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Flexible Parity Concept Accepted By Senate/House Conferees

WASHINGTON, D.C. -- "There was far stronger support for the flexible parity concept among House/Senate Conferees as they worked on the Emergency Farm Act of 1978 than even I had anticipated," Senator Dole, Ranking Republican of the Senate Committee on Agriculture, Nutrition, and Forestry, said today.

Dole added, "The Conferees incorporated the flexible parity concept as the centerpiece of the Emergency Farm Act of 1978. I am hopeful that this quick action will result in a bill which will be accepted expeditiously by the Senate and the House for submission to President Carter at an early date."

The key feature of the Emergency Farm Act of 1978 is a simplified, three step, flexible parity mechanism. This provision was adopted by the Conferees early in the session by a 9 to 4 vote on an amendment offered by Representative Henson Moore (R-La.).

The bill, which is effective for the 1978 crop year, also sets loan levels for feed grains at \$2.25 per bushel, for wheat at \$2.55 per bushel, and for upland cotton at 48 cents per pound.

Target or established prices are set at variable levels depending on the amount of land any producer decides to take out of production. A feed grain producer who sets aside 10 percent of his planted acreage will be eligible for a target price of \$2.40 per bushel. With a 35 percent set-aside, a producer is eligible for a target price of \$3.05 per bushel, and any producer who sets aside 50 percent of his acreage may receive a target price of \$3.45 per bushel.

Variable target prices for wheat and cotton are as follows:

Wheat

- 20 percent set-aside guarantees a target price of \$3.50 per bushel.
- 35 percent set-aside guarantees a target price of \$4.25 per bushel.
- 50 percent set-aside guarantees a target price of \$5.04 per bushel.

Cotton

- Any set-aside up to ~~30~~ percent guarantees a target price of \$ .60 per pound.
- 35 percent set-aside guarantees a target price of \$ .72 per pound.
- 50 percent set-aside guarantees a target price of \$ .84 per pound.

The action by the Conferees will be included in a Conference Report which will require passage by both the Senate and the House of Representatives.

Citing the need for favorable action by Congress on the Conference Report, the Kansas Republican said, "I urge my colleagues to approve this measure which gives farmers the means to help themselves by bringing production into balance with demand."