

GENERAL AGREEMENT ON TARIFFS AND TRADE

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NOTIFICATION BY THE UNITED STATES GOVERNMENT OF ITS WHEAT AND FEED GRAIN LEGISLATION AND PROGRAMMES

In accordance with the request of the Working Party on the United States Import Restrictions on Agricultural Products established at the twenty-second session of the CONTRACTING PARTIES, the Government of the United States has transmitted to the secretariat the following documents:

Agricultural Act of 1964. Title II - Wheat

Feed Grain Act of 1963

The Voluntary Wheat Programme for 1965.

The Voluntary Wheat Programme for 1964

The 1964 Feed Grain Programme

They are herein reproduced for the information of contracting parties.

AGRICULTURAL ACT OF 1964

TITLE II - WHEAT

Sec. 201. Notwithstanding any other provisions of law:

1. the Secretary shall not proclaim a national marketing quota for the 1965 crop of wheat and farm marketing quotas shall not be in effect for such crop of wheat;
2. the Secretary shall proclaim a national acreage allotment for the 1965 crop of wheat which shall be the number of acres which the Secretary determines will make available an adequate supply of wheat, but shall not be less than forty-nine million five hundred thousand acres.

Sec. 202. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

1. Section 334(a) is amended by inserting "and less the special acreage reserve provided for in this sub-section" in the first sentence after "in this sub-section"; by changing the period at the end of the first sentence to a colon and adding the following: "Provided further, That in establishing State acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year."; and by adding at the end of the section the following:

"There shall also be made available, beginning with the 1965 crop, a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this sub-section. Such special acreage reserve shall be used to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotment to make adjustments in the allotments on old wheat farms (i.e. farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the

production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

2. Section 334(b) is amended by changing the period at the end thereof to a colon and adding the following: "Provided further, That in establishing county acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year."
3. Section 334(c)(1) is amended by inserting "or 1965" in the third sentence, clauses (i) and (ii), after "1958" wherever it appears, and by inserting "except 1965" in the third sentence, clause (iii), after the language "any subsequent year".
4. Section 334(g) is amended by inserting "except 1965" in the first sentence after the language "in 1958 or thereafter".
5. Section 334 is amended by adding at the end thereof the following new sub-section:

"(k) Notwithstanding any other provision of this Act, if the Secretary determines that because of a natural disaster a portion of the farm wheat acreage allotments in a county cannot be timely planted or replanted, he may authorize the transfer of all or a part of the wheat acreage allotment for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of wheat and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Any farm allotment transferred under this sub-section shall be deemed to be planted on the farm from which it was transferred for the purposes of acreage history credits under this Act."
6. Section 336 is amended by striking out "not later than sixty days after such proclamation is published in the Federal Register" and substituting "not later than August 1 of the calendar year in which such national marketing quota is proclaimed".
7. Section 339(a)(1) is amended, effective only with respect to the crops planted for harvest in 1964 and 1965, to read as follows:

"(a)(1). As a condition of eligibility for wheat marketing certificates with respect to any farm, the producers on such farm shall be required to divert from the production of wheat to an approved conservation use an acreage of

- cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and to participate in any programme formulated under sub-section (b) to the extent prescribed by the Secretary. Such diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment."
8. Section 339(b) is amended (1) by inserting after the first sentence the following: "Any producer who complies with his 1964 farm acreage allotment for wheat and with the other requirements of the programme shall be eligible to receive payments under the programme for the 1964 crop of wheat."; and (2) by inserting in the first sentence "for wheat not accompanied by marketing certificates" after "basic county support rate".
 9. Section 339(h) is amended by striking out "June 30, 1963" and substituting "June 30, 1965".
 10. Section 379b is amended effective only with respect to the crops planted for harvest in 1964 and 1965 to read as follows:

"Sec. 379b. A wheat marketing allocation programme as provided in this sub-title shall be in effect for the marketing years for the 1964 and 1965 crops. Whenever a wheat marketing allocation programme is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States and that portion of the amount of wheat which he estimates will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this sub-title, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the national marketing quota proclaimed for the 1964 crop, less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the programme. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage."
 11. The second sentence of section 379b, effective with respect to the crops planted for harvest in the calendar year 1966 and any subsequent year, is amended by striking out "human consumption in the United States, as food, food products, and beverages, composed wholly or partly of wheat" and substituting "food products for consumption in the United States".

12. Section 379c(a) is amended by inserting "under section 379c(b) or" after "stored" in the second sentence; by changing the period at the end of the second sentence to a comma and adding the following: "and if this limitation operates to reduce the amount of wheat marketing certificates which would otherwise be issued with respect to the farm, such reduction shall be made first from the amount of export certificates which would otherwise be issued."; and by adding at the end of the section the following: "The Secretary shall, in accordance with such regulation as he may prescribe, provide for the issuance of domestic marketing certificates for the portion of the wheat marketing allocation representing wheat used for food products for consumption in the United States and for the issuance of export marketing certificates for the portion of the wheat marketing allocation used for exports."
13. Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended effective only with respect to the crop planted for harvest in the calendar year 1965, by adding at the end thereof the following: "For purposes of this section, but not for purposes of diversion payments under sub-section (b) of section 339, a producer shall be deemed not to have exceeded the farm acreage allotment for wheat if the acreage in excess of the farm acreage allotment does not exceed 50 per centum of the farm acreage allotment and the amount of wheat produced on the acreage in excess of the farm acreage allotment is stored in accordance with regulations issued by the Secretary. The amount of wheat required to be stored hereunder shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the amount of wheat required to be stored shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: Provided however, That the amount of wheat required to be stored shall not be larger than the amount by which the actual production so established exceeds the normal production of the farm wheat acreage allotment. At the time and to the extent of any depletion in the amount of wheat so stored, except depletion resulting from the release of wheat from storage on account of underplanting or under-production, as provided below or depletion resulting from some cause beyond the control of the producer, the producer shall pay an amount to the Secretary equal to one and one-half times the value of the wheat marketing certificates issued with respect to the farm for the year in which the wheat on the acreage in excess of the allotment was produced. Whenever the planted acreage of the then current crop of wheat on the farm is less than the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or stored in order to avoid or postpone a marketing quota penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage, and whenever the actual production of the acreage

of wheat is less than the normal production of the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or in order to avoid a marketing quota penalty shall be reduced by that amount which together with the actual production of the then current crop will equal the normal production of the farm acreage allotment."

14. Section 379c(c) is amended to read as follows:

"(c) The Secretary shall determine and proclaim for each marketing year the face value per bushel of wheat marketing certificates. The face value per bushel of domestic certificates shall be the amount by which the level of price support for wheat accompanied by domestic certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat); and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat."

15. Section 379d(a) is amended (1) by striking the first and last sentences therefrom, and (2) by striking from the second sentence remaining "by persons other than the producer to whom such certificates are issued" and substituting "by any person".

16. Section 379d(b) is amended to read as follows:

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such food product or removing such food product for sale or consumption, acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat shall, prior to such export, acquire export marketing certificates equivalent to the number of bushels so exported. In order to expand international trade in wheat and wheat flour and promote equitable and stable prices therefor the Commodity Credit Corporation shall, upon the exportation from the United States of any wheat or wheat flour, make a refund to the exporter or allow him a credit against the amount payable by him for marketing certificates, in such amount as the Secretary determines will make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfil the international obligations of the United States. The Secretary may exempt wheat exported for donation abroad and other non-commercial exports of wheat and wheat processed for use on the farm where grown from the requirements of this sub-section. Marketing certificates shall be valid to cover only sales or removals for sale or consumption or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary

may require marketing certificates issued for any marketing year to be acquired to cover sales, removals, or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales, removals, or exportations made on or after the date so determined by the Secretary."

17. Section 379d(d) is amended to read as follows:

"(d) As used in this sub-title, the term 'food products' means flour, semolina, farina, bulgur, beverage, and any other product composed wholly or partly of wheat which the Secretary may determine to be a food product."

Sec. 203. Section 107 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"Sec. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop:

"1. Price support for wheat accompanied by domestic certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

"2. Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

"3. Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"4. Price support shall be made available only to co-operators; and, if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area.

"5. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"6. A 'co-operator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a 'co-operator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

Sec. 204. Section 407 of the Agricultural Act of 1949, as amended, is amended, effective only with respect to the marketing years beginning in the calendar years 1964 and 1965, and by striking the second proviso from the third sentence, and substituting: "Provided further, That if a wheat marketing allocation programme is in effect, the current support price for wheat shall be the support price for wheat not accompanied by marketing certificates."

Approved April 11, 1964.

FEED GRAIN ACT OF 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Feed Grain Act of 1963."

Sec. 2. Section 105 of the Agricultural Act of 1949, as amended, is amended -

1. by changing the period at the end of subsection (a) to a colon and adding the following: "Provided, That in the case of any crop for which an acreage diversion programme is in effect for feed grains, the level of price support for corn of such crop shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop."

2. by adding the following new subsection (d):

"(d) The provision of this subsection shall be applicable with respect to the 1964 crop and the 1965 crop of feed grains if an acreage diversion programme is in effect under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in the acreage diversion programme that the producer shall participate in the diversion programme to the extent prescribed by the Secretary, and, if no diversion programme is in effect for the 1964 crop or the 1965 crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion programme for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion programme as the Secretary determines desirable to assure that the benefits of the price support and diversion programmes inure primarily to those producers who co-operate in reducing their acreages of feed grains shall be made available to producers through payments in kind. Such payments in kind shall be made on the number of bushels of such feed grain determined by multiplying the actual acreage of such feed grain planted on the farm for harvest by the

adjusted average yield per acre. The base period used in determining such adjusted average yield shall be the same as that used for purposes of the acreage diversion programme formulated under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Such payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price minus that part of the current support price made available through payments in kind, plus reasonable carrying charges) and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. The Secretary shall provide for the sharing of such certificates among the producers on the farm on the basis of their respective shares in the crop produced on the farm with respect to which such certificates are issued, or the proceeds therefrom. If the operator of the farm elects to participate in the acreage diversion programme, price support for feed grains included in the programme shall be made available to the producers on such farm only if such producers divert from the production of such feed grains in accordance with the provisions of such programme an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide."

