



Hard White Wheat Incentive Program Summary of 2003-2005 Program

Overview

Under the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) the Secretary of Agriculture is directed to make available a total of \$20 million in Commodity Credit Corporation (CCC) funds for the Hard White Wheat Incentive Program (HWWIP). The goal of the program is to increase the number of bushels of hard white wheat produced in the United States for the 2003-2005 crop years. USDA's Farm Service Agency (FSA) began administering HWWIP with the 2003 hard white wheat crop.

The CCC outlay for the three years is to be based on not more than 2 million acres, or the equivalent volume of 120 million bushels of production, for the 2003 through 2005 crop years. In the event that the 2-million acre limitation is reached before the \$20 million is distributed, the 120 million bushels shall become the cap for implementing the program.

Eligible Crops and Producers

Sign-up for the 2003 HWWIP began March 3, 2003, with applications available from USDA Service Centers. Sign-up is conducted by FSA annually for each of the crop years 2003, 2004, and 2005, which run:

- March 3, 2003, through May 31, 2004, for crop year 2003;
- October 1, 2003, through May 31, 2005, for crop year 2004; and
- October 1, 2004, through May 31, 2006, for crop year 2005.

Minimum quality standards are U.S. #2 Hard White Wheat or better.

The producer shall submit one application for all farms located within a particular county. The production incentive payment will be issued only if hard white wheat is actually produced and after production is verified by means of a settlement sheet.

Both hard white winter wheat and hard white spring wheat produced in the United States are eligible for payment. Producers are eligible to earn both a production incentive and a certified seed incentive in the same year and do not have to plant certified seed to receive the production incentive payment. Certified seed means hard white wheat seed grown from acceptable certified, registered, or foundation seed stock and sold, according to rules imposed by a state's certified seed board, as determined by FSA's Deputy Administrator for Farm Programs. The end use of the hard white wheat may not be for feed use.

Each applicant must certify on the application the total number and location of acres planted in hard white wheat and the number of eligible

bushels sold. For a certified seed incentive payment, the applicant must submit to FSA an acceptable seed receipt for the certified seed and certify the number and location of acres planted with certified seed. All applicants must also certify the accuracy and truthfulness of information. To be eligible to earn the production incentive, applicants must provide settlement sheets to FSA upon disposal of the production certified on the application. Hard white wheat under CCC loan that is forfeited or delivered to CCC may be eligible for the production incentive payment, provided all other eligibility requirements are met.

If an acre of land receives both the certified seed incentive and production incentive payment in the same year, only one acre shall be counted under the total 2-million acre limitation.

Payments

A production incentive in the amount of \$0.20 per bushel is provided for a minimum of #2 or better hard white wheat, as established by the Federal Grain Inspection Service. Payment can be earned on a maximum of 60 bushels for each planted acre. An additional incentive in the amount of \$2.00 per acre is provided for each acre planted to certified seed.

Fact Sheet

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Applicant's Maximum Payment Quantity

The maximum payment quantity of hard white wheat for which an applicant may be approved under the production incentive payment for any year shall be the smaller of:

1. the actual number of bushels harvested from the acres certified on the application; or
2. the product of the number of acres certified on the application times 60 bushels per acre.

Calculation of Assistance

Payment for the production incentive shall be the sum of:

1. the maximum payment quantity times \$0.20; and
2. the number of acres planted to certified seed times \$2.00 per acre.

Certified Seed Incentive Component - Subject to Funding

The primary purpose of the HWWIP is to provide a production incentive to hard white wheat producers. After the 2003 crop year payments are issued, the HWWIP will be reviewed to determine whether sufficient funds remain to continue with the certified seed incentive component for the 2004 and 2005 crop years. If the Deputy Administrator for Farm Programs determines that adequate funding is available only for the production incentive, the certified seed component will not be made available.

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