

News from Senator

BOB DOLE



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DOLE APPLAUDS PRESIDENT'S ANNOUNCEMENT OF "PIK" PROGRAM

WASHINGTON -- Senator Bob Dole (R.-Kan.) applauded today's announcement by President Reagan of the Payments-in-Kind (PIK) program, an innovative farm plan designed to reduce commodity surpluses. Dole, the senior Republican on the Agriculture Committee, called the announcement "a timely action to prepare farmers for this much-needed program." Last month, Dole wrote Agriculture Secretary Block to encourage the Administration and pledge congressional support for the program.

In reviewing the details of the program unveiled by President Reagan in Dallas, Dole noted that PIK is expected to reduce harvested acres for major crops by 23 million acres, with wheat and feed grain production to decline by over one billion bushels.

"On top of the 20% Acreage Reduction and Paid Diversion programs already in place for the 1983 wheat and feed grain crops," Dole said, "the additional 10 to 30% PIK reduction will make significant inroads into anticipated production this summer and fall."

"Also, the 95% of farm yield compensation rate for wheat plus haying and grazing privileges should be attractive to winter wheat producers who already have their crop in the ground."

Reviewing the projected impact of the various production control programs now available for wheat producers, Dole noted that although PIK will reduce stocks of feed grains, rice and cotton, 1983 wheat production will still be equal to total domestic and export consumption.

"Unless demand for wheat is increased, we still will have about 1.5 billion bushels in storage in June 1984, the same level expected at the end of this marketing year," Dole said.

"It is clear that Congress and the Administration are going to have to redouble their efforts to increase wheat utilization--both through effective export programs and by making surplus government-owned commodities available to food-deficit sectors of our own society," Dole said.

Dole added that "the need to bring down heavy grain stock levels by adding new outlets for food distribution is a pressing priority that must be addressed soon. I will propose legislation that responds to this concern when Congress reconvenes on January 25."

"In this regard," Dole continued, "I am pleased that the President combined the PIK announcement with two other actions that strengthen our commitment to maintain and expand export markets for agricultural products. The decision to approve an additional \$250 million for the blended credit program reflects the initial success of this program

in regaining lost markets and will make a total of \$1.25 billion available in direct loans and loan guarantees." Dole added that the President's decision to sign the Commodity Exchange Act is positive on two points: "It settles the uncertainty over the future of the Commodity Futures Trading Commission (CFTC), which is now authorized for the next four years. It also accepts further restraints on the use of executive authority to impose embargoes on exports of farm commodities by requiring the President to declare a national emergency or Congress to declare a state of war."

The Kansas Senator concluded that "I believe that these constructive actions reflect a conviction on the part of the Administration that the proper role of government is to foster trade in non-strategic goods, not to interfere to create a climate of intervention by acting in a sporadic and unpredictable fashion."

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In reviewing the details of the program unveiled by President Reagan in Dallas, Dole noted that 21K is expected to reduce harvested acres for major crops by 23 million acres, with wheat and feed grain production to decline by over one billion bushels.

"On top of the 208 Acreage Reduction and Paid Diversion programs already in place for the 1985 wheat and feed grain crops," Dole said, "the additional 10 to 208 21K reduction will make significant inroads into anticipated production this summer and fall."

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