

1961 FEED GRAIN PROGRAM*

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1. What are the stated purposes of the emergency feed grain program?

The stated purposes of the new program are to (a) increase farm income, (b) reduce the ultimate feed grain program costs to the taxpayer, (c) assure the consumer of an abundant supply of meat, eggs, and dairy products at fair and stable prices, and (d) curtail the further build up of feed grain surplus and reduce it if possible.

2. What are the program goals?

It is hoped at least 60 percent of the nation's feed grain producers will participate. Participation at this level is expected to reduce corn acreage by almost 10 million acres and grain sorghums by over 2 million acres. Other goals include a 10 percent boost in feed grain producer incomes and a \$500 million reduction in feed grain program costs.

3. How long will the emergency feed grain program be in effect?

It is a temporary measure and applies only to 1961 crops.

4. Is participation voluntary?

Yes. All participation in the program is on a voluntary basis.

5. What are the sign-up dates for the feed grain program?

These are not definitely settled, but they probably will begin about mid-April and end nationally June 1. County A.S.C. committees must determine the corn acreage base and normal production for each farm and notify farmers before actual sign up can begin. The State A.S.C. Committee may establish an earlier ending date.

6. Who may participate?

All producers of field corn and grain sorghum whether for grain, fodder, or silage. Farmers who did not produce field corn and grain sorghum in 1959 and 1960 but who did produce oats, barley, or rye can receive price support on these crops. Farmers producing only oats, barley, and rye and no corn or grain sorghum in the base period are not required to reduce acreage of these feed grains.

7. What will a participant receive?

He is eligible for (a) price support, and (b) payment for each acre diverted to a conservation use. Non-participants are not eligible for either supports or payments for diverted acreage.

8. What is required for participation in the program?

a) Each participant reduces his acreage of corn and grain sorghum below his 1959-60 adjusted average acreage by a minimum of 20 percent. He may elect to divert additional acreage within certain limits.

*Prepared April 4, 1961. Changes in regulations may occur that would change some of the answers.

- b) Acreage removed from production must be diverted to an approved conservation use.
- c) He must control weeds, insects, and rodents if the county A.S.C. committee determines this to be necessary.

9. What is meant by a 1959-60 adjusted average acreage base?

The 1959-60 base refers to the average acreage on farms which were devoted to field corn and sorghums in the crop years 1959 and 1960 adjusted for "abnormalities" in the normal acreage grown.

10. Can the average acreage be adjusted?

Yes. The county A.S.C. committee can adjust the average acreage downward if there appears to be a proportionally large acreage of corn to other crops. The A.S.C. committee can adjust the average acreage upward if weather or other factors reduced the normal plantings.

11. Will sorghum acreage be included in the acreage base?

Yes. If a farmer grew sorghum in 1959 and/or 1960, it will be included in the calculation of the base. If sorghum is grown in 1961, it is included in the acreage of field corn and sorghum he can harvest and receive price support for. There are such few acres of sorghum grown in Ohio, the reference to sorghum will be omitted from here on, but anyone growing sorghum must remember to include it.

12. Is corn silage included in the corn base?

Yes. Corn planted in the 1959-60 base period for silage is included in the corn base. Corn acreage used for silage in 1961 is included along with other field corn acreage in determining compliance.

13. Are popcorn and sweet corn included in the corn base?

No. Both are excluded from the 1959-60 base period.

14. How many acres must be removed from production?

The number of acres which must be removed from production under the program is dependent upon the size of each producer's 1959-60 base. The alternatives are as follows:

- a) The farmer with a 1959-60 base of up to 25 acres may divert for payment either (1) a minimum of 20 percent, (2) a maximum of his total base acreage, or (3) any acreage between the minimum and maximum.

Farmer A has a 1959-60 base of 25 acres. To participate, he must remove a minimum of 5 acres. He can remove up to a total of 25 acres or any acreage between 5 and 25 acres.

Farmer B has a 1959-60 base of 15 acres. To participate, he must reduce his acreage of corn by a minimum of 3 acres. He can choose to divert 15 acres or any acreage between 3 and 15 acres.

