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NEWS from U.S. Senator Bob Dole

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FOR IMMEDIATE RELEASE
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SENATE APPROVES "GRAZE-OUT" BILL

WASHINGTON, D.C. -- The Senate today approved, by a vote of 72 - 22, the so-called "graze-out" bill which would allow a farmer to use up to 40% of his allotted wheat acreage for pasture or hay. In return, the farmer would receive a payment of \$1 per bushel for the established average yield of those acres. An identical bill, sponsored by Congressman Keith Sebelius, is pending in the House of Representatives.

Following is a full text of Senator Dole's remarks during Senate debate:

Mr. President, I would like to join the Senator from Oklahoma (Henry Bellmon) in support of this bill. In the past three weeks I have had ample opportunity to discuss the legislation with farmers from Kansas and throughout the Nation.

The fact remains that our wheat farmers are facing disastrous market prices, coupled with drought conditions throughout much of the winter wheat producing areas.

The price currently offered to wheat producers in my home town of Russell, Kansas is about \$2.20 per bushel. This is far below the cost of production.

Moreover, the drought has damaged hay producing pasture and rangeland throughout Kansas. The U.S. Soil Conservation Service estimates that since January 1, 1977, nearly 6,000 acres of pasture has been critically damaged in Kansas as a result of the drought conditions. The almost certain shortage of hay this spring and summer lends additional justification to this legislation.

Under the terms of this legislation, the wheat farmer will be limited to the amount of wheat he may place under the program to 40% of his allotted acres, and will receive \$1 per bushel payment for either grazing out that acreage or making hay from the growing wheat. In any event, USDA estimates this will take approximately 4 million acres of wheat out of product.

It should provide some stimulus to the prices being paid to wheat farmers.

It will give the farmers the benefit of the feed value of wheat wheat is left, either through grazing livestock or by haying it for livestock feed.

The payment will replace the disaster payment which would amount to 1/3 of the target price (\$2.50) or .84 per bushel, so actual cost will be little more than the current disaster payment program.

In recent House hearings, the Department of Agriculture testified that the cost of this program would be \$115 million. The Congressional Budget Office puts the cost at \$100 million. However, unofficial estimates indicate that the program would cost no more than \$80 million, minus the offsetting saving from the disaster payments that would otherwise have been made.

I understand that the Kansas Livestock Association has given this bill qualified support since the measure is restricted to calendar year 1977. KLA does not support a multi-year program, and neither do I. However, the limitation to a single year makes the program acceptable as an emergency measure to provide some assistance to the wheat producers of this Nation.

I strongly urge my colleagues to join Senator Bellmon and me in support of this bill.