

Program Provisions for Rye, Dry Edible Beans, Oil Crops, Tobacco, Sugar, Honey, Wool, Mohair, Gum Naval Stores, and Dairy Products

A Database for 1961-90

Robert C. Green

Introduction

Commodity price support programs have evolved over the years. Initially, low farm income and unstable prices inspired the need for agricultural policy to support and stabilize prices of agricultural commodities. Policy was later expanded to provide production controls when inventories grew to burdensome levels and program costs got out of hand. Later still, situations arose that necessitated changes in agricultural programs. Also, the balance of supply and demand at desired price levels was seen to be important. In addition, conflicts have arisen between the need of farmers to have more control over planting decisions versus the need of government to exert control over the production of specific crops. Finally, budgetary outlays have always been a major factor in determining the level of support and the structure of agricultural programs.

Legislative Authorities

Price stabilization and support operations for specified commodities were first authorized by the Agricultural Adjustment Acts of 1933 and 1938, and loan programs were initiated in 1933, when the Commodity Credit Corporation (CCC) was created (10, 12, 30).^{1/}

Current price support and other loan, purchase, and payment programs are carried out under the various statutory provisions, including the CCC Charter Act, the Agricultural Adjustment Act of 1938 (the 1938 Act), the Agricultural Act of 1949 (the 1949 Act), the National Wool Act of 1954, and the Food Security Act of 1985 (the 1985 Act) (10, 31).

In conjunction with these programs, production adjustment programs (which make use of marketing quotas, acreage allotments, and (when applicable) cropland set-aside, diverted acreage, and acreage limitation provisions for specified crops) are authorized by the 1938 Act and the 1949 Act (10, 31).

^{1/} Underscored numbers in parentheses refer to sources listed in the References.

Commodities Supported

The CCC makes loans, purchases, and payments available on agricultural commodities to eligible producers.

Basic commodities. Title I of the 1949 Act specifies the price-support levels for peanuts, tobacco, upland cotton, extra-long staple cotton, feed grains, wheat, and rice (31).

Designated nonbasic commodities. Title II of the 1949 Act also specifies the price-support levels for designated nonbasic commodities: soybeans, sunflower seeds, honey, milk, sugar beets and sugarcane (31).

Other nonbasic commodities. Under title III of the 1949 Act, the Secretary is authorized to make price support available through loans, purchases, or other operations for any nonbasic agricultural commodity not designated in title II at a level not in excess of 90 percent of parity (31).

Wool and mohair. The National Wool Act of 1954 specifies the price support levels for wool and mohair (31).

The CCC may also carry out operations to remove and dispose of surplus agricultural commodities to stabilize prices at levels not in excess of those permissible by law.

Support Determination

Eight factors set forth in section 401(b) of the 1949 Act are taken into consideration in determining, for any commodity for which price support is discretionary, whether a price-support operation is undertaken and the level of such support (31). And, in the case of any commodity for which price support is mandatory, these same factors are considered to determine the level of support above the minimum set forth by the 1949 Act.

These factors are: (1) the supply of the commodity in relation to its demand; (2) the price levels at which other commodities are being supported and, for feed grains, the feed values of each grain in relation to corn; (3) the availability of funds; (4) the perishability of the commodity; (5) the importance of the commodity to agriculture and the national economy; (6) the ability to dispose of stocks acquired through a price support operation; (7) the need to offset temporary losses of export markets; and (8) the ability and willingness of producers to keep supplies in line with demand.

Support Level

For some commodities, the Congress has either established a specific parity level at which, or a range within which, loan, purchase, and payment rates must be set.

The parity price for an agricultural commodity is the price that will give such commodity the same buying or purchasing power--in terms of goods and services bought by farmers and certain costs of their farming operations--that such commodity had in the 1910-14 base period. This price includes an adjustment based on the commodity's most recent 10-year average farm price divided by the ratio of the general level of prices for all farm commodities during such 10-year period to the general level of prices received for all commodities during the 1910-14 base period. The formula for computing parity prices is set forth in section 301(a) of the 1938 Act (31).

The parity price of a commodity is a general or overall standard. It applies to the average of the various locations, grades, qualities, and classes of the commodity as sold by all farmers.

In the following pages, I present program provisions for rye, dry edible beans, oil crops, tobacco, sugar, honey, wool, mohair, gum naval stores, and dairy products for 1961-90 crops. Provisions for wheat, rice, corn, sorghum, barley, oats, upland cotton, and extra-long staple cotton are presented elsewhere.^{2/}

^{2/} See Green, *Program Provisions for Program Crops: A Database for 1961-90* (5).

Rye Programs

The Jones-Connally Act of 1934 expanded the list of "basic" commodities to include rye, but loans were not made available for rye until 1939 (10). The 1938 Act designated rye as a permissive support commodity. There were no specified limits on supports for "permissive" commodities. Price support was not made available for 1946 and 1947 crops of rye.

The 1949 Act, as enacted, required price support for rye, a designated nonbasic commodity (10). The Agricultural Act of 1956 mandated price support for rye at 76 percent of parity. The Agricultural Act of 1958 listed rye as a designated nonbasic commodity. Beginning with the 1959 crop, price support was to be made available at such level as the Secretary determined to be fair and reasonable in relation to the level of support for corn. Provisions of programs for the 1961-90 rye crops are presented in table 1.