Sec. 3. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(h) Notwithstanding any other provision of law -

"1. For the 1964 crop and the 1965 crop of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion programme, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion programme for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation programme, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary to be fair and reasonable shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to

designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall not be made in amounts in excess of 50 per centum of the estimated basic county support rate, including that part of the support price made available through payments in kind, on the normal production of the acreage diverted from the commodity on the farm based on its adjusted average yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses, and no price support shall be made available for the production of any such crop on such diverted acreage. The base period for the purpose of determining the adjusted average yield in the case of payments with respect to the 1964 crop shall be the four-year period 1959-1962, and in the case of payments with respect to the 1965 crop shall be the five-year period 1959-1963. The term 'feed grains' means corn, grain sorghums, barley, and, if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: Provided, That acreages of corn, grain sorghums, and barley shall not be planted in lieu of acreages of oats and rye: Provided further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion programme shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the programme shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The average acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, shall be considered as an acreage of feed grains produced in the crop years of 1959 and 1960 for purposes of establishing the feed grain base acreage for the farm, and the rate of payment for diverting such wheat shall be an amount determined by the Secretary

to be fair and reasonable in relation to the rates of payment for diverting feed grains. The Secretary may make such adjustments in acreage and yields as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. To the extent that a producer proves the actual acreages and yields for the farm, such acreages and yields shall be used in making determinations. Notwithstanding any other provision of this subsection (1)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance: Provided, That in no event shall the Secretary in the crop years 1964 or 1965 make payments to any producers under this section 16(h) and under section 105(d) of the Agricultural Act of 1949, as amended, in excess of 20 per centum of the fair market value of any acreage involved. Notwithstanding any other provision of this subsection (h)(1), barley shall not be included in the programme for a producer of malting barley exempted pursuant to section 105(d) of the Agricultural Act of 1949 who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"2. Notwithstanding any other provision of this subsection not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"3. There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(h).

"4. The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"5. Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges, as determined by the Secretary, for the period beginning thirty days after its issuance and ending with the date of its presentation for redemption shall be deducted from the value of the certificate. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price, minus that part of the current support price made available through payments in kind, plus reasonable carrying charges.

"6. Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

Sec. 4. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the word "and" immediately preceding "(g)" and inserting immediately after "(g)" the following: "and (h)".

Approved May 20, 1963, 12.40 p.m.

THE VOLUNTARY WHEAT PROGRAMME FOR 1965

A General Explanation

The 1965 wheat programme is designed to appeal to the largest possible number of producers and to encourage maximum participation. It is not only voluntary but very flexible, offering farmers a number of attractive choices. If they understand the programme, including the choices, there is no question that most of them will want to take part. And with good participation, the programme will maintain wheat income, reduce the surplus, and keep government costs down.

Note especially that the domestic certificates will be worth 75 cents, up 5 cents from 1964, and will apply to the same percentage of normal production. While export certificates will apply to a smaller percentage of the normal production of acreage allotments - 35 per cent in 1965 as compared with 45 per cent in 1964 - the value of these certificates is up 5 cents or 20 per cent.

Note also that the diversion payment rate has been raised to encourage underplanting of allotments and thus to bring about better balance between supply and demand. This would speed the day when market price can rise above and stay above the support level. The support level for 1965 will be \$1.25 rather than \$1.30, but for programme participants who choose the optional features that fit their needs, net returns will be higher in 1965 than in 1964.

Producers in the programme have wide latitude in substituting between wheat and feed grain and in over-planting the wheat allotment as insurance against crop failure.

Success of the programme now depends upon widespread understanding by you as committee men and by your neighbours.

Although the 1964 voluntary wheat programme was not available until April 1964 there were nearly 612,000 farms enrolled in the programme. The enrolled farmers had effective wheat allotments totalling 40,682,000 acres - 76 per cent of the total effective national wheat allotment. The participating wheat producers agreed to divert 5,349,376 acres from wheat production and devote that acreage to conservation uses.

The 1965 voluntary wheat programme has a number of features that are the same as the 1964 programme, including:

1. The national wheat acreage allotment of 49.5 million acres remains unchanged.
2. There are no marketing quotas for 1965 and consequently no marketing quota penalties for wheat produced on acreage in excess of the farm allotment.
3. Wheat may be sold by producers whenever and whenever they desire whether they are programme participants or not, except wheat which has been bonded under the excess wheat provision.

4. The programme remains voluntary. Any farmer on a farm with a wheat allotment who produces wheat may choose to participate in the programme. Any producer may produce wheat without taking part in the programme.
5. The approved conserving uses for acreage diverted from wheat are basically unchanged.
6. The conserving bases determined for wheat farms for 1964 remain in effect.
7. The domestic marketing allocation of 45 per cent of the normal production of the farm remains in effect.
8. Producing within the effective allotments for any other crops on the participating farm remains unchanged from 1964.
9. The maximum acreage which may be diverted to conservation uses is unchanged.

Changes made in the wheat programme for 1965 include:

1. Farmers who have "old farm" wheat allotments and feed grain bases may sign up to participate in both the feed grain and the wheat programmes and elect to produce wheat on their feed grain acres or to produce feed grains on their wheat acreage. (Details of this substitution provision appear later in this explanation.) Wheat farmers who grew oats or rye in 1959 or 1960 and 1964, also may elect to request that an oat-rye base be established for the purpose of growing wheat instead of oats and rye.
2. Wheat producers may choose to overplant their farm wheat acreage allotments by as much as 50 per cent and store the excess production under bond. These producers will be eligible for marketing certificates and price-support loans.
3. Overproducing the farm wheat allotment in 1965 will not affect the wheat acreage history for 1965 in the determination of future allotments for the farm. However, if any of the bonded excess is not properly stored until released by underplanting or underproduction on the farm in a future year, the producer may be required to refund an amount of money equal to one and a half times the value of the certificates received on the excess farm.
4. The national average price-support loan rate is \$1.25 a bushel. (Was \$1.30)
5. The value of domestic marketing certificates is 75 cents a bushel. (Was \$.70)
6. Export marketing certificates are valued at 30 cents a bushel. (Was \$.25)

7. The export marketing allocation is changed to 35 per cent of the normal production of the allotment. (Was 45 per cent.)
8. No diversion payment will be made this year for planting within the allotment and devoting to conserving uses the equivalent of 11.11 per cent of the allotment. A diversion payment will be made for underplanting the allotment by at least 10 per cent and devoting the acreage to a conserving use. The diversion payment rate per acre is now based on 50 per cent (rather than 20 per cent) of the county price-support loan rate and the normal wheat yield for the farm for all acreage qualifying for the payment.
9. Cross compliance with other wheat farms is continued but extended to price-support loans as well as certificates and diversion payments. However, storing of authorized excess under bond will qualify for meeting the cross compliance provisions.
10. To qualify for price-support loans and certificates only, a producer needs to meet the following minimum conditions:
 - (a) Sign up for the programme.
 - (b) Devote an acreage equal to 11.11 per cent of the farm wheat allotment to conserving uses in addition to the farm conserving base.
 - (c) On all farms in which he has an interest in the wheat, produce within the wheat allotment, participate under the substitution provisions, or store authorized excess under bond.
 - (d) Stay within the effective allotments for any other crops on the participating farm.

How the Voluntary Wheat Programme for 1965 Works

The national wheat allotment

The national wheat acreage allotment for 1965 has been set at 49.5 million acres - the same as the 1964 national allotment. Since the law provides for increases in allotments for certain farms with small wheat allotments, the total of all farm wheat allotments for 1965 will be about 53.0 million acres. This increase in farm allotments applies to farms that had allotments of 15 acres or less.

Farm marketing allocation

The farm marketing allocation will be 80 per cent of the normal production of the acreage allotment. This is the maximum amount of wheat for which certificates may be issued.

Farm normal yields

Farm normal yields have been determined by Agricultural Stabilization and Conservation county committees and each wheat producer is being notified of his farm normal yield for wheat at the same time that he is notified of his 1965 farm wheat allotment. The normal yield for a farm is important in determining the number of bushels of wheat from a farm for which marketing certificates will be issued and the rate of payment for diverting additional wheat acreage out of production.

Signing up

There is no provision for automatic participation. The sign-up for producers in winter wheat areas who wish to take part in the 1965 wheat programme will extend through October 2, 1964. The sign-up period for wheat producers in spring wheat areas will be the same as for the feed grain programme, in February or March 1965. Only those wheat producers who sign up and participate in the programme will be eligible for certificates, and price-support loans, or diversion payments. (Farms having a new farm wheat allotment for 1965 may qualify for price-support loans only.)

Diversion from wheat

The programme provides for crop land to be diverted from wheat production to approved conserving uses. Not planting wheat on a given acreage does not in itself qualify that acreage as diverted acreage.

Qualifying acreage diversion

The smallest acreage that qualifies as diversion is an acreage equal to 11.11 per cent of the farm wheat allotment. This acreage is not eligible for a diversion payment. That percentage represents the difference between the former national wheat acreage allotment of 55 million acres and the national allotment of 49.5 million acres established for 1965. Minimum diversion leaves the participating producer with his entire allotment available for wheat. If the farm wheat allotment is not exceeded and other programme provisions are met, the wheat from the farm is eligible for certificates and the price-support loan.