NOTE: The same minimum applies to all producers. At least 20 percent of the adjusted average corn acreage must be diverted to conservation uses in order to be eligible for price support and diversion payments.

- b) The producer with a 1959-60 base of 20 to 100 acres has three major alternatives. He may divert for payment either (1) a minimum of 20 percent of his base, or (2) 20 acres plus 20 percent of his base, or (3) anything between the other two alternatives.

Farmer C has a 1959-60 base of 26 acres. He can remove either (1) a minimum of 5.2 acres, (2) 20 acres plus 5.2 acres or a total of 25.2 acres, or (3) any acreage between 5.2 and 25.2 acres.

Farmer D has a 1959-60 base of 80 acres. He may remove from production either (1) a minimum of 16 acres, (2) 20 acres plus 16 more acres or a total of 36 acres, or (3) any acreage between 16 and 36 acres.

Farmer E has a 1959-60 base of 50 acres of corn. He may remove from production either (1) a minimum of 10 acres, (2) 20 acres plus 10 acres or a maximum of 30 acres, or (3) any acreage between 10 and 30 acres.

- c) The producer who has a 1959-60 base of 100 acres or more has three major alternatives. He may divert either (1) a minimum of 20 percent of his base, (2) 20 percent of his base plus another 20 percent of his base, or (3) any acreage between the minimum 20 percent and up to another 20 percent of his base acreage.

Farmer F has a 1959-60 base of 160 acres. He may remove either (1) a minimum of 32 acres, (2) a maximum of 64 acres, or (3) any number of acres between 32 and including 64 acres.

The following table provides both the minimum and the maximum acreage which a farmer may divert from production with some various base acreages:

<u>Base Acreage</u>	<u>Minimum Participation</u>	<u>Maximum Participation</u>
5	1	5
10	2	10
20	4	20
25	5	25
30	6	26
60	12	32
90	18	38
100	20	40
150	30	60
200	40	80

- 15. What if a farmer makes a mistake in measurement and his diverted acreage turns out to be 18 percent -- rather than the minimum 20 percent required?

This will disqualify him for price support and diversion payments. Farmers should protect themselves by taking out slightly more than 20 percent.

- 16. What conservation uses are possible on the diverted acres?

A.S.C. committee-approved conservation uses may vary from county to county. Farmers can choose from the following possibilities:

- a) Permanent-type rotation cover of grasses and legumes.
- b) Temporary cover of grasses, legumes, or small grains.
- c) Water storage.
- d) Wildlife food or habitat plantings.

- e) Trees or shrubs.
- f) Cropland in volunteer natural cover or in protected summer fallow, if the county A.S.C. determines it is not practicable to establish cover.

17. Can I get A.C.P. cost-sharing for the establishment of the conservation practice?

If the county A.S.C. desires, and if they are in the county A.C.P. handbook, farmers may receive A.C.P. cost-sharing payments. Such cost-share assistance is not guaranteed.

18. May the diverted acreage be harvested or pastured?

No. The acreage diverted from production under the Feed Grain Program can be neither harvested nor pastured.

19. Are these conservation uses in addition to those used in 1959-60?

Yes. The acreage removed from corn production is diverted to additional conserving uses.

Farmer G has grown in 1959-60 an average of 30 acres of corn, 30 acres of soybeans, 30 acres of small grain and 30 acres of rotated meadow crops (conserving base). His corn base is 30 acres; he has a conserving base of 30 acres and 60 acres of other crops. He chooses to reduce corn acreage a minimum of 20 percent or 6 acres. His acreage of corn will be 24 acres. He must add 6 acres of grass, trees, or ponds to his conserving base and have a total of 36 acres in conserving crops. He can not graze or harvest the 6 additional acres of his conserving base.

20. What can Farmer G do with the other 60 acres?

He can grow any crops he so desires in the amount he desires.

21. What does the participant receive?

Those producers who reduce their acreage of corn a minimum of 20 percent and increase their conserving base by an equal acreage are eligible to receive the following:

- a) Price support on the "normal production" of their 1961 planted corn and grain sorghum acreage.
- b) Price support on the total production of their 1961 oats, barley, rye, and soybean acreage, provided the acreage devoted to conserving base is not less than the 1959-60 average plus the diverted acres.
- c) Payment for each acre diverted to a conservation use.

