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U. S. SENATOR FOR KANSAS

NEWS

FROM:

SENATE REPUBLICAN LEADER



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FARM POLICY

DOLE CITES ADMINISTRATION'S MARKET MANIPULATION AS WORSENING CRISES FACING NATION'S FARMERS & RANCHERS; GOP FARM BILL PROVIDES MORE FLEXIBILITY, CERTAINTY & REDUCES GOVERNMENT ROLE

Much has been reported lately about the situation facing America's farmers and ranchers. Carry-over stocks for some grains are at their lowest levels since the 1940s -- causing record high grain prices.

Meanwhile, cattle supplies are at a ten-year high causing extremely low cattle prices. Last year, the average fed steer sold for \$80 per hundred weight, while today's bids are at \$55 per hundred weight.

Best Policy is Market Place

I have always argued the best farm policy is the market place. If farmers received a fair price for their products, they would not need any federal dollars. This year, Congress passed a farm bill which finally took the government out of the farming and ranching business.

The Federal Agricultural Improvement Act significantly reduces the government's role in pricing, marketing and planting decisions of farmers and ranchers. No longer will the government tell farmers what and how much to plant.

Three days ago, the President held a meeting to discuss the situation now facing the cattle industry. Unfortunately, the Clinton administration has helped contribute to the troubles of cattle ranchers.

Idling Corn Production

While Mother Nature is largely responsible for low carry-over grain stocks, the Clinton administration announced a program which idled nearly five million corn acres in 1995. In other words, the administration told farmers that Washington is better at making planting decisions than they are.

Idling five million corn acres is the same as idling one year of corn production in the state of Ohio -- one of our nation's most important corn belt states.

In fact, under the Republican farm bill, this year's corn plantings are expected to increase by 15% over last year. Farmers are finally planting for the market place and not for the government.

"Early Out" on Conservation Reserve Program

As grain prices have risen, farmers have asked for an "early out" on their Conservation Reserve Program contracts, in order to respond to a growing world demand for American grain.

It is estimated that nine of the 36 million acres in the CRP are not environmentally sensitive. Even though the administration had the authority to respond in time for planting, they refused to do so. In fact, every time the administration has announced an early out for CRP acres, it has been too late for spring planting.

Late Action on Beef Hormone Ban

Several of my colleagues have joined me in expressing concern about the European beef hormone ban. For years, there had been no action from the Clinton White House. Suddenly, when beef prices hit a ten-year low, the administration files a WTO case. I am encouraged that the administration has finally taken notice of this issue.

But President Clinton can't have it both ways. Administration officials have repeatedly criticized the beef industry. Secretary of Interior Bruce Babbitt has led the Clinton administration's War on the West.

The administration has raised grazing fees without input from Congress. They have locked land away from reasonable development and multi-use management. They have de-valued

(more)

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property without compensation. Worst of all, they are trying to manage this land from Washington.

Government Manipulation of Markets

Through government manipulation of the markets and a series of harmful decisions, the administration has worsened the crises now facing farmers and ranchers.

As I travel the country, I am reminded by farmers and ranchers that they are taxpayers too. And as taxpayers, they want less of Washington in their everyday lives.

Despite all the rhetoric from the other side of the aisle, Republicans have passed a farm bill that will prepare farmers and ranchers for the 21st century.

This farm bill provides farmers and ranchers with more flexibility, more certainty and far less government involvement in the agricultural industry. America's farmers and ranchers want less government intrusion in their production and marketing decisions. It is high time the Clinton administration heeds their call.

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* Remarks delivered on Senate floor, approximately 1:00 p.m.