

News from Senator

BOB DOLE



(R - Kansas)

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DOLE BILL WILL SEND SURPLUS FOOD TO THE NEEDY

WASHINGTON -- Senator Robert Dole (R-Ks.) today announced the details of a bill that would distribute substantial quantities of surplus government food to America's needy. At a Capitol Hill press conference, Dole outlined the innovative plan that would use federal funds to distribute food rather than simply store it. The following is the Senator's statement:

Since its introduction one week ago, S. 17, "The Domestic Commodity Distribution and Food Assistance Act," has attracted the attention of both farm groups and organizations involved in the distribution of food to the needy.

I am pleased that a number of distinguished colleagues have joined me in sponsoring this legislation:

Daniel Patrick Moynihan (D-N.Y.)
Mark O. Hatfield (R-Oreg.)
Carl Levin (D-Mich.)
Rudy Boschwitz (R-Minn.)
John C. Danforth (R-Mo.)
Pete V. Domenici (R-N. Mex.)
Roger W. Jepsen (R-Iowa)
Mark Andrews (R-N. Dak.)
Donald W. Riegle, Jr. (D-Mich.)
Alan J. Dixon (D-Ill.)

Anyone who has watched the evening news in recent weeks has seen the lengthening lines of Americans crowding food banks and other distribution outlets to obtain free or inexpensive commodities. The "cheese giveaway" initiated by the Administration last year did more than get rid of government-owned products approaching spoilage. Despite distribution problems, the rapid dispensation of cheese dramatically revealed a real and growing need in our society that the other lifelines such as welfare, elderly feeding programs and food stamps are obviously not either reaching or satisfying.

GROWING SURPLUSES AND A MORAL OBLIGATION

At the same time, the abundance of U.S. agricultural production has reached the point where we are once again paying farmers in-kind for idling part of their acreage. Government acquisitions of farm products ranging from milk to honey have increased dramatically as demand has failed to absorb surplus production. These stocks in turn now overhang the market, reducing chances for recovery in farm prices.

We have moved to the point of making surplus commodities available as a bonus to foreign countries making commercial purchases. We may also increase humanitarian donations abroad. But before sharing our abundance with friends and trading partners overseas, we have a moral obligation to make the same supplies available to hungry Americans.

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HOW THE BILL WORKS

Simply described, our bill would make available all government-owned food commodities to fill the needs of eligible state and local agencies. The USDA's Commodity Credit Corporation (CCC) would pay for the initial distribution and for processing into usable form, as is currently done in other food programs. There would be no limit on access, although state government agencies would monitor distributions to prevent stockpiling or black market activities.

The USDA has estimated the total value of food commodities owned by the CCC to be \$3.9 billion as of December 31, 1982; dairy products account for 73 percent of the total; corn for 21 percent; with the balance in rice, soybeans, honey and small amounts of other grains. All of these surplus commodities would be made available under the program. In addition there is about \$526 million of wheat in the International Emergency Food Reserve.

COMMODITIES USED UNDER THE BILL

The USDA estimates surplus commodities to be distributed in the first year of the Dole plan will have a value of \$1,043 million. From that total, dairy products account for \$944 million, or 90 1/2 percent. As a percentage of current stocks, 20 percent of the cheese, 17 percent of the butter, and about 2 1/2 percent of the non-fat dry milk would be distributed.

While only 2 percent of current heavy corn stocks would be used, most of this amount would be fed to produce over 56 million pounds of chicken and almost 47 million pounds of turkey. If additional funds for processing can be found, corn contributions could be expanded.

From the other stored commodities, 68 percent of the soybeans, 2 percent of the rice and 67 percent of the honey in CCC inventory available for distribution would be used. Additionally, 100 million pounds of wheat flour would be drawn from the International Emergency Food Reserve under a separate provision of the bill.

COST AND SAVINGS OF THE BILL

The administrative cost of the bill is limited to five percent of the value of commodities distributed, or \$52 million in the first year. There would be additional unspecified costs for distribution and processing. In addition, the \$14 million in reduced storage charges would be used for further processing and delivery to particularly needy groups and individuals.

We believe that this bill effectively deals with food deficits in our society and food surpluses in our agricultural system. We hope that both Houses of Congress will recognize the timeliness and importance of this bill, and that the Administration will endorse it as a contribution toward achieving our collective social and economic goals.