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

Provision	1961	1962	1963	1964	1965
Parity price (\$/bu) 1/	1.47	1.45	1.42	1.37	1.40
Nonrecourse loan rate (\$/bu)	1.02	1.02	1.07	1.08	1.02
CCC domestic sales, legislated minimum price (\$/bu) 2/	1.07+CC	1.07+CC	1.12+CC	1.13+CC	1.07+CC
	1966	1967	1968	1969	1970
Parity price (\$/bu) 1/	1.41	1.40	1.41	1.47	1.50
Nonrecourse loan rate (\$/bu)	1.02	1.02	1.02	1.02	1.02
CCC domestic sales, legislated minimum price (\$/bu) 2/	1.07+CC	1.07+CC	1.07+CC	1.07+CC	1.07+CC
	1971	1972	1973	1974	1975
Parity price (\$/bu) 1/	1.55	1.60	1.76	1.97	2.31
Nonrecourse loan rate (\$/bu)	0.89	0.89	0.89	0.89	0.89
CCC domestic sales, legislated minimum price (\$/bu) 2/	0.93+CC	0.93+CC	0.93+CC	1.02+Adj+CC	1.02+Adj+CC
	1976	1977	1978	1979	1980
Parity price (\$/bu) 1/	2.55	2.80	3.08	3.48	3.80
Nonrecourse loan rate (\$/bu)	1.20	1.70	1.70	1.79	1.91
CCC domestic sales, legislated minimum price (\$/bu) 2/	1.38	1.96	1.96	2.06	2.20
	1981	1982	1983	1984	1985
Parity price (\$/bu) 1/	4.24	4.59	4.73	4.87	4.57
Nonrecourse loan rate (\$/bu)	2.04	2.17	2.25	2.17	2.17
CCC domestic sales, legislated minimum price (\$/bu) 2/	2.35	2.50	3.38	3.04	3.04
	1986	1987	1988	1989	1990
Parity price (\$/bu) 1/	4.42	4.14	4.14	4.33	4.32
Nonrecourse loan rate (\$/bu)	1.63	1.55	1.50	1.40	1.33
CCC domestic sales, legislated minimum price (\$/bu) 2/	2.28	Market price	Market price	Market price	Market price

1/ Average parity price of rye for July.

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

Dry Edible Beans Programs

Legislation made price support for dry edible beans permissible in 1941, mandatory during 1942-49, and permissible once again during 1950-67 (10). Initially, bean prices were supported by purchases for 1941 and 1942 crops, and by loans, purchases, and payments to processors for 1943-46 crops. Loans and purchase agreements for 1947-63 crops, and loans and purchases for 1964-67 crops sustained prices. Price support was not available for later crops. Provisions for dry edible bean programs from 1961 are presented in table 2.

Table 2--Provisions of dry edible beans programs, 1961-90

Provision	1961	1962	1963	1964	1965
Parity price (\$/cwt) 1/ Nonrecourse loan rate (\$/cwt) CCC domestic sales, legislated minimum price (\$/cwt) 2/	9.00 6.32 6.95	9.27 6.32 6.95	9.49 6.32 6.95	9.33 6.32 6.95	9.50 6.32 6.95
	1966	1967	1968	1969	1970
Parity price (\$/cwt) 1/ Nonrecourse loan rate (\$/cwt) CCC domestic sales, legislated minimum price (\$/cwt) 2/	9.88 6.33 6.96	10.10 6.37 7.01	10.40 6.38 7.02	11.20 6.39 7.03	11.60 6.40 7.04
	1971	1972	1973	1974	1975
Parity price (\$/cwt) 1/ Nonrecourse loan rate (\$/cwt) CCC domestic sales, legislated minimum price (\$/cwt) 2/	12.20 6.40 7.04	13.00 6.40 7.04	15.80 6.40 7.04	18.80 6.40 7.04	23.80 -- --
	1976	1977	1978	1979	1980
Parity price (\$/cwt) 1/ Nonrecourse loan rate (\$/cwt) CCC domestic sales, legislated minimum price (\$/cwt) 2/	25.70 -- --	26.70 -- --	29.60 -- --	33.60 -- --	37.60 -- --
	1981	1982	1983	1984	1985
Parity price (\$/cwt) 1/ Nonrecourse loan rate (\$/cwt) CCC domestic sales, legislated minimum price (\$/cwt) 2/	41.50 -- --	43.90 -- --	44.00 -- --	44.00 -- --	39.60 -- --
	1986	1987	1988	1989	1990
Parity price (\$/cwt) 1/ Nonrecourse loan rate (\$/cwt) CCC domestic sales, legislated minimum price (\$/cwt) 2/	38.10 -- --	38.10 -- --	38.90 -- --	40.30 -- --	43.00 -- --

1/ Average parity price of dry edible beans for August.

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

Oil Crops Programs

The CCC has operated support programs for cottonseed, flaxseed, peanuts, soybeans, and tung nuts.

Cottonseed

Since 1942, legislation has permitted the support of cottonseed (10). From 1942 through 1945, prices of cottonseed were supported by the purchase of oil, meal, and linters from processors who paid support prices for cottonseed. No support was available during 1946-48. Support of the 1949 crop was achieved through both loans to and purchases from producers, including purchases of cottonseed made through ginners acting as agents for the CCC. In 1950, prices were supported through loans, purchase agreements, and purchases, including purchases of cottonseed from ginners. Prices of the 1951-54 crops were supported through loans and purchases, which included purchases of oil, meal, and linters from processors and cottonseed from ginners. Prices were supported through loans and purchases, and purchases of cottonseed from ginners for the 1955-62 crops; through purchases of cottonseed from ginners for the 1963-67 crops; and primarily through loans and purchases of cottonseed products from mills for the 1968-70 crops. Since 1970, there has been no support program offered to cottonseed producers. Provisions of cottonseed programs from 1961 are presented in table 3.

