

Table 7--Provisions of upland cotton programs, 1961-90--Continued

Provision	1981	1982	1983	1984
Parity price (¢/lb) 1/	117.00	119.00	119.00	125.00
Support price (¢/lb)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (¢/lb)	70.87	71.00	76.00	81.00
Deficiency payment: 3/				
Advance payment (¢/lb)	--	9.70	10.00	--
Final payment (¢/lb)	7.67	13.92	12.10	18.60
Allocation factor (%) 4/	93	36/ NA	36/ NA	36/ NA
Nonrecourse loan:				
Loan rate (¢/lb) 5/	52.46	57.08	55.00	55.00
Repayment rate (¢/lb) 6/	--	--	--	--
CCC domestic sales: 7/				
Legislated minimum price (¢/lb) 8/	60.32+CC	65.64+CC	71.50+CC	71.50+CC
Actual price (¢/lb) 9/	--	--	--	--
Acreage diversion (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	--	--	5	--
Payment rate (¢/lb)	--	--	25.00	--
Payment (\$)	--	--	25.00*Div	--
Set-aside (%)	None	--	--	--
Payment rate (¢/lb)	AF*Def	--	--	--
Payment (\$)	AF*Def*Plt	--	--	--
Set-aside voluntary (%)	30/ 0	--	--	--
Payment rate (¢/lb)	Def	--	--	--
Payment (\$)	.0767*Y1d*Plt	--	--	--
Acreage reduction (%)	--	15	20	25
Payment rate (¢/lb)	--	Def	Def	Def
Payment (\$)	--	.1392*Y1d*Plt	.121*Y1d*Plt	.186*Y1d*Plt
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
PIK acreage diversion (%)	--	--	37/ 10-30	--
Payment rate (ba)	--	--	.80*Y1d	--
Payment (ba)	--	--	.80*Y1d*PIK	--
Compliance restrictions:				
Soil conserving base 10/	--	--	--	--
Cross-compliance 11/	No	No	No	No
Offsetting-compliance 13/	No	No	No	No
Normal crop acreage 14/	No	36/ NA	36/ NA	36/ NA
National marketing quota (1,000 ba) 15/	Suspended	Suspended	Suspended	Suspended
Marketing quota penalty (¢/lb) 16/	Suspended	Suspended	Suspended	Suspended
National allotment acres (1,000) 17/	Suspended	Suspended	Suspended	Suspended
Acres allocated from National Acreage Reserve (1,000)	--	--	--	--
Farm allotment acres:				
Domestic (% of total)	--	--	--	--
Export (% of total)	--	--	--	--
National base allotment acres (1,000)	--	--	--	--
National program acres (1,000)	32/ 14,022/12,838	36/ NA	36/ NA	36/ NA
National base acres (1,000)	--	15.300	15.400	15.600
Base acres in CRP (1,000)	--	--	--	--
National export market acres reserve (1,000)	--	--	--	--
National program yield (lbs/ac)	545	581	580	600
Disaster program: 19/				
Prevented plantings payment (¢/lb)	23.62 on 75% normal yield	38/	38/	38/
Low yield criterion (%)	75	--	--	--
Low yield payment (¢/lb)	23.62 on the shortfall	38/	38/	38/
Payment limitation (\$)	33/ 100,000	33/ 100,000	33/ 100,000	33/ 100,000
Advanced payment (%)	--	--	39/ 50/50	--
Support payment limitation (\$)	35/ 50,000	35/ 50,000	40/ 50,000	41/ 50,000

See footnotes at end of table.

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Table 7--Provisions of upland cotton programs, 1961-90--Continued