Attachment

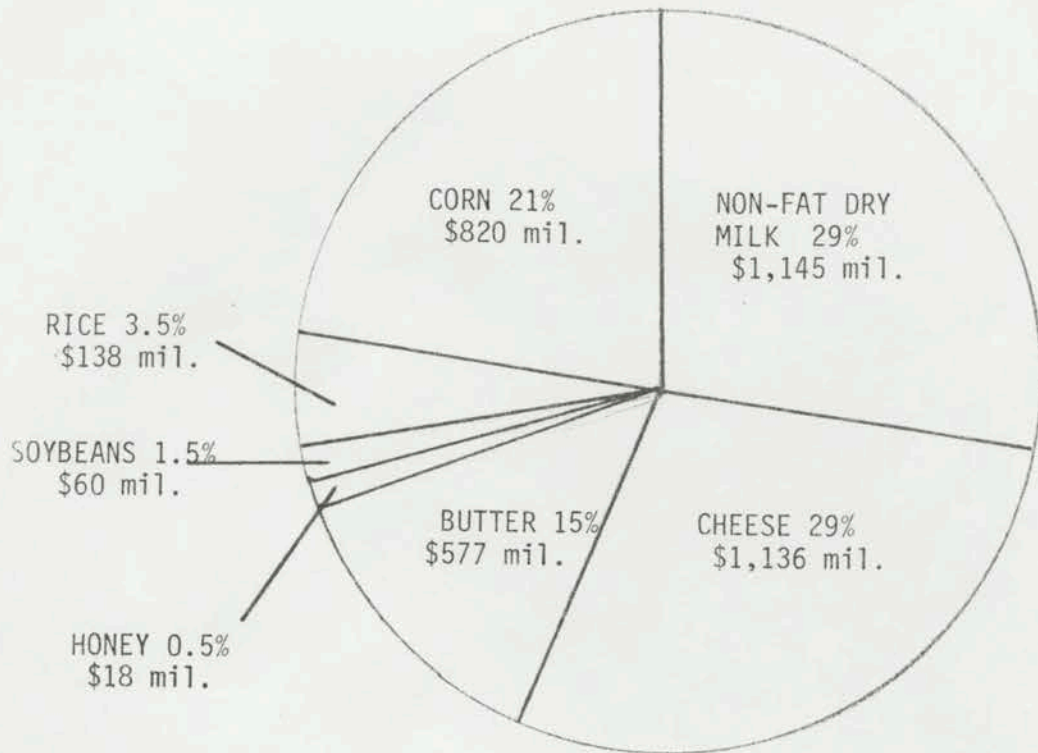
COMMODITIES DISTRIBUTED UNDER S. 17

<u>COMMODITY</u>	<u>ESTIMATED USE (MILLION UNITS)</u>	<u>PERCENT OF STOCKS</u>	<u>VALUE (\$ MILLION)</u>	<u>PERCENT OF TOTAL</u>
<u>DAIRY</u>				
CHEESE (LB)	155	20%	\$602	57.7%
BUTTER (LB)	66	17	265	25.4
NON-FAT DRY MILK (LB)	30	2.4	77	7.4
TOTAL			<u>\$944</u>	<u>90.5%</u>
<u>CORN</u>				
CORNMEAL (LB)	12.5			
CHICKEN (LB)	56.2			
TURKEY (LB)	46.8			
TOTAL (BU)	<u>8.8</u>	2.5%	\$ 22	2.1%
<u>SOYBEANS</u>				
OIL (LB)	45.4			
SHORTENING (LB)	39.0			
TOTAL (BU)	<u>8.1</u>	68%	\$ 44	4.2%
<u>WHEAT</u>				
FLOUR (LB)	100			
TOTAL (BU)	2.3	*	\$ 8	0.8%
<u>RICE</u> (CWT)	.350	2%	\$ 9	0.9%
<u>HONEY</u> (LB)	20.8	67%	<u>\$ 16</u>	<u>1.5%</u>
<u>TOTAL</u>			<u>\$1,043</u>	<u>100.0%</u>

* From International Emergency Food Reserve.

FOOD COMMODITIES
IN CCC INVENTORY

Available for distribution December 31, 1982



\$3.89 billion