

## Introduction

Commodity support programs have evolved over the years. Initially, low farm income and unstable prices inspired the need for agricultural policy to support and stabilize prices of agricultural commodities. Then, when inventories grew to burdensome levels and program costs got out of hand, policy was expanded to provide production controls. Situations arose which either motivated or necessitated changes or revisions to be made. Whenever supply and demand were sufficiently out of balance at desired price levels, programs were modified. Change in policies also has been driven by the needs of farmers to have more control over planting decisions versus the needs of society to exert control over the production of specific crops. A recent concern has been the linkage between price support and planting decisions. Because of this, policymakers have been talking about the disengaging or decoupling of program benefits from commodity programs. The 50/92 and 0/92 rules are examples of this. Budgetary outlays are now a primary factor in determining the level and magnitude of agricultural program provision.

## The Evolution of Crop Support Programs

This section focuses upon the legislation that provided the foundation for commodity support programs and to highlight the legislation that revised and supplemented the basic structure of these programs.

### Mandatory Programs

The Agricultural Adjustment Act of 1933 (AAA) was the forerunner of current commodity support programs (6, 9).<sup>1/</sup> The major thrust of the AAA was to reverse the deterioration of commodity prices and farm incomes by specifically focusing on production adjustments. The AAA was intended to support prices, restrict production, and fund the cost of production adjustment from revenues earned by a tax imposed on processors of agricultural commodities. The AAA included authorization to (1) secure voluntary reduction of acreage in basic crops through agreements with producers and use of direct payments for participation in acreage control programs; and (2) regulate marketings through voluntary agreements with processors, producer associations, and other handlers of agricultural commodities.

Commodity-specific acreage reduction programs were operated for wheat, corn, peanuts, rice, tobacco, cotton, and sugar crops through 1935. Production control programs were supplemented by marketing agreement programs for tobacco and rice, and for peanuts, before its designation as a basic commodity in 1934. The AAA, for the first time, effectively tied eligibility for price support to requirements for adjustment of acreages and/or quantities sold.

In January 1936, the Supreme Court ruled that the production control features of the 1933 Act were unconstitutional and voided the use of processing taxes to fund the program. The Supreme Court's ruling left the Government without a viable supply adjustment program. In response, the Soil Conservation and Domestic Allotment Act was enacted in February 1936.

The 1936 Act reestablished the Government's authority to entice farmers to

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<sup>1/</sup> Underscored numbers in parentheses refer to sources listed in the References.

idle land. It offered longer-term soil conservation payments to farmers for shifting acreage from soil-depleting crops to soil-conserving crops (6, 9). But, the supply management program tools lost their commodity-specific focus. Several crops were lumped together in a general "soil-depleting base." The Soil Conservation and Domestic Allotment program did not sufficiently control output, particularly for crops such as wheat and cotton. Inventories grew, and prices again weakened.

The Agricultural Adjustment Act of 1938 broadened and strengthened the 1936 Act by increasing the Government's role in commodity markets (6, 9). The new legislation returned the commodity-specific focus to Government attempts to manage production. The 1938 Act provided for acreage allotments for corn, cotton, rice, and wheat. Acreage allotments were proclaimed each year with the national acreage allotment defined as the acreage necessary to satisfy domestic and export demand. Allotments were allocated to individual farms according to past planting history. Acreage allotments restricted production by limiting the number of acres a producer could plant for harvest and still receive price supports.

Because of difficulties in controlling production with acreage adjustments, Congress provided an additional supply management tool, marketing quotas. Quotas were designated for tobacco, corn, wheat, cotton, and rice. When supplies were expected to exceed specified levels, the Secretary was required to proclaim a national marketing quota for designated crops (7). The quotas would go into effect only when approved by a two-thirds majority of the eligible producers voting in a referendum. If approved, the quotas were mandatory for all producers.

The marketing quota essentially restricted production by limiting the amount a producer could market. The national marketing quota for a given commodity was established and prorated to producers in the same fashion as acreage allotments.

The Secretary could use acreage allotments, with or without marketing quotas, to bring the supply of specified commodities in line with requirements (7). When used without marketing quotas, acreage allotments restrict production by limiting the number of acres a producer can plant for harvest and still receive price support. When used with marketing quotas, acreage allotments are also the basis for determining the amount that each farmer may market or have available for market without penalty. The Government, at this point, seemingly had the tools to control both acreage and quantities. But, the programs met with mixed success. Growers did not always approve referenda authorizing marketing quotas. For example, although marketing quotas were proclaimed for cotton, rice, and tobacco for the 1939-40 marketing years, only cotton quotas became effective. Additionally, the large number of producers, particularly for grains, would have made monitoring of compliance difficult.

Acreage allotments for corn and acreage allotments and/or marketing quotas for cotton, tobacco, and wheat were effective at reducing acreage planted during the years they were in effect. Despite the success observed in reducing planted acreage, production did not reflect the same degree of adjustment. Because of increasing yields, programs that controlled acreage did not effectively control production. Increasing productivity, technological innovation, and more intensive production practices exacerbated the excess supply problem.

By the mid-1950's, with production continuing to outstrip requirements and surpluses growing, Congress and the administration felt that a larger acreage reduction program was necessary. The Agricultural Act of 1956 created the Soil Bank Program of long- and short-term removal of land from production (6, 9). The program consisted of an annual acreage reserve and a long-term conservation reserve. Farmers reduced land planted to crops below established allotments or bases and received payments for diverting acreage to conserving uses. Plantings once again trended downward, but yield growth tempered production adjustments. The program was terminated in 1958 because of its high cost and its failure to significantly reduce production.

#### **Acreage Diversion Programs**

In the early 1960's, there was a movement toward voluntary programs. Producers felt that many of the mandatory programs (allotments and marketing quotas) violated their sovereignty. The act of March 22, 1961, provided for an acreage diversion program for corn and sorghum, with payments made to producers who diverted acreage to conserving uses (6, 9). Payments-in-kind

from CCC-owned stocks were authorized as a method of paying participants. Price supports for corn and sorghum were limited to the annual production of the 1961 acreage of these commodities and were based on the 1959-60 average per acre yield. This legislation was the forerunner of the voluntary programs in effect through the 1960's.

The Agricultural Act of 1961 continued the 1961 feed grain provisions basically unchanged for 1962 crops, although barley was included as a program crop (6, 9). Under this program, farmers had to divert at least a required minimum of their feed grain base acres in order to be eligible for support payments. For some years, an optional paid land diversion was offered to encourage producers to idle more land. The 1961 Act also required wheat producers to reduce acreage by 10 percent of their farm allotment with the option of payments for additional reductions. The Food and Agriculture Act of 1962 provided for two-tiered feed grain supports with price support payments in addition to nonrecourse loans.

The Agricultural Act of 1964 established a voluntary wheat program similar to that for feed grains (6, 9). Growers who complied with their allotment and voluntarily participated in acreage reduction would receive price supports and land diversion payments. Growers were also given marketing certificates whose value depended on whether the grain was destined for domestic or export use.