Provision	1985	1986 43/	1987	1988
Parity price (¢/lb) 1/	123.00	124.00	128.00	134.00
Support price (¢/lb)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (¢/lb)	81.00	81.00	79.40	75.90
Deficiency payment: 3/				
Advance payment (¢/lb)	9.90	7.80	8.145	6.40
Final payment (¢/lb)	23.70	26.00	17.30	19.40
Allocation factor (%) 4/	36/ NA	36/ NA	36/ NA	36/ NA
Nonrecourse loan:				
Loan rate (¢/lb) 5/	57.30	55.00	52.25	51.80
Repayment rate (¢/lb) 6/	--	44.00	AWP	AWP
CCC domestic sales: 7/				
Legislated minimum price (¢/lb) 8/	73.34+CC	50.60+CC	75.60+CC	64.77+CC
Actual price (¢/lb) 9/	--	--	--	--
Acreage diversion (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage diversion optional (%)	10	--	--	--
Payment rate (¢/lb)	30.00	--	--	--
Payment (\$)	30.00*Div	--	--	--
Set-aside (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Set-aside voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	20	25	25	12.5
Payment rate (¢/lb)	Def	Def	Def	Def
Payment (\$)	.237*Y1d*P1t	.26*Y1d*P1t	.173*Y1d*P1t	.194*Y1d*P1t
Acreage reduction voluntary (%)	--	45/ 50-92	45/ 50-92	45/ 50-92
Payment rate (¢/lb)	--	Def	Def	Def
Payment (\$)	--	.92*0.26*Y1d*Pmt	.92*0.173*Y1d*Pmt	.92*0.194*Y1d*Pmt
PIK acreage diversion (%)	--	--	--	--
Payment rate (ba)	--	--	--	--
Payment (ba)	--	--	--	--
Compliance restrictions:				
Soil conserving base 10/	--	--	--	--
Cross-compliance 11/	No	No	46/ Limited	46/ Limited
Offsetting-compliance 13/	No	No	No	No
Normal crop acreage 14/	36/ NA	36/ NA	36/ NA	36/ NA
National marketing quota (1,000 ba) 15/	Suspended	Suspended	Suspended	Suspended
Marketing quota penalty (¢/lb) 16/	Suspended	Suspended	Suspended	Suspended
National allotment acres (1,000) 17/	Suspended	Suspended	Suspended	Suspended
Acres allocated from National Acreage Reserve (1,000)	--	--	--	--
Farm allotment acres:				
Domestic (% of total)	--	--	--	--
Export (% of total)	--	--	--	--
National base allotment acres (1,000)	--	--	--	--
National program acres (1,000)	36/ NA	36/ NA	36/ NA	36/ NA
National base acres (1,000)	15,800	15,531	14,474	14,575
Base acres in CRP (1,000)	--	50	683	1,022
National export market acres reserve (1,000)	--	--	--	--
National program yield (lbs/ac)	613	47/ 608	48/ 593	49/ 590
Disaster program: 19/				
Prevented plantings payment (¢/lb)	38/	38/	38/	38/
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	33/ 100,000	33/ 100,000	50/ Yes	50/ Yes
Advanced payment (%)	39/ 50/50	--	52/ 30	53/ 40
Support payment limitation (\$)	42/ 50,000	55/ 50,000	56/ 50,000	56/ 50,000

See footnotes at end of table.

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Table 7--Provisions of upland cotton programs, 1961-90--Continued

Provision	1989	1990
Parity price (¢/lb) 1/	--	--
Support price (¢/lb)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Target price (¢/lb)	73.40	72.90
Deficiency payment: 3/		
Advance payment (¢/lb)	6.42	3.69
Final payment (¢/lb)	44/ 21.40	--
Allocation factor (%) 4/	36/ NA	36/ NA
Nonrecourse loan:		
Loan rate (¢/lb) 5/	50.00	50.27
Repayment rate (¢/lb) 6/	AWP	AWP
CCC domestic sales: 7/		
Legislated minimum price (¢/lb) 8/	--	--
Actual price (¢/lb) 9/	--	--
Acreage diversion (%)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Acreage diversion optional (%)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Set-aside (%)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Set-aside voluntary (%)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Acreage reduction (%)	25	12.5
Payment rate (¢/lb)	Def	Def
Payment (\$)	44/ .214*Y1d*Plt	Def*Y1d*Plt
Acreage reduction voluntary (%)	45/ 50-92	45/ 50-92
Payment rate (¢/lb)	Def	Def
Payment (\$)	.92*0.214*Y1d*Pmt	.92*Def*Y1d*Pmt
PIK acreage diversion (%)	--	--
Payment rate (ba)	--	--
Payment (ba)	--	--
Compliance restrictions:		
Soil conserving base 10/	--	--
Cross-compliance 11/	46/ Limited	46/ Limited
Offsetting-compliance 13/	No	No
Normal crop acreage 14/	36/ NA	36/ NA
National marketing quota (1,000 ba) 15/	Suspended	Suspended
Marketing quota penalty (¢/lb) 16/	Suspended	Suspended
National allotment acres (1,000) 17/	Suspended	Suspended
Acres allocated from National Acreage Reserve (1,000)	--	--
Farm allotment acres:		
Domestic (% of total)	--	--
Export (% of total)	--	--
National base allotment acres (1,000)	--	--
National program acres (1,000)	36/ NA	36/ NA
National base acres (1,000)	58/ 57/ 14,564	58/ 57/ --
Base acres in CRP (1,000)	1,212	1,304
National export market acres reserve (1,000)	--	--
National program yield (lbs/ac)	590	--
Disaster program: 19/		
Prevented plantings payment (¢/lb)	59/	60/
Low yield criterion (%)	--	--
Low yield payment (¢/lb)	--	--
Payment limitation (\$)	59/ 61/ 100,000	60/ 61/ 100,000
Advanced payment (%)	54/ 30	--
Support payment limitation (\$)	56/ 50,000	56/ 50,000