Flaxseed

Legislation permitted the price support of flaxseed in 1941. From 1942 through 1949, price support was mandatory (10). From 1950 through 1973, legislation once again merely permitted the support of flaxseed.

The 1941 crop was supported by loans. Crops from 1942 to 1946 were supported by loans and purchases. For 1947-49 crops, loans, purchases, and purchase contracts with processors were used to support prices. For 1950-63 crops, the CCC used loans, purchases, and purchase agreements to support flaxseed. The 1964-73 crops were supported by loans and purchases. Price support has not been made available for flaxseed since 1973. Provisions of flaxseed programs from 1961 are presented in table 3.

Peanuts

Legislation in 1934 classified peanuts as a "basic" crop, subject to production control and to the diversion provisions of the Agricultural Adjustment Act of 1933 (10). Peanuts were classified as a "soil-depleting" crop under the provisions of the Soil Conservation and Domestic Allotment Act. In 1941, the 1938 Act was amended to authorize marketing quotas for peanuts. Since it classified peanuts as a basic crop, the act made price supports mandatory for peanuts at 50-75 percent of parity.

The peanut program was substantially changed by the Food and Agriculture Act of 1977 (9). The act implemented a two-price poundage quota program, while retaining acreage allotments and price supports. Producers could produce in excess of their quota, within their acreage allotments, but the quantity on which they could receive the higher of the two price supports was limited to the quota. Peanuts in excess of the quota are referred to as additional. The Agriculture and Food Act of 1981 maintained the two-price quota system and marketing quotas, but suspended acreage allotments. Quota support prices were limited to quota holders and applied to the poundage quota, but anyone was allowed to grow peanuts. Also, the carrying forward of unused quota was permitted. A maximum carryforward of 10 percent of the national quota is permitted. These are not counted against the national poundage quota for the marketing year.

The Food Security Act of 1985 suspended peanut acreage allotments for the 1986-90 crops (9). Poundage quotas were approved for the 1986-90 crops by peanut growers. Undermarketing from previous crops of quota peanuts (not to exceed 10 percent of the current national poundage quota) is eligible to be carried over and added to the current crop poundage quota.

By law, the national average price-support level for quota peanuts must be the price-support level for the previous crop adjusted for any increase in the cost of production, which must not exceed 6 percent. The support rate for additional peanuts is required to be set by the Secretary and is based on considerations of the demand for peanut oil and meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

Support at the quota price-support level is available during harvest season only on peanuts grown within the farm poundage quota. Support at the additional price-support level is

available on additional peanuts grown on farms with a quota or on farms without a quota. Peanuts, marketed for domestic edible use in excess of the poundage quota, are subject to a penalty of 140 percent of the quota price-support rate. Provisions of peanut programs for 1961-90 crops are presented in table 3.

Soybeans

The Agricultural Adjustment Act of 1933 classified soybeans that were harvested as "soil-depleting," while soybeans that were left on the land or turned under as "soil-building" (10). Farmers who participated in the soil conservation program received direct payments if they reduced acreage of soil-depleting crops, increased acreage of soil-building and soil-conserving crops, and used practices to control soil erosion.

A price support program for soybeans was implemented in 1941 (10). A price-support loan has been in place every year since then except for 1975. Price-support loans were not mandated by legislation, but were authorized at the discretion of the Secretary. No allotments or marketing quotas were set for soybeans.

A resale program was extended to 1958 farm-stored soybeans (10). Soybean farmers in designated areas were able to extend farm-storage loans or convert purchase agreements to loans for an additional year following the loan maturity. The resale program was also extended to the 1961, 1963, and 1966-69 crops. For the 1967-69 crops, the program was also extended to commercially stored soybeans.

The Agricultural Act of 1973 gave farmers greater freedom to shift between soybeans and program crops (wheat, feed grains, and upland cotton) (2). Farmers were allowed to plant soybeans on allotted acreages of these crops and maintain their allotment and base history.

The loan and purchase agreement program for soybeans was legislatively mandated for the first time by the Food and Agricultural Act of 1977 (2). The Agricultural and Food Act of 1981 and the Food Security Act of 1985 also mandate price support for soybeans. The 1985 Act also gives the Secretary discretionary authority to offer a soybean marketing loan. If implemented, the program would allow soybean producers to repay their nonrecourse loans at the adjusted world market price (as determined by the Secretary) when world prices are below the loan rate. However, the Secretary chose not to offer marketing loans for the 1986-90 soybean crops.

The Disaster Assistance Act of 1988 required that the Secretary permit producers to plant soybeans on 10-25 percent of their permitted acreage of wheat, feed grains, cotton, and rice (2). However, the Secretary must limit plantings of soybeans and sunflowers so that market prices of soybeans do not fall below 115 percent of the basic loan rate in the previous year. The provision may be extended to 1990 if there is an insufficient supply of soybeans. Provisions of soybean programs for 1961-90 crops are presented in table 3.

Tung Nuts

Price support of tung nuts was permitted through 1949 (10). Legislation mandated the support of tung nuts from 1950 through 1976. PL 93-225, enacted December 29, 1973, terminated the mandatory support of tung nuts after the 1976 crop. Thus, the law allowed price support for tung nuts, at the discretion of the Secretary.

