

News from Senator

BOB DOLE



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RELEASE OF FARMER-HELD RESERVE WILL HURT FARMERS, DOLE SAYS

WASHINGTON -- "Yesterday's release by the Department of Agriculture of the farmer-held reserve will hurt farmers economically and will put an effective ceiling on the market," Sen. Bob Dole (R-Kan.) said today.

Dole's comments came in response to an announcement by the Department of Agriculture that farmers would have the option of dipping into their wheat reserves of 411 million bushels.

"I have been concerned for many months that the trigger price on the farmer-held reserve was too low," Dole said. "I introduced legislation in January, in Senate Bill 1, to raise the trigger price to 90 percent of parity. The Administration did not support this feature of the legislation and has also refused to raise the loan rate even a small amount."

There are only two ways under the law to raise the trigger price. One is to raise the loan rate, and the other is to amend the formula in the law. "I believe loan rates should be raised to a more reasonable level and that the trigger price should be higher than 140 percent of the loan rate," Dole said.

"The Administration has refused to raise the loan rate and has refused to support legislation to raise the formula. As a result, farmers have a ceiling on their market that is too low for them to meet their cost of production and make a reasonable profit.

"I will continue to work to obtain legislation to raise the trigger price of the farmer-held reserve. The low artificial ceiling put on the market by the present low trigger price just is not acceptable.

"I believe this feature of the 1977 farm bill needs to be changed now. We cannot wait until 1981 to remove this low ceiling on the wheat market. I am hopeful Congress will act to raise the trigger price above the present 140 percent of loan rate level."