Footnotes for table 7--Provisions of upland cotton programs

- 1/ Average parity price of upland cotton for July.
- 2/ Payment by CCC sight-draft or payment-in-kind certificate at the election of the producer available on domestic allotment.
- 3/ Deficiency payment is the difference between the target price and the higher of the calendar year average market price received by farmers or the loan rate. Starting in 1986, eligible producers who agree to forego CCC loans may receive loan deficiency payments on their production otherwise eligible for loan, not to exceed the farm program acreage times the farm program payment yield. The loan deficiency payment rate is equal to the difference between the loan rate and the loan repayment rate. Up to one-half of the loan deficiency payment may be made in negotiable marketing certificates. Loan deficiency payments are subject to the overall \$250,000 payment limitation.
- 4/ The allocation factor, ranging from 80 to 100, is determined by dividing national program acres by number of acres harvested.
- 5/ This is the national average loan rate. Prior to 1961, support was based on Middling 7/8-inch cotton. Loans shown for 1961 through 1973 are basis Middling 1 inch, micronaire 3.5 through 4.9. Loans shown for 1974 through 1989 are basis Strict Low Middling 1-1/16 inch, micronaire 3.5 through 4.9. Before 1971, loans were on a gross weight basis. Since then, loans have been based on net weight at average location. Under the 1985 Act, the loan rate is determined by the legislated formula (85 percent of the average spot market price for Strict Low Middling 1-1/16 inch upland cotton (micronaire 3.5-4.9) at average U.S. locations during the 5 preceding years, excluding the high and the low).
- 6/ If the Secretary determines that the adjusted world price is below the loan rate, then the Secretary has the authority, as granted by the 1985 Act, to implement either Plan A or Plan B for the repayment of loans. Under Plan A, the Secretary announces a loan repayment rate of 80-100 percent of the loan rate, which may not be changed subsequent to announcement. Under Plan B, the loan repayment rate is the lower of the loan rate or the current adjusted world price.
- 7/ Sales made at fixed prices or through competitive bids.
- 8/ In any event, the CCC cannot sell stock holdings for less than the going market price.
- 9/ Simple average of actual sales.
- 10/ Producers must maintain a soil-conserving base in addition to planting diverted acres to conserving uses.
- 11/ Producers must be in compliance with programs for all program crops planted on the farm.
- 12/ Producers must not exceed feed grain base.
- 13/ Producers must be in compliance with upland cotton program requirements on other farms they either own or have an interest in.
- 14/ The total acres of crops in the normal crop acreage (NCA) -- barley, corn, dry edible beans, flax, oats, rice, rye, sorghum, soybeans, sugarbeets, sugar cane, sunflowers, upland cotton, and wheat -- planted on the farm plus acres set-aside cannot exceed the farm's NCA.
- 15/ When marketing quotas are in effect, farmers who do not comply with the cotton acreage allotment established for the kind of cotton grown on their farm are subject to a penalty on their farm marketing excess. The cotton crop from the farm is also ineligible for price support under CCC programs. Each type of cotton is treated independently. Extra-long staple cotton cannot be substituted for upland cotton or vice versa.
- 16/ Marketing quota penalty rate for upland cotton is 50 percent of the parity price effective as of June 15 of the calendar year in which the cotton is produced.
- 17/ Includes acres allocated from the national acreage reserve provided to take care of minimum farm allotments as provided by cotton legislation.
- 18/ Farmers who plant export acreage are not eligible for the additional price support payment. Export cotton is not eligible for price support loan. However, the amount of cotton represented by the farm yield times the acres in the effective farm allotment is eligible for the regular price support loan.
- 19/ Bad weather or unavoidable hazard.
- 20/ Payment is available only on planted acreage if less than 90 percent of the allotment is planted.
- 21/ All cotton produced on farms receiving export acreage must be exported.
- 22/ If flood, drought, or other natural disaster conditions make it impossible for a farm operator to plant cotton on a participating farm, the ASC county committee will determine the acreage that would have been planted on the farm and payments will be made on that basis, provided the acreage is not planted to an income-producing crop.
- 23/ The term of the loan will be for 10 months from the first day of the month in which the loan is made. In prior years, the loan maturity date was July 31 following the year in which the cotton was produced.
- 24/ Preliminary payment rate. The final payment rate is equal to the difference between the parity price for upland cotton as of August 1 and the average market price for Middling 1-inch upland cotton, micronaire 3.5-4.9 in the designated spot markets during the first 5 months of the marketing year (August 1). No refunds of this payment is required in the event the final payment rate calculates at less than 15 cents.
- 25/ If 90 percent or more of the allotment is planted, the entire allotment will be considered as planted to payment purposes.
- 26/ A producer who plants less than 90 percent of his cotton acreage allotment will lose a portion of it the following year equivalent to the percent that he underplanted, not to exceed 20 percent in any 1 year. After 3 consecutive years of zero planting, the entire allotment would be removed. Allotment acreage not planted because of natural disaster or a condition beyond the control of the producer will be regarded as planted.
- 27/ Applies to upland cotton program and public access payments per person, but not