For example: The smallest number of acres that could be diverted from wheat on a farm with a 75 acre allotment would be 11.11 per cent of 75 or, 8.3 acres. Since the wheat allotment already represents a reduction in the farm's wheat acreage, the participating farm could produce 75 acres of wheat, or the operator could sign up to divert additional acres from wheat production.

Additional voluntary diversion

A producer may elect to divert an additional acreage of 10 per cent to 20 per cent of his farm allotment. In the case of farms with small allotments, enough more acreage may be diverted to make a total diversion of 15 acres, including the minimum for which no payment is made. If the farm allotment is 13.5 acres or less, the maximum diversion acreage for payment is the farm allotment.

For example: On a farm with a 1965 allotment of 75 acres, the voluntary diversion for payment could be 20 per cent of 75 acres, or 15 acres. (The additional diversion could be 10 per cent of any percentage between 10 per cent and 20 per cent.) This diversion would leave 60 acres of the allotment available for growing wheat. The 15 acres would be eligible for a diversion payment provided 23.3 acres (fifteen plus minimum requirement of 8.3) are devoted to approved conserving uses and other programme provisions were carried out.

On a farm with a 20 acre allotment, the diversion for payment could be from 10 per cent of the allotment (2.0 acres) to 12.8 acres. If the diversion for payment was 12.8 acres there would be 7.2 acres on which wheat could be produced. The acres eligible for the diversion payment, if devoted to conserving uses and other programme provisions were carried out, would be 12.8 acres.

On a farm with a 12 acre wheat allotment, the maximum diversion for payment would be 12.0 acres. The smallest diversion for payment would be 10 per cent of 12 acres, or 1.2 acres. The entire allotment could be diverted for payment since the total acreage diverted would not be greater than 15 acres. (12.0 allotment plus 1.3 minimum = 13.3 acres.)

Conserving use of diverted acres

Conserving uses include:

1. Permanent type or rotation cover of grasses and legumes.
2. Temporary cover of grasses or legumes.
3. Wild-life food or habitat plantings.
4. Trees or shrubs.
5. Other conserving uses.

Each ASCS county office has a detailed list of conserving uses that have been approved for the county.. Each participant will be given a copy of the list of approved conserving uses for his county.

The diverted acreage on a farm is not to be harvested or grazed during the main summer growing season except as approved by the ASC county committee.

Planting approved substitute crops on diverted acres

The law authorizes the Secretary of Agriculture to offer participating producers an additional choice as to the use of acreage diverted for payment from wheat. Instead of devoting the diverted acreage to conserving uses they have the option of growing one or more of the crops specified in the law if the Secretary determines that the crops will not likely be in surplus. The crops named in the law are castor beans, guar, sesame, safflower, sunflower and flaxseed. The law does not permit any other crops to be substituted. Since the production of these crops in 1964 cannot be determined at the time this explanation is prepared (August 1964) a determination will be made later when the supply of each of the substitute crops can be estimated.

The rate of diversion payment will be reduced when any authorized substitute crop is planted on diverted wheat acreage.

Minimum conservation

The minimum acreage of conserving use to qualify for price-support loans and certificates is an acreage equal to 11.11 per cent of the farm wheat allotment. This acreage is to be in addition to the conserving base for the farm and any acreage diverted under any other programme. This minimum qualification leaves the entire wheat allotment for growing wheat, but does not qualify the farm for a wheat diversion payment.

For example: To qualify for price support and certificates on a farm with a wheat allotment of 81 acres, there would be added to the conserving base and diversion requirement under other programmes, 9 acres (11.11 per cent of 81 acres) of conserving use leaving 81 acres (the allotment) available for wheat. The 9 acres would not be eligible for a diversion payment.

Payment rate for additional diversion

There is no payment for additional voluntary diversion, unless the additional acreage is at least 10 per cent of the farm wheat allotment. The diversion for payment may be as much as 20 per cent of the farm wheat allotment or enough acres (but not more than the allotment) which together with the required diversion will total 15 acres.

When the additional diversion is at least 10 per cent of the farm wheat allotment the payment rate for all the acreage diverted below the allotment is based on 50 per cent of the county price-support loan rate and the normal yield of wheat for the farm.

For example: Using the farm with 24 bushels per acre in a county with a price-support loan rate of \$1.25 a bushel, and assuming that the additional diversion is at least 10 per cent of the allotment, the diversion payment rate per acre would be : $\frac{1}{2}$ of \$1.25 = \$.625.

$$$.625 \times 24 \text{ bu.} = \$15.00.$$

diversion payment per acre.

The \$15.00 rate would apply to all eligible acres diverted below the allotment provided other programme provisions are met.

Price-support loans

The national average price-support loan rate for wheat produced in 1965 is \$1.25 a bushel. The loan rate will vary from county to county and by classes. In addition, appropriate premiums and discounts will apply.

Price-support loans will be available for farm-stored and warehouse-stored wheat produced only on farms participating in the programme, except for any "excess" wheat stored under bond as provided under the wheat programme.

Marketing certificates

The total number of bushels of wheat for which a participating farm may be eligible for certificates is determined by applying the marketing percentage (determined by the Secretary to be 80 per cent for 1965) to the normal production of the farm wheat allotment. For example: A farm with a 75 acre allotment and a normal yield of 24 bushels per acre would be eligible for marketing certificates on 1,440 bushels of wheat, determined as follows: The normal production of the farm wheat allotment would be 1,800 bushels (24 bushels x 75 acres). Since the maximum number of bushels for which certificates can be issued is 80 per cent of the normal production of the farm wheat allotment (in this case 1,800 bushels) the calculation would be: $80\% \times 1,800 \text{ bu.} = 1,440 \text{ bu.}$

Two kinds of certificates

There will be two kinds of marketing certificates - domestic marketing certificates and export marketing certificates - with each kind having a different value. The domestic certificates will have a value of 75 cents a bushel and the export certificates a value of 30 cents a bushel.

For 1965, 45 per cent of the farm allotment's normal production represents wheat for use as domestic food. This portion of the marketing allocation for a farm is called the domestic marketing allocation. It represents the wheat on the

farm for which domestic marketing certificates may be earned. Using the same example as previously - a farm with a 75 acre allotment and a normal yield per acre of 24 bushels - the maximum number of bushels for which domestic marketing certificates would be earned would be:

24 bu. x 75 acres = 1,800 bu. (the normal production from the farm allotment)

45% x 1,800 bu. = 810 bu. (the farm domestic marketing allocation, which is the maximum number of bushels for which domestic marketing certificates would be earned)

The part of the marketing allocation representing the amount of wheat used for exports is called the export marketing allocation, determined to be 35 per cent of the farm allotment's normal production. The certificates for the export marketing allocation are called export marketing certificates. The maximum number of bushels of wheat for which export marketing certificates may be earned for a farm with a 75 acre allotment and a normal yield of 24 bushels would be:

24 bu. x 75 acres = 1,800 bu. (the normal production from the farm allotment)

• 35% x 1,800 bu. = 630 bu. (the farm export marketing allocation - the maximum number of bushels for which export marketing certificates could be earned for the farm)

Eligibility for price-support, certificates and diversion payments

Eligibility requirements for price-support loans and certificates will vary according to which of five available choices is selected by the grower.

The choices available are:

1. Take part in the wheat programme only - or in the wheat programme and the feed grain programme and not elect the substitution of wheat for feed grains or the substitution of feed grains for wheat.
2. Participate in both the wheat programme and the feed grain programme and elect to substitute wheat acreage for feed grain acreage or feed grain acreage for wheat acreage.
3. Participate in both the wheat programme and the feed grain programme and elect the wheat-feed grain substitution and request that an oat-rye base acreage be established for the farm for the purpose of growing wheat instead of oats and rye.

4. Participate in the wheat programme with the intention of over-producing the farm wheat allotment, with the production of the excess wheat to be stored under bond.
5. Stay out of the programme.

Oat-rye base

A wheat producer, in addition to electing to use the wheat-feed grain substitution provision, may request the ASC county committee to establish an oat-rye base for his farm.

The oat-rye base is determined from the average 1959-60 oat and rye acreage on the farm but cannot be larger than the 1964 acreage of oats and rye unless the ASC committee finds this is abnormal. This base does not become a part of any other base.

Any payment for diverting a portion of the oat-rye base to approved conserving uses will be a rate equal to 25 per cent of the wheat diversion rate per acre for the farm. The minimum and maximum diversion percentages applicable to the 1965 feed grain programme will also supply to the oat-rye base.

When an oat-rye base is utilized for a farm the participant does not have the option of growing corn, grain sorghums, or barley on wheat permitted acreage or on oat-rye permitted acreage; however, he may choose to grow wheat on oat-rye and feed grain (corn, barley, grain sorghum) permitted acreage. He may choose to grow oats or rye on wheat permitted acres or feed grain permitted acreage provided the sum of the wheat, corn, grain sorghum, barley; oat-rye acreage does not exceed the combined permitted acreage for the farm.

Acres diverted from oats and rye are to be in addition to the conserving base for the farm and in addition to acres diverted from wheat and feed grains.

To be eligible for all the benefits under this provision the participant must stay within the wheat and the feed grain permitted acreage, or participate under the substitution or excess wheat provisions. He must also comply on all other farms in which he has an interest in the wheat or feed grain crop.

When wheat is grown instead of oats and rye the diversion payment will be on the basis of the oat-rye diversion rate per acre for the farm. Also, if wheat is produced in place of feed grains (corn, barley, or grain sorghums) the diversion payment will be computed on the basis of the feed grain diversion rate for the farm for the feed grain actually diverted.