22. What does normal production mean?

"Normal production" refers to the average adjusted 1959 and 1960 yields.

23. How is normal production (yields) determined?

The township and county A.S.C. use the county average yields and each farm is rated according to its productivity from the county average yields. Some farms will be above the county average and others will be below the county average.

24. What if a farmer is not satisfied with his adjusted corn acreage base or his normal yields?

He can appeal to the local A.S.C. committee. Evidence presented on past performance will be considered. County A.S.C. committee decisions can be appealed to the state A.S.C. committee.

25. Will the 1960 price supports remain in effect?

No. A new level of price supports for the 1961 crop have gone into effect for those who participate. The national average support price for participants on corn has been raised from \$1.06 a bushel to \$1.20; grain sorghums from \$1.52 a hundredweight to \$1.93; oats from 50 cents a bushel to 62 cents; rye from 90 cents a bushel to \$1.02; and barley from 77 cents a bushel to 93 cents.

26. As a participant, what support price can I expect for my crop?

In most counties, the support price for corn will be about 14 cents a bushel more than in 1960. In Ohio, price supports will probably vary from about \$1.22 to about \$1.29 per bushel for the 1961 crop.

27. What will be the "net farm price" of corn placed under price support in off-farm storage?

The "net farm price" of corn is the county price support minus the additional costs necessary to condition and handle the corn for storage. These costs in the past to take-over time in July, have been around 20 cents per bushel. These charges are between farmers and warehousemen.

28. Can a farmer store the corn for price support on his farm?

Yes, just as in the past. However, some incentives are being considered to encourage more on-farm storage. Check with your A.S.C. office if you are interested.

29. On how many bushels can a participant get corn support prices?

Participants reducing their acreage of corn to comply with the regulations, can receive price support on their planted acreage multiplied by their normal yields. This is the maximum number of bushels for which a participating farmer can receive support prices.

Farmer G has a corn base of 30 acres. His reduction must be a minimum of 6 acres. The normal yield is 70 bushels per acre. The amount of corn he can receive price support (at his county average support rate) is 1,680 bushels, provided 24 acres were planted (30 acres - 6 acres = 24 acres x 70 bushels = 1,680 bushels).

Farmer H has a base of 30 acres with a normal yield of 40 bushels per acre. He can receive support price on 960 (30 - 6 = 24 x 40 = 960) bushels, provided 24 acres were planted.

30. If a participant produces more bushels than he can receive price supports on, what can he do with "extra" corn?

He can feed it or sell it on the market for whatever it brings.

Farmer H qualified for price support by reducing his corn acreage 20 percent. He boosts his yield above the 1959-60 average by applying more fertilizer to his 1961 corn acreage than he normally uses. By using the above normal amounts of fertilizer, he boosts his yield from 40 bushels to 70 bushels per acre. Farmer H would receive price support on 40 bushels per acre or 960 bushels. He receives no price support on the "extra" 30 bushels per acre or on the total extra 720 bushels.

31. Can a participant plant less than his minimum permitted acreage and receive price support on the number of bushels of corn he would produce on the permitted acreage?

No. He is eligible for price support on only the bushels grown on the acres of corn planted times his normal yield.

Farmer G in questions 19 and 20 can grow up to 24 acres of corn and be eligible for price support. If he plants 18 acres (or any other number of acres below his permitted 24 acres) he can receive price support on 1,260 bushels (18 acres x 70 bu. = 1260 bu.). He is eligible for price supports only on the bushels up to 1,260 -- not on any over 1,260 bushels.

32. What can Farmer G do with the extra six acres (question 31)?

He can grow any crop he wants except corn or grain sorghum provided the conserving base is equal to his 1959-60 base plus the 6 acres diverted.

33. What will be the price support level for Farmer G on soybeans?

Participants reducing their corn acreage and increasing their conserving base are eligible for price supports on soybeans at a national average rate of \$2.30 per bushel.

