

Senate committee approves embargo impact bill

WASHINGTON, D.C. — The Senate Committee on Agriculture, Nutrition, and Forestry Wednesday approved a seven-point legislative package conferring additional authority on the Carter Administration to soften the impact of the Russian grain embargo on farmers.

The bill would increase loan rates for wheat and feed grains placed in the farmer-held grain reserve and permit the secretary of agriculture to implement "set aside" programs for those crops this year to reduce grain plantings.

The Committee combined into one omnibus bill a

variety of proposals drawn largely from several separate bills that have been introduced in the Senate in response to President Carter's January 4 suspension of agricultural exports to Russia.

The legislation includes provisions for a food security reserve program similar to legislation strongly supported by the Carter Administration. The bill would authorize the Department of Agriculture to dispose of wheat purchased as a result of the embargo through emergency food assistance programs of the P.L. 480 program.

Embargoed corn pur-

chased by the Department could be sold as a feed stock for fuel alcohol production at a "fuel conversion price" but not less than the grain reserve release level, currently \$2.63 per bushel.

The Agriculture Committee previously has approved four other bills, relating to the embargo. One of these, to extend the life and increase lending authority of the farm economic emergency loan program, has been approved by a House-Senate Conference Committee. The Senate agreed to the conference bill Wednesday.

A second bill, which opens on a limited basis the far-

mer-held grain reserve to producers of 1979 corn and wheat who did not participate in last year's set-aside program, was also approved by the Senate Wednesday.

A floor amendment was added to the bill to raise the loan ceiling for farm storage loans from \$50,000 to \$100,000. The other two bills are awaiting Senate floor consideration.

In addition to the food reserve the omnibus bill includes provisions to

Require the secretary of agriculture to increase loan levels on wheat to not less than \$3.30 per bushel from \$2.50 and on corn to not less

than \$2.25 per bushel from \$2.10 for grain going into the farmer-held reserve. The increases would be effective for the 1979-81 crop years but would not apply to the regular price support loans made to producers outside the reserve program. The provision would also require that interest charges to farmers be waived on the reserve loans.

Require the Commodity Credit Corporation to purchase not less than four million tons of wheat and up to 10 million tons of corn to help shore up grain prices that have been adversely affected by the suspension of sales to Russia. The purchases must be at prices not less than the averages prevailing for the five-day period preceding the embargo and must be carried out by June 1, 1980, in the case of wheat and by October 1, 1980 in the case of corn.

Authorize the secretary of agriculture to implement a set-aside program for price-supported commodities for 1980 and 1981 if warranted to offset the impact of suspension of commercial export sales. The secretary had announced last fall, several months before the embargo, that there would be no grain set aside in 1980. He does not have the authority under existing law to reverse his decision.

Authorize the use of funds, facilities, and powers of the Commodity Credit Corporation to purchase and handle agricultural commodities other than grain — such as poultry — that were under contract for shipment to Russia at the time the embargo was announced.

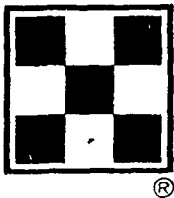
Except in the special case of embargoed grain, prohibit CCC from disposing of government-owned wheat and feed grain stocks when a farmer-held grain reserve program is in effect at less than 5 percent above the "call" level, the price at which the farmer must repay the loan or forfeit his grain.

Require the secretary of agriculture to carry out a study of the potential for expanding U.S. agricultural export markets and using farm exports in obtaining resources such as oil from other countries.

Except for the increase in loan rates for grain placed in farmer-held grain reserve, the Administration did not oppose the other provisions of the omnibus bill.



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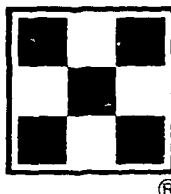
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