

NEWS RELEASE FROM THE OFFICE OF
CONGRESSMAN BOB DOLE (R-KANSAS)

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Congressman Bob Dole (R-Kansas) said today that "a one year extension of the present wheat program will provide Kansas wheat growers with a larger income than would either the defeated Freeman wheat plan or a return to the 1961 program."

Dole, a member of the House Agriculture Committee, said he supported the action of the Committee last week in reporting out a one-year extension of the present wheat and feed grain programs. In a letter being mailed to constituents, he said:

"Three times during the last few months I asked Secretary of Agriculture Freeman to give me an estimate of how income of wheat farmers would compare under the old program, the present 1962 emergency program and the proposed 1963 plan. He gave me three different replies, none of which answered the question.

"Nevertheless, it is possible through a few simple calculations to prove that Kansas wheat farmers will have a larger cash income even if the 1961 program becomes effective again than under the Freeman program voted down in the House.

"Let us first assume Kansas produces a normal 200 million bushel wheat crop next year. With price supports at 75 percent of parity--or \$1.82 per bushel--the figure set by Mr. Freeman in his recent wheat allotment and marketing quota proclamation--this means a 200-million bushel crop would return \$364,000,000 to producers.

"However, if the proposed Freeman plan were in effect next year, farmers would have to take a 20 percent ^{cut} in acreage. Thus they would not produce a 200-million bushel crop but instead a crop of 160 million bushels, or 20 percent less. Fifteen percent of the small crop, or 24 million bushels, would be supported as feed wheat at \$1.40 (or less) per bushel, returning \$33,600,000 (or less) to growers. The rest of the crop, 136 million bushels, bring the farmer \$2 per bushel, including the value of his wheat certificates, for a return of \$272,000,000.

"Under the Freeman proposal, farmers would also receive payments for the 20 percent of their acres which they retired from wheat production. These payments could not exceed 50 percent of the value of the crop which might otherwise be harvested in 1963. 40 percent in 1964 and 30 percent in 1965, and zero thereafter. These are maximum limitations. The actual rate could be lower, depending upon the Secretary's decision. Assuming, however, that the rate would average out at 40 percent--the maximum permissible limit--this would mean diversion payments to Kansas farmers of about \$32,000,000 a year. (This is based on the fact that the 40 million bushel cut farmers take would have a value of \$80 million and that they would be compensated for 40 percent of this loss).

"Adding together the value of the feed wheat, the certificate wheat and the land payments (\$33.6 million, \$272 million and \$32 million) the total is \$337,600,000, representing the income Kansas farmers would receive, assuming average yields per acre. Based on those same yields, but with a 20 percent larger acreage, the return to farmers under the 1961 program would be \$364,000,000 or \$26,400,000 more.

"Furthermore, the defeated Freeman plan would have reduced Kansas' wheat base another 130,000 acres (or 1.3%) by calculating the base on a five rather than a ten year period. This would have meant a further income cut of more than \$5,000,000 a year to Kansas growers, or a total income reduction of approximately \$31,400,000."

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