34. Can non-participants receive price support on soybeans?

Yes, they are eligible for soybean price at \$2.30 per bushel if they do not decrease the average acreage of conserving crops on their farm from the 1959-60 base.

35. Are non-participants eligible for price supports on corn, grain sorghum, oats, barley, and rye?

No. Only participants are eligible for price supports.

36. Can a farmer reduce his corn acreage 20 percent, plant soybeans and receive price support on corn?

No. A requirement for corn supports is that the conserving base must be increased. Soybeans are not considered a conserving crop for the program, so he is ineligible for price support on corn.

37. What is the rate of payment for diverting acreage to a conservation practice?

Three different basis rates will be paid, depending upon how much acreage is removed from production.

- a) The payment rate per acre for the first 20 percent will be paid at 50 percent of the normal production of the acreage diverted x the county support price.

Farmer I has a 1959-60 corn base of 25 acres. He elects to divert 5 acres. Assuming that the county support price for corn is \$1.20 and Farmer I's normal production is 60 bushels per acre, the payment rate per acre for the 5 acres would be:

$$50\% \text{ of } 60 \text{ bu.} = 30 \text{ bu.} \times \$1.20 = \$36.00 \text{ per acre} \times 5 \text{ acres} = \$180.00$$

- b) The payment rate per acre for an additional 20 percent will be paid at 60 percent of the normal production of the acreage diverted x the county support price.

Farmer I elects to divert another 5 acres to conservation use. His payment on the next 5 acres would be:

$$60\% \text{ of } 60 \text{ bu.} = 36 \text{ bu.} \times \$1.20 = \$43.20 \text{ per acre} \times 5 \text{ acres} = \$216.00$$

- c) The payment rate per acre for any diversion above 40 percent will be figured at 50 percent of the normal production.

Farmer I has a corn base of 25 acres. He can elect to divert (1) 5 acres (20 percent), (2) another 5 acres (additional 20 percent), or (3) up to 25 acres (20 acres plus 20 percent) of his base. His normal yield is 60 bushels per acre. There are three calculations necessary to determine the total payment when the entire base is consigned. He will receive:

- 1) Payment for the first 20 percent--
 $50\% \text{ of } 60 \text{ bu.} = 30 \text{ bu.} \times \$1.20 = \$36.00 \text{ per acre} \times 5 \text{ acres} = \$180.00.$
- 2) Payment for the second 20 percent--
 $60\% \text{ of } 60 \text{ bu.} = 36 \text{ bu.} \times \$1.20 = \$43.20 \text{ per acre} \times 5 \text{ acres} = \$216.00.$
- 3) Payment for all over 40 percent--
 $50\% \text{ of } 60 \text{ bu.} = 30 \text{ bu.} \times \$1.20 = \$36.00 \text{ per acre} \times 15 \text{ acres} = \$540.00.$
- 4) His total payment is--
 $\$180.00 + \$216.00 + \$540.00 = \936.00

38. Then, you only receive a payment rate of 60 percent of the normal yield for the second 20 percent?

Yes.

39. What if a farmer wants to divert 30 percent of his corn base?

He will receive a payment at two different rates. One portion at 50 percent of normal yield and another portion at 60 percent.

Farmer J has a 1959-60 corn base of 160 acres. His minimum diversion is 32 acres and his maximum diversion is 64 acres. He diverts 48 acres above his conserving base. He has a normal yield of 60 bushels per acre. The calculation is as follows:

- a) Payment for the first 20 percent--
 $50\% \text{ of } 60 \text{ bu.} = 30 \text{ bu.} \times \$1.20 = \$36.00 \text{ per acre} \times 32 \text{ acres} = \$1,152.00$
- b) Payment for the next 20 percent--
 $60\% \text{ of } 60 \text{ bu.} = 36 \text{ bu.} \times \$1.20 = \$43.20 \text{ per acre} \times 16 \text{ acres} = \691.20
- c) His total payment is $\$1,152.00 + \$691.20 = \$1,843.20$

40. Is there any total dollar limit on the amount a farmer can be paid for diverting acreage?

No. As long as a farmer meets the requirements of the program, he is eligible for full payment regardless of the total amount.