Producing excess wheat - storing under bond

A wheat producer may sign up to over-produce his farm wheat allotment and store the excess under bond, and become eligible for the price-support loan and certificates. The wheat acreage in excess of the allotment that may be eligible under this provision cannot be greater than 50 per cent of the allotment. For example: The largest excess acreage for a farm with a 1965 wheat allotment of 90 acres would be 45 acres for a total wheat acreage for the farm of up to 135 acres.

The production from the excess acres is to be stored under bond and may be marketed in future years by reducing the wheat acreage below the farm allotment or producing a bushelage of wheat that is less than the normal production of the farm wheat allotment.

The amount of wheat to be stored under bond will be calculated at two times the normal yield multiplied by the acres of wheat in excess of the allotment for the farm. However, if the producer proves the production from the farm total wheat acreage, the amount of wheat to be stored will be the smaller of the actual average yield for the farm multiplied by the excess wheat acreage, or the number of bushels by which the actual production exceeds the normal production of the allotment.

A producer who uses this provision and who has an interest in other farms, will, to remain eligible for price support and certificates, need to stay within each of the wheat allotments on other farms or sign them up and participate in the wheat programme.

Non-certificate wheat

Farmers who participate in the programme and produce on their permitted acreage more bushels of wheat than the bushels for which certificates are issued will have produced some wheat that is called non-certificate wheat. Although such wheat is not eligible for certificates, it is eligible for a price-support loan based on a national average of \$1.25 a bushel. Wheat produced as a substitute for feed grains or for oats or rye is eligible for the price-support loan at the same rate, but is not eligible for certificates. However, excess wheat stored under bond is not eligible for price support.

Certificates for farms underplanting by more than 20 per cent

Whenever the normal yield per acre for a participating farm multiplied by the acres of wheat planted for harvest results in a total number of bushels that is less than the farm marketing allocation, the number of bushels for which certificate will be issued is reduced to the normal yield times the acres so planted.

For example: Assume that the operator of the farm - with a 75 acre allotment and a 24 bushel per acre normal yield - diverted an additional 15 acres of the allotment out of wheat production into conserving uses. Also assume that he planted only 55 acres of wheat for harvest. The maximum number of bushels for which certificates would be issued would be 1,440 bushels (80% of 75×24 bu. = 1,440 bu.)

With 55 acres of wheat planted for harvest and a normal yield of 24 bushels, certificates would be issued for 1,320 bushels (55 acres \times 24 bu. = 1,320 bu.) rather than the possible maximum of 1,440 bushels. The reduction in certificates issued would first be made in export certificates. For example: The farm would get domestic marketing certificates for 810 bushels ($1,440$ bu. \times 45%). The amount of wheat for which export marketing certificates would be issued would be 510 bu. ($1,320$ bu. - 810 bu. = 510 bu.).

Using this same farm allotment of 75 acres and a normal yield of 24 bushels the farm would receive its full share of domestic marketing certificates as long as the acres planted for harvest did not fall below 33.8 acres.

Landlord and tenant shares of diversion payments and certificates

The certificates for a farm are to be divided between landlord and tenant in the same proportion as the wheat crop is divided. The diversion payment will be divided between the landlord and tenant as they agree so long as it is fair and equitable.

The farm conserving base

The ASC county committee has established a conserving base for each farm participating in the programme. This base is used in both the feed grain programme and the wheat programme. One of the conditions of eligibility for diversion payments, price-support loans, and certificates is the maintenance of an acreage of conserving use equal to the conserving base. Acres diverted from wheat to conserving uses are in addition to the farm's conserving base or the conserving use requirements of any other programme in which the farm is participating.

Farmers' intentions and diversion payments

Farmers who sign up but fail to divert for payment as many acres of their wheat allotment as specified in their signed intentions will not be eligible for the diversion payment. For example: If a farmer signs up to divert 30 acres of his wheat allotment to conserving use and diverts only 20 acres, no diversion payment will be made. If however, he makes the minimum diversion (an acreage equal to 11.11 per cent of the allotment) and other programme provisions are carried out, the farmer would be eligible for certificates and price-support loans on his wheat.

Crop failure

Since the certificates issued are based on the wheat acreage and the normal yield for the farm, the appropriate value in certificates will be issued even if the wheat acreage, because of bad weather or other unavoidable hazard, produces only part of a crop or no crop at all.

Feed grains and wheat

It is not necessary for wheat producers to participate in the 1965 feed grain programme to be eligible for participation in the 1965 voluntary wheat certificate programme. Neither will it be necessary for a producer to sign up in the wheat programme to be eligible to take part in the feed grain programme.

Handling certificates

Certificates issued to participating wheat producers may be redeemed for cash at the ASCS county office. Certificates will be sold by the Commodity Credit Corporation to flour millers, other processors, and exporters.

The 1965 wheat programme sign-up for winter wheat areas starts August 24 and extends through October 2, 1964.

Farmers in spring wheat areas will have an opportunity to sign up at the same time as the sign-up period for the 1965 feed grain programme which is expected to take place in February or March 1965.

Examples of Participation in the 1965 Wheat Programme

Examples of participating farms illustrating diversion payments, price-support loans and certificates follow. In all these examples, it is assumed that an acreage of conserving use equal to the conservation base for the farm is maintained and the acreage diverted from wheat is devoted to approved uses. In addition, the examples are of single farm participation.

1. A farm with a 1965 wheat allotment of 90 acres and a normal yield of 20 bushels to the acre. The county price-support loan rate is \$1.25 a bushel. The entire allotment planted to wheat. The minimum diversion to qualify for the price-support loan and certificates would be:

$$11.11\% \times 90 \text{ acres} = 10 \text{ acres.}$$

The marketing allocation for the farm would be:

90 acres x 20 bu. x 80% = 1,440 bu. (the total marketing allocation).

Domestic marketing certificates would be issued for
45% x 1,800 bu. = 810 bu.

Export marketing certificates would be issued for
35% x 1,800 bu. = 630 bu.

The certificate value would be:

810 bu. x \$0.75 = \$607.50 (domestic certificate value).

630 bu. x \$0.30 = \$189.00 (export certificate value).

All the wheat from the farm would be eligible for a price-support loan on all of the production in addition to the domestic marketing certificate value of \$607.50 and the export certificate value of \$189.00.

2. If the same farm used in example 1 above (90 acre allotment; 20 bu. normal yield; \$1.25 price-support loan) had 40 acres of wheat planted for harvest 1965, the participating results would be:

Minimum diversion: 11.11% x 90 acres = 10 acres (no payment for these acres).

Maximum additional diversion for payment: 20% x 90 acres = 18 acres.
The total acres for which the diversion payment could be made.

The diversion payment rate per acre would be:

20 bu. x \$1.25 x 50% = \$12.50.

The total diversion payment would be:

18 acres x \$12.50 = \$225.00.

The domestic marketing certificate value would be:

40 acres x 20 bu. = 800 bu. (the bushels for which domestic marketing certificates would be issued).

800 bu. x \$0.75 = \$600 (total value of domestic marketing certificates).

There would be no export marketing certificates issued because the normal production of the planted wheat acreage was less than the maximum number of bushels for which domestic certificates could be issued.

If the farm produced a normal yield, the price-support loan value of the wheat would be:

$$40 \text{ acres} \times 20 \text{ bu.} \times \$1.25 = \$1,000.00.$$

The total for the above farm would then be:

Diversion payment	\$225.00
Domestic marketing certificates	600.00
Loan value	<u>1,000.00</u>
Total from programme participation	\$1,825.00

If the season turned out to be good and the actual yield was 30 bushels to the acre instead of 20 bushels, the only difference would be that there would be 1,200 bushels of wheat available to place under price-support loan or sell instead of 800 bushels as figured above. (No certificates would be available for the extra 400 bushels produced because the certificates are based on "normal yield"). The 1,200 bushels for loan eligibility would increase the total from programme participation by at least \$500.00 to a total of \$2,325.00. The producer would not need to place the 1,200 bushels under loan if the market would pay him more.

3. The same farm (90 acre allotment; 20 bu. normal yield and a county price-support loan rate of \$1.25), but 70 acres are planted to wheat:

Minimum diversion: $11.11\% \times 90 \text{ acres} = 10 \text{ acres}$ (no payment for these acres).

Maximum additional voluntary diversion:

$$20\% \times 90 \text{ acres} = 18 \text{ acres.}$$

$$\text{Diversion payment rate per acre: } 20 \text{ bu.} \times \$1.25 \times 50\% = \$12.50.$$

Total diversion payment:

$$18 \text{ acres} \times \$12.50 = \$225.00.$$

Maximum bushels for which certificates could be issued:

20 bu. \times 70 acres = 1,400 bu. (This 1,400 bushels is the normal yield of the acres planted for harvest. If 80 per cent of the allotment had been planted, certificates could have been issued for 1,440 bushels).

Maximum bushels for domestic marketing certificates:

$$45\% \times 1,800 \text{ bu.} = 810 \text{ bu.}$$

Bushels for export marketing certificates:

$$1,400 \text{ bu.} - 810 \text{ bu.} = 590 \text{ bu.}$$

Total domestic marketing certificate value:

$$810 \text{ bu.} \times \$0.75 = \$607.50.$$

Total export marketing certificate value:

$$590 \text{ bu.} \times \$0.30 = \$177.00.$$

If the crop actually harvested was equal to the normal yield, there would be:

20 bu. x 70 acres = 1,400 bu., which could be placed under price-support loan at \$1.25 a bushel or sold on the market. The loan value would be \$1,750.00.

Total from participation in the programme:

Diversion payment	\$225.00
Domestic marketing certificates	607.50
Export marketing certificates	177.00
Loan value	<u>1,750.00</u>
Total	\$2,759.00

The 1965 wheat programme sign-up for winter wheat areas starts August 24 and extends through October 2, 1964.

Farmers in spring wheat areas will have an opportunity to sign up at the same time as the sign-up period for the 1965 feed grain programme which is expected to take place in February or March 1965.