loans or purchases.

28/ Applies to total amount of payments that a person can receive under a combination of upland cotton, wheat, and feed grain programs, but does not apply to payments for public access, loans, or purchases.

29/ The loan period is 10 months, but producers will have the option, during the tenth month, of extending the loan for an additional 8 months whenever the spot market average price in the preceding month is 130 percent or less of the average for the previous 36 months.

30/ Voluntary set-aside requirement applies to previous year's plantings.

31/ Producers must assure that the normal crop acreage is not exceeded on nonparticipating farms they own or operate that produce a set-aside crop.

32/ Preliminary/final announced national program acres.

33/ Limit on disaster payments per person for all programs.

34/ Total amount of payments a person can receive under a combination of upland cotton, wheat, feed grain, and rice programs. The limitation does not apply to loans or purchases, or to payments for either prevented plantings or low yield disaster loss.

35/ Total amount of payments a person can receive under a combination of upland cotton, wheat, feed grain, and rice programs. The limitation does not apply to loans or purchases.

36/ Normal crop acreages, national program acres, allocation factors, and voluntary acreage reduction provisions are not applicable when acreage reduction programs are in effect.

37/ An alternative for the farmer is withdrawing the whole base from production, with producers bidding the percentage of program yield up to a maximum of 95 percent. However, bids would not be accepted which would cause the combined acreage taken out of production under the acreage reduction, cash diversion, and PIK programs to exceed 45 percent of that county's cotton acreage base.

38/ Beginning with 1982 crops, disaster payments will be made only to upland cotton producers to whom Federal crop insurance is unavailable. However, at the Secretary's discretion, disaster payments could be made if losses created by an economic emergency are too serious to be relieved by crop insurance or other Federal aid.

39/ Advanced deficiency payments are made at half the projected rate. Advanced diversion payments are made at half the diversion payment rate.

40/ Total amount of payments a person can receive under a combination of upland cotton, wheat, feed grains, and rice programs. The limitation does not apply to loans, purchases, or payments-in-kind.

41/ Total amount of payments, including payments-in-kind, a person can receive under a combination of upland cotton, extra-long staple cotton, wheat, feed grains, and rice programs. The limitation does not apply to loans or purchases.

42/ Total amount of payments a person can receive under a combination of upland cotton, extra-long staple cotton, wheat, feed grains, and rice programs. The limitation does not apply to loans or purchases.

43/ All cash payments subject to reductions of 4.3 percent, Gramm-Rudman-Hollings Act.

44/ Preliminary, final payment will not be determined until February 1990.

45/ Under the 50-92 rule, growers that plant between 50 and 92 percent of the permitted acreage to upland cotton and devote the remaining permitted acres to a conserving use are eligible to receive deficiency payments on 92 percent of the permitted acreage.

46/ To be eligible for benefits for a participating wheat, feed grains, upland cotton, or rice crop, the acreage planted for harvest (or approved as prevented plantings) on a farm in other nonparticipating program crops, excluding extra-long staple cotton and oats, may not exceed the crop acreage bases of these crops. Oats and extra-long staple cotton are not subject to limited cross-compliance requirements.

47/ Any producer whose 1986 program yield is reduced below 97 percent of his 1985 program yield will receive deficiency payments in the form of cotton certificates (called "additional yield certificates") sufficient to guarantee a return equal to 97 percent of his 1985 program yield.

