

PRESS RELEASE FROM THE OFFICE OF  
BOB DOLE, M. C. (R-KANSAS)

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Room 244, House Office Building  
Extension 2715

Congressman Bob Dole (R-Kansas) said today "some Kansas farmers are expressing concern over the facts they may lose all or part of wheat sedimentation premiums. The premiums were paid to wheat producers last year under a program hastily inaugurated by the Department of Agriculture without adequate prior research concerning the effect storage of wheat would have upon its sedimentation value.

"Premiums ranging from 3 cents to 24 cents per bushel, depending upon sedimentation test results, were paid by U.S.D.A. to many producers in Kansas and other Great Plains states," Dole said. "With the government loans on wheat under price support maturing March 31, many farmers are discovering their wheat no longer shows as high a sedimentation test as it did when placed under loan.

"Drops ranging from 8 to 10 points in recent sedimentation tests--the equivalent of 8 to 10 cents per bushel--have been reported to me by farmers and when this occurs the farmer who has farm-stored wheat must pay this difference to the government at take-over time. Some farmers have already paid income taxes on the premiums which they will be forced to repay the government.

"Farmers who stored their wheat in commercial warehouses are not subject to such a penalty but the warehousemen is, if he elected to carry the wheat on a sedimentation, rather than a protein, test basis.

"Reports from farmers and elevator operators indicate much of the 1962 crop wheat placed in storage has a lower sedimentation test than it did last year. The Department of Agriculture is aware of this, however it is impossible at this point to predict how much wheat growers, warehousemen and the general taxpayer may lose as a result of this development.

"I would strongly urge farmers who have 1962 crop farm-stored wheat under loan to have a new sedimentation test immediately. If there has been a significant decline in sedimentation, it may be to their advantage to redeem storage loans before March 31 and sell their wheat on the commercial market. This would especially be true in instances where the wheat has a relatively high protein content. The cash market for wheat in the hard winter wheat area is strong and in many locations is at or above the local loan rate.

"Each farmer must make his own decision. In some instances it may be to his advantage to permit U.S.D.A. to take title to his wheat, while in other cases it will definitely be in the farmer's best interest to redeem his loan and sell on the "cash" market," Dole concluded.

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