The Food and Agricultural Act of 1965, first in a series of comprehensive multi-year farm legislation, consolidated and expanded the programs of the previous 4 years (6, 9). The act eliminated marketing quotas and extended voluntary acreage controls to upland cotton. The voluntary wheat certificate program was continued. An acreage diversion program was authorized for rice.

#### **Set-Aside Programs**

The growth in agricultural productivity eroded the effectiveness of acreage diversion programs for managing crop supplies. By the 1970's, acreage diversion programs were considered too rigid. Policymakers felt that farmers needed more flexibility in their planting decisions in order to produce more efficiently. The Agricultural Act of 1970 authorized a set-aside program for wheat, feed grains, and upland cotton that eliminated individual crop-by-crop controls characteristic of past programs (6, 9). Except for maintenance of set-aside and conserving base acreage (and limitations on those crops still under quota), farmers had no other restrictions on what they grew on their remaining cropland. The 1970 Act also limited government payments to \$55,000 per crop per farmer.

#### **Target Prices**

The Agricultural and Consumer Protection Act of 1973 authorized established or "target" prices for wheat, feed grains, and upland cotton with payments to eligible producers, based on allotted acres, to be made under specific conditions (9). No payment was to be made if the average market price received by producers during the first 5 months of the marketing year--or in the case of upland cotton, the average market price during the calendar year in which the crop was planted--remained at or above the target level. If the average price for the stated period dropped below the target level, a payment on the allotment (for cotton, the acreage planted within the allotment) was made to eligible producers equal to the difference between the target price and the higher of the loan rate or the average market price. The 1973 Act also authorized disaster payments. The payment limitation was lowered to \$20,000 per crop per farmer.

Commodity shortages (resulting from strong export demand) caused prices to skyrocket in the early to middle 1970's. Consequently, supply controls were not applied between 1974 and 1977. However, the profitable period of the early 1970's, negative real interest rates, and cost-of-production adjusted price supports provided a safety net under agricultural products that spurred expansion in agricultural production globally. The demand for U.S. commodities in world markets collapsed. As a result, acreage control programs were again needed and implemented in 1978 and 1979. To better reflect the current environment, acreage programs under 1977 legislation required acreage idled to be a percentage of current plantings as opposed to historical bases and allotments (9). Policymakers felt that this would give producers some added flexibility in their planting decisions.

The Rice Production Act of 1975 extended voluntary acreage controls to rice and initiated target prices for the 1976 and 1977 crops (9). Marketing

quotas were suspended.

### **Farmer-Owned Reserve Programs**

The Food and Agriculture Act of 1977 directed the Secretary to administer a farmer-owned reserve program for wheat and, at his discretion, for feed grains through an extended price support loan program of 3-5 years duration (9). To induce participation, the Secretary was authorized to pay the annual storage costs of grains, as well as to waive or adjust interest rates. Grain producers received 25 cents for a bushel of wheat, corn, sorghum, or barley placed in storage, and 19 cents for a bushel of oats. The quantity of wheat held in the reserve was to be not less than 300 million nor more than 700 million bushels, but the upper limit could be adjusted to meet any U.S. commitments to an international grain reserve. Since no minimum amount was specified for producer-held feed grains, the Secretary was given the option of implementing either a resale program or extended loan program. Storage payments could be discontinued for wheat whenever the average market price reached between 140 and 160 percent of the current loan for wheat. The loan could be called whenever the market price for wheat reached 175 percent of the current loan rate.

### **Acreage Limitation Programs**

More specific commodity control was required at the beginning of the 1980's. The Agriculture and Food Act of 1981 repealed the acreage allotment and marketing quota system for rice and authorized voluntary acreage controls (9). Rice was no longer included under set-aside. The act authorized an acreage limitation program for wheat, feed grains, rice, and upland cotton. Oats was declared a program crop, eligible for income support and subject to acreage restrictions. The 1981 Act established an acreage "base" (acreage considered planted to a program crop in the year immediately preceding the year for which the determination is made) for each program crop. The planting restriction under an acreage limitation program is determined by applying a percentage reduction to the crop base for which the program is offered. This legislation reestablished a commodity-specific focus to supply control programs and allowed the Secretary to specify reductions for each program crop, which was particularly necessary for wheat since stocks were growing. The disaster payment program was continued only for producers who were not eligible for crop insurance under the Federal Crop Insurance Act, except during emergencies.

The surplus grain problem led to the Payment-in-kind Program of 1983. This program removed 78 million acres from production, the largest single-year removal of acreage up to that time (9). The PIK program and the 1983 drought reduced inventories and increased market prices. However, stocks began to increase again the following year. The Extra Long Staple Cotton Act of 1983 eliminated marketing quotas and acreage allotments, and authorized voluntary acreage controls and target prices for extra-long staple cotton (9).

The Food Security Act of 1985 established the framework for farm programs from 1986 through 1990 (8). Minimum levels were specified for nonrecourse loan rates for 1986. For 1987 through 1990, market-based formulas are used to determine the loan rate level, with limited annual declines. Further reductions were authorized for wheat and feed grain loan rates when needed to make U.S. crops competitive in world markets. Marketing loans and generic certificates could be used at the discretion of the Secretary. Minimum target price levels were frozen at 1985 levels for 1986 and 1987 crops of wheat and feed grains. Target price minimums then decline in the following years. The Secretary may use acreage reduction, set-aside, or paid land diversion programs to reduce acreage planted to wheat or feed grains. The 1985 Act ties acreage reduction to the level of carryover stocks. The 1985 Act continues the farmer-owned reserve.

The primary focus of this report is provisions of voluntary programs. Also, much of the details of programs prior to 1961 are not readily available. Official announcements of these programs often stated that farmers merely had to plant their allotment to satisfy any marketing quota conditions. Typical announcements would report national acreage allotment levels but not marketing quota levels. For these reasons, the presentation of program provisions in the following tables starts with 1961.

### Corn Programs

The Agricultural Adjustment Act of 1933 classified corn as a "basic" commodity. The Commodity Credit Corporation was required to make price support loans on "basic" commodities. The Agricultural Adjustment Act of 1938 expanded corn program provisions to include mandatory nonrecourse loans, authority for marketing quotas if supplies reached certain levels, and parity payments if funds were available. Corn prices were supported entirely through nonrecourse loans and direct purchases until 1961. Marketing quotas, as authorized by the Agricultural Adjustment Act of 1938, were never approved by corn producers. On November 25, 1958, growers voted in a referendum to end corn allotments. The allotments were replaced with base acres. Provisions of corn programs, 1961-90, are presented in table 1.