Prices of the 1944 crop of tung nuts were supported by the purchase of oil product from processors who paid support prices to producers for tung nuts. In 1945, prices were supported by the purchase of oil from processors who agreed to buy back oil at specified prices and make payments to producers. Prices of the 1947 crop of tung nuts were supported by the purchase of oil product from processors, who paid support prices to producers for tung nuts, plus oil purchases from producers. Prices for the 1949 crop were supported by purchase agreements for nuts and oil. Prices for the 1950-63 crops were supported by purchase agreements for nuts and purchase agreements and loans for oil. The 1964 crop was supported by purchase agreements and loans for oil. Prices for 1965-74 crops of tung nuts were supported by loans for oil.

When high production made a program necessary, operations were carried out through loans on oil because of the relatively high perishability of tung nuts (10). Producers delivered their tung nuts to a crushing mill where the oil was extracted on a custom basis, with the grower retaining title to the oil. Producers received warehouse receipts for the oil, which was generally stored in tanks at the crushing mill. The warehouse receipts served as collateral for the loans. Loans were payable on demand, without a fixed maturity date. Provisions for tung nut programs starting with 1961 are presented in table 3.

Table 3--Provisions of oil crop programs, 1961-90

Commodity/ provision	1961	1962	1963	1964	1965
Cottonseed:					
Parity price (\$/ton) 1/	62.40	62.80	62.70	62.70	63.30
Support price (\$/ton)	49.00	48.00	44.00	44.00	43.00
Nonrecourse loan rate (\$/ton)	49.00	48.00	--	--	--
Flaxseed:					
Parity price (\$/bu) 2/	3.80	3.85	3.89	3.82	3.88
Support price (\$/bu)	2.80	2.90	2.90	2.90	2.90
Nonrecourse loan rate (\$/bu)	2.80	2.90	2.90	2.90	2.90
Peanuts:					
Parity price (¢/lb) 3/	12.90	13.50	14.00	14.10	14.50
Support price (¢/lb)	11.05	11.07	11.20	11.20	11.20
Nonrecourse loan (¢/lb)--					
Quota peanut loan rate	11.05	11.07	11.20	11.20	11.20
Nonquota peanut loan rate	--	--	--	--	--
Marketing poundage quota (1,000 tons)	970.0	1,006.0	1,006.3	1,066.6	1,187.4
National allotment (1,000 acres)	1,612.4	1,612.6	1,612.1	1,612.6	1,613.5
CCC domestic sales, legislated minimum price (¢/lb) 4/	--	--	--	--	--
Soybeans:					
Parity price (\$/bu) 5/	2.89	2.95	3.01	3.03	3.04
Nonrecourse loan rate (\$/bu)	2.30	2.25	2.25	2.25	2.25
CCC domestic sales, legislated minimum price (\$/bu) 4/	2.465	2.44	2.44	2.44	2.44
Tung nuts:					
Parity price for nuts (\$/ton) 6/	77.40	78.30	86.50	87.00	90.50
Support price--					
Nuts (\$/ton)	63.34	63.34	63.34	63.34	63.34
Oil (¢/lb)	24.0	24.0	24.0	24.0	24.0

See footnotes at end of table.

Continued--

Table 3--Provisions of oil crop programs, 1961-90--Continued

Commodity/ provision	1966	1967	1968	1969	1970
Cottonseed:					
Parity price (\$/ton) 1/	65.10	68.30	69.60	73.70	75.50
Support price (\$/ton)	48.00	48.00	48.00	37.00	37.00
Nonrecourse loan rate (\$/ton)	--	--	--	--	--
Flaxseed:					
Parity price (\$/bu) 2/	3.96	3.97	4.04	4.26	4.31
Support price (\$/bu)	2.90	2.90	2.90	2.75	2.50
Nonrecourse loan rate (\$/bu)	2.90	2.90	2.90	2.75	2.50
Peanuts:					
Parity price (¢/lb) 3/	14.80	15.10	15.50	16.30	17.00
Support price (¢/lb)	11.35	11.35	12.01	12.38	12.75
Nonrecourse loan (¢/lb)--					
Quota peanut loan rate	11.35	11.35	12.01	12.38	12.75
Nonquota peanut loan rate	--	--	--	--	--
Marketing poundage quota (1,000 tons)	1,368.5	1,428.9	1,489.3	1,549.6	1,537.6
National allotment (1,000 acres)	1,613.0	1,612.8	1,612.8	1,612.3	1,612.9
CCC domestic sales, legislated minimum price (¢/lb) 4/	--	--	--	--	--
Soybeans:					
Parity price (\$/bu) 5/	3.20	3.29	3.40	3.63	3.81
Nonrecourse loan rate (\$/bu)	2.50	2.50	2.50	2.25	2.25
CCC domestic sales, legislated minimum price (\$/bu) 4/	7/ 2.44/2.86	8/ 2.72	9/ None	2.475	2.475
Tung nuts:					
Parity price for nuts (\$/ton) 6/	93.30	94.50	98.80	105.00	109.00
Support price--					
Nuts (\$/ton)	63.34	63.34	64.22	68.25	70.85
Oil (¢/lb)	24.0	24.0	24.3	25.6	26.4

See footnotes at end of table.

