycle of loan forfeitures, government ownership of commodities and distribution of commodities through certificate payments.

The USDA has projected corn stocks as of October 1 to be a record 4 billion bushels, while soybean stocks are estimated at more than 500 million bushels. Adding to these already vast amounts of crops will be a bumper corn harvest this fall, along with large crops of soybeans and other feed grains.

Sen. Dole wrote Lyng, "Without immediate attention, this already serious situation may well become unmanageable as the 1986 feed grain and soybean crops are harvested. These volumes of expected carryover stocks, and 1986 production, will overwhelm existing commercial and on-farm storage capacity in major production areas - particularly in the Midwest where local surpluses already exceed available storage during the 1985 harvest."

Dole also urged the USDA to relax or waive liability regulations under the department's Emergency Storage Program. Under the program, grain can be placed in non-traditional storage and used as collateral for CCC loans. However, the warehouse is liable for any deterioration in quality if the grain is forfeited to the CCC. Dole wants the change through March, 1987, so additional storage would be available during this fall's harvest.