



Wheat

Summary of 2002-2007 Program

Overview

The Farm Security and Rural Investment Act of 2002 (2002 Act) provides for direct and counter-cyclical payments, nonrecourse marketing assistance loans, and loan deficiency payments for the 2002-2007 crops, which help ensure a strong and viable U.S. agriculture sector. Direct payments under the 2002 Act are similar to production flexibility contract (PFC) payments under the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act). Counter-cyclical payment rates depend on market prices and increase as market prices decline below specified levels. Counter-cyclical payments replace ad hoc market loss assistance payments, which supplemented PFC payments under the 1996 Act. Marketing assistance loans and loan deficiency payment provisions of previous legislation are continued under the 2002 Act, providing interim financing on eligible production and facilitating orderly marketing of loan eligible commodities throughout the year.

Commodities eligible for direct and counter-cyclical payments and nonrecourse marketing assistance loans for the 2002-2007 crops are wheat, corn, grain sorghum, barley, oats, soybeans, other oilseeds (including sunflowers, canola, safflower, flaxseed, rapeseed, mustard seed, crambe, and sesame), rice, upland cotton, and peanuts. Other

commodities eligible for nonrecourse marketing assistance loans are Extra Long Staple (ELS) cotton, honey, wool, mohair, dry peas, lentils, and small chickpeas. For ELS cotton, marketing assistance loans must be repaid at the loan rate plus interest, and loan deficiency payment provisions do not apply.

Direct payments are decoupled from current production and prices. Counter-cyclical payments are decoupled from current production, but linked to current prices.

Eligibility Requirements

Direct and Counter-cyclical Payments - Producers are eligible for direct and counter-cyclical payments on farms with eligible acreage bases. To be eligible for payments on these farms, producers must annually:

1. Sign a direct and counter-cyclical program (DCP) agreement with the Farm Service Agency (FSA);
2. Report how they use all their farm's cropland acreage;
3. Comply with conservation and wetland protection requirements on all their farms;
4. Comply with the planting flexibility requirements;
5. Use the cropland for agricultural or related activities; and
6. Control noxious weeds and maintain land in sound condition, if the field is not cultivated.

Nonrecourse Marketing

Assistance Loans - To be eligible for marketing assistance loans, producers must:

1. Comply with conservation and wetland protection requirements; and
2. Report how they use all their cropland acreage on the farm.

Direct and counter-cyclical payment agreements are not required for marketing assistance loan eligibility.

Acreage Base and Program Yield Election

Landowners have a one-time opportunity to either:

1. Use their farm's 2002 PFC acreage and add acreage bases for oilseeds and peanuts that reflect average 1998-2001 plantings; or
2. Update their farm's acreage bases to reflect average 1998-2001 plantings for all commodities eligible for direct and counter-cyclical payments.

If they choose to update their farm's acreage bases, they may also update their counter-cyclical payment yields using one of the following two methods:

1. 93.5 percent of the 1998-2001 average yield; or
2. The direct program payment yield (the PFC payment yield in

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effect under the 1996 Act) plus 70 percent of the difference between the 1998-2001 average and the direct program payment yield. Direct payment yields are the same as the payment yields that were used for making PFC payments.

If no election is made before the 2002-crop sign-up period ends, acreage bases for the farm will be established using the farm's 2002 PFC acreage and adding acreage bases for oilseeds. Direct and counter-cyclical payment yields will be the same as the payment yields that were used for making PFC payments.

Direct Payments

The direct payment equals the direct payment rate *times* 85 percent of the farm's base acreage *times* the farm's direct payment yield. The 2002-2007 wheat direct payment rate is \$0.52 per bushel.

Timing of Payments

Payments for the 2002 crop begin as soon as the farm is enrolled for direct payments.

For the 2003-2007 crops, direct payments are made after October 1 of the year the crop is harvested. Producers may request up to 50 percent of the direct payment in advance, but no earlier than December 1 of the year before the crop is harvested. Table 1 shows the 2003 wheat direct and counter-cyclical payment cycles.

Table 1. 2003 Wheat Direct and Counter-cyclical Payment Cycles

Payment	Time for Payment
Advance Direct	December 2002
Final Direct	October 2003
1 st Counter-Cyclical	October 2003
2 nd Counter-Cyclical	February 2004
Final Counter-Cyclical	July 2004

Counter-cyclical payments

For each commodity, the counter-cyclical payment equals the counter-cyclical payment rate *times* 85 percent of the farm's base acreage *times* the farm's counter-cyclical payment yield. Counter-cyclical payments are made when a commodity's effective price is below its target price. The effective price (EP) equals the direct payment rate (DPR) *plus* the higher of: (1) the season average farm price (SAFP) producers received during the marketing year, or (2) the national loan rate (NLR). The wheat target price for the 2002-2003 crops is \$3.86 per bushel and \$3.92 per bushel for the 2004-2007

crops. The wheat loan rate for the 2002-2003 crops is \$2.80 per bushel and \$2.75 per bushel for the 2004-2007 crops.