Continued--

Table 3--Provisions of oil crop programs, 1961-90--Continued

Commodity/ provision	1971	1972	1973	1974	1975
Cottonseed:					
Parity price (\$/ton) 1/	80.00	83.60	93.30	109.50	130.00
Support price (\$/ton)	--	--	--	--	--
Nonrecourse loan rate (\$/ton)	--	--	--	--	--
Flaxseed:					
Parity price (\$/bu) 2/	4.43	4.41	4.79	5.75	7.27
Support price (\$/bu)	2.50	2.50	2.50	2.50	--
Nonrecourse loan rate (\$/bu)	2.50	2.50	2.50	2.50	--
Peanuts:					
Parity price (¢/lb) 3/	17.90	19.00	21.90	24.40	26.30
Support price (¢/lb)	13.425	14.25	16.425	18.3	--
Nonrecourse loan (¢/lb)--					
Quota peanut loan rate	13.425	14.25	16.425	18.3	19.725
Nonquota peanut loan rate	--	--	--	--	--
Marketing poundage quota (1,000 tons)	1,553.7	1,634.2	1,771.0	1,900.0	1,899.8
National allotment (1,000 acres)	1,612.7	1,612.8	1,614.0	1,614.0	1,613.5
CCC domestic sales, legislated minimum price (¢/lb) 4/	--	--	--	18.3	19.725
Soybeans:					
Parity price (\$/bu) 5/	4.00	4.17	4.99	6.08	6.90
Nonrecourse loan rate (\$/bu)	2.25	2.25	2.25	2.25	None
CCC domestic sales, legislated minimum price (\$/bu) 4/	None	None	None	None	None
Tung nuts:					
Parity price for nuts (\$/ton) 6/	113.00	115.00	115.00	124.00	123.00
Support price--					
Nuts (\$/ton)	73.45	74.75	74.75	80.6	--
Oil (¢/lb)	27.2	27.6	27.6	29.5	--

See footnotes at end of table.

Continued--

Table 3--Provisions of oil crop programs, 1961-90--Continued

Commodity/ provision	1976	1977	1978	1979	1980
Cottonseed:					
Parity price (\$/ton) 1/	138.00	143.00	150.00	173.00	196.00
Support price (\$/ton)	--	--	--	--	--
Nonrecourse loan rate (\$/ton)	--	--	--	--	--
Flaxseed:					
Parity price (\$/bu) 2/	7.94	8.68	9.37	10.40	11.40
Support price (\$/bu)	--	--	--	--	--
Nonrecourse loan rate (\$/bu)	--	--	4.50	4.50	4.50
Peanuts:					
Parity price (¢/lb) 3/	27.60	28.70	31.50	35.80	38.10
Support price (¢/lb)	--	--	--	--	--
Nonrecourse loan (¢/lb)--					
Quota peanut loan rate	20.7	21.525	21.0	21.0	22.75
Nonquota peanut loan rate	--	--	12.5	15.0	12.5
Marketing poundage quota (1,000 tons)	2,004.0	2,068.9	1,680.0	1,596.0	1,516.0
National allotment (1,000 acres)	1,614.0	1,614.2	1,614.0	1,614.0	1,614.0
CCC domestic sales, legislated minimum price (¢/lb) 4/	--	--	10/ 22.05+CC	--	--
Soybeans:					
Parity price (\$/bu) 5/	7.29	7.61	8.76	10.10	11.60
Nonrecourse loan rate (\$/bu)	2.50	3.50	4.50	4.50	5.02
CCC domestic sales, legislated minimum price (\$/bu) 4/	None	None	None	None	None
Tung nuts:					
Parity price for nuts (\$/ton) 6/	119.00	71.20	61.10	131.00	NR
Support price--					
Nuts (\$/ton)	--	--	--	--	--
Oil (¢/lb)	--	--	--	--	--

See footnotes at end of table.

Continued--

Table 3--Provisions of oil crop programs, 1961-90--Continued

Commodity/ provision	1981	1982	1983	1984	1985
Cottonseed:					
Parity price (\$/ton) 1/	215.00	216.00	212.00	228.00	210.00
Support price (\$/ton)	--	--	--	--	--
Nonrecourse loan rate (\$/ton)	--	--	--	--	--
Flaxseed:					
Parity price (\$/bu) 2/	12.60	13.20	13.50	13.60	12.50
Support price (\$/bu)	--	--	--	--	--
Nonrecourse loan rate (\$/bu)	--	--	--	--	--
Peanuts:					
Parity price (¢/lb) 3/	41.50	43.30	44.00	45.90	45.50
Support price (¢/lb)	--	--	--	--	--
Nonrecourse loan (¢/lb)--					
Quota peanut loan rate	22.75	27.5	27.5	27.5	27.95
Nonquota peanut loan rate	12.5	10.0	9.25	9.25	7.40
Marketing poundage quota (1,000 tons)	1,440.0	1,200.0	1,167.0	1,134.0	1,100.0
National allotment (1,000 acres)	1,734.0	Suspended	Suspended	Suspended	Suspended
CCC domestic sales, legislated minimum price (¢/lb) 4/	--	--	--	--	--
Soybeans:					
Parity price (\$/bu) 5/	12.50	12.90	13.00	13.00	12.70
Nonrecourse loan rate (\$/bu)	5.02	5.02	5.02	5.02	5.02
CCC domestic sales, legislated minimum price (\$/bu) 4/	None	None	5.271+CC	5.271+CC	5.271+CC
Tung nuts:					
Parity price for nuts (\$/ton) 6/	NR	NR	NR	NR	NR
Support price--					
Nuts (\$/ton)	--	--	--	--	--
Oil (¢/lb)	--	--	--	--	--

See footnotes at end of table.