Table 1--Provisions of corn programs, 1961-90

Provision	1961	1962	1963	1964
Parity price (\$/bu) 1/	1.62	1.61	1.59	1.56
Support price (\$/bu)	--	--	1.25	1.25
Payment rate (\$/bu)	--	--	0.18	0.15
Payment (\$)	--	--	2/ 0.18*Y1d*Plt	2/ 0.15*Y1d*Plt
Target price (\$/bu)	--	--	--	--
Deficiency payment: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	--	--	--
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	6/ 1.20	6/ 1.20	1.07	1.10
Adjusted rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.26+CC	1.26+CC	1.31+CC	1.31+CC
Actual price (\$/bu) 10/	--	--	--	--
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	20	20	20	20-40
Payment rate (\$/bu)	50% of loan rate	50% of loan rate	20% of support	20% of support
Payment (\$)	11/ 0.60*Y1d*Div	11/ 0.60*Y1d*Div	2/ 0.25*Y1d*Div	2/ 0.25*Y1d*Div
Acreage diversion optional (%)	0-20	0-20	0-20	0-10
Payment rate (\$/bu)	60% of loan rate	60% of loan rate	50% of support	50% of support
Payment (\$)	11/ 0.72*Y1d*Div	11/ 0.72*Y1d*Div	2/ 0.625*Y1d*Div	2/ 0.625*Y1d*Div
Set-aside (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	Yes	Yes	Yes
Cross compliance 13/	No	14/ Yes	No	No
Offsetting compliance 15/	No	No	No	No
Normal crop acreage 16/	--	--	--	--
National base acres (mil):				
Feed grain	107.9	123.3	132.4	132.5
Corn	87.4	86.4	90.0	90.1
Corn-sorghum	--	--	--	--
Corn base in CRP	--	--	--	--
National allotment acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program yield (bu/ac)	--	--	52.9	56.4
Disaster program: 17/				
Prevented plantings payment (\$/bu)	18/	18/	18/	18/
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	18/	18/	18/	18/
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	19/ 50	19/ 50	20/ 50	20/ 50
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

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Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1965	1966	1967	1968
Parity price (\$/bu) 1/	1.57	1.60	1.62	1.65
Support price (\$/bu)	1.25	1.30	1.35	1.35
Payment rate (\$/bu)	0.20	0.30	0.30	0.30
Payment (\$)	2/ 0.20*Y1d*Plt	21/ 2/ .30*Y1d*Plt	21/ 2/ .30*Y1d*Plt	22/ 21/ .30*Y1d*Plt
Target price (\$/bu)	--	--	--	--
Deficiency payment: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	--	--	--
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	1.05	1.00	1.05	1.05
Adjusted rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.31+CC	1.37+CC	1.42+CC	1.42+CC
Actual price (\$/bu) 10/	--	--	--	--
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	20-40	20	20	20
Payment rate (\$/bu)	20% of support	--	--	--
Payment (\$)	2/ 0.25*Y1d*Div	--	--	--
Acreage diversion optional (%)	0-10	0-30	--	0-30
Payment rate (\$/bu)	50% of support	50% of support	--	45% of support
Payment (\$)	2/ 0.625*Y1d*Div	2/ 0.65*Y1d*Div	--	0.6075*Y1d*Div
Set-aside (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	Yes	Yes	Yes
Cross compliance 13/	14/ No	14/ No	14/ No	14/ No
Offsetting compliance 15/	Yes	Yes	Yes	Yes
Normal crop acreage 16/	--	--	--	--
National base acres (mil):				
Feed grain	132.7	133.2	114.9	115.1
Corn	90.3	90.4	90.4	90.4
Corn-sorghum	--	--	--	--
Corn base in CRP	--	--	--	--
National allotment acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program yield (bu/ac)	58.0	72.0	75.0	78.0
Disaster program: 17/				
Prevented plantings payment (\$/bu)	18/	18/	18/	18/
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	18/	18/	18/	18/
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	20/ 50	20/ 50	23/ 50	23/ 50
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

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Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1969	1970	1971	1972
Parity price (\$/bu) 1/	1.72	1.79	1.88	2.01
Support price (\$/bu)	1.35	1.35	1.35	1.41
Payment rate (\$/bu)	0.30	0.30	--	--
Payment (\$)	22/ 21/ .30*Y1d*Plt	22/ 21/ .30*Y1d*Plt	--	--
Target price (\$/bu)	--	--	--	--
Deficiency payment: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	--	--	--
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	1.05	1.05	1.05	1.05
Adjusted rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.42+CC	1.42+CC	1.42+CC	1.21+CC
Actual price (\$/bu) 10/	1.38	1.59	1.37	1.91
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	20	20	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	0-30	0-30	--	--
Payment rate (\$/bu)	45% of support	40% of support	--	--
Payment (\$)	0.6075*Y1d*Div	0.54*Y1d*Div	--	--
Set-aside (%)	--	--	20	25
Payment rate (\$/bu)	--	--	24/ 0.32	24/ 0.40
Payment (\$)	--	--	0.32*Y1d*Bas/2	0.40*Y1d*Bas/2
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	25/ 0-10
Payment rate (\$/bu)	--	--	--	0.52
Payment (\$)	--	--	--	0.52*Y1d*Bas/2
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	Yes	Yes	Yes
Cross compliance 13/	26/ No	26/ No	No	No
Offsetting compliance 15/	Yes	Yes	Yes	Yes
Normal crop acreage 16/	--	--	--	--
National base acres (mil):				
Feed grain	133.1	132.9	27/ 112.1	27/ 129.9
Corn	90.3	90.3	27/ 88.8	27/ 88.7
Corn-sorghum	--	--	--	--
Corn base in CRP	--	--	--	--
National allotment acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program yield (bu/ac)	81.0	81.0	81.0	81.0
Disaster program: 17/				
Prevented plantings payment (\$/bu)	18/	18/	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	18/	18/	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	50	No	--	--
Support payment limitation (\$)	--	--	28/ 55,000	28/ 55,000

See footnotes at end of table.

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Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1973	1974	1975	1976
Parity price (\$/bu) 1/	2.34	2.72	3.10	3.28
Support price (\$/bu)	1.64	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (\$/bu)	--	1.38	1.38	1.57
Deficiency payment: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	0.00	0.00	0.00
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	1.05	1.10	1.10	1.50
Adjusted rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.21+CC	1.27+Adj+CC	1.59+Adj+CC	1.81+Adj+CC
Actual price (\$/bu) 10/	2.93	3.21	3.11	None
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside (%)	10	None	None	None
Payment rate (\$/bu)	24/ 0.32	Def	Def	Def
Payment (\$)	0.32*Yld*Bas/2	0.00*Yld*Alt	0.00*Yld*Alt	0.00*Yld*Alt
Set-aside alternate (%)	29/ 0	--	--	--
Payment rate (\$/bu)	0.15	--	--	--
Payment (\$)	0.15*Yld*Bas/2	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	No	No	No
Cross compliance 13/	No	No	No	No
Offsetting compliance 15/	Yes	Yes	Yes	No
Normal crop acreage 16/	--	--	--	--
National base acres (mil):				
Feed grain	27/ 130.1	--	--	--
Corn	27/ 89.2	--	--	--
Corn-sorghum	--	--	--	--
Corn base in CRP	--	--	--	--
National allotment acres (mil):				
Feed grain	--	30/ 89.0	30/ 89.0	30/ 89.0
Corn	--	30/ 60.9	30/ 60.9	30/ 60.9
National program acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program yield (bu/ac)	87.0	97.0	93.0	93.0
Disaster program: 17/				
Prevented plantings payment (\$/bu)	--	0.46	0.46	0.52
Low yield criterion (%)	--	66.7	66.7	less than normal
Low yield payment (\$/bu)	--	0.46	0.46	0.52 on the short fall
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	50	--	--	--
Support payment limitation (\$)	28/ 55,000	31/ 20,000	31/ 20,000	31/ 20,000

See footnotes at end of table.

