

News from Senator

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FOR IMMEDIATE RELEASE
MAY 18, 1989

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DOLE INTRODUCES DROUGHT BILL:
BONE DRY KANSAS CROP "BURNED, BLOWN AWAY
AND NOW BURIED"

MR. DOLE. MR. PRESIDENT, TODAY I AM PLEASED TO INTRODUCE BIPARTISAN DROUGHT DISASTER ASSISTANCE LEGISLATION JOINED BY SENATORS BOREN, KASSEBAUM, NICKLES, BENTSEN, GRAMM, BAUCUS, BURNS, WIRTH, PRYOR..

LAST YEAR CONGRESS DID THE RIGHT THING WHEN IT PASSED A MAJOR DISASTER ASSISTANCE PACKAGE FOR PRODUCERS IN MANY STATES WHOSE CROPS WERE DEVASTATED BY ONE OF THE WORST DROUGHTS IN THE PAST HALF CENTURY. THE DISASTER ASSISTANCE ACT OF 1988 RECEIVED BROAD BIPARTISAN SUPPORT, THE SAME KIND WE SEE HERE TODAY. . WE WERE ABLE TO HELP FARMERS IN THEIR TIME OF NEED WITHOUT ADDING TO THE FEDERAL BUDGET DEFICIT BECAUSE WE WERE ABLE TO USE SAVINGS RESULTING FROM LOWER DEFICIENCY PAYMENTS AND HIGHER MARKET PRICES. UNDOUBTEDLY, LAST YEAR'S BILL SAVED MANY FAMILY FARMERS IN THE CORN BELT AND NORTHERN STATES, WHERE THE DROUGHT WAS MOST SEVERE.

A RIPPLE AFFECT

WE WERE PRETTY LUCKY IN KANSAS LAST YEAR. WE DODGED THE DROUGHT BULLET, ALTHOUGH I WAS PLEASED BY THE SUPPORT AND SYMPATHY THE PEOPLE IN MY HOME STATE DEMONSTRATED TO THEIR AGRICULTURAL NEIGHBORS. UNFORTUNATELY, KANSAS FARMERS GOT A JOLT LAST YEAR, SOON AFTER OUR WHEAT CROP WENT IN THE GROUND. A HISTORY-MAKING DRY SPELL BEGAN TO PLAY HAVOC WITH OUR WINTER WHEAT CROP, AND IT HAS PERSISTED THROUGHOUT THE WINTER AND THE SPRING.

OUR WINTER WHEAT CROP HAS BEEN BURNED, BLOWN AWAY AND NOW BURIED. THERE'S BEEN NO RAIN, NO MORE MIRACLES AND NOW, NO MORE HOPE.

AS OF MONDAY, 85 PERCENT OF THE STATE'S WHEAT CROP WAS RATED IN THE POOR-TO-VERY POOR CATEGORIES. TOPSOIL MOISTURE WAS RATED 99% SHORT, AND SUBSOIL MOISTURE WAS RATED 100% SHORT. OUR PROJECTED WHEAT CROP OF 202 MILLION BUSHELLS WILL BE ONLY ONE-HALF OF ITS POTENTIAL: IN OTHER WORDS, IT'S A DISASTER.

IMPACT OF SUSTAINED DROUGHT

AS A RESULT, CATTLE AND LIVESTOCK PRODUCERS ARE ALSO TAKING IT ON THE CHIN. SECRETARY YEUTTER SHOWED HIS CONCERN BY COMING TO KANSAS PERSONALLY TO SURVEY THE DAMAGE IN MID-APRIL. UNFORTUNATELY, CONDITIONS HAVE DETERIORATED SINCE THEN. THE SECRETARY DID USE HIS DISCRETIONARY POWERS TO PROVIDE SOME TEMPORARY ASSISTANCE, SUCH AS HAYING AND GRAZING DURING THE PRINCIPAL GROWING MONTHS, AND ALLOWING ACCESS TO LIVESTOCK FEEDING PROGRAMS. BUT THE CONDITIONS HAVE GOTTEN SO BAD THAT OUR FARMERS NOW NEED A HELPING HAND FROM WASHINGTON.

KANSAS PASTURES AND SET-ASIDE ACRES ARE BONE DRY, SETTING OFF A CHAIN REACTION OF BAD NEWS ON THE DROUGHT FRONT: HAYING AND GRAZING ON SET-ASIDE ACRES WILL BE OF LITTLE BENEFIT; ACCESS TO INADEQUATE FORAGE AND WATER SUPPLIES FOR COW HERDS HAVE CAUSED HEAVY RUNS OF CATTLE TO SLAUGHTER; AND NOW, WHEAT FARMERS ARE SIMPLY PLOWING THEIR CROPS UNDER.

