



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE URGES LOAN RATE HIKE

WASHINGTON, D.C.--Senator Bob Dole today urged the President to raise farm commodity loan rates to \$2.00/bushel for wheat, \$1.50/bushel for corn, and a proportionate level for milo and other feedgrains because of the severe condition of the winter wheat crop over much of the Midwest. Present loan rates are \$1.38/bushel for wheat and \$1.10 for corn.

In a letter to Ford, Dole said, "The primary reason for raising the loan rate at this time is to increase the marketing flexibility for farmers." He said an increase in loan rates now would allow farmers to pay the bills they have coming due and hold the grain they have yet to sell until market prices more fully reflect the winter wheat crop decline. In the past few days, wheat futures have increased 15¢ to 20¢/bushel due to dust storms in Kansas. Dole said farmers with a wheat crop failure this spring need to get the best possible price to make it to the next crop.

"In view of the sharp drop in market prices since the intervention in export sales last year, farmers deserve to receive assistance from the Department of Agriculture in getting the best price for the grain they have yet to sell."

Dole said a loan rate increase would not result in the Government possessing huge price-depressing stocks of grain, as it did in the 1960's, because target prices will be higher than loan rates and farmers will still sell on the open market. Under the Farm Bill of 1973, USDA is required to adjust target prices upward this year in proportion to the cost of production increases since 1973. Target prices are presently \$2.05/bushel on wheat and \$1.38 on corn.