Continued--

Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1977	1978	1979	1980
Parity price (\$/bu) 1/	3.45	3.74	4.21	4.65
Support price (\$/bu)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (\$/bu)	2.00	2.10	2.20	32/ 2.35/2.05
Deficiency payment: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	0.00	0.03	0.00	0.00
Allocation factor (%) 4/	--	97.1	100	100
Nonrecourse loan:				
Basic rate (\$/bu) 5/	2.00	2.00	33/ 2.00/2.10	2.25
Adjusted rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	2.30+Adj+CC	3.00	0.00	3.42
Actual price (\$/bu) 10/	None	None	None	None
Farmer-owned reserve:				
Loan level (\$/bu)	2.00	2.00	33/ 2.00/2.10	34/ 2.25/2.40
Release level (\$/bu)	2.50	2.50	33/ 2.50/2.63	2.81
Call level (\$/bu)	2.80	2.80	33/ 2.80/3.05	3.26
Storage payment (\$/bu)	0.25	0.25	0.25	0.265
Immediate entry	No	No	No	No
Feed grain ceiling (mil bu)	No	No	No	No
Feed grain floor (mil bu)	No	No	No	No
Acreage diversion (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	--	35/ 10	35/ 10	--
Payment rate (\$/bu)	--	0.20	1.00	--
Payment (\$)	--	0.20*Y1d*P1t	1.00*Y1d*Div	--
Set-aside (%)	None	35/ 10	35/ 10	None
Payment rate (\$/bu)	Def	AF*Def	AF*Def	AF*Def
Payment (\$)	0.00*Y1d*Alt	0.029*Y1d*P1t	0.00*Y1d*P1t	0.00*Y1d*P1t
Set-aside alternate (%)	--	36/ 5	36/ 10	37/ 0
Payment rate (\$/bu)	--	Def	Def	Def
Payment (\$)	--	0.03*Y1d*P1t	0.00*Y1d*P1t	0.00*Y1d*P1t
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	No	No	No	No
Cross compliance 13/	No	38/ Yes	38/ Yes	No
Offsetting compliance 15/	No	39/ Yes	39/ Yes	No
Normal crop acreage 16/	--	Yes	Yes	Yes
National base acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
Corn-sorghum	--	--	--	--
Corn base in CRP	--	--	--	--
National allotment acres (mil):				
Feed grain	30/ 89.0	--	--	--
Corn	30/ 60.9	--	--	--
National program acres (mil):				
Feed grain	--	40/ 88.7/97.4	40/ 83.4/109.4	40/ 103.9/105.2
Corn	--	40/ 67.6/76.2	40/ 63.7/85.7	40/ 82.1/84.1
National program yield (bu/ac)	90.0	94.0	95.4	96.2
Disaster program: 17/				
Prevented plantings payment (\$/bu)	0.67	0.70 on 75% normal yield	0.73 on 75% normal yield	32/ 0.78/0.68 on 75% normal yield
Low yield criterion (%)	less than normal	60 % of normal	60 % of normal	60 % of normal
Low yield payment (\$/bu)	0.67 on the short fall	1.05 on the short fall	1.10 on the short fall	32/ 1.18/1.03 on the short fall
Payment limitation (\$)	--	--	--	41/ 100,000
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	31/ 20,000	42/ 40,000	42/ 45,000	43/ 50,000

See footnotes at end of table.

Continued--

Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1981	1982	1983	1984
Parity price (\$/bu) 1/	4.91	5.06	5.17	5.33
Support price (\$/bu)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (\$/bu)	2.40	2.70	2.86	3.03
Deficiency payment: 3/				
Advance payment (\$/bu)	--	0.105	0.105	--
Final payment (\$/bu)	0.00	0.15	0.00	0.43
Allocation factor (%) 4/	100	44/ NA	44/ NA	44/ NA
Nonrecourse loan:				
Basic rate (\$/bu) 5/	2.40	2.55	2.65	2.55
Adjusted rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	3.31	3.58	3.58	3.58
Actual price (\$/bu) 10/	3.52	3.80	3.87	3.90
Farmer-owned reserve:				
Loan level (\$/bu)	45/ 2.55	46/ 2.90	47/ 2.65	2.55
Release level (\$/bu)	45/ 3.15	46/ 3.25	47/ 3.25	3.25
Call level (\$/bu)	45/ 3.15	--	--	--
Storage payment (\$/bu)	0.265	0.265	0.265	0.265
Immediate entry	No	No	No	No
Feed grain ceiling (mil bu)	No	No	No	Could be
Feed grain floor (mil bu)	No	No	No	No
Acreage diversion (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	--	--	10	--
Payment rate (\$/bu)	--	--	1.50	--
Payment (\$)	--	--	1.50*Yld*Div	--
Set-aside (%)	None	--	--	--
Payment rate (\$/bu)	AF*Def	--	--	--
Payment (\$)	0.00*Yld*Plt	--	--	--
Set-aside alternate (%)	37/ 0	--	--	--
Payment rate (\$/bu)	Def	--	--	--
Payment (\$)	0.00*Yld*Plt	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	10	10	10
Payment rate (\$/bu)	--	Def	Def	Def
Payment (\$)	--	0.15*Yld*Plt	0.00*Yld*Plt	0.43*Yld*Plt
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	49/ 10-30	--
Payment rate (bu)	--	--	80% of yield	--
Payment (bu)	--	--	.8*Yld*PIK	--
Compliance restrictions:				
Soil conserving base 12/	No	No	No	No
Cross compliance 13/	No	No	No	No
Offsetting compliance 15/	No	No	No	No
Normal crop acreage 16/	Yes	44/ NA	44/ NA	44/ NA
National base acres (mil):				
Feed grain	--	119.9	120.5	120.6
Corn	--	81.3	82.6	80.8
Corn-sorghum	--	99.0	--	99.0
Corn base in CRP	--	--	--	--
National allotment acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program acres (mil):				
Feed grain	40/ 115.2/105.0	44/ NA	44/ NA	44/ NA
Corn	40/ 90.1/80.5	44/ NA	44/ NA	44/ NA
National program yield (bu/ac)	102.5	102.0	104.0	112.0
Disaster program: 17/				
Prevented plantings payment (\$/bu)	0.80 on 75% normal yield	50/ 0.90	50/ 0.95	50/
Low yield criterion (%)	60 % of normal	--	--	--
Low yield payment (\$/bu)	1.20 on the short fall	50/ 1.35	50/ 1.43	50/
Payment limitation (\$)	41/ 100,000	41/ 100,000	41/ 100,000	41/ 100,000
Advanced payment (%)	--	No	50	No
Support payment limitation (\$)	43/ 50,000	43/ 50,000	51/ 50,000	52/ 50,000

See footnotes at end of table.