OBVIOUSLY, THE LONG-TERM FINANCIAL IMPACT ON CROP AND LIVESTOCK PRODUCERS WILL BE SEVERE, WITH SOME OBSERVERS ESTIMATING MORE THAN \$800 MILLION IN LOSSES. OF COURSE, NOT ONLY FARMERS, BUT OUR RURAL BUSINESSES, UP AND DOWN MAIN STREET, WILL BE HURT, TOO.

BASIC LEGISLATIVE PROVISIONS

THE BOTTOM LINE IS, WE NEED HELP. OUR BILL IS SIMPLE AND STRAIGHT-FORWARD. WE BELIEVE IT IS TIME TO EXTEND THE 1988 RELIEF ACT TO CROPS PLANTED IN 1988 BUT HARVESTED IN 1989. THIS ACTION WILL COVER MOSTLY WINTER WHEAT, THE CROP IN THE MOST SERIOUS TROUBLE. THE PROVISIONS WOULD BE ADMINISTERED UNDER SIMILAR TERMS AND CONDITIONS AS LAST YEAR WITH RESPECT TO PAYMENT RATES, BENEFITS, REQUIREMENTS ON FEDERAL CROP INSURANCE PARTICIPATION IN FUTURE YEARS AND SO FORTH.

IN ADDITION, OUR BILL WOULD REQUIRE THE SECRETARY TO PROVIDE COST-SHARE FUNDS, ON A LIMITED BASIS, FOR TRANSPORTATION OF LIVESTOCK TO AREAS WHERE FEED AND WATER EXIST. WE WOULD ALSO PROVIDE LIMITED COST-SHARE FUNDING TO LIVESTOCK PRODUCERS WHO HAVE HAD TO IMPLEMENT EMERGENCY WATER PROJECTS, SUCH AS REVAMPING OLD WELLS OR INSTALLING PIPELINES TO BRING SCACRE WATER TO THIRSTY LIVESTOCK.

BUDGETARY ASPECTS

THE MAY 4TH LETTER FROM USDA WHICH WE INSERTED INTO THE CONGRESSIONAL RECORD NOTED THAT THE PRESIDENT'S JANUARY BASELINE ESTIMATED DEFICIENCY PAYMENT OUTLAYS WOULD BE \$1 BILLION FOR WHEAT PRODUCERS. THAT ESTIMATE MEANT WE POSSIBLY WOULD HAVE ENOUGH SAVINGS FROM THE DECLINE IN DEFICIENCY PAYMENTS AS A RESULT OF RISING PRICES TO OFFSET RELIEF COSTS,, WHICH USDA ESTIMATED TO BE UPWARDS OF \$350 MILLION, IF WE ACTED SOON.

IT APPEARS THAT THE CONGRESSIONAL BUDGET OFFICE (CBO) SHARES THE VIEW -- THAT THERE WILL BE A SUFFICIENT OFFSET IN FY 1990 BASED ON CURRENT CROP CONDITIONS FOR WHEAT -- IN THEIR PRELIMINARY ANALYSIS. OUR BILL SPECIFIES THAT FUNDS WOULD BE MADE AVAILABLE FROM THE REDUCTION BETWEEN THE CURRENT CROP CONDITIONS FOR WHEAT AND THE JANUARY BASELINE.

CROP INSURANCE

I WOULD ALSO REITERATE SECRETARY YEUTTER'S COMMENTS THAT THE MOST RELIABLE LONG-TERM APPROACH IS CROP INSURANCE. OBVIOUSLY, CONGRESS WILL NOT ALWAYS HAVE THE OPTION TO PASS DISASTER BILLS DURING TIMES OF EXTREME BUDGET CONSTRAINTS. THE FEDERAL CROP INSURANCE COMMISSION WHICH CONGRESS AUTHORIZED LAST FALL HAS MADE PRELIMINARY RECOMMENDATIONS WITH A FINAL REPORT DUE LATER THIS YEAR.

WE HOPE CONSTRUCTIVE CHANGES CAN BE MADE TO ATTRACT GREATER PARTICIPATION, IMPROVE ADMINISTRATIVE FUNCTIONS AND MAKE THE PROGRAM ACTUARIALLY SOUND.

CONCLUSION

MR. PRESIDENT, WE HAVE AN OPPORTUNITY TO ENACT BROAD BIPARTISAN LEGISLATION THIS YEAR AND WE NEED TO ACT IN A TIMELY FASHION. I LOOK FORWARD TO WORKING WITH MY COLLEAGUES IN THE HOUSE AND SENATE IN THE DAYS AHEAD.