The wheat marketing year is June 1-May 31.

Average Market Price Producers Received

The National Agricultural Statistics Service (NASS) determines the average market price producers received for the marketing year. NASS publishes monthly average prices for selected commodities near the end of each month in *Agricultural Prices* listed on the NASS reports calendar Web site at: <http://www.usda.gov/nass/pubs/rptscal.htm>

Counter-cyclical Payment Rate Calculation Example

On January 31, 2003, the 2002 wheat counter-cyclical payment rate was calculated using a forecast season average farm price of \$3.65 per bushel. The effective price was determined as follows:

$$\begin{aligned} \text{EP} &= \text{DPR} + \text{higher of (SAFP, NLR)} \\ &= \$0.52 + (\text{higher of } (\$2.80 \text{ or } \$3.65)) \\ &= \$0.52 + \$3.65 = \$4.17 \end{aligned}$$

Because the effective price exceeded the target price, no counter-cyclical payment was projected for the 2002 crop. The season average farm price NASS reports at the end of the marketing year must be below \$3.34 per bushel to require a counter-cyclical payment for the

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2002 and 2003 crops. For the 2004-2007 crops, a farm price below \$3.40 per bushel is required to trigger a payment.

Timing of Payments

For crop years 2002-2006, three partial counter-cyclical payments are made.

- If authorized, a first partial payment, based on up to 35 percent of the projected payment rate, is made after October 1 of the year the crop is harvested.
- If authorized, a second partial payment, based on up to 70 percent of the projected payment rate, is made after February 1 of next calendar year, less any first partial payments already received.
- The final payment is made after the end of the marketing year.
- For crop year 2007, the counter-cyclical payment cycle consists of two payments.
- If authorized, a first partial payment, based on up to 40 percent of the projected payment rate, is made after the first six months of the marketing year.
- The final payment is made after the end of the marketing year.

If the partial payments received exceed the final calculated payment, then producers are required to refund the balance.

Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments

Under marketing loan provisions, producers may (under certain conditions) repay a 9-month nonrecourse marketing assistance loan at less than the loan rate plus accrued interest and other charges whenever CCC estimates that the local market price is lower. Producers are also eligible for a loan deficiency payment (LDP) in lieu of obtaining a loan. The wheat loan rate for the 2002-2003 crops is \$2.80 per bushel and \$2.75 per bushel for the 2004-2007 crops.

Wheat loan rates:

- Vary among counties;
- Are based on the wheat class produced;
- Are based on the county where the wheat is stored; and
- May be adjusted by CCC with premiums and discounts to reflect quality factors of a given quantity placed under loan.

Other Loan Eligibility Requirements

Producers must:

- Have beneficial interest in the commodity on the date the loan or LDP is requested and, in the case of a loan, be retained while the loan is outstanding; and
- Ensure that the grain meets the CCC minimum grade and quality standards.

Beneficial Interest

A producer retains beneficial interest in the commodity if all of the following remain with the producer:

Control of the commodity - The producer retains the ability to make all decisions affecting the commodity, including movement, sale, and the request for a loan or LDP;

Risk of loss in the commodity - The producer is responsible for loss or damage to the commodity. If the commodity is insured, any indemnity must be payable to the producer; and

Title to the commodity - The producer has not sold or has not delivered the commodity or warehouse receipt to the buyer. Title may be considered to be transferred before the producer receives payment for the commodity.

Once beneficial interest in the commodity is lost, the commodity loses eligibility for a loan or an LDP and remains ineligible even if the producer later regains beneficial interest. For further information see the Farm Program fact sheet on "Beneficial Interest Requirements For Loans and LDPs, Excluding Sugar and Tobacco" or contact a local FSA county office.

Loan Settlements

Loans mature on the last day of the ninth calendar month following the month in which the loan is approved.

Producers may settle their outstanding nonrecourse loan:

- During the 9-month loan period by repaying the loan; or
- Upon maturity by forfeiting the commodity to CCC.

Loan Repayment Rates

The loan repayment rate is the lower of:

1. The applicable county loan rate plus accrued interest and other charges (per bushel); or
2. The marketing loan repayment.