Continued--

Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1985	1986 54/	1987	1988
Parity price (\$/bu) 1/	5.07	4.94	4.94	5.11
Support price (\$/bu)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (\$/bu)	3.03	3.03	3.03	2.93
Deficiency payment: 3/				
Advance payment (\$/bu)	0.235	0.412	0.484	0.44
Final payment (\$/bu)	0.48	1.11	1.09	0.33
Allocation factor (%) 4/	44/ NA	44/ NA	44/ NA	44/ NA
Nonrecourse loan:				
Basic rate (\$/bu) 5/	2.55	2.40	2.28	2.21
Adjusted rate (\$/bu) 7/	--	1.92	1.82	1.77
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	3.58	3.33	3.33	3.22
Actual price (\$/bu) 10/	3.90	3.94	3.80	3.65
Farmer-owned reserve:				
Loan level (\$/bu)	2.55	1.92	1.82	1.77
Release level (\$/bu)	3.25	3.03	3.03	2.93
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	0.265	0.265	0.265	0.265
Immediate entry	No	No	No	55/ No
Feed grain ceiling (mil bu)	48/ Could be	56/ Yes	56/ Yes	Yes
Feed grain floor (mil bu)	No	No	No	No
Acreage diversion (%)	--	2.5	--	--
Payment rate (\$/bu)	--	0.73	--	--
Payment (\$)	--	0.73*Y1d*Div	--	--
Acreage diversion optional (%)	--	--	15	10
Payment rate (\$/bu)	--	--	2.00	1.75
Payment (\$)	--	--	2.00*Y1d*Div	1.75*Y1d*Div
Set-aside (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	10	17.5	20	20
Payment rate (\$/bu)	Def	Def	Def	Def
Payment (\$)	0.48*Y1d*P1t	1.11*Y1d*P1t	1.09*Y1d*P1t	0.33*Y1d*P1t
Acreage reduction voluntary (%)	--	57/ 50-92 rule	57/ 50-92 rule	58/ 0-92 rule
Payment rate (\$/bu)	--	Def	Def	Def
Payment (\$)	--	.92*1.11*Y1d*Pmt	.92*1.09*Y1d*Pmt	.92*0.33*Y1d*Pmt
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	No	No	No	No
Cross compliance 13/	No	No	59/ Limited	59/ Limited
Offsetting compliance 15/	No	No	No	No
Normal crop acreage 16/	44/ NA	44/ NA	44/ NA	44/ NA
National base acres (mil):				
Feed grain	126.2	122.3	119.8	120.1
Corn	84.2	81.7	81.5	82.9
Corn-sorghum	103.5	100.6	98.9	--
Corn base in CRP	--	0.2	2.3	2.8
National allotment acres (mil):				
Feed grain	--	--	--	--
Corn	--	--	--	--
National program acres (mil):				
Feed grain	44/ NA	44/ NA	44/ NA	44/ NA
Corn	44/ NA	44/ NA	44/ NA	44/ NA
National program yield (bu/ac)	106.0	59/ 104.2	59/ 104.2	59/ 104.2
Disaster program: 17/				
Prevented plantings payment (\$/bu)	50/	50/	50/	50/
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	50/	50/	50/	50/
Payment limitation (\$)	41/ 100,000	41/ 100,000	61/ Yes	61/ Yes
Advanced payment (%)	50	62/ 40/100	63/ 40/50	64/ 40/100
Support payment limitation (\$)	53/ 50,000	66/ 50,000	67/ 50,000	67/ 50,000

See footnotes at end of table.

Continued--

Table 1--Provisions of corn programs, 1961-90--Continued

Provision	1989	1990
Parity price (\$/bu) 1/	5.35	--
Support price (\$/bu)	--	--
Payment rate (\$/bu)	--	--
Payment (\$)	--	--
Target price (\$/bu)	2.84	2.75
Deficiency payment: 3/		
Advance payment (\$/bu)	0.356	0.337
Final payment (\$/bu)	0.89	--
Allocation factor (%) 4/	44/ NA	44/ NA
Nonrecourse loan:		
Basic rate (\$/bu) 5/	2.06	--
Adjusted rate (\$/bu) 7/	1.65	1.57
CCC domestic sales: 8/		
Legislated minimum (\$/bu) 9/	3.12	3.03
Actual price (\$/bu) 10/	--	--
Farmer-owned reserve:		
Loan level (\$/bu)	1.65	1.57
Release level (\$/bu)	2.84	2.75
Call level (\$/bu)	--	--
Storage payment (\$/bu)	0.265	0.265
Immediate entry	54/ No	54/ No
Feed grain ceiling (mil bu)	Yes	Yes
Feed grain floor (mil bu)	No	No
Acreage diversion (%)	--	--
Payment rate (\$/bu)	--	--
Payment (\$)	--	--
Acreage diversion optional (%)	--	--
Payment rate (\$/bu)	--	--
Payment (\$)	--	--
Set-aside (%)	--	--
Payment rate (\$/bu)	--	--
Payment (\$)	--	--
Set-aside alternate (%)	--	--
Payment rate (\$/bu)	--	--
Payment (\$)	--	--
Set-aside voluntary (%)	--	--
Payment rate (\$/bu)	--	--
Payment (\$)	--	--
Acreage reduction (%)	10	10
Payment rate (\$/bu)	Def	Def
Payment (\$)	0.89*Y1d*P1t	Def*Y1d*P1t
Acreage reduction voluntary (%)	58/ 0-92 rule	58/ 0-92 rule
Payment rate (\$/bu)	Def	Def
Payment (\$)	.92*0.89*Y1d*Pmt	.92*Def*Y1d*Pmt
PIK acreage diversion (%)	--	--
Payment rate (bu)	--	--
Payment (bu)	--	--
Compliance restrictions:		
Soil conserving base 12/	No	No
Cross compliance 13/	59/ Limited	59/ Limited
Offsetting compliance 15/	No	No
Normal crop acreage 16/	44/ NA	44/ NA
National base acres (mil):		
Feed grain	69/ 68/ 118.8	69/ 68/ --
Corn	82.7	--
Corn-sorghum	--	--
Corn base in CRP	3.4	3.8
National allotment acres (mil):		
Feed grain	--	--
Corn	--	--
National program acres (mil):		
Feed grain	44/ NA	44/ NA
Corn	44/ NA	44/ NA
National program yield (bu/ac)	59/ 104.2	59/ 104.2
Disaster program: 17/		
Prevented plantings payment (\$/bu)	70/	71/
Low yield criterion (%)	--	--
Low yield payment (\$/bu)	70/	71/
Payment limitation (\$)	72/ 100,000	72/ 100,000
Advanced payment (%)	64/ 40	40
Support payment limitation (\$)	67/ 50,000	67/ 50,000

