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NEWS from U.S. Senator Bob Dole

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SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

REPORTS FLEXIBLE PARITY BILL

WASHINGTON, D.C. -- The Dole Flexible Parity Bill was acted upon by the Senate Committee on Agriculture, Nutrition, and Forestry, and ordered reported by a vote of 14-1. Senator Dole said, "I am pleased with the support in Committee for this bill and anticipate floor action on this bill soon -- possibly Monday of next week." The bill, as reported, was amended as follows:

1. Loan rates were set for wheat at \$2.85 per bushel and \$2.40 per bushel for corn.
2. The target price for cotton was set at 60 cents per pound with a required 20 percent set-aside.
3. The P.L. 480 Food-for-Peace Program authorization was increased by \$500 million, half of which would be for the Title II humanitarian feeding program.

Under the Flexible Parity Act:

- An individual farmer can choose the target price he needs up to parity, but must scale down his production accordingly.
- Excess farm commodity supplies will be reduced by farmers electing to increase set-aside.
- Market prices will rise and farmers will benefit from these higher prices.
- Budget costs will be minimal, estimated by the Congressional Budget Office to be about \$200 million, but may cost nothing if market prices rise sufficiently.

"Now for the first time, farmers will have a mechanism under which they can collectively control their production and each individual may select the target level and set-aside that is best for his farm operation," Dole said.