Continued--

Table 3--Provisions of oil crop programs, 1961-90--Continued

Commodity/ provision	1986	1987	1988	1989	1990
Cottonseed:					
Parity price (\$/ton) 1/	196.00	192.00	197.00	202.00	202.00
Support price (\$/ton)	--	--	--	--	--
Nonrecourse loan rate (\$/ton)	--	--	--	--	--
Flaxseed:					
Parity price (\$/bu) 2/	11.60	11.00	10.70	11.20	11.60
Support price (\$/ton)	--	--	--	--	--
Nonrecourse loan rate (\$/ton)	--	--	--	--	--
Peanuts:					
Parity price (¢/lb) 3/	44.80	46.70	48.90	50.60	53.40
Support price (¢/lb)	--	--	--	--	--
Nonrecourse loan (¢/lb)--					
Quota peanut loan rate	30.37	30.37	30.76	30.79	31.57
Nonquota peanut loan rate	7.49	7.49	7.49	7.49	7.49
Marketing poundage quota (1,000 tons)	1,355.5	1,355.5	1,402.2	1,440.0	1,560.0
National allotment (1,000 acres)	Suspended	Suspended	Suspended	Suspended	Suspended
CCC domestic sales, legislated minimum price (¢/lb) 4/	30.37+CC	30.37+CC	30.76+CC	30.79+CC	31.57+CC
Soybeans:					
Parity price (\$/bu) 5/	12.20	12.10	11.90	12.30	12.40
Nonrecourse loan rate (\$/bu)	4.77	4.77	4.77	4.53	4.50
CCC domestic sales, legislated minimum price (\$/bu) 4/	5.0085+CC	5.0085+CC	5.0085+CC	4.7565+CC	4.725+CC
Tung nuts:					
Parity price for nuts (\$/ton) 6/	NR	NR	NR	NR	NR
Support price--					
Nuts (\$/ton)	--	--	--	--	--
Oil (¢/lb)	--	--	--	--	--

NR = Not reported.

1/ Average parity price of cottonseed for July.

2/ Average parity price of flaxseed for May.

3/ Average parity price of peanuts for July.

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

5/ Average parity price of soybeans for August.

6/ Average parity price of tung nuts for October, last reported June 1980.

7/ Sales policy changed as of March 1967.

8/ Sales price for September 1967, increasing at the rate of 1.5 cents a month.

9/ Announced that no sales would be made during the crop year.

10/ The sales price increased to 22.47 cents plus costs if sold after December 31, 1978.

Tobacco Programs

The Agricultural Adjustment Act of 1933 classified tobacco as a "basic" commodity, and from 1933 through 1935, cash payments were made to producers who restricted production (10). The 1938 Act expanded tobacco program provisions to include mandatory nonrecourse loans, authority for marketing quotas if supplies reached certain levels, and parity payments if funds were available. The program is available to all kinds of tobacco except shade-grown wrapper and Perique. Except for the 1939 crop, marketing quotas have been approved and have been in effect since 1938 for each crop of flue-cured, burley, and dark tobacco. Cigar binder and Ohio filler crops first came under quotas in 1951. Price supports have never applied to Pennsylvania filler, and they were last applied to the Maryland crop in 1965 and the Connecticut-Massachusetts binder crop in 1983.

In 1942, Congress raised the support level to 90 percent of parity (10). The 1949 Act, which has been the authority for tobacco support since 1950, continued the 90-percent parity level. Because of sharply increasing support levels, an amendment to the 1949 Act held tobacco support levels in 1960 at the previous year's level. The amendment also provided for subsequent price-support changes to be based on the average parity index for the 3 previous calendar years, compared with the 1959 index.

Under the loan program, a support price is established for each grade of tobacco (10). If the buyers are not willing to bid the Government loan rate for any lot of tobacco, the eligible grower may receive the lot's designated loan rate less any overhead deduction to cover the loan association's administrative costs. The tobacco is then taken over by the cooperative association. Under an agreement with the CCC, the association arranges for receiving, handling and processing, and eventually selling the tobacco under loan.

The No Net Cost Tobacco Program Act of 1982 required that to be eligible for price support, producers of all kinds of tobacco had to contribute to a fund or pay assessments to an account established by the cooperative association that makes support loans available to producers (6). The funds are collected to cover potential losses in operating the price support program.

Legislation authorizing tobacco price support and production control programs has no expiration date (6). Provisions for tobacco in the Food Security Act of 1985 refer to pesticide residues in flue-cured and burley tobacco and a certificate requirement of end use for imported tobacco.

Under the Consolidated Omnibus Budget Reconciliation Act of 1985, price support for 1986 and subsequent crops of tobacco (other than flue-cured and burley) was to be set using the same formula as in previous law (4). Also, loan associations have the authority to reduce support levels as market conditions warrant. Beginning in 1987, the annual flue-cured and burley price support is the level for the previous year adjusted by changes in the 3-year moving average of prices (two-thirds weight) and in the cost of production

index (one-third weight). The Secretary can set the price support between 65 and 100 percent of the calculated adjusted change from the previous year.

Flue-cured and burley quotas are based on intended purchases by cigarette manufacturers, average annual exports for the 3 preceding years, and the amount of tobacco needed to attain a specified reserve stock level. Quota reductions are limited to 6 percent from 1986 through 1989 and to 10 percent from 1990 to 1993. Secretarial discretion for setting flue-cured and burley quotas is limited to not more than 103 percent or less than 97 percent of the amount as determined above.

The Agricultural Reconciliation Act of 1987 directed that the price-support level for the 1988 and 1989 tobacco crops be reduced by 1.4 percent from the level it would otherwise have been (6). This reduction was not to affect the determinations of support levels for subsequent crops. Provisions for tobacco programs from 1961 through 1990 are presented in table 4.