Footnotes for table 1--Provisions of corn programs

- 1/ Average parity price of corn for September.
- 2/ Paid either in the form of a certificate that may be redeemed in grain or as a sight-draft cashable at any bank.
- 3/ Deficiency payment is the difference between the target price and the higher of the 5-month national weighted average market price received by farmers or the loan rate. Starting in 1986, a supplementary (loan) deficiency payment was authorized as the difference between the basic loan rate and the higher of the adjusted loan rate or the national weighted average market price received by farmers for the entire marketing year.
- 4/ The allocation factor, ranging from 80 to 100, is determined by dividing national program acres by number of acres harvested.
- 5/ Before 1985 legislation, this is the national average loan rate. Under the 1985 Act, this is the basic loan rate as determined by the legislated formula.
- 6/ Limited to normal production on permitted acres.
- 7/ This is the loan rate after adjustment by the Secretary as authorized by the 1985 Act in order to make U.S. feed grains competitive in export markets.
- 8/ Sales made at fixed prices or through competitive bids.
- 9/ In any event, the CCC cannot sell stock holdings for less than the going market price, except for off-grade sales, emergency livestock program sales, and certain sales to ethanol producers.
- 10/ Simple average of actual sales.
- 11/ Paid in the form of negotiable certificates for which participants can receive either grain or the cash equivalent of the grain as the CCC acts as their marketing agent.
- 12/ Producers must maintain a soil-conserving base in addition to planting diverted acres to conserving use.
- 13/ Producers must be in compliance with programs for all program crops planted to the farm.
- 14/ Producers (other than certain producers of malting barley) must not exceed the barley base.
- 15/ Producers must be in compliance with feed grain program requirements on other farms they own or have an interest in.
- 16/ The total acres of crops in the normal crop acreage (NCA) -- barley, corn, dry edible beans, flax, oats, rice, rye, sorghum, soybeans, sugarbeets, sugar cane, sunflowers, upland cotton, and wheat -- planted on a farm plus acres set-aside cannot exceed a farm's NCA.
- 17/ Bad weather or unavoidable hazard.
- 18/ Price support income is assured regardless of drought, hail, excess moisture, or other crop damage.
- 19/ At signup, the producer may be paid 50 percent of the total payment for which he will become eligible by carrying out the program.
- 20/ At signup, the producer may be paid 50 percent of the estimated total diversion payment.
- 21/ Payment on planted acreage, not to exceed 50 percent of total feed grain base.
- 22/ Participants who plant at least 90 percent of their maximum acreage eligible for price support payment will be considered as having planted their entire acreage eligible for payment.
- 23/ At signup, the producer may be paid 50 percent of the estimated total diversion payment and price support payment.
- 24/ The reported figure represents a preliminary payment. The total payment is determined by the difference between the support price and the average price received by farmers over the first 5 months of the marketing year. If the preliminary payment is greater than the total payment as finally determined, no refund is required.
- 25/ Producers could offer additional acreage equal to 5 or 10 percent of the corn-sorghum base, subject to determination of need and acceptance by the Secretary. Set-aside payment rate for this additional voluntary set-aside was \$0.52 a bushel.
- 26/ Producers who comply with the wheat and feed grain programs may substitute wheat for feed grains or feed grains for wheat within the total acreages permitted under both programs.
- 27/ Once set-aside and conserving-base requirements are met, producers can plant any crop (excluding marketing quota crops) on the remaining acres. If less than 45 percent of the feed grain base is planted to feed grains or authorized substitute crops (wheat and soybeans), the farmer could lose part of his base, not to exceed 20 percent in any 1 year. After 3 consecutive years of zero planting, the base will be removed.
- 28/ Applies to feed grain program and public access payments a person can receive, but not to loans or purchases.
- 29/ Producers who elect not to set-aside but do not increase feed grain acreage above 1972 levels are eligible for program benefits at a lower level of support payment.
- 30/ Any nonconserving crop, excluding marketing quota crops, may be substituted for feed grain in plantings. The feed grain allotment does not restrict the acreage of feed grains or substitute crop that a farmer may produce on his land. It is used only to determine payments to a producer in the event they are due. Failure to plant at least 90 percent of the farm allotment to feed grains or substitute crop will result in loss of allotment not to exceed 20 percent in any 1 year. After 3 consecutive years of zero planting, the allotment will be removed.
- 31/ Applies to total amount of payments a person can receive under a combination of feed grain, wheat, and upland cotton programs, but not to payments for public access, loans, and purchases.
- 32/ Target price for farmers who plant within their NCA is \$2.35, otherwise it is \$2.05.
- 33/ Announced before (Reserve I)/announced following the suspension of exports to the Soviet Union (Reserve II).