41. When may participants expect payment?

An advance of about 50 percent may be paid prior to "determination of performance." Whenever possible, these advance payments will be made at the time the producer signifies his intention of participating. The remainder of the payment will be paid later, on proof of compliance in the program.

42. In what form will participation payments be made?

Payments will be made in the form of negotiable certificates carrying a dollar value. Farmers may redeem these certificates for cash or for government grain, as they choose.

43. Will government-held surplus grain be involved in this program?

Yes. As participants redeem the negotiable certificates, which represent grain from Commodity Credit Corporation stocks, this grain will become available for market and farm use in competition with grain from 1960 and 1961 production.

44. Will non-participants miss anything by not enrolling in the program?

- a) Non-participants will not be eligible for price support on any feed grain -- corn, grain sorghum, oats, barley, or rye -- grown in 1961.

- b) Marketings of government grain may be used to prevent the market price from rising.

45. What will be the market price of corn?

This is an imponderable. The amount of corn C.C.C. can sell depends upon the amount of sign up and the amount of "out of condition" corn disposed of in the market place from now until October 31, 1962.

46. Can non-participants build up their acreage base for future programs?

The Department of Agriculture will recommend that any legislation involving establishment of base acreage for production adjustment give no advantage to producers who do not participate in the 1961 feed grain program. Acreages of crops grown in 1961 will not be used if this recommendation is followed.

47. Can a participating farmer plant fall-seeded small grain on the acreage diverted below the corn base?

Yes. The fall-seeded grain will be harvested in 1962. This program applies only to crops harvested in 1961.

48. What if a landlord owns more than one farm and exceeds the corn base acreage on one of his farms?

If the corn base acreage is exceeded on any farm owned by the landlord, his share of the feed grains on this farm and all other farms owned by the landlord are ineligible for price support.

Landlord A owns three farms. The corn base on farm A is 20 acres, farm B, 40 acres, and farm C, 35 acres. The tenant on farm A plants 20 acres of corn, farm B participates and plants 32 acres of corn, but the tenant on farm C plants 40 acres of corn exceeding his 1959-60 base. The landlord is ineligible for price support on the normal total production of corn on farm B.

Landlord B owns two farms. The corn base on farm A is 65 acres and on farm B it is 40 acres. The tenant on farm A reduces the acreage of corn 20 percent to 52 acres. The tenant on farm B plants 39 acres of corn. The landlord is eligible to receive price support on the corn grown on farm A. The tenant is also eligible if he did not exceed his base on any other farm. Neither the landlord nor tenant are eligible for price support on feed grains on farm B. They may be eligible for price supports on soybeans if the conserving acreage is not reduced.

49. Does a tenant farming a number of farms have to comply with all the corn bases on all farms?

Yes. The same rule applies to tenants as to landlords (question 48).

50. Are tenants protected?

The decisions regarding tenant-landlord relations are up to the county A.S.C. committee. Signed leases and past farming arrangements will help guide the decisions.

51. What can a farmer do when he purchases a farm with no corn base?

The decision of whether a corn base will be established is up to the local A.S.C. committee.

52. Can a livestock producer participate in the program?

Yes, providing he meets all the requirement of the program. He should consider the possibility of placing corn under loan and buying the corn on the open market.

53. How can I determine whether I should participate in the Feed Grain Program?

There are many factors to consider and no one answer can be given. An illustrative method follows which may be useful in determining the income possibilities. A blank is provided for your farm in which you can fill in your figures.

Assumptions:

- Farm has a corn and grain sorghum acreage base of 50 acres (1959-1960 average).
- A "normal" yield of 70 bushels of corn per acre has been established for the farm by the county committee.
- An average yield of 80 bushels of corn will be harvested on this farm in 1961.
- Open market corn price will be \$1.00 per bushel for the 1961 crop.
- The county support price on the 1961 crop will be \$1.20 per bushel.
- Approved storage is available on the farm for 5000 bushels of corn.
- Livestock farmers will consider possibility of receiving support price on own corn and buying corn to be fed at open market prices.

