

News from Senator

BOB DOLE



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SENATE PASSES DOLE FARM CREDIT LEGISLATION

WASHINGTON -- The Senate today approved the Farm Credit Act Amendments of 1980, legislation introduced by Senator Bob Dole (R-Kan.) and designed to broaden the Farm Credit System's ability to respond to current credit needs. The amendments also contain a number of "housekeeping" provisions to clarify positions of the 1971 Farm Credit Act. The amendments were agreed to today by unanimous consent.

"Many of us have been working since this bill was introduced on July 9, 1979, to see that this legislation becomes law," Dole said.

"Adequate and reliable agricultural credit is vital to the continued success of America's farmers and ranchers. Present economic conditions have worked a particularly harsh hardship on our farmers, and I believe we must take every reasonable step to assure their continued success and high productivity.

"The Farm Credit System, over the years, has provided a reliable source of credit for the agricultural community. Their efforts, combined with those of the commercial banking community, have been a primary factor for insuring the continued strength of this country's vital interest in rural areas.

"I have visited with the officials of the Farm Credit Banks in Kansas and they strongly approve this legislation, and I have had many telephone calls and letters from farmers across the state who feel that this is an important step."

The major provisions of the bill would:

1. Reduce -- from 80 percent (70 percent in the case of rural utility cooperatives) to 60 percent -- the minimum voting control of a cooperative that must be held by farmers, aquatic producers or harvesters, or eligible cooperatives in order for the cooperative to be eligible for loans from a bank for cooperatives;

2. Authorize Federal Land Banks to make loans in excess of 85 percent, but not in excess of 100 percent, of the appraised value of the real estate security if the loan is guaranteed by federal or other governmental agencies. Farmers Home Administration officials have indicated to me their support of this provision.

3. Authorize Federal Land Banks and Production Credit Associations to make loans to finance basic processing and marketing directly related to an applicant's farm, ranch or aquatic operation and those of other eligible farmers, ranchers or producers. (Such a loan could be made only if the applicant's operation supplied at least 20 percent of the amount of the commodity to be processed or marketed).

4. Authorize the Banks for Cooperatives to finance transactions for the exportation of agricultural and aquatic products by U.S. cooperatives that are borrowers from the banks, and provide the cooperatives with other financial services to enable them to participate effectively in foreign markets for agricultural and aquatic products.

"I believe this bill will update and improve the operations of the Farm Credit System, and it will expand the ability of the Farm Credit System institutions to serve the credit and related needs of their member-borrowers," Dole said.