



Current Report

PUBLISHED BY OKLAHOMA STATE UNIVERSITY
DISTRIBUTED THROUGH COUNTY EXTENSION OFFICES

1972 FEED GRAIN PROGRAM PROVISIONS

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Feed Grain producers are faced with some important decisions concerning the 1972 Feed Grain program. One decision concerns whether to be in or out of the program since program participation is strictly voluntary. The only penalty for non-participation in the 1972 Feed Grain program is loss of program benefits.

Another decision is if he participates, which program features should he select. To reach these decisions in a logical fashion the producer can consider the 1972 Feed Grain Program as containing two major alternatives with options under each alternative. Some provisions of the two Feed Grain Programs alternatives are common to each alternative, they are:

1. The producers must sign-up to participate by March 10, 1972.
2. The producer agrees to set-aside comparable quality land to a conserving use equal to 25% of the Feed Grain Base (composed of a barley base, grain sorghum base and corn base).
3. The producer will be eligible for a set-aside payment of 40¢/bu. for corn, 38¢/bu. for grain sorghum and 32¢/bu. for barley. This payment will be made on established farm yield times one-half the respective corn, grain sorghum and/or barley base.
4. Maintain his normal conserving base acres in addition to the set-aside requirements.

5. To protect history, producers must have planted or considered planted for 1972 harvest an acreage of feed grains, or eligible substitute crops equal to at least 50% of the 1972 Feed Grain Base. Acres used as set-aside or conserving base will not count for history purposes under any 1972 programs.

A producer may limit his participation at this level. He may plant his remaining acres to any crop including feed grains but subject to quota crop limitations.

In addition to the basic program provision the feed grain producer may also choose either one of two alternatives. Under alternative "A" the producer can elect to set-aside additional acres for payments of 52¢/bu. on corn, 49¢/bu. on grain sorghum, and 42¢/bu. on barley times the established yield on these acres. These payments can be received by agreeing to set-aside additional acres, up to 10% of the corn - grain sorghum base and up to 20% of his barley base. He may also offer to set-aside still another 5 or 10% of the corn - grain sorghum base at this payment rate. Acceptance or rejection of this offer will be announced by the Secretary of Agriculture shortly after sign-up is over.

After complying with the provisions of alternative "A" the producer may plant his remaining acres to any crop including feed grain and subject only to the limitations of other programs indicated earlier.

The other major choice for producers is alternative "B". The provisions of alternative "B" must be considered completely separate and distinct from those of alternative "A".

Alternative "B" permits the producer to set-aside an additional 10% of the corn - grain sorghum portion of the feed grain base. The producer will receive a payment for this additional set-aside of 80¢/bu. for corn or 76¢/bu. for grain sorghum. There is no payment for additional set-aside of barley acres under alternative "B".

If the producer participates in alternative "B", he must agree to reduce his corn - grain sorghum planting from last year by twice the acreage of his additional set-aside. One half of this reduction - the additional set-aside acres - must be put to a conserving use. The remaining acres reduced from the 1971 corn - grain sorghum planting may be planted to any crop other than corn or grain sorghum.

At the time of signup a producer may

also offer to set-aside an additional 5% of his corn - grain sorghum base for the alternative "B" payment. Shortly after signup ends, the Secretary of Agriculture will announce if the 5% offer will be accepted.

It is important for Feed Grain producers to remember that participation in the 1972 Feed Grain Program does not automatically protect feed grain history. Feed Grain History is used to calculate future feed grain bases. It is possible to meet all program requirements, draw all eligible payments and still lose feed grain history.

For history purposes producers must have at least 50% of their Feed Grain Base planted or considered planted to a feed grain (corn, grain sorghum or barley), or eligible substitute crops. The producer should re-check for this history protection before signing his participation agreement.

A mistake in selecting the best program alternative lasts for one year. A mistake that causes the producer to lose history may have an effect for many years.