

News from Senator

BOB DOLE



(R - Kansas)

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DOLE PROPOSES MOVING UP FINAL PAYMENT FOR '86 CROPS

Washington, DC -- Kansas Senator Bob Dole (R-KS) today proposed making final deficiency payments on 1986 feedgrain crops in March to help ensure farmers will have adequate cash on hand to meet Spring planting needs.

The 1985 Farm Bill specifies that feedgrain deficiency payments be calculated by subtracting the difference between the target price and the season average price. Since feedgrain producers are on a September to August marketing year, final deficiency payments for the 1986 crop would not be made until October of this year.

In offering his legislation, Sen. Dole said the change in the method of calculating feedgrain payments "will provide producers with close to \$3 billion in income payments prior to spring planting, when credit needs will be greatest."

Because Congress passed similar legislation late last year affecting only wheat farmers, Dole said the legislation would also ensure equity between commodity programs.

"Feedgrain deficiency payments for the 1986 crop would be based on a five-month weighted average price, as was the case prior to passage of the 1985 Farm Bill," said Sen. Dole. "The end result is that feedgrain producers will be able to receive the final portion of their deficiency payment this March, when Spring operating credit is expected to tighten."

Dole said his proposal is budget neutral over the next two fiscal years, since it deals with the timing of making the payments and not the size of the payments.

Joining Dole in sponsoring the legislation is Sen. Charles Grassley (R-IA). A companion bill will be introduced in the House by Rep. Ed Madigan (R-IL).