48/ Any producer whose 1987 program yield is reduced below 95 percent of his 1985 program yield will receive deficiency payments in the form of cotton certificates (called "additional yield certificates") sufficient to guarantee a return equal to 95 percent of his 1985 program yield.

49/ Any producer whose 1988 program yield is reduced below 90 percent of his 1985 program yield will receive deficiency payments in the form of cotton certificates (called "additional yield certificates") sufficient to guarantee a return equal to 90 percent of his 1985 program yield.

50/ The total of the following payments, combined with the total deficiency and diversion payments, is limited to \$250,000 per person: (1) disaster payments; (2) any gain realized by repayment of a loan at a lower level than the original loan level; (3) any deficiency payment for wheat or feed grains attributed to a reduction in the statutory loan rate; (4) any loan deficiency payment; (5) any inventory reduction payment; and (6) any payment representing compensation for resource adjustment or public access for recreation.

51/ At signup, participants may request 40 percent (75 percent in cash and 25 percent in generic certificates) of their projected 1986 deficiency payments.

52/ At signup, participants may request 30 percent (50 percent in cash and 50 percent in generic certificates) of their projected 1987 deficiency payments.

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

54/ At signup, participants may request 30 percent of their projected 1989 deficiency payments in cash, and after May 15, 1989, an additional 10 percent in generic certificates.

55/ Limitation on total payments to eligible upland cotton, wheat, feed grain, rice, and extra-long staple cotton producers per person. The limitation does not apply to loans, purchases, loan deficiency payments, first handler certificates or inventory

protection certificates or deficiency payments resulting from the lowering the basic (statutory) loan rate for wheat and feed grain.

56/ Total deficiency and diversion payments under the wheat, feed grain, upland cotton, extra-long staple cotton, and rice programs are limited to \$50,000 per person.

57/ Producers are permitted to plant soybeans and sunflowers on not less than 10 percent nor more than 25 percent of their wheat, feed grain, upland cotton, or rice program acreage in 1989 without affecting their base acreage eligible for Federal assistance. This program may be extended through 1990 at the discretion of the Secretary.

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

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

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

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

Extra-Long Staple Cotton Programs

Cotton was declared a "basic" crop in the Agricultural Adjustment Act of 1933. For all extra-long staple crops since 1942, with the exception of 1950, price support loans have been made available to producers. In 1942, 1943, 1951, and 1952, a purchase program was used. A loan program has been in effect along with the purchase program in every year since 1943, except for 1950-52. Marketing quotas and acreage allotments were in effect for extra-long staple cotton every year from 1954 through 1983. The Extra Long Staple Cotton Act of 1983 repealed marketing quotas and acreage allotments and authorized extra-long staple cotton as a program crop. Under permanent legislation, extra-long staple cotton would be the only crop eligible for target prices and voluntary acreage reduction programs. Provisions of extra-long staple cotton programs, 1961-90, are presented in table 8.

Table 8--Provisions of extra-long staple cotton programs, 1961-90

Provision	1961	1962	1963	1964
Parity price (¢/lb) 1/	81.80	--	--	74.80
Support price (¢/lb)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (¢/lb)	--	--	--	--
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	--	--	--	--
Allocation factor (%) 3/	--	--	--	--
Nonrecourse loan rate (¢/lb) 4/	53.18	53.18	53.18	49.25
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	61.16+CC	61.16+CC	61.16+CC	56.64+CC
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	--	--	--	--
Offsetting compliance 9/	--	--	--	--
National marketing quota (1,000 ba) 10/	66.6	102.8	155.5	120.2
Marketing quota penalty (¢/lb) 11/	50% of parity	50% of parity	50% of parity	50% of parity
National allotment acres (1,000)	63.7	100.3	149.9	112.5
National base acres (1,000)	--	--	--	--
Base acres in CRP (1,000)	--	--	--	--
National program acres (1,000)	--	--	--	--
National program yield (ba/ac)	--	--	--	--
Disaster program: 12/				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