- 34/ Announced before (Reserve III)/announced following passage of Agricultural Act of 1980 on December 3, 1980 (Reserve III).
- 35/ Set-aside and diversion based on current plantings.
- 36/ By voluntarily reducing current year plantings of corn by the specified percentage of previous years' plantings in addition to setting aside the program level of current year plantings, farmers will be guaranteed 100-percent target price coverage. That is, their program payment would not be reduced by the allocation factor.
- 37/ By holding plantings at or below previous year levels, farmers will be guaranteed 100-percent target price coverage. That is, their program payment would not be reduced by the allocation factor.
- 38/ Cross-compliance requires farmers to comply with set-aside and NCA requirements for all crops in order to become eligible for program benefits on any crop in their farm's NCA.
- 39/ Offsetting compliance requires that to qualify for program benefits for crops included in the NCA on participating farms, landlords, landowners, and operators must assure that the NCA is not exceeded on any nonparticipating farms they own or operate that produce a set-aside crop.
- 40/ Preliminary/final announced national program acres.
- 41/ Limit to disaster payments per person for all programs.
- 42/ Total amount of deficiency and diversion payments a person can receive under a combination of feed grain, wheat, and upland cotton programs. The limitation does not apply to loans or purchases, or to payments for either prevented plantings or low-yield disaster loss.
- 43/ Total amount of payments a person can receive under a combination of feed grain, wheat, rice, and upland cotton programs. The limitation does not apply to loans or purchases, or to payments for either prevented plantings or low-yield disaster loss.
- 44/ Normal crop acres, national program acres, allocation factors, and voluntary reduction programs are not applicable when acreage reduction programs are in effect.
- 45/ For grain entered after October 6 (Reserve IV).
- 46/ For grain entered during 1982 marketing year (Reserve V), as announced January 29, 1982.
- 47/ For grain entered during 1983 marketing year (Reserve V).
- 48/ If a cap is imposed, it cannot be less than 1 million bushels of feed grains.
- 49/ An alternative for the farmer is withdrawing the whole base from production, with the producer bidding the percent of program yield, up to a maximum of 80 percent. However, bids could not be accepted which would cause the combined acreage taken out of production under the acreage reduction, cash diversion, and PIK programs to exceed 45 percent of a county's total acreage base.
- 50/ Available only to producers for whom Federal crop insurance is not available.
- 51/ Total amount of payments a person can receive under a combination of feed grain, wheat, rice, and upland cotton programs. The limitation does not apply to loans, purchases, or PIK.
- 52/ Total amount of payments, including PIK, a person can receive under a combination of feed grain, wheat, rice, upland cotton, and extra-long staple cotton programs. The limitation does not apply to loans or purchases.
- 53/ Total amount of payments a person can receive under a combination of feed grain, wheat, rice, upland cotton, and extra-long staple cotton programs. The limitation does not apply to loans or purchases.
- 54/ All cash payments subject to reduction of 4.3 percent, Gramm-Rudman-Hollings Act.
- 55/ When 9-month loans mature, entry into the farmer-owned reserve will be permitted only if reserve quantities of grain fall below 450 million bushels and farm prices do not exceed 140 percent of the current loan rate.
- 56/ If the quantity of feed grains in the farmer-owned reserve exceeds 7 percent of the established feed grain usage for the crop year, entry of the feed grain crop into the reserve will not be permitted.
- 57/ Under the 50-92 rule, growers who plant between 50 and 92 percent of the permitted acreage to feed grains and devote the remaining permitted acres to a conserving use are eligible to receive deficiency payments on 92 percent of the permitted acreage.
- 58/ Under the 0-92 rule, growers who plant between 0 and 92 percent of the permitted acreage to feed grains and devote the remaining permitted acres to a conserving use are eligible to receive deficiency payments on 92 percent of the permitted acreage.
- 59/ To be eligible for benefits for a participating wheat, feed grain, upland cotton, or rice crop, the acreage planted for harvest (or approved as prevented plantings) on a farm in other nonparticipating program crops, excluding extra-long staple cotton and oats, may not exceed the crop acreage bases of these crops. Oats and extra-long staple cotton are not subject to limited cross-compliance requirements.
- 60/ Average of the program payment yields for 1981-85 crops, excluding the high and the low.
- 61/ The total of the following payments, combined with the total deficiency and diversion payments, is limited to \$250,000 per person: (1) disaster payments; (2) and gain realized by repayment of a loan at a lower level than the original loan level; any deficiency payment for wheat or feed grains attributed to a reduction in the statutory loan rate; (4) any loan deficiency payment; (5) any inventory reduction payment; and (6) any payment representing compensation for resource adjustment or public access for recreation.
- 62/ At signup, participants may request 40 percent (75 percent in cash and 25 percent in generic certificates) of their projected 1986 deficiency payments and 100 percent of their diversion payments. A second advance was authorized in August 1986 permitting participants to request an additional 10 percent of their projected deficiency payments in generic certificates.
- 63/ At signup, participants may request 40 percent (50 percent in cash and 50 percent in generic certificates) of their projected 1987 deficiency payments and 50

percent (50 percent in cash and 50 percent in generic certificates) of their diversion payments.

64/ At signup, participants may request 40 percent (50 percent in cash and 50 percent in generic certificates) of their projected 1988 deficiency payments and 100 percent (100 percent in generic certificates) of their diversion payments.

65/ At signup, participants may request 40 percent of their projected 1989 deficiency payments.

66/ Total deficiency and diversion payments a person can receive under a combination of the feed grain, wheat, rice, upland cotton, and extra-long staple cotton programs. The limitation does not apply to loans, purchases, loan deficiency payments, first handler certificates, inventory protection certificates, or deficiency payments resulting from lowering the basic (statutory) loan rate.

67/ Total deficiency and diversion payments a person can receive under the wheat, feed grain, upland cotton, extra-long staple cotton, and rice programs. 68/ Producers are permitted to plant soybeans and sunflowers on not less than 10 percent nor more than 25 percent of their wheat, feed grain, upland cotton, or rice program acreage in 1989 without affecting their base acreage eligible for Federal assistance. This program may be extended through 1990 at the discretion of the Secretary.

69/ Producers are permitted to plant any portion of their farm acreage base to oats in 1989 and 1990 if the feed grain acreage reduction program requirement is 12.5 percent or less of the crop acreage base. These additional plantings will not alter any existing crop acreage base.

70/ Producers of annual commercial crops who lost at least 35 percent of their 1988 crop due to drought or other natural disaster received disaster payments. Payment rates differed depending on the commodity, the amount of crop loss, and whether producers participated in the 1988 commodity programs. The disaster payment for wheat, feed grain, cotton, and rice program participants who lost 35 to 75 percent of their crop was 65 percent of the 1988 target price. Nonparticipants who raised program crops received 65 percent of the county loan rate. Participating crop producers with losses in excess of 75 percent received 90 percent of the target price. Nonparticipating program crop producers received 90 percent of the county loan rate.

71/ Producers of annual commercial crops who lost production of their crop planted in 1988 or 1989 due to drought, hail, excessive moisture, or related conditions of at least: 35 percent for program producers with crop insurance, 40 percent for those without, and 50 percent for nonparticipating program crop producers. Payment rates differ depending on the commodity, whether the producer participated in the 1989 commodity programs, and whether the producer has Federal crop insurance. The disaster payment for wheat, feed grain, cotton, and rice program participants who lost 35 percent (for those with crop insurance) or 40 percent (for those without) or more of their crop will equal 65 percent of the 1989 target price. Nonparticipants who raise program crops will receive 65 percent of the county loan rate. On production losses up to 35 percent (40 percent for those without crop insurance), advanced payments for the 1989 wheat, feed grain, cotton, and rice are not required to be refunded.

72/ Disaster payments for crops are limited to \$100,000 per person. Combined benefits from livestock and crop payments cannot exceed \$100,000. Combined crop insurance benefits and disaster payments cannot exceed income that would result from normal yields. Any person with gross revenues over \$2 million annually is not eligible for crop payments.

### **Sorghum Programs**

The Jones-Connally Act of 1934 added sorghum to the list of "basic" commodities. Although they were authorized, early acreage reduction programs were not applied to sorghum. Under the Agricultural Adjustment Act of 1938, sorghum was classified as a commodity eligible for "permissive" support (at the discretion of the Secretary) rather than mandatory. The act did not authorize acreage allotments, marketing quotas, or mandatory nonrecourse loans for sorghum. The Agricultural Act of 1956 made price supports mandatory for sorghum. The Agricultural Act of 1958 required that support would be made available to sorghum at a price level deemed to be fair and reasonable in relation to the level of support for corn. Since 1961, sorghum has been considered together with corn under feed grain programs. Provisions of sorghum programs, 1961-90, are presented in table 2.