(This explanation is provided to help in the general understanding of the 1965 wheat programme. It does not replace official instructions and regulations applicable to individual farm situations.)

THE VOLUNTARY WHEAT PROGRAMME FOR 1964

A General Explanation

The new wheat programme passed by Congress and approved by the President amends the law under which the wheat programme was to have been operated. The programme for 1964 provided under the previous law had established the price support level at 50 per cent of parity for all wheat growers who produced an acreage of wheat within their farm wheat acreage allotments. The national average price support would have been about \$1.25 a bushel. That price support contrasted with a national average support of \$2 per bushel for wheat producers who participated in the 1963 wheat programme.

The new wheat legislation has four principal objectives:

1. To raise the income of wheat growers substantially above what it would have been in the absence of new legislation.
2. To avoid increases in the Government costs of wheat programmes.
3. To maintain the costs of wheat to flour millers and other processors at a level which will not increase the price of bread to consumers.
4. To enable the United States to discharge its responsibilities and realize the benefits of the International Wheat Agreement.

The expected carryover of wheat in the United States from previous crops is now estimated to be about 825 million bushels on July 1, 1964, despite substantial export sales to Soviet bloc nations. A carryover of that size is much larger than desirable or necessary and is a heavy expense to the Government since most of the carryover is in the inventory of the Commodity Credit Corporation.

The newly authorized programme will provide for the issuance of marketing certificates for a large part of the 1964 wheat production. These certificates, with a cash value, will supplement the \$1.30 a bushel national average price-support loan for 1964 specified in the new legislation.

How the Voluntary Wheat Programme for 1964 Works

The national wheat allotment

The national wheat acreage allotment of 49.5 million acres for the 1964 crop was determined before the referendum held in May 1963. The provisions of law used for determining the national wheat acreage allotment and the national marketing quota (in bushels) for wheat are still in effect and are important in carrying out the provisions of the new legislation. Since the law provides for increases in allotments for certain farms with small wheat acreages, specifically those which had allotments of 15 acres or less, the total of all farm wheat allotments for 1964 is 53.2 million acres.

All wheat producers have been notified of their farm wheat allotments for 1964.

Farm marketing allocation

As provided in the new legislation, the farm marketing allocation will be 90 per cent of the normal production of the acreage allotment. This is the amount for which certificates may be issued.

Farm normal yields

Farm normal yields were determined by Agricultural Stabilization and Conservation county committees and each wheat producer was notified of his farm normal yield for wheat at the same time that he was notified of his 1964 farm wheat allotment. The normal yield for a farm is important in determining the number of bushels of wheat from a farm for which marketing certificates will be issued.

Signing up

There is no provision for automatic participation. The sign up for wheat producers who wish to take part in the new voluntary programme will extend through May 15, 1964. Only those wheat producers who sign up and participate in the programme will be eligible for payments, certificates, and price-support loans.

Diversion from wheat

The programme provides for cropland to be diverted from wheat to conservation uses. Not planting wheat on a given acreage does not in itself qualify that acreage as diverted acreage. To qualify, the acreage is to be devoted to an approved conservation use.

Smallest acreage for diversion

The smallest acreage that may be diverted from wheat and devoted to conservation uses under the programme is an acreage equal to 11.11 per cent of the farm wheat allotment. That percentage represents the difference between the former national wheat acreage allotment of 55 million acres and the national allotment of 49.5 million acres established for 1964.

For example: The smallest number of acres that could be diverted from wheat on a farm with a 75 acre allotment would be 11.11 per cent of 75, or 8.3 acres. Since the wheat allotment already represents a reduction in the farm's wheat acreage, 75 acres of wheat could be produced on this farm unless the operator desired to sign up to voluntarily divert additional acres from wheat production.

Additional voluntary diversion

In addition to the minimum diversion of an acreage equal to 11.11 per cent of the farm wheat allotment, a producer may elect to divert an acreage up to 20 per cent of his farm allotment or, in the case of farms with small allotments, enough more acreage to make a total of 15. If the farm allotment is 13.5 acres or less, the maximum additional diversion acreage is the allotment.

For example: On a farm with a 1964 allotment of 75 acres, the voluntary diversion could be as much as 20 per cent of 75 acres, or 15 acres. That 15 acres would be in addition to the minimum 11.11 per cent (8.3 acres) of the farm allotment, for a total diversion from wheat on the farm of 15 acres plus 8.3 acres, or 23.3 acres. This diversion would leave 60 acres of the allotment available for growing wheat (since the 8.3 acres had already been subtracted when the 1964 allotment was established). The whole 23.3 acres would be eligible for a diversion payment provided they were devoted to approved conservation uses and other programme provisions were carried out.

On a farm with a 20 acre allotment, the maximum diversion would be 11.11 per cent of the allotment (2.2 acres) plus enough more acres (12.8) to bring the total diversion to 15 acres. This would leave 7.2 acres on which wheat could be produced. The acres eligible for the diversion payment, if devoted to conservation uses, would be 15 acres.

On a farm with a 12 acre wheat allotment, the entire allotment could be voluntarily diverted for payment since the total acreage diverted, minimum plus additional, would not be greater than 15 acres.

Conservation use of diverted acres

Conservation uses include:

1. Permanent type or rotation cover of grasses and legumes.
2. Temporary cover of grasses or legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other conservation uses.

Each Agricultural Stabilization and Conservation county office has a list of conservation uses that have been approved for the county. Each participant will be given a copy of the list of approved conservation uses for his county.

The diverted acreage on a farm is not to be harvested and is not to be grazed except as approved by the Agricultural Stabilization and Conservation county committee.

Planting approved substitute crops on diverted acres

Castor beans, guar, safflower, sesame, or sunflower may be planted on the acreage diverted from wheat. If this is done, the rate of diversion payment on the diverted acreage planted to one of the approved substitute crops will be a percentage of the wheat diversion payment rate for the farm. The percentages are as follows:

Castor beans	50 per cent
Guar	50 per cent
Sesame	50 per cent
Safflower	No diversion payment
Sunflower	30 per cent

Diverted wheat acreage used for the approved substitute crops is counted in meeting the total diverted acreage that the operator of a farm agreed to divert when he signed up to take part in the programme.

Rate of diversion payment

The rate of payment for each acre that qualifies as a diverted acre will be uniform on each participating farm. The rate per acre for a farm is one-fifth of the county price-support loan rate multiplied by the normal yield of wheat for the farm.

For example: A farm in a county for which the price-support loan rate is \$1.30 a bushel has a normal yield of 24 bushels to the acre. The diversion payment rate per acre would be:

$$1/5 \text{ of } \$1.30 = \$0.26$$

$$\$0.26 \times 24 \text{ bu.} = \$6.24 \text{ diversion payment per acre.}$$

Price-support loans

The national average price-support loan rate for wheat produced in 1964 is \$1.30. The loan rate will vary from county to county and by classes. In addition, appropriate premiums and discounts will apply.

Price-support loans will be available for all the farm stored and warehouse stored wheat produced on farms participating in the programme.

To qualify for price-support loans

Any wheat grower who produces within his 1964 farm wheat allotment will be eligible for a wheat price-support loan or purchase for the wheat from that farm.

Marketing certificates

The total number of bushels of wheat for which a participating farm may be eligible for certificates is determined by applying the marketing percentage (determined by the Secretary to be 90 per cent for 1964) to the normal production of the farm wheat allotment.

For example: A farm with a 75 acre allotment and a normal yield of 24 bushels per acre would be eligible for marketing certificates on 1,620 bushels of wheat determined as follows: The normal production of the farm wheat allotment would be 1,800 bushels (24 bushels times 75 acres). Since the maximum number of bushels for which certificates can be issued is 90 per cent of the normal production of the farm wheat allotment (in this case 1,800 bushels) the calculation would be:

$$90\% \times 1,800 \text{ bu.} = 1,620 \text{ bu.}$$

Two kinds of certificates

There will be two kinds of marketing certificates issued - domestic marketing certificates and export marketing certificates - with each kind having a different value. The domestic certificates will have a value of 70 cents a bushel and the export certificates a value of 25 cents a bushel.

For 1964, half of the farm marketing allocation (45 per cent of the farm allotment's normal production) represents wheat for use as domestic food. This portion of the marketing allocation for a farm is called the domestic marketing allocation. It represents the wheat on the farm for which domestic marketing certificates will be issued. Using the same example as previously - a farm with a 75 acre allotment and a normal yield per acre of 24 bushels - the maximum number of bushels for which domestic marketing certificates could be issued would be:

$$24 \text{ bu.} \times 75 \text{ acres} = 1,800 \text{ bu.} \text{ (the normal production from the farm allotment)}$$

$$90\% \times 1,800 \text{ bu.} = 1,620 \text{ (the farm marketing allocation)}$$

$$45\% \times 1,800 \text{ bu.} = 810 \text{ bu.} \text{ (the farm domestic marketing allocation, which is the maximum number of bushels for which domestic marketing certificates could be issued)}$$

The part of the marketing allocation representing the amount of wheat used for exports is called the export marketing allocation, determined also to be half of the farm marketing allocation (or 45 per cent of the farm allotment's normal production). The certificates issued for the export marketing allocation are called export marketing certificates. The maximum number of bushels of wheat for which export marketing certificates will be issued for a farm with a 75 acre allotment and a normal yield of 24 bushels would be:

24 bu. x 75 acres = 1,800 bu. (the normal production from the farm allotment)

90% x 1,800 bu. = 1,620 bu. (the farm marketing allocation)

45% x 1,800 bu. = 810 bu. (the farm export marketing allocation - the maximum number of bushels for which export marketing certificates would be issued for the farm)

Qualifying for certificates

A wheat producer will qualify for certificates if he meets all the following conditions:

1. Sign up to participate in the programme.
2. Produce an acreage of wheat within the farm wheat allotment.
3. Produce an acreage of wheat within the wheat allotment for any other farm in which the producer has an interest.
4. Keep within the acreage allotments for other crops on the farm. (Feed grains are not allotment crops.)
5. Devote an acreage at least equal to 11.11 per cent of the farm wheat allotment to conservation uses in addition to maintaining an acreage in conservation uses equal to the conserving base for the farm.

