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THE GOVERNMENT WHEAT PROGRAM FOR 1973

Program Announced Early. Provisions of the new 1973 Wheat Program were announced in late July by the USDA, Washington, D. C., and State ASCS Offices. This should give South Dakota winter wheat producers ample time to make planting decisions this fall for the 1973 crop. The 1973 program is the last year of wheat programs provided under the Agricultural Act of 1970. The 1970 Act set up the framework for 1971, 1972 and 1973 farm programs. For a wheat program in 1974, Congress must consider and pass national legislation between now and next fall.

Compensation to S.D. Farmers. Direct cash payments to South Dakota wheat producers participating in the 1971 Wheat Program totaled \$37 million, and will likely amount to around \$40 million under the current 1972 Wheat Program. Payments to wheat growers in the state could rise further in 1973, to approximately \$40 to \$45 million, depending on final wheat certificate values and the extent to which farmers participate under the special provisions in the new program.

National Allotment Reduced. The 1973 national domestic wheat allotment was set at 18.7 million acres, compared to 19.7 million in the 1972 program. This national allotment represents the acreage required to produce 535 million bu. of wheat for domestic food use. Certificates will again be issued to producers on this domestic portion, the

same as in 1972. An increase in the national average wheat yield from 29.8 bu. per acre in 1972 to an estimated 31.0 bu. for 1973 explains the reduction made in the national acreage allotment, calculated as needed to produce the desired 535 million bu. for domestic use.

Minimum Set-Aside. To participate in the 1973 program, farmers must set aside 86 percent of their domestic farm wheat allotment, in addition to maintaining their normal conserving base acreage. The set-aside requirement was 83 percent in the 1972 program. However, due to the smaller 1973 domestic allotment, the actual acreage required to be set aside on each participating farm will amount to about the same as in 1972.

VASA Increased for 1973. Participating farmers may elect to set aside additional cropland above the minimum required set-aside acreage. The "Voluntary Additional Set Aside" provision has been doubled for 1973. They may set aside additional acreage up to a limit of 150 percent of their allotment, at a payment of 88 cents per bu., times the established yield for their farm. In the 1972 program the voluntary added set-aside was limited to 75 percent of the farm allotment at a payment of 94 cents per bu. times established yield.

Limits Under 1973 VASA. Producers who choose this added option must

agree to limit their total wheat acreage planted for harvest. The limit will be their 1972 spring and winter Wheat Program acreages, plus their 1972 voluntary set-aside, minus their 1973 voluntary set-aside acreage.

Example Set-Asides. Assume a farm with a 50-acre domestic allotment and a 30 bushel established yield. Minimum required set-aside will be 86 % times 50 acres, or 43 acres. VASA (or voluntary additional set aside) will be up to a maximum of 150% of the domestic allotment, or 75 acres. Payment on VASA acreage will be 30 bu. times 88¢, or \$26.40 per acre.

Wheat Certificates. The value of wheat certificates will be determined the same as they were in the 1971 and 1972 Programs, namely the difference between the full parity price for wheat on July 1, and the national average price received by farmers during the five-month marketing period July-November, 1973. A preliminary payment equal to 75 percent of the estimated total certificate value is made in July, and the remainder is paid after December 1. In 1971, participating South Dakota wheat

producers received total wheat certificate payments averaging \$1.57 per bushel, times the farm's domestic allotment, times their established yield. For 1973 the wheat certificates are likely to reach a value between \$1.60 and \$1.70 per bushel.

No Limit, Unless. If a farmer does not choose to use the voluntary set-aside option (VASA), he may plant as much wheat or any other crop as he wishes, after he has met the minimum set-aside and conserving base requirements.

Summer Fallow Farms. Established summer fallow wheat farms that regularly devote at least 55 percent of their cropland to that use will not be required to set aside any additional acres to meet minimum set-aside requirements of the 1973 Wheat Program. However, any voluntary additional set aside for payment must be in addition to the 55 percent summer fallow acreage.

A Summary. The above is a summary of some of the major provisions of the 1973 Program. For complete details, contact a local County ASCS office.

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