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Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1965	1966	1967	1968
Parity price (¢/lb) 1/	--	--	74.90	74.91
Support price (¢/lb)	--	--	--	48.69
Payment rate (¢/lb)	--	--	--	8.69
Payment (\$)	--	--	--	.0869*Y1d*Plt
Target price (¢/lb)	--	--	--	--
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	--	--	--	--
Allocation factor (%) 3/	--	--	--	--
Nonrecourse loan rate (¢/lb) 4/	49.25	49.25	47.00	40.00
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	56.64+CC	56.64	54.05	46.00
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	--	--	--	--
Offsetting compliance 9/	--	--	--	--
National marketing quota (1,000 ba) 10/	84.4	89.4	79.8	75.2
Marketing quota penalty (¢/lb) 11/	50% of parity	50% of parity	50% of parity	50% of parity
National allotment acres (1,000)	77.8	81.4	70.5	70.5
National base acres (1,000)	--	--	--	--
Base acres in CRP (1,000)	--	--	--	--
National program acres (1,000)	--	--	--	--
National program yield (ba/ac)	--	--	--	--
Disaster program: 12/				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

Continued--

Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1969	1970	1971	1972
Parity price (¢/lb) 1/	75.20	76.60	78.60	79.00
Support price (¢/lb)	48.88	49.79	51.09	51.35
Payment rate (¢/lb)	8.88	9.29	12.69	12.85
Payment (\$)	.0888*Y1d*P1t	.0929*Y1d*P1t	.1269*Y1d*P1t	.1285*Y1d*P1t
Target price (¢/lb)	--	--	--	--
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	--	--	--	--
Allocation factor (%) 3/	--	--	--	--
Nonrecourse loan rate (¢/lb) 4/	40.00	40.50	38.40	38.50
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	46.00	46.57	44.16	44.28
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	--	--	--	--
Offsetting compliance 9/	--	--	--	--
National marketing quota (1,000 ba) 10/	82.5	82.5	120.0	115.8
Marketing quota penalty (¢/lb) 11/	50% of parity	50% of parity	50% of parity	50% of parity
National allotment acres (1,000)	79.7	78.4	117.8	117.8
National base acres (1,000)	--	--	--	--
Base acres in CRP (1,000)	--	--	--	--
National program acres (1,000)	--	--	--	--
National program yield (ba/ac)	--	--	--	--
Disaster program: 12/				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

Continued--

Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1973	1974	1975	1976
Parity price (¢/lb) 1/	83.40	93.20	114.00	115.00
Support price (¢/lb)	54.21	60.58	74.10	74.75
Payment rate (¢/lb)	16.01	10.86	6.36	1.51
Payment (\$)	.1601*Y1d*P1t	.1086*Y1d*P1t	.0636*Y1d*P1t	.0151*Y1d*P1t
Target price (¢/lb)	--	--	--	--
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	--	--	--	--
Allocation factor (%) 3/	--	--	--	--
Nonrecourse loan rate (¢/lb) 4/	38.20	49.72	67.74	73.24
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	43.93	57.18	77.90	84.23
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	--	--	--	--
Offsetting compliance 9/	--	--	--	--
National marketing quota (1,000 ba) 10/	113.8	108.4	82.5	82.5
Marketing quota penalty (¢/lb) 11/	50% of parity	50% of parity	50% of parity	50% of parity
National allotment acres (1,000)	117.7	117.7	91.2	83.7
National base acres (1,000)	--	--	--	--
Base acres in CRP (1,000)	--	--	--	--
National program acres (1,000)	--	--	--	--
National program yield (ba/ac)	--	--	--	--
Disaster program: 12/				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

Continued--

Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1977	1978	1979	1980
Parity price (¢/lb) 1/	118.00	128.00	169.00	170.00
Support price (¢/lb)	76.70	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (¢/lb)	--	--	--	--
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	--	--	--	--
Allocation factor (%) 3/	--	--	--	--
Nonrecourse loan rate (¢/lb) 4/	76.70	83.20	92.95	93.50
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	88.21	95.68	106.89	107.52
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment	--	--	--	--
Acreage reduction (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	--	--	--	--
Offsetting compliance 9/	--	--	--	--
National marketing quota (1,000 ba) 10/	113.0	97.0	137.0	161.0
Marketing quota penalty (¢/lb) 11/	50% of parity	50% of parity	50% of parity	50% of parity
National allotment acres (1,000)	120.0	92.4	115.0	131.7
National base acres (1,000)	--	--	--	--
Base acres in CRP (1,000)	--	--	--	--
National program acres (1,000)	--	--	--	--
National program yield (ba/ac)	--	--	--	--
Disaster program: 12/				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	--	--	--	--

See footnotes at end of table.