Table 4--Provisions of tobacco programs, 1961-90

Tobacco type/ provision	1961	1962	1963	1964	1965
Flue-cured:					
Parity price (¢/lb) 1/	64.7	69.1	72.7	74.1	77.3
Loan rate (¢/lb)	55.5	56.1	56.6	57.2	57.7
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	Yes	Yes	Yes	Yes	3/ 1,126.0
Effective marketing quota (mil lbs)	--	--	--	--	1,124.4
National allotment (acres)	714,203	745,238	708,489	638,240	606,648
Burley:					
Parity price (¢/lb) 1/	68.7	73.4	77.0	78.8	82.8
Loan rate (¢/lb)	57.2	57.8	58.3	58.9	59.5
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	536.0	571.8	599.4	579.2	Yes
Effective marketing quota (mil lbs)	--	--	--	--	--
National allotment (acres)	328,600	348,572	348,910	315,698	286,601
Virginia fire-cured (type 21):					
Parity price (¢/lb) 1/	43.6	45.6	47.5	48.1	50.8
Loan rate (¢/lb)	38.8	39.2	39.6	40.0	40.4
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	11,957.0	Yes	Yes	11,168.0	11,240.0
National allotment (acres)	9,131	9,126	9,037	9,145	9,244
Kentucky-Tennessee fire-cured (types 22-23):					
Parity price (¢/lb) 1/	45.4	47.1	48.8	50.0	51.7
Loan rate (¢/lb)	38.8	39.2	39.6	40.0	40.4
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	48,400.0	Yes	Yes	45,800.0	42,800.0
National allotment (acres)	32,719	32,931	32,843	29,494	26,489
Maryland (type 32):					
Parity price (¢/lb) 1/	60.2	64.8	69.3	71.0	71.5
Loan rate (¢/lb)	50.8	51.3	51.8	52.3	52.8
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	49,473	49,746	48,220	47,298	39,396
Kentucky-Tennessee dark air-cured (types 35-36):					
Parity price (¢/lb) 1/	40.3	42.2	44.4	45.9	47.6
Loan rate (¢/lb)	34.5	34.8	35.2	35.5	35.9
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	22,700.0	Yes	Yes	21,800.0	20,400.0
National allotment (acres)	15,783	15,842	15,761	14,132	12,687
Virginia sun-cured (type 37):					
Parity price (¢/lb) 1/	39.7	42.2	44.4	44.7	47.5
Loan rate (¢/lb)	34.5	34.8	35.2	35.5	35.9
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	4,684.0	Yes	Yes	3,437.0	3,150.0
National allotment (acres)	4,350	4,190	3,757	3,472	3,224
Cigar binder (types 51-52):					
Parity price (¢/lb) 1/	46.3	49.0	51.9	53.4	57.0
Loan rate (¢/lb)	39.6	40.0	40.4	40.8	41.2
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	20,000.0	Yes	14,800.0	12,600.0	11,100.0
National allotment (acres)	10,645	8,901	7,988	6,684	5,551
Cigar binder and filler (types 42-44 and 53-55):					
Parity price (¢/lb) 1/	34.0	35.5	37.3	38.1	39.9
Loan rate (¢/lb)	28.6	28.9	29.2	29.5	29.7
No-net-cost assessment-- tobacco types 42-44 (¢/lb)	--	--	--	--	--
tobacco type 54 (¢/lb)	--	--	--	--	--
tobacco type 55 (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	41,300.0	Yes	32,300.0	32,300.0	33,500.0
National allotment (acres)	25,376	20,963	20,698	20,324	20,263
Puerto Rico filler (type 46):					
Parity price (¢/lb) 1/	35.2	37.3	39.7	40.9	43.6
Loan rate (¢/lb)	29.7	30.0	30.3	30.6	30.9
No-net-cost assessment (¢/lb)	--	--	--	--	--

See footnotes at end of table.

