



# NEWS from U.S. Senator Bob Dole

(R.-Kans.)

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## AG COMMITTEE AGREES TO DOLE PROPOSAL EXTENDING FARM LOAN PAYMENT TIME

WASHINGTON -- The Senate Agriculture Committee, in a letter to Secretary of Agriculture Bob Bergland, today endorsed a proposal by Sen. Bob Dole (R-Kan.) for an increase to 120 days in the amount of time farmers have to pay off loans once the farmer-held reserve is released.

"We would recommend a basic 120-day provision for redemption of stocks with consideration of further extension to promote and assure the orderly movement of reserve stocks into the market," the letter stated.

Under the current system, once the call price of \$4.11 is reached, a farmer has 30 days to pay off the loan. The Dole proposal requests that that 30-day period be extended to 120 days for holders of loans both on the farm and in a commercial elevator.

"We do not know that the recent market price escalation will continue," Agriculture Committee members said. "But, we do know that the release of food reserve stocks at the beginning of a bountiful harvest should not be treated identically to the normal one-year loan program."

Dole said the extension of the payment time "is necessary for farmers who would currently find difficulty paying off loans because of unfavorable marketing and economic factors."

The letter to Secretary Bergland expresses Agriculture Committee members' concern that the tight money supply would create difficulties for those who would need additional loans:

"Precipitous release of stocks would place additional pressure on an already tight money supply in rural America. Farmers would have to find additional commercial loans to repay upwards of \$850 million in reserve stock loans. ...Consideration should also be given to the impact on our already overburdened transportation system and fuel supplies by premature release of reserves."