Table 2--Provisions of sorghum programs, 1961-90

Provision	1961	1962	1963	1964
Parity price (\$/bu) 1/	1.38	1.41	1.40	1.37
Support price (\$/bu)	--	--	1.12	1.12
Payment rate (\$/bu)	--	--	0.16	0.13
Payment (\$)	--	--	2/ .16*Yld*Plt	2/ .13*Yld*Plt
Target price (\$/bu)	--	--	--	--
Deficiency payments: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	--	--	--
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	6/ 1.08	6/ 1.08	0.96	0.99
Effective rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.13+CC	1.13+CC	1.18+CC	1.18+CC
Actual price (\$/bu) 10/	--	--	--	--
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	20	20	20	20-40
Payment rate (\$/bu)	50% of loan rate	50% of loan rate	20% of support	20% of support
Payment (\$)	11/ 0.54*Yld*Div	11/ 0.54*Yld*Div	2/ 0.224*Yld*Div	2/ 0.224*Yld*Div
Acreage diversion optional (%)	0-20	0-20	0-20	0-10
Payment rate (\$/bu)	60% of loan rate	60% of loan rate	50% of support	50% of support
Payment (\$)	11/ 0.648*Yld*Div	11/ 0.648*Yld*Div	2/ 0.56*Yld*Div	2/ 0.56*Yld*Div
Set-aside (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	Yes	Yes	Yes
Cross compliance 13/	No	14/ Yes	No	No
Offsetting compliance 15/	No	No	No	No
Normal crop acreage 16/	--	--	--	--
National base acres (mil)				
Feed grain	107.9	123.3	132.4	132.5
Sorghum	20.5	20.9	24.4	24.4
Corn-sorghum	--	--	--	--
Sorghum base in CRP	--	--	--	--
National allotment acres (mil)				
Feed grain	--	--	--	--
Sorghum	--	--	--	--
National program acres (mil)				
Feed grain	--	--	--	--
Sorghum	--	--	--	--
National program yield (bu/ac)	--	--	37.2	39.2
Disaster program: 17/				
Prevented plantings payment (\$/bu)	18/	18/	18/	18/
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	18/	18/	18/	18/
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	19/ 50	19/ 50	20/ 50	20/ 50
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

Continued--

Table 2--Provisions of sorghum programs, 1961-90--Continued

Provision	1965	1966	1967	1968
Parity price (\$/bu) 1/	1.38	1.43	1.44	1.49
Support price (\$/bu)	1.10	1.15	1.20	1.20
Payment rate (\$/bu)	0.18	0.2968	0.2968	0.2968
Payment (\$)	2/ .18*Yld*Plt	21/ 2/ .30*Yld*Plt	21/ 2/ .30*Yld*Plt	22/ 21/ .30*Yld*Plt
Target price (\$/bu)	--	--	--	--
Deficiency payments: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	--	--	--
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	0.92	0.85	0.90	0.90
Effective rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.16+CC	1.21+CC	1.26+CC	1.26+CC
Actual price (\$/bu) 10/	--	--	--	--
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	20-40	20	20	20
Payment rate (\$/bu)	20% of support	--	--	--
Payment (\$)	2/ 0.22*Yld*Div	--	--	--
Acreage diversion optional (%)	0-10	0-30	--	0-30
Payment rate (\$/bu)	50% of support	50% of support	--	45% of support
Payment (\$)	2/ 0.55*Yld*Div	2/ 0.575*Yld*Div	--	0.54*Yld*Div
Set-aside (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	Yes	Yes	Yes
Cross compliance 13/	14/ No	14/ No	14/ No	14/ No
Offsetting compliance 15/	Yes	Yes	Yes	Yes
Normal crop acreage 16/	--	--	--	--
National base acres (mil)				
Feed grain	132.7	133.2	114.9	115.1
Sorghum	24.5	24.7	24.6	24.7
Corn-sorghum	--	--	--	--
Sorghum base in CRP	--	--	--	--
National allotment acres (mil)				
Feed grain	--	--	--	--
Sorghum	--	--	--	--
National program acres (mil)				
Feed grain	--	--	--	--
Sorghum	--	--	--	--
National program yield (bu/ac)	41.2	47.0	48.3	51.0
Disaster program: 17/				
Prevented plantings payment (\$/bu)	18/	18/	18/	18/
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	18/	18/	18/	18/
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	20/ 50	20/ 50	23/ 50	23/ 50
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

Continued--

Table 2--Provisions of sorghum programs, 1961-90--Continued

Provision	1969	1970	1971	1972
Parity price (\$/bu) 1/	1.56	1.64	1.75	1.88
Support price (\$/bu)	1.20	1.20	1.24	1.34
Payment rate (\$/bu)	0.2968	0.2968	--	--
Payment (\$)	22/ 21/ .30*Yld*Plt	22/ 21/ .30*Yld*Plt	--	--
Target price (\$/bu)	--	--	--	--
Deficiency payments: 3/				
Advance payment (\$/bu)	--	--	--	--
Final payment (\$/bu)	--	--	--	--
Allocation factor (%) 4/	--	--	--	--
Nonrecourse loan:				
Basic rate (\$/bu) 5/	0.90	0.90	0.97	1.00
Effective rate (\$/bu) 7/	--	--	--	--
CCC domestic sales: 8/				
Legislated minimum (\$/bu) 9/	1.26+CC	1.26+CC	1.30+CC	1.15+CC
Actual price (\$/bu) 10/	1.39	1.54	1.37	1.90
Farmer-owned reserve:				
Loan level (\$/bu)	--	--	--	--
Release level (\$/bu)	--	--	--	--
Call level (\$/bu)	--	--	--	--
Storage payment (\$/bu)	--	--	--	--
Immediate entry	--	--	--	--
Feed grain ceiling (mil bu)	--	--	--	--
Feed grain floor (mil bu)	--	--	--	--
Acreage diversion (%)	20	20	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	0-30	0-30	--	--
Payment rate (\$/bu)	45% of support	40% of support	--	--
Payment (\$)	0.54*Yld*Div	0.48*Yld*Div	--	--
Set-aside (%)	--	--	20	25
Payment rate (\$/bu)	--	--	24/ 0.29	24/ 0.38
Payment (\$)	--	--	0.29*Yld*Bas/2	0.38*Yld*Bas/2
Set-aside alternate (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	25/ 0-10
Payment rate (\$/bu)	--	--	--	0.49
Payment (\$)	--	--	--	0.49*Yld*Bas/2
Acreage reduction (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (\$/bu)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	--	--
Payment rate (bu)	--	--	--	--
Payment (bu)	--	--	--	--
Compliance restrictions:				
Soil conserving base 12/	Yes	Yes	Yes	Yes
Cross compliance 13/	26/ No	26/ No	No	No
Offsetting compliance 15/	Yes	Yes	Yes	Yes
Normal crop acreage 16/	--	--	--	--
National base acres (mil)				
Feed grain	133.1	132.9	27/ 112.1	27/ 114.3
Sorghum	24.7	24.6	27/ 23.4	27/ 23.7
Corn-sorghum	--	--	--	--
Sorghum base in CRP	--	--	--	--
National allotment acres (mil)				
Feed grain	--	--	--	--
Sorghum	--	--	--	--
National program acres (mil)				
Feed grain	--	--	--	--
Sorghum	--	--	--	--
National program yield (bu/ac)	54.0	56.0	56.0	56.0
Disaster program: 17/				
Prevented plantings payment (\$/bu)	18/	18/	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (\$/bu)	18/	18/	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	50	No	--	--
Support payment limitation (\$)	--	--	28/ 55,000	28/ 55,000

See footnotes at end of table.

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