Continued--

Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1981	1982	1983	1984
Parity price (¢/lb) 1/	--	--	--	199.00
Support price (¢/lb)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (¢/lb)	--	--	--	99.00
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	--	--	--	0
Allocation factor (%) 3/	--	--	--	13/ NA
Nonrecourse loan rate (¢/lb) 4/	99.00	99.89	96.25	82.50
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	113.85	114.87	110.69	14/ Market price
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment	--	--	--	--
Acreage reduction (%)	--	--	--	10
Payment rate (¢/lb)	--	--	--	Def
Payment (\$)	--	--	--	0.00*Y1d*Plt
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	--	--	--	No
Offsetting compliance 9/	--	--	--	No
National marketing quota (1,000 ba) 10/	195.0	157.0	102.0	--
Marketing quota penalty (¢/lb) 11/	50% of parity	50% of parity	50% of parity	--
National allotment acres (1,000)	150.2	120.2	80.1	--
National base acres (1,000)	--	--	--	68.3
Base acres in CRP (1,000)	--	--	--	--
National program acres (1,000)	--	--	--	13/ NA
National program yield (ba/ac)	--	--	--	768
Disaster program: 12/				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	--	--	--	15/ 50,000

See footnotes at end of table.

Continued--

Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1985	1986 17/	1987	1988
Parity price (¢/lb) 1/	193.00	187.00	184.00	190.00
Support price (¢/lb)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Target price (¢/lb)	103.14	102.48	97.70	95.70
Deficiency payment: 2/	--	--	--	--
Advance payment (¢/lb)	--	--	--	--
Final payment (¢/lb)	0	0	0	0
Allocation factor (%) 3/	13/ NA	13/ NA	13/ NA	13/ NA
Nonrecourse loan rate (¢/lb) 4/	85.95	85.40	81.40	80.90
CCC domestic sales: 5/				
Legislated minimum price (¢/lb) 6/	14/ Market price	14/ Market price	14/ Market price	14/ Market price
Actual price (¢/lb) 7/	--	--	--	--
Acreage diversion optional (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment	--	--	--	--
Acreage reduction (%)	10	10	15.0	10
Payment rate (¢/lb)	Def	Def	Def	Def
Payment (\$)	0.00*Y1d*P1t	0.00*Y1d*P1t	0.00*Y1d*P1t	0.00*Y1d*P1t
Acreage reduction voluntary (%)	--	--	--	--
Payment rate (¢/lb)	--	--	--	--
Payment (\$)	--	--	--	--
Compliance restrictions:				
Cross-compliance 8/	No	No	No	No
Offsetting compliance 9/	No	No	No	No
National marketing quota (1,000 ba) 10/	--	--	--	--
Marketing quota penalty (¢/lb) 11/	--	--	--	--
National allotment acres (1,000)	--	--	--	--
National base acres (1,000)	66.0	77.7	85.9	105.0
Base acres in CRP (1,000)	--	--	1.0	1.0
National program acres (1,000)	13/ NA	13/ NA	13/ NA	13/ NA
National program yield (ba/ac)	812	831	830	973
Disaster program: /				
Prevented plantings payment (¢/lb)	--	--	--	--
Low yield criterion (%)	--	--	--	--
Low yield payment (¢/lb)	--	--	--	--
Payment limitation (\$)	--	--	--	--
Advanced payment (%)	--	--	--	--
Support payment limitation (\$)	16/ 50,000	18/ 50,000	19/ 50,000	19/ 50,000

See footnotes at end of table.

Continued--

Table 8--Provisions of extra-long staple cotton programs, 1961-90--Continued

Provision	1989	1990
Parity price (¢/lb) 1/	--	--
Support price (¢/lb)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Target price (¢/lb)	96.70	98.10
Deficiency payment: 2/	--	--
Advance payment (¢/lb)	--	--
Final payment (¢/lb)	0	--
Allocation factor (%) 3/	13/ NA	13/ NA
Nonrecourse loan rate (¢/lb) 4/	81.77	81.77
CCC domestic sales: 5/		
Legislated minimum price (¢/lb) 6/	14/ Market price	14/ Market price
Actual price (¢/lb) 7/	--	--
Acreage diversion optional (%)	--	--
Payment rate (¢/lb)	--	--
Payment	--	--
Acreage reduction (%)	5	5
Payment rate (¢/lb)	Def	Def
Payment (\$)	0.00*Yld*Plt	Def*Yld*Plt
Acreage reduction voluntary (%)	--	--
Payment rate (¢/lb)	--	--
Payment (\$)	--	--
Compliance restrictions:		
Cross-compliance 8/	No	No
Offsetting compliance 9/	No	No
National marketing quota (1,000 ba) 10/	--	--
Marketing quota penalty (¢/lb) 11/	--	--
National allotment acres (1,000)	--	--
National base acres (1,000)	21/ 20/ 124.4	21/ 20/ --
Base acres in CRP (1,000)	1.0	1.0
National program acres (1,000)	13/ NA	13/ NA
National program yield (ba/ac)	966	--
Disaster program: /		
Prevented plantings payment (¢/lb)	22/	23/
Low yield criterion (%)	--	--
Low yield payment (¢/lb)	22/	23/
Payment limitation (\$)	24/ 100,000	24/ 100,000
Advanced payment (%)	--	--
Support payment limitation (\$)	25/ 50,000	25/ 50,000