Non-certificate wheat

Farmers who participate in the programme and produce more bushels of wheat than the bushels for which certificates are issued will have produced some wheat that is called non-certificate wheat. Although such wheat is not eligible for certificates, it is eligible for a price-support loan based on a national average of \$1.30 a bushel.

Certificates for farms with voluntary diversion

Whenever the normal yield per acre for a farm multiplied by the acres of wheat planted for harvest results in a total number of bushels that is less than the farm marketing allocation, the number of bushels for which certificates will be issued is reduced to the normal yield times the acres so planted.

Assume that the operator of the farm - example used previously - 75 acre allotment and a 24 bushel per acre normal yield - diverted 10 acres of the allotment out of wheat production into conservation uses. Also assume that he planted 65 acres of wheat for harvest. The maximum number of bushels for which certificates would be issued was previously figured to be 1,620 bushels.

With 65 acres of wheat planted for harvest and a normal yield of 24 bushels, certificates would be issued for 1,560 bushels (65 acres x 24 bu. = 1,560 bu.) rather than the possible maximum of 1,620 bushels. The reduction in certificates issued would first be made in export certificates. For example:

The farm would get domestic marketing certificates for 810 bushels

1,560 bu. - 810 bu. = 750 bu. (the amount of wheat for which export marketing certificates would be issued)

Using this same farm allotment of 75 acres and a normal yield of 24 bushels, the farm would receive its full share of domestic marketing certificates (but no export certificates) as long as the normal wheat production on the acres planted for harvest did not fall below 810 bushels. In this instance as little as 33.77 acres could be planted to wheat and still result in normal production of 810 bushels, for which domestic marketing certificates would be available.

Landlord and tenant shares of diversion payments and certificates

The certificates for a farm are to be divided between landlord and tenant in the same proportion as the wheat crop is divided. The diversion payment will be divided between the landlord and tenant as they agree.

The farm conservation base

The Agricultural Stabilization and Conservation county committee will establish a conservation use base for each farm participating in the programme. This base is used in both the feed grain programme and the wheat programme. One of the conditions of eligibility for diversion payments, price-support loans, and certificates is the maintenance of an acreage of conservation use equal to the conservation base. Acres diverted from wheat to conservation uses are in addition to the farm's conservation base or the conservation use requirements of any other programme in which the farm is participating.

Farmers' intentions and diversion payments

Farmers who sign up but fail to divert as many acres of their wheat allotment as specified in their signed intentions will not be eligible for the diversion payment.

For example: If a farmer signs up to divert 30 acres of his wheat allotment to conservation use and diverts only 20 acres, no diversion payment will be made. If, however, the minimum diversion has been made and other programme provisions carried out, the farmer would be eligible for certificates and price-support loans on his wheat.

No advance payment in 1964

No advance payments will be made in 1964. However, the diversion payments will be made and certificates issued as soon as possible after performance has been checked.

Crop failure

Since the certificates issued are based on the acres of wheat planted for harvest and the normal yield for the farm, the appropriate value in certificates will be issued whether or not the acreage planted for harvest, because of bad weather or other unavoidable hazard, produces only part of a crop or no crop at all.

Sign-up dates

Since there is no provision for automatic participation every wheat producer who wants to take part in the programme will need to declare his intentions and sign an agreement. This may be done in the Agricultural Stabilization and Conservation county office for the county in which the producer's farm is located. The sign-up period will extend through 15 May 1964.

Feed grains and wheat

It is not necessary for wheat producers to participate in the 1964 feed grain programme to be eligible for participation in the 1964 voluntary wheat certificate programme.

Programme provisions regarding substitution of wheat for feed grain acreage will not be available in 1964. Any acreage devoted to wheat production on a participating farm will count as wheat acreage.

Handling certificates

Certificates issued to participating wheat producers may be redeemed for cash at the Agricultural Stabilization and Conservation county office. Certificates so redeemed will be sold by the Commodity Credit Corporation to flour millers, other processors and exporters.

Examples of Participation in the 1964 Wheat Programme

Examples of participating farms illustrating diversion payments, price-support loans and certificates follow. In all these examples, it is assumed that an acreage of conserving use equal to the conservation base for the farm is maintained and the acreage diverted from wheat is devoted to approved conservation uses.

1. A farm with a 1964 wheat allotment of 90 acres and a normal yield of 20 bushels to the acre. The county price-support loan rate is \$1.30 a bushel. The entire allotment planted to wheat. The minimum diversion would be:

$$11.11\% \times 90 \text{ acres} = 10 \text{ acres (for diversion payment).}$$

The marketing allocation for the farm would be:

$$90 \text{ acres} \times 20 \text{ bu.} \times 90\% = 1,620 \text{ bu. (the total marketing allocation).}$$

$$\text{Domestic marketing certificates would be issued for } 45\% \times 1,800 \text{ bu.} = 810 \text{ bu.}$$

$$\text{Export marketing certificates would be issued for } 45\% \times 1,800 \text{ bu.} = 810 \text{ bu.}$$

The certificate value would be:

$$810 \text{ bu.} \times \$0.70 = \$567.00 \text{ (domestic certificate value).}$$

$$810 \text{ bu.} \times \$0.25 = \$202.50 \text{ (export certificate value).}$$

The diversion payment would be figured as follows:

$$20 \text{ bu.} \times \$1.30 \times 20\% = \$5.20 \text{ diversion rate per acre.}$$

$$10 \text{ acres} \times \$5.20 = \$52 \text{ diversion payment for the 10 acres diverted.}$$

Price-support loan value of the wheat:

$$90 \text{ acres} \times 20 \text{ bu. (actual yield)} = 1,800 \text{ bu. total production.}$$

$$1,800 \text{ bu.} \times \$1.30 = \$2,340.$$

The wheat from the farm would be eligible for a price-support loan on all of the production.

Total for the wheat crop:

Diversion payment	\$ 52.00
Domestic marketing certificates	567.00
Export marketing certificates	202.50
Price-support loan	<u>2,340.00</u>
Total	\$3,161.50

2. If the same farm used in example 1 above (90 acre allotment; 20 bu. normal yield; \$1.30 price-support loan) had 40 acres of wheat planted for harvest in 1964, the participation results would be:

Minimum diversion: $11.11\% \times 90 \text{ acres} = 10 \text{ acres}$

Maximum additional diversion for payment: $20\% \times 90 \text{ acres} = 18 \text{ acres.}$

The total acres for which the diversion payment could be made would be:

$10 \text{ acres} + 18 \text{ acres} = 28 \text{ acres.}$

The diversion payment rate per acre would be the same as in example 1:

$20 \text{ bu.} \times \$1.30 \times 20\% = \$5.20.$

The total diversion payment would be:

$28 \text{ acres} \times \$5.20 = \$145.60.$

The domestic marketing certificate value would be:

$90 \text{ acres} \times 20 \text{ bu.} = 1,800 \text{ bu.}$ (normal production of allotment)

$90\% \times 1,800 \text{ bu.} = 1,620 \text{ bu.}$ (farm marketing allocation)

$45\% \times 1,800 \text{ bu.} = 810 \text{ bu.}$ (the greatest number of bushels that could be eligible for domestic marketing certificates)

The normal production of the 40 acres planted in wheat for harvest would be:

$40 \text{ acres} \times 20 \text{ bu.} = 800 \text{ bu.}$ (the bushels for which domestic marketing certificates would be issued)

$800 \text{ bu.} \times \$0.70 = \560 (total value of domestic marketing certificates).

There would be no export marketing certificates issued because the normal production of the planted wheat acreage was less than the maximum number of bushels for which domestic certificates could be issued.

If the farm produced a normal yield, the price-support loan value of the wheat would be:

$40 \text{ acres} \times 20 \text{ bu.} \times \$1.30 = \$1,040.$

The total for the above farm would then be:

Diversion payment	\$ 145.60
Domestic marketing certificates	560.00
Loan value	<u>1,040.00</u>
Total from programme participation	\$1,745.60

If the season turned out to be good and the actual yield was 30 bushels to the acre instead of 20 bushels, the only difference would be that there would be 1,200 bushels of wheat available to place under price-support loan instead of 800 bushels as figured above. (No certificates would be available for the extra 400 bushels produced because the certificates are based on "normal yield".) The 1,200 bushels for loan eligibility would increase the total from programme participation by \$520 to a total of \$2,265.60. The producer would not need to place the 1,200 bushels under loan if the market would pay him more.

3. The same farm (90 acre allotment; 20 bu. normal yield and a county price-support loan rate of \$1.30), but 70 acres are planted to wheat:

Minimum diversion: $11.11\% \times 90 \text{ acres} = 10 \text{ acres.}$

Maximum additional voluntary diversion: $20\% \times 90 \text{ acres} = 18 \text{ acres.}$

Diversion payment rate per acre: $20 \text{ bu.} \times \$1.30 \times 20\% = \$5.20.$

Total diversion payment: $28 \text{ acres} \times \$5.20 = \$145.60.$

Maximum bushels for which certificates could be issued:

$20 \text{ bu.} \times 70 \text{ acres} = 1,400 \text{ bu.}$ (This 1,400 bushels is the normal yield of the acres planted for harvest. If 90 per cent of the allotment had been planted, certificates could have been issued for 1,620 bushels.)

