

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE

FRIDAY, JUNE 29, 1979

CONTACT: BILL KATS, MORGAN WILLIAMS
202-224-8947, -8954

DOLE CALLS FOR EXTENSION OF FARM LOAN PAYMENT TIME

WASHINGTON -- In a letter to Secretary of Agriculture Bob Bergland, Sen. Bob Dole (R-Kan.) today called for an increase in the amount of time farmers have to pay off loans once the farmer-held reserve is released.

Under the current system, once the call price is reached a farmer has 30 days to pay off the loan. Dole today requested that that 30-day period be extended to 120 days for holders of loans both on the farm and in a commercial elevator.

"With the price of wheat yesterday at \$4.08, just three cents shy of the call price, it is essential that we move to aid farmers who may at this time have difficulty paying off their loans if the reserve is released," Dole said. "Marketing and economic factors are currently unfavorable for farmers who would need to pay off lenders.

"There are several reasons why an extension of the payment period makes sense. Most obvious is the fact that farmers all across the Midwest are readying for what promises to be a very large and profitable wheat harvest. At this time, farmers' attentions are on completing that harvest, and not on where they have to go to secure additional funds to pay off their loans.

"Of course, the energy shortage also plays an important part in the fortunes of this year's harvest. Spot delays in harvesting are caused by interruptions in the supply of diesel. Allocations throughout the Midwest have been sporadic for several weeks, and if this continues through the harvest, farmers can expect it to be more difficult getting their crop to market than usual.

"There is also currently a storage problem at elevators, making it hard to find a convenient market. Terminal elevators are currently full in many places, with harvest upon us.

"On top of these problems, there is the very real financial headache created by the tight money supply. Because of the resultant credit shortage, banks will surely be reluctant to accommodate farmers who may seek additional relief to pay off loans if the reserve is released.

"All of these factors provide evidence for why the farming community needs an extension of the USDA loan payment period to 120 days. Certainly it is a reasonable way to ease the pressures caused by circumstances which are in many cases beyond the control of the farmer."