Footnotes for table 8--Provisions of extra-long staple cotton programs

1/ Average parity price extra-long staple cotton in effect for the month in which the program was announced.

2/ Deficiency payment is the difference between the target price and the higher of the 8-month national weighted average market price received by farmers or the loan rate.

3/ Allocation factor, ranging from 80 to 100, is determined by dividing national program acres by number of acres harvested.

4/ This is the national average loan rate. Under the 1985 Act, the loan rate is determined by the legislated formula (85 percent of the average price received by farmers for extra-long staple cotton during the preceding 5 years, excluding the high and the low).

5/ Sales made at fixed prices or through competitive bids.

6/ In any event, the CCC cannot sell stock holdings for less than the going market price.

7/ Simple average of actual sales.

8/ Producers must be in compliance with programs for all program crops planted on the farm.

9/ Producers must be in compliance with extra-long staple program requirements on other farms they either own or have an interest in.

10/ When cotton marketing quotas are in effect, a farmer who does not comply with the cotton acreage allotment established for the kind of cotton grown on his farm is subject to penalty on his farm marketing excess. The cotton crop is also ineligible for price support under CCC programs. Each type of cotton is treated independently. Upland cotton cannot be substituted for extra-long staple cotton or vice versa.

11/ The marketing penalty on extra-long staple cotton is the higher of 50 percent of the parity price or 50 percent of the support price for this type of cotton as of June 15.

12/ Bad weather or unavoidable hazard.

13/ National program acres, allocation factors, and voluntary acreage reduction are not applicable when an acreage reduction program is in effect.

14/ At price levels the Secretary determines appropriate to maintain and expand domestic and export markets.

15/ Total amount of payments, including payments-in-kind, a person can receive under a combination of the wheat, feed grain, rice, upland cotton, and extra-long staple cotton programs. The limitation does not apply to loans or purchases.

16/ Total amount of payments a person can receive under a combination of the wheat, feed grain, rice, upland cotton, and extra-long staple cotton programs. The limitation does not apply to loans or purchases.

17/ All cash payments subject to reductions of 4.3 percent, Gramm-Rudman-Hollings Act.

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

19/ Limitation on total deficiency and diversion payments a person can receive under the wheat, feed grain, upland cotton, extra-long staple cotton, and rice programs. Also, the total of the following payments, combined with the total deficiency and diversion payments, is limited to \$250,000 per person: (1) disaster payments; (2) any gain realized by repayment of a loan at a lower level than the original loan level; (3) any deficiency payment for wheat or feed grains attributed to a reduction in the statutory loan rate; (4) any loan deficiency payment; (5) any inventory reduction payment; and (6) any payment representing compensation for resource adjustment or public access for recreation.

20/ Producers are permitted to plant soybeans and sunflowers on not less than 10 percent nor more than 25 percent of their wheat, feed grain, upland cotton, or rice program acreage in 1989 without affecting their base acreage eligible for Federal assistance. This program may be extended through 1990 at the discretion of the Secretary.

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

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

23/ Producers of annual commercial crops who lost production of their crop planted in 1988 or 1989 due to drought, hail, excessive moisture, or related conditions of at least: 35 percent for program producers with crop insurance, 40 percent for those without, and 50 percent for nonparticipating program crop producers. Payment rates differ depending on the commodity, whether the producer participated in the 1989 commodity programs, and whether the producer has Federal crop insurance. The disaster payment for wheat, feed grain, cotton, and rice program participants who lost 35 percent (for those with crop insurance) or 40 percent (for those without) or more of their crop will equal 65 percent of the 1989 target price. Nonparticipants who raise program crops will receive 65 percent of the county loan rate. On production losses up to 35 percent (40 percent for those without crop insurance), advanced payments for the

1989 wheat, feed grain, cotton, and rice are not required to be refunded.

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

25/ Limitation on total deficiency and diversion payments a person can receive under the wheat, feed grain, upland cotton, extra-long staple cotton, and rice programs.

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