Maximum bushels for domestic marketing certificates:

$45\% \times 1,800 \text{ bu.} = 810 \text{ bu.}$

Bushels for export marketing certificates: $1,400 \text{ bu.} - 810 \text{ bu.} = 590 \text{ bu.}$

Total domestic marketing certificate value:

$810 \text{ bu.} \times \$0.70 = \$567.$

Total export marketing certificate value:

$590 \text{ bu.} \times \$0.25 = \$147.50.$

If the crop actually harvested was equal to the normal yield, there would be:

$20 \text{ bu.} \times 70 \text{ acres} = 1,400 \text{ bu.},$ which could be placed under price-support loan at \$1.30 a bushel or sold on the market. The loan value would be \$1,820.

Total from participation in the programme:

Diversion payment	\$ 145.60
Domestic marketing certificates	567.00
Export marketing certificates	147.50
Loan value	<u>1,820.00</u>
Total	\$2,680.10

(This explanation is provided to help in the general understanding of the 1964 wheat programme. It does not replace official instructions and regulations applicable to individual farm situations.)

THE 1964 FEED GRAIN PROGRAMME

A General Explanation

Again in 1964, as in previous years, the feed grain programme is entirely voluntary. Participation in the programme is a matter of individual decision by each producer on farms that produce barley, corn, or grain sorghum. Producers who grow more than one of the feed grains - barley, corn, and grain sorghum - will have a total feed grain base for their farms and may make a choice of diverting from the base acreage to conservation use one or more of these feed grains. The base period is 1959-60.

Although the programme was not available before the planting of fall barley, those farms on which barley, corn, and/or grain sorghum were grown in 1959-60 may participate by reducing corn, barley, or grain sorghum acreage since these crops will have contributed to the farm feed grain base.

Two major improvements have been made:

1. As much as 50 per cent of the total feed grain base may be diverted on any farm. This is up from the 1963 maximum of 40 per cent of the feed grain base.
2. The average payment rate per acre for diverting 40 per cent or more of the base will be substantially higher than in 1963.

The programme is designed to:

1. Raise farm income by assuring fair prices for feed grain producers and by providing a basis for stability for livestock prices.
2. Continue the substantial progress toward the national goal of a 45 to 50 million ton feed grain carryover. Previous programmes have already reduced the carryover from 85 million tons to less than 60 million tons.
3. Reduce programme costs to taxpayers by reducing the storage cost of grain held in government inventory.

Farmers who participate will be eligible for diversion and price support payments, and price support loans on their 1964 production of the three grains. The price support payments will be made to those participating whether the feed grain produced in 1964 is fed on the farm, sold, or placed under a price support loan.

The principal points of the 1964 feed grain programme are:

1. The programme is voluntary.
2. It applies to barley, corn and grain sorghum, which together are referred to as the "total feed grain base" in this programme explanation.

3. To take part in the programme, a farmer agrees to take out of production at least 20 per cent of the total feed grain base for his farm.
4. The farmer who diverts as many acres as he signs up to divert and otherwise complies with the programme earns a payment for acreage diversion and becomes eligible for the feed grain price support. However, he is not eligible for payments or price support if the feed grain acreage exceeds the feed grain base on any other farm in which he has an interest.
5. Diversion payments based on the farm's established normal yield and the local price support rate will be made on qualifying acreage taken out of production.
6. Price support payments of 15 cents a bushel, based on the established normal yield for the farm, will be made on the 1964 acreage of corn. A similar payment will be made on barley at 12 cents a bushel and on grain sorghum at 23 cents a hundred pounds. The same per bushel and per hundred pounds price support payment rates will apply to all complying farms.
7. Advance payments for diversion - up to one-half of the amount of the diversion payment for taking feed grain acreage out of production - may be made upon request at sign-up time or later.
8. Price support loans, purchase agreements and the price support payment for corn, barley, and grain sorghum will be available only to those who sign up to take at least 20 per cent of the total feed grain base for their farms out of 1964 crop production and devote that acreage to conservation uses and maintain the normal conserving base acreage for the farm. Price support loans and purchase agreements for those who take part in the programme will be available for their entire production of corn, grain sorghum and barley in 1964.

Producers who co-operate with the Government in the effort to continue reducing supplies of feed grains will thus receive financial returns for acreage diverted from feed grain production, plus support prices, including price support payments, for the feed grains they produce.

Although the programme is entirely voluntary, those producers who choose not to sign up in the programme will not be eligible for price support on corn, grain sorghum or barley.

General

Producers on farms that grew these grains in either 1959 or 1960, or in both years, may take part in the 1964 feed grain programme. Only those taking part are eligible for price support on their 1964 crops of corn, barley and grain sorghum and for the diversion payment.

A general explanation of the programme and the requirements for taking part - becoming a participant - are given on the following pages.

Producer declaration of intention to take part

ASC County offices will have forms on which a farmer may declare his intention to participate in the programme.

Farm acreage information

From information previously supplied by producers, county ASC committees have determined barley, corn, and grain sorghum base acreages and the total feed grain base acreage for all farms known to have produced feed grains in 1959 and 1960. Farm yields and diversion rates of payment also have been determined, and farmers will receive a notice of these determinations. However, this action is not a sign up in itself - the producer who wants to take part must still file his declaration of intention to participate in the programme at the ASC county office.

How much reduction?

The smallest number of acres of the farm feed grain base that can qualify under the programme is calculated from the established feed grain base for the farm. That acreage is 20 per cent of the total feed grain base. If more than one of the feed grains is grown on the same farm, the reduction may be made in any one crop or part in each crop. The payment will be made for the feed grain or grains actually reduced - if the base is made up of corn and grain sorghum and the entire reduction is made in grain sorghum, the diversion payment will be figured on grain sorghum.

The largest number of acres that can be taken out of production for diversion payment and used for conservation depends on the size of the farm's total feed grain base.

If the feed grain base is 25 acres or less, the base becomes the largest acreage that can be taken out of production for payment. If the farm feed grain base is more than 25 acres, the largest acreage that can be taken out of production for payment is 25 acres or 50 per cent of the base, whichever is larger.

For example; if a farm has a feed grain base of 22 acres - the smallest acreage that would qualify the farm would be 20 per cent of 22 acres or 4.4 acres. The largest acreage that could be taken out of production for payment would be 22 acres.

For example; if a farm has a feed grain base of 48 - the smallest acreage to qualify the farm would be 20 per cent of 48 acres or 9.6 acres. The highest acreage that could qualify for payment under the programme would be 25 acres, since 25 acres is larger than 50 per cent of the farm feed grain base.

For example; if a farm has a base of 80 acres, the smallest acreage to qualify the farm would be 20 per cent of 80 acres, or 16 acres. The largest acreage for which the farm could receive a diversion payment would be 50 per cent of 80 acres, or 40 acres.

Total acres of conservation use

The cropland acres diverted to conservation uses under the 1964 feed grain programme are to be in addition to the farm's average acreage devoted to conservation use for 1959 and 1960 (the base years) and any acreage diverted to conservation use under other Federal programmes.

Permitted acres of feed grains

Each participating farm will have a total permitted acreage for the feed grains, corn, barley and grain sorghum.

After a farm operator decides how many acres of his feed grain base he will take out of production (his intention), that acreage is subtracted from the total feed grain base. The result is the permitted acres of feed grains for 1964. The permitted acres then becomes the largest total acreage of corn, barley, and grain sorghum that can be produced on the farm in 1964 if the producer expects to qualify for diversion and price support payments, and for price support loans.

Eligibility for 1964 crop-feed grain support

A producer of corn, barley, or grain sorghum, to qualify for price support on 1964 crops of these feed grains, must:

1. Sign up for the 1964 programme at the ASC county office. The period during which feed grain producers may file intentions to participate in the 1964 feed grain programme (the sign-up period) extends from February 10, 1964 through March 27, 1964.
2. Comply with his intended diversion from his feed grain base as stated in his sign-up papers.
3. Use the acres taken out of feed grain production for conservation use in addition to the conservation use base acreage for the farm.
4. Stay within the feed grain base on all other farms in which he has an interest.

Price support rates

The total price support for 1964 for corn, barley, and grain sorghum is in two parts:

The loan rate for corn is \$1.10 a bushel, national average, and the price support payment is 15 cents a bushel, making a total price support rate of \$1.25 a bushel, national average.

For barley, the national average loan rate is 84 cents a bushel and a price support payment rate of 12 cents a bushel, making a total national average price support rate of 96 cents a bushel.

For grain sorghum, the national average loan rate is \$1.77 per cwt. and the price support payment rate is 23 cents per cwt., making a total average price support payment rate of \$2.00 per cwt.

Loan rates will be calculated for each county in which each of the crops is grown, in the same manner as county loan rates have been determined in the past.

The price support payment will be made to those taking part in the programme. If more than one of the three feed grains is produced on a farm, a separate per-acre rate will be established for each feed grain.

The price support payment, based on each producer's share in the crop, will be made to all participants in the programme who plant feed grains for harvest, and will be made regardless of the use made of the grain. The producer may sell the grain or feed it if he wishes and still receive the payment.

Payment rates for diversion

For each farm two diversion payment rates per acre will be figured for each of the three eligible feed grains - barley, corn, and grain sorghum.

One of these, the lower rate, will be based on the established normal yield for the farm times one-fifth of the county total price support rate (price-support loan rate plus the price-support payment rate).

The higher rate is based on the established normal yield for the farm times one-half the total price support rate for the county. If less than 40 per cent of the base is diverted the lower rate will apply to the number of acres equal to 20 per cent of the feed grain base and the higher rate to the acreage diverted in excess of 20 per cent.

If the acreage diverted is equal to 40 per cent of the base or more this higher rate of diversion payment applies to the entire acreage diverted.

However, a provision of law limits the diversion payment to no more than 20 per cent of the fair market value of the land diverted in 1964.