1961 Land Use and Cropping Program (With and Without Participation)

Crop or Use	Without Participation	With Minimum Diversion of 20%	With 40% Diversion	My Farm % Diversion
Corn and grain sorghum	50 acres	40 acres	30 acres	_____
Wheat (farm allotment)	20 acres	20 acres	20 acres	_____
Crops other than corn and grain sorghum	30 acres ^a	30 acres	30 acres	_____
Hay (1 year)--(conserving base)	50 acres	50 acres	50 acres	_____
Retired or diverted corn land	0 acres	10 acres	20 acres	_____
Building site, roads, lanes, etc.	10 acres	10 acres	10 acres	_____
Total Acres in Farm	160 acres	160 acres	160 acres	_____

H RECEIPTS from corn crop

Use your own figures

Government corn loan				
\$1.20 per bushel	0	\$3360.00 ^b	\$2520.00 ^c	_____
Value of corn on open market @ \$1.00 per bushel	\$4000.00 ^d	400.00 ^e	300.00 ^f	_____
Government payment on diverted acres	0	420.00 ^g	924.00 ^h	_____
Total Cash Receipts from Corn Crop (A)	\$4000.00	\$4180.00	\$3744.00	_____

H EXPENSES on the corn crop

Fertilizer, oil and repairs				
\$7.35 per acre	\$ 367.50	\$ 294.00	\$ 220.50	\$ _____
Fertilizer and lime				
\$16.78 per acre	839.00	671.20	503.40	_____
Seed corn @ \$2.00 per acre	100.00	80.00	60.00	_____
Real estate tax on land				
\$2.25 per acre (no buildings)	112.50	90.00	67.50	_____
Threshing, drying and stacking @ 12½¢ per bushel	500.00	400.00	300.00	_____
Other expenses: spray material and misc. @ \$1.00 per acre	50.00	40.00	30.00	_____

h Expense on Diverted Acres

Establishing cover crop				
\$5.00 per acre	0.00	50.00	100.00	_____
Weed control--(mowing, etc.)				
\$1.00 per acre	0.00	10.00	20.00	_____
Real estate tax @ \$2.25 per acre (no buildings)	0.00	22.50	45.00	_____
Total Cash Expense (B)	\$1969.00	\$1657.70	\$1346.40	\$ _____

Cash Receipts Less Cash Expenses (A) - (B)	\$2031.00	\$2522.30	\$2397.60	_____
Value of labor released for other use @ \$1.00 per hour	0.00	60.00	120.00	_____
Cash Receipts - Expense + Value of Labor Released ⁱ	\$2031.00	\$2582.30	\$2517.60	\$ _____

NOTES --

Farmers who have corn bases but do not divert corn acreage will not be eligible for support on oats, barley, and rye. Non-participating farmers who reduce their conservation use acreage will not be eligible for support on soybeans.

40 acres x 70 bu. "normal" yield = 2800 bu. x \$1.20 support price = \$3360.

30 acres x 70 bu. "normal" yield = 2100 bu. x \$1.20 support price = \$2520.

40 acres x 80 bu. actual yield = 4000 bu. x \$1.00 open market price = \$4000.

40 bu. in excess of "normal" yield x 40 acres = 400 bu. x \$1.00 open market price = \$400.

30 bu. in excess of "normal" yield x 30 acres = 300 bu. x \$1.00 open market price = \$300.

70% of 70 bu. "normal" yield = 35 bu. x 10 diverted acres = 350 bu. x \$1.20 = \$420.

70% of 70 bu. "normal" yield = 42 bu. x 10 diverted acres = 420 bu. x \$1.20 = \$504 + \$420 on first 10 acres = \$924.

10 hours of labor released per diverted acre at \$1.00 per hour (no credit if not used elsewhere).

1961 FEED GRAIN PROGRAM

The stated objectives of the Feed Grain Program are:

1. To increase farm income
2. To prevent further buildup of the feed grain surplus and reduce it if possible
3. To help assure the consumer of fair and stable prices for meat, poultry and dairy products.
4. To reduce ultimate Feed Grain Program costs to taxpayers by about 500 million



The program is:

1. A voluntary land retirement program
2. Applicable in 1961 only

AGRICULTURAL EXTENSION SERVICE
THE OHIO STATE UNIVERSITY