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Arthur B. Sogn
South Dakota State University

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Editor:
Robert J. Antonides
Extension Economist

Economics Department

South Dakota State University

Brookings, S.D. 57007

(605) 688-4141

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SOME SPECIFICS ABOUT THE 1978 FARM PROGRAM by Arthur B. Sogn, Extension Economics-Marketing

(Editor's Note: At his grain marketing and outlook meetings, Mr. Sogn is often asked about details of the new farm program. With the hope that our readers may find answers to their particular situations, he has supplied us with the following one-sentence responses to the most frequently asked questions. Further details and refinements should be checked with the local ASCS office.)

- Farmers have until May 1 to sign-up to be eligible for farm program benefits.
- The grain reserve is a 3 year program to keep grain off the market.
- Different from past storage plans, reserve grain can be changed or replaced.
- Grain must be under loan first to be placed in reserve.
- The annual storage rate paid to farmers is 25 cents for barley, corn, wheat and sorghum and 19 cents for oats.
- The interest on the commodity loans if you do not deliver the grain is 6%.
- The interest on facility loans is 7%.
- You are only assured of 100% of target prices only if you reduce last year's acreage planted to wheat by 20% and reduce corn by 5% and then have the appropriate set-aside acres.
- Normal Crop Acreage can be adjusted within 15 days of notice of your NCA if there is a justifiable reason.
- You can plant all the non-program acres you want (even in excess of normal crop acreage) and still be eligible for loans on those grains - if no program crops are planted on that farm unit; e.g., 100 acres of oats and 50 acres of flax where your normal crop acreage is 130 acres.
- Alfalfa ground broken up last fall can most likely be added to your normal crop acreage.
- Normal crop acreage will consist of the number of acres of the following crops that were planted for harvest in 1977: barley, corn, oats, dry edible beans, sorghum, soybeans, sugar beets, rice, sugar cane, flax, cotton, rye, sunflowers, wheat and other are crops designated by State ASCS committees - such as millet.
- If hay was in a normal rotation with small grain or row crops it may be included in normal crop acreage.
- Alfalfa and hayland are not included in normal crop acreage.
- Any time a farmer plants corn, wheat, sorghum or barley, he must comply with set-aside to be eligible for commodity loans, target price deficiency payments, or disaster protection.
- You can grow set-aside crops on another farm unit (not to exceed normal crop acreage without any set-aside) and still qualify the crops on the farm unit on which you do set aside the required acres.
- There are three acceptable ways to manage set-aside acres:
 1. Establish a cover crop,
 2. establish a green manure crop, or
 3. establish next year's forage.

-Set-aside acres cannot be used for hay, or silage or anything except grazing and then only at the prescribed times.

-Set-aside acres: should be in at least a 5 acre tract.

-Set-aside is necessary for the four program crops only - corn, wheat, barley and sorghum.

-If set-aside acres are now tilled, a crop must be planted, but not harvested.

-If you set aside 20% of the program crop you plant this year, you are assured of no less than 80% of target prices. (It is currently estimated to be about 90-92% of target prices.)

-Production of any of the program crops without set-aside is not eligible for program benefits.

-Set-aside acres must be cropland that was tilled within one of the last three years in the production of a crop other than hay or pasture.

-Set-aside cannot be fallowed.

-You cannot set aside the same acres for different crops.

-Small grain (oats, spring wheat or barley) seeded for set-aside cover crop must be clipped before maturity - unless it is also used as a wildlife

cover.

-Winter wheat or rye seeded in the spring will not head out and if planted on set-aside acres will not have to be clipped.

-If you grow more than one set-aside crop you must meet the set-aside requirements for each crop to be eligible for program benefits on that farm unit.

-Stubble or stubble mulch is acceptable as cover on set-aside land.

-Disaster payments this year are considered for each grain individually so (for example) you could have a payment coming for wheat even if you had an excellent corn crop.

-Disaster protection is for prevented planting as well as low yield.

-All planted acres for eligible grains are covered for disaster protection and target price deficiency payments this year, instead of only allotted acres.

-A farmer will qualify for low-yield disaster payments when yields are reduced by 50%.

-Low-yield payment rates are at 50% of target price.

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