Continued--

Table 4--Provisions of tobacco programs, 1961-90--Continued

Tobacco type/ provision	1966	1967	1968	1969	1970
Flue-cured:					
Parity price (¢/lb) 1/	81.0	84.2	87.0	92.0	94.5
Loan rate (¢/lb)	58.8	59.9	61.6	63.8	66.6
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	1,126.0	1,126.3	1,127.5	1,127.4	1,071.5
Effective marketing quota (mil lbs)	1,199.0	1,202.4	1,067.9	1,187.0	1,190.8
National allotment (acres)	606,665	607,316	607,786	607,869	577,723
Burley:					
Parity price (¢/lb) 1/	86.3	87.7	90.6	96.1	99.7
Loan rate (¢/lb)	60.6	61.8	63.5	65.8	68.6
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	Yes	610.0	Yes	Yes	Yes
Effective marketing quota (mil lbs)	--	--	--	--	--
National allotment (acres)	249,944	249,926	249,966	249,761	230,947
Virginia fire-cured (type 21):					
Parity price (¢/lb) 1/	53.3	54.4	55.5	59.4	63.5
Loan rate (¢/lb)	41.1	41.9	43.1	44.6	46.6
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	9,354	9,381	9,392	10,302	11,672
Kentucky-Tennessee fire-cured (types 22-23):					
Parity price (¢/lb) 1/	54.3	55.7	58.0	62.6	65.8
Loan rate (¢/lb)	41.1	41.9	43.1	44.6	46.6
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	26,445	26,654	26,725	26,995	27,144
Maryland (type 32):					
Parity price (¢/lb) 1/	77.0	79.8	80.6	86.7	90.0
Loan rate (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	4/ No	4/ No	4/ No	4/ No	4/ No
National allotment (acres)	--	--	--	--	--
Kentucky-Tennessee dark air-cured (types 35-36):					
Parity price (¢/lb) 1/	50.0	50.7	52.3	56.0	58.0
Loan rate (¢/lb)	36.6	37.3	38.3	39.7	41.4
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	12,694	12,668	12,626	12,607	11,373
Virginia sun-cured (type 37):					
Parity price (¢/lb) 1/	50.6	48.2	54.5	59.5	63.5
Loan rate (¢/lb)	36.6	37.3	38.3	39.7	41.4
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	2,990	2,824	2,662	2,549	2,357
Cigar binder (types 51-52):					
Parity price (¢/lb) 1/	60.0	62.2	65.9	72.0	75.8
Loan rate (¢/lb)	42.0	42.8	44.0	45.5	47.5
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	9,000.0	Yes	Yes	Yes	5/ Suspended
National allotment (acres)	4,425	4,320	4,202	5,954	6,467
Cigar binder and filler (types 42-44 and 53-55):					
Parity price (¢/lb) 1/	41.9	43.0	44.1	46.1	48.5
Loan rate (¢/lb)	30.3	30.9	31.7	32.9	34.3
No-net-cost assessment-- tobacco types 42-44 (¢/lb)	--	--	--	--	--
tobacco type 54 (¢/lb)	--	--	--	--	--
tobacco type 55 (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	34,600.0	Yes	Yes	Yes	Yes
National allotment (acres)	20,184	19,705	19,367	18,855	18,990
Puerto Rico filler (type 46):					
Parity price (¢/lb) 1/	46.0	48.0	49.5	53.6	57.2
Loan rate (¢/lb)	31.5	32.1	33.0	34.2	35.6
No-net-cost assessment (¢/lb)	--	--	--	--	--

See footnotes at end of table.

Continued--

Table 4--Provisions of tobacco programs, 1961-90--Continued

Tobacco type/ provision	1971	1972	1973 6/	1974 6/	1975 7/
Flue-cured:					
Parity price (¢/lb) 1/	100.7	106.0	122.0	138.0	150.0
Loan rate (¢/lb)	69.4	72.7	76.6	83.3	93.2
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	1,071.6	1,071.2	1,178.7	1,296.6	1,491.4
Effective marketing quota (mil lbs)	1,069.9	1,056.7	1,205.6	1,337.1	1,572.3
National allotment (acres)	572,100	577,994	635,922	699,514	804,746
Burley:					
Parity price (¢/lb) 1/	104.0	109.0	125.0	142.0	155.0
Loan rate (¢/lb)	71.5	74.9	78.9	85.8	96.1
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	8/ 555.1	531.5	559.7	606.5	669.5
Effective marketing quota (mil lbs)	553.0	611.5	573.6	706.8	750.4
National allotment (acres)	--	--	--	--	--
Virginia fire-cured (type 21):					
Parity price (¢/lb) 1/	66.7	71.7	84.0	98.4	107.8
Loan rate (¢/lb)	48.5	50.8	53.5	58.2	65.2
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	12,612	12,203	11,302	10,385	11,409
Kentucky-Tennessee fire-cured (types 22-23):					
Parity price (¢/lb) 1/	68.6	74.1	85.8	99.6	112.0
Loan rate (¢/lb)	48.5	50.8	53.5	58.2	65.2
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	27,298	30,033	29,875	29,609	33,072
Maryland (type 32):					
Parity price (¢/lb) 1/	94.6	99.9	114.0	129.0	141.0
Loan rate (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	4/ No	4/ No	4/ No	4/ No	4/ No
National allotment (acres)	--	--	--	--	--
Kentucky-Tennessee dark air-cured (types 35-36):					
Parity price (¢/lb) 1/	61.0	64.5	75.0	85.8	95.2
Loan rate (¢/lb)	43.1	45.2	47.6	51.8	58.0
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	11,404	11,312	11,147	11,093	12,025
Virginia sun-cured (type 37):					
Parity price (¢/lb) 1/	67.8	72.4	83.7	97.9	108.0
Loan rate (¢/lb)	43.1	45.2	47.6	51.8	58.0
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	2,218	2,100	1,860	1,630	1,700
Cigar binder (types 51-52):					
Parity price (¢/lb) 1/	80.7	87.3	100.9	114.0	122.0
Loan rate (¢/lb)	49.5	51.9	54.6	59.4	66.5
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	5/ Suspended	5/ Suspended	5/ Suspended	5/ Suspended	5/ Suspended
National allotment (acres)	5,987	6,663	5,851	5,159	4,790
Cigar binder and filler (types 42-44 and 53-55):					
Parity price (¢/lb) 1/	53.2	59.0	70.2	81.3	89.4
Loan rate (¢/lb)	35.8	37.5	39.5	42.9	48.0
No-net-cost assessment-- tobacco types 42-44 (¢/lb)	--	--	--	--	--
tobacco type 54 (¢/lb)	--	--	--	--	--
tobacco type 55 (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	18,478	18,256	18,055	17,985	19,620
Puerto Rico filler (type 46):					
Parity price (¢/lb) 1/	61.4	66.5	77.2	87.8	92.7
Loan rate (¢/lb)	37.1	38.9	41.0	44.6	49.9
No-net-cost assessment (¢/lb)	--	--	--	--	--

See footnotes at end of table.

Continued--