



NEWS from U.S. Senator Bob Dole

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DOLE URGES INCREASED LIMIT FOR WHEAT AND FEED GRAINS PURCHASES BY RUSSIA

WASHINGTON, D.C. -- Senator Bob Dole today urged Secretary of Agriculture Bob Bergland to "re-examine the present limit of 15 million metric tons of wheat and feed grains now available to the Soviets..." In a letter to Bergland, Dole outlined the advantages of establishing an aggressive sales policy. Following is the text of Dole's letter to Bergland:

President Brezhnev's announcement Wednesday that 1977 Soviet grain production would be down to 194 million metric tons creates an unprecedented opportunity for U.S. producers of wheat, feed grains and soybeans. Recent USDA projections of total grain utilization in the Soviet Union of 222 million metric tons for the current crop year suggests that the Russians need to purchase around 30 million metric tons of food and feed grains on the international market.

Current supply-demand projection for the United States indicate large carryovers of wheat, feed grains, and soybeans in this country of 90 million metric tons. In view of these facts, I strongly urge you to re-examine the present limit of 15 million metric tons of wheat and feed grains now available to the Soviets under the U.S.-USSR long term grain purchase agreement. Should the Soviets need to purchase additional grain, this limit could be increased to 20 or 25 million tons with no danger to our domestic supply.

The following advantages of establishing an aggressive sales policy by the Administration deserves your close and prompt attention:

IMMEDIATE ADVANTAGES:

- raise grain prices
- eliminate deficiency payments
- increase farm income
- improve balance of payments
- increase employment
- avoid costly storage of surplus commodities
- avoid future set aside requirement

LONG TERM ADVANTAGES:

- Soviet leaders made an important policy decision in 1972; that decision was to import sufficient grains to maintain their livestock industry in the USSR. In effect a political decision and commitment was made to provide more protein to their citizens.
- Domestic use of grain in the Soviet Union has increased from 135 million tons in 1967 to 190 million tons for 1977. This trend coupled with the above mentioned protein commitment, which was renewed in their current 5 year plan, supports forecasts that Russia will continue to be a substantial customer on the world market for grain. In addition, with Russia's erratic production history varying from a low of 140 million metric tons in 1975 to a high of 224 million tons in 1976, it is apparent that Russia must develop reliable sources of supply to meet the sizeable shortfalls whenever they occur in order to fulfill their protein commitments.
- Even with this increasing dependence on grain imports, it does not necessarily follow that they are dependent on the United States for grain, especially in light of the 1975 moratorium on sales of U.S. grain to Russia. During that moratorium, Russia purchased 15 million metric tons of grain and soybeans from countries other than the United States.
- Positive, constructive action now on our part would regain and preserve the U.S. share of growing purchases by the Soviets in years to come.
- It would strengthen their confidence in the U.S. as a reliable supplier.

The alternative is to leave the United States as the residual supplier of grain as we were prior to 1970, and to further stimulate production and exports by our competition.

There is no danger of a repeat of the type of sales that took place during 1973, commonly referred to as the "Russian Grain Deal." Unlike the 1973 situation:

- we know what the USSR needs,
- we have a bothersome surplus
- we have no export subsidy
- minimal impact on consumer prices
- increased sales would minimize government costs and improve farm income
- most important, farmers still own most of the grain.

Again I urge your prompt and concerted effort to obtain a maximum share of this potential market for our farmers.