



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 25, 1977

CONTACT: JANET ANDERSON

SENATE VOTES TO EXEMPT 1977 DISASTER PAYMENTS FROM PAYMENT LIMITATION

WASHINGTON, D.C. -- By a vote of **61 to 26**, the Senate today acted to exempt disaster payments made in connection with 1977 crops of wheat, feed grains, upland cotton and rice from the payment limitation contained in the Agricultural Act of 1970 and the Agricultural Act of 1949. The House bill passed by the Senate is similar to a measure introduced earlier by Senator Bob Dole.

Following is the text of the statement Dole made today in support of the bill:

Mr. President, this bill would exempt disaster payments made in connection with the 1977 crops of wheat, feed grains, upland cotton and rice from the payment limitation contained in the Agricultural Act of 1970, as amended, and the Agricultural Act of 1949, as amended.

On September 13, 1977, I introduced a companion bill in the Senate that would accomplish the same purpose of H.R. 9090. On September 15, Senator Packwood, for himself and 12 other Senators, also introduced a similar bill in the Senate.

The total payment limitation for 1977 is \$20,000 for all crops except rice. This payment limitation includes payments to farmers for deficiency of the market prices compared to the established price for a given crop. The limit also includes any payments made to farmers because of natural disasters suffered by those farmers.

We have many areas across the country today where some kind of disaster has hit (drought, flood, hail) causing loss of production and income by farmers. There is no reason to deny payments to farmers who have suffered losses because of adverse weather just because market prices are low and the natural disaster occurred in 1977 instead of 1978.

We have resolved the payment limitation problem in the Food and Agriculture Act of 1977 for 1977 and thereafter. The Congress recognized that farmers' production costs are increasing and the family farms are larger. With this in mind, the payment limit was increased by Congress to \$40,000 for the 1978 crops of wheat, feed grains, and upland cotton. The limitation was raised to higher levels for subsequent years. Disaster payments were excluded from the payment limitation because farmers cannot control natural disasters.

In this year of severely depressed farm income, exempting disaster payments from the payment limitation will improve the economic situation for thousands of farmers across the U.S. and the economic situation of the rural communities centered in the various disaster areas.

In the farm bill we made some changes in support levels for the 1977 crop. We should now correct our previous oversight by this adjustment which excludes disaster payments from the payment limitation. H.R. 9090 is merely a correction of the farm bill taking disaster payments out of the payment limitation issue. This will provide equity for producers, who are already in economic distress, if they have suffered crop disasters through no fault of their own.

As a matter of equity and fairness, I believe all producers should receive full protection from disaster losses for the 1977 crop.