Producers who cash rent publicly owned cropland, whether Federal, State, or county, should consult the ASC county office for diversion rates for such cropland.

Diversion payment when base is 25 acres or less

On farms on which the feed grain base is 25 acres or less, the following examples show the method of applying the rates of diversion payment:

Assume that a farm has a feed grain base of 21 acres (all corn) with rates of diversion payment of \$15 an acre for the first 20 per cent diversion (the lower rate) and \$37.50 an acre for the acres diverted above 20 per cent of the base.

1. If the operator diverts only 20 per cent of the base, which is the minimum for a participating farm, the diversion payment would be figured in this way:

20 per cent of 21 acres = 4.2 acres
4.2 acres times \$15.00 = \$63.00 total diversion payment

2. If the operator diverts more than 20 per cent of the base and less than 40 per cent, say 8 acres - 3.8 acres more than the minimum to be a participant - the diversion payment would be:

20 per cent of 21 acres = 4.2 acres
4.2 acres times \$15.00 = \$63.00
8 acres minus 4.2 acres = 3.8 acres diverted above the minimum
3.8 times \$37.50 = \$142.50
The total diversion payment would be \$63.00 plus \$142.50
= \$205.50

3. If the operator diverted at least 40 per cent of the base, the diversion payment would be the acres for payment times \$37.50. For example, if the entire base is diverted, the payment would be:

21 times \$37.50 = \$787.50

Diversion payment when base is more than 25 acres

For farms with feed grain bases of more than 25 acres, the smallest number of acres that can be diverted for payment is 20 per cent of the total feed grain base. The largest number of acres that can be diverted for payment is 50 per cent of the total feed grain base or 25 acres, whichever is larger.

For example: assume that a farm has a feed grain base of 80 acres with payment rates of \$15.00 an acre for the low rate and \$37.50 per acre for the high rate and that 30 acres are diverted. The number of acres to which each rate would apply would be figured this way:

20 per cent of 80 acres = 16 acres
Since the 30 acres diverted is more than 20 per cent of the feed grain base, there would be 14 acres diverted to which the higher rate would apply.
The total diversion payment then would be:

16 times \$15.00 = \$240.00
14 times \$37.50 = \$525.00
Total diversion payment \$765.00

The operator of this farm could divert more acres, for example, 40 per cent of the feed grain base and get the high rate of diversion for every acre diverted. Then the diversion payment would be figured this way:

40 per cent of 80 acres = 32 acres
32 times \$37.50 = \$1200.00 total diversion payment

There is another choice for the operator of a farm such as this one - he may choose to divert for payment as much as 50 per cent of the farm feed grain base and get the high rate of payment for every acre diverted. If that many acres were to be diverted, the payment would be figured this way:

50 per cent of 80 acres = 40 acres
40 times \$37.50 = \$1500.00 total diversion payment

The price support payment

The price support payment on participating farms is made on the basis of the established normal yield and the number of acres planted for harvest in 1964. The price support payment for each of the three feed grains is the same for all participating farms, regardless of the location. For example, the price support payment rate for corn is 15 cents a bushel in every county.

Assume that a farm has a feed grain base of 80 acres (corn), and that 20 acres are diverted from the feed grain base to conserving use as the owner had agreed to do when he signed up to participate. Sixty acres of corn are planted and the normal yield is established at 80 bushels. All other requirements for a participating farm are met.

The price support payment would be figured in this way:

60 x 80 bushels = 4,800 bushels
4,800 bushels x \$0.15 = \$720.00

In addition, the entire production from the 60 acres of planted corn would be eligible for a price support loan at the rate per bushel for the county in which the farm is located. (The national average loan rate for corn is \$1.10 a bushel.)

The price support payment of \$0.15 a bushel would be made even if the corn produced on the 60 acres were fed to livestock on the farm or if part of the production were sold, placed under price support loan, or not harvested.

On farms where the entire feed grain base is diverted to a conserving use or where no feed grains are planted for harvest there would be no price support payment.

A provision of law also limits the price support payment to no more than 20 per cent of the fair market value of the land planted to feed grains for harvest in 1964.

Use of diverted acres

The acres diverted from the production of feed grains under the programme are to be used for approved conservation measures (with exception of substitute crops) if the participating farm is to remain eligible for diversion payments, price support payments, and price support loans. Erosion, weeds, rodents, and insects are also to be controlled on the diverted acreage.

Grazing on diverted acreage under the 1964 feed grain programme is not permitted except as authorized by the ASC county committee.

Planting approved substitute crops on diverted acres

Castor beans, guar, mustard seed, safflower, sesame, or sunflower may be planted on the acreage diverted from the feed grain base. If this is done, the rate of diversion payment on the diverted acreage planted to one of the approved substitute crops will be a percentage of the lowest diversion payment rate for the farm. The percentages are as follows:

Castor beans	50 per cent
Guar	50 per cent
Mustard seed	30 per cent
Sesame	50 per cent
Safflower	No diversion payment
Sunflower	30 per cent

Diverted feed grain acreage used for the approved substitute crops is counted in meeting the total diverted acreage that the operator of a farm agreed to divert when he signed up to take part in the programme.

Conservation uses

The diverted acreage may be devoted to the following conservation uses:

1. Permanent-type or rotation cover of grasses and legumes.
2. Temporary cover of grasses or legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other uses.

Each ASC county office has a list of conservation uses that have been approved for the county.

Diverted acres in connection with the Agricultural Conservation Programme and the Great Plains Conservation Programme

Participation in the feed grain programme will not prevent a farmer from applying for assistance under the Agricultural Conservation Programme or the Great Plains Conservation Programme in establishing conservation uses on the diverted acres. The ASC county committee may approve ACP cost-shares on the diverted acres. This assistance is not guaranteed. Those interested in the Great Plains Conservation Programme should consult any USDA representative in the county.

Making payments

Each participating feed grain producer has a choice of receiving the diversion payment and the price support payment as a certificate that may be redeemed in grain or as a sight draft cashable at any bank.

Advance payment

At the time he files his intention-to-participate form, a producer may also make a request to the ASC county office for an advance payment not to exceed one-half his estimated total diversion payment for participation in the programme. If he takes an advance payment, he will receive the balance of his diversion payment probably about September 1, after performance on the farm has been established. The price support payment will also be made at the time the final diversion payment is made.

Division of payments

The application for payment will show any division of the diversion payment between the landlord and the tenant. ASC county committees have the responsibility to satisfy themselves that the division of the diversion payment is fair. The price support payment will be divided among producers as they share in the 1964 crop.

To participate

To participate in the 1964 feed grain programme, the following steps should be taken: a farmer first supplies his county ASC office with an acreage report if that was not done under the 1961, 1962, or 1963 programme or in preparation for the 1964 programme. That report shall include the acreage and crops produced on his farm in 1959 and 1960. (Most farmers already have supplied this information to the county ASC offices.)

On the basis of the information filed by the farmer, the ASC county committee establishes a feed grain base and a conserving acreage base for the farm. If the farmer has been producing only corn, the base is figured from the acreage of corn, or if only grain sorghum is produced, the base is figured from the acreage of grain sorghum, or if only barley is produced, it is figured from the acreage of barley. If more than one of these crops is produced, separate base acreages will be determined for each crop. The total base represents the sum of the separate bases.

Owners and operators will receive a notice of base acreages, yields and diversion payment rates for the farm.

The next step is for the farmer to complete and file at the ASC county office, not later than the final date (March 27, 1964), an intention-to-participate form. If he wants an advance payment, he will so indicate at that time. After this form is filed, the farmer then will have the responsibility of (1) diverting acreage from corn, barley, and/or grain sorghum in total to the extent indicated, (2) designating the acreage of land to be diverted and establishing conservation use

on such land, (3) maintaining the conservation base acreage on his farm, and (4) not exceeding the total feed grain base on any other farms in which he has an interest. (Intentions to participate may be changed until the March 27 deadline is reached.)

A participant has these advantages

1. Price support will be available for his 1964 production of corn, grain sorghum, and barley.
2. A substantial income from the acres diverted is assured regardless of drought, flood, insects, hail, or crop disease.
3. The price support payment on the established yield on the planted acreage is also assured.
4. An advance payment not to exceed one-half of the estimated total diversion payment, at the participant's request, will be made at the time of signing up or as soon as possible after that time.

Land eligible for diversion

Generally, cropland may be designated as diverted acreage if it meets one of the following conditions:

1. Has been used for the production of small grains or row crops in at least one of the years 1960, 1961, 1962, or 1963.
2. Has been devoted to a hay crop all during the 1960-63 period in a normal rotation pattern and is equal in productivity to the land on which feed grains have been produced.
3. Designated as diverted acreage under the 1961, 1962, or 1963 feed grain programmes or the 1962 or 1963 wheat stabilization programme, except such designated land as has been planted to trees or is used for water storage.

(Eligibility of specific acreage for diversion should be obtained from the ASC county office.)

Producers with an interest in more than one farm

A producer with an interest in more than one farm may participate in the programme on one farm and receive diversion and price support payments and be eligible for price support loans on the feed grain he produces on that farm provided the acreage devoted to feed grains on any other farm in which he has an interest does not exceed the farm feed grain base.

PRICE SUPPORT - OATS AND RYE

The 1964 national average loan and purchase agreement rate for oats is 65 cents per bushel and for rye is \$1.07 per bushel. Eligibility for price support on these two grains does not require participation in the 1964 Feed Grain Programme.

(This explanation is provided to help in the general understanding of the 1964 feed grain programme. It does not replace official instructions and regulations applicable to individual farm situations.)

The period during which feed grain producers may file intentions to participate in the 1964 feed grain programme (sign-up period) extends from February 10, 1964 through March 27, 1964.