

News from Senator

BOB DOLE



(R - Kansas) SH 141 Hart Building, Washington, D.C. 20510-1601

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CONTACT: ROBERT BORTHWICK
(202) 224-6521

DOLE GAINS VICTORY FOR FARMERS ON NEW GRADING STANDARDS

Washington, D.C. -- Senator Bob Dole (R-KS) today called the U.S. Department of Agriculture's (USDA's) decision not to discount insect-damaged wheat stored on the farm under loan prior to May 1 a welcome victory for farmers. USDA's decision followed a letter jointly signed by Senators Dole, David Karnes (R-Neb), Don Nickles (R-Okla), David Boren (D-Okla), Lloyd Bentsen (D-Tex) and Nancy Kassebaum (R-Kan) regarding May 1 regulations on grading insect-damaged wheat.

"We are pleased USDA has agreed with us that both farmers and elevator operators should be protected on wheat under loan prior to May 1. Farmers don't need discounts of as much as \$1 per bushel. This will give many farmers one less hassle to worry about as harvest gets underway," said Dole.

Dole's letter had urged USDA to protect farmers as well as grain elevators from the new regulations which lowered the criteria for insect-damaged wheat to samples containing less than one percent. Prior to the decision, USDA had indicated that only elevators would be protected on grain stored under contract.

Specifically, Dole's letter asked Secretary Lyng to ensure that producers holding wheat stored on-farm be compensated for the difference between the value of the original grade and the "sample grade" resulting from the insect damage regulations.

Wheat pledged as collateral for 1987 or prior crop years delivered to the Commodity Credit Corporation in settlement of an outstanding loan or purchase agreement and determined to be insect-damaged under the new grading standards will receive a settlement value based on standards in effect on April 30, 1988.

"This decision will allow the entire inventory of insect-damaged wheat in both commercial and on-farm storage to be marketed into non-human consumption without penalizing either producers or warehousemen," concluded Dole.