Loan repayment rates are established and available at each local USDA Service Center based upon the previous day's market prices for each wheat class at appropriate U.S. terminal markets, as CCC determines, adjusted to reflect quality and location.

Marketing Loan Gains

Producers realize a marketing loan gain if they repay their loans when the loan repayment rate is less than loan principal. The marketing loan gain rate equals the amount by which the loan rate exceeds the marketing loan repayment rate.

Loan Deficiency Payments (LDPs)

Producers eligible to obtain a loan, but who agree to forgo the loan, may obtain an LDP. The LDP rate equals the amount by which the applicable county loan rate where the grain is stored exceeds the loan repayment rate. The LDP equals the LDP rate times the quantity of

Table 2. Wheat Marketing Loan/LDP Examples

Wheat Marketing Loan Examples Under Various Price Scenarios (\$ per bushel)			
	Price Scenario		
	<u>1</u>	<u>2</u>	<u>3</u>
1) Loan rate	2.80	2.80	2.80
2) Loan rate plus accrued interest	2.88	2.88	2.88
3) Posted County Price	2.90	2.85	2.55
4) Loan repayment rate (lower of 2 or 3)	2.88	2.85	2.55
5) Marketing Loan Gain or LDP rate	0.00	0.00	0.25

wheat for which the LDP is requested and is otherwise eligible to be placed under loan.

Final Loan/LDP Availability Dates

The final loan/LDP availability date is March 31 of the calendar year after the calendar year the grain is harvested. For example, for crop year 2003, wheat loans may be requested through March 31, 2004.

Producers may either obtain a loan or receive an LDP on all or part of their eligible production during the loan availability period.

Grazing Payments in Lieu of LDPs

Wheat producers electing to use their wheat acreage for livestock grazing may receive grazing payments if they would otherwise be eligible for LDPs. Producers receiving grazing payment must forgo any mechanical harvesting of the crop. The grazing payment is determined by multiplying the wheat acreage grazed *times* the farm's direct payment yield *times* the LDP rate on the date of the payment request. Grazing payments may be requested no earlier than the

normal harvesting date. Grazing payments must be requested by the final loan availability date.

Grazing payments are also available for barley, oats, and triticale. Triticale is a hybrid offspring developed from crossing wheat and rye. Triticale grazing payments are determined using the farm's wheat direct payment yield and wheat LDP rate.

Commodity Certificates

Commodity certificates are available to producers for acquiring 2002- through 2007-crop marketing assistance loan collateral pledged to CCC. Commodity certificates will be available for sale at local USDA Service Centers to producers with outstanding nonrecourse marketing assistance loans. The exchange rate will be the effective posted county price (PCP) on the date the commodity certificate is purchased. Commodity certificate exchanges will not be available when the exchange rate exceeds the applicable loan rate.

For further information, see the fact sheet "Commodity Certificates," contact a local USDA Service

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Center, or visit the FSA Web site at: www.fsa.usda.gov

Production Evidence

Producers repaying a loan at less than the loan rate plus accrued interest and other charges or receiving an LDP must provide production evidence acceptable to CCC, such as evidence of sales, warehouse receipts, or load summary or assembly sheets.

Planting Flexibility

The 2002 Act continues wild rice, fruit, and vegetable (WR/FAVs) planting restrictions, but slightly eases restrictions compared with those under the 1996 Act. To be eligible for loan benefits and payments under the 1996 Act, producers signed 7-year contracts and fruit and vegetable restrictions applied to the entire contract period. Under the 2002 Act, producers may annually opt out of eligibility for direct and counter-cyclical payments and plant fruits, vegetables, and wild rice without restrictions.

Producers seeking to receive direct and counter-cyclical payments relative to the farm are prohibited from planting wild rice, fruits, and vegetables (other than lentils, mung beans, and dry peas) on base acres unless the commodity, if planted, is destroyed before harvest or meets the following statutory exceptions. Plantings of WR/FAVs are not limited:

1. In any region with a history of double cropping commodities eligible for direct and counter-cyclical payments with WR/FAVs;
2. On a farm with a history of planting WR/FAVs except that direct and counter-cyclical payments will be reduced acre for acre planted to WR/FAVs; and
3. For a producer with an established history of planting a specific WR/FAV, except that the acreage may not exceed the average annual plantings in the 1991-1995 or the 1998-2001 crop years (excluding any crop year with no plantings) and that direct and counter-cyclical payments shall be reduced acre for acre planted to WR/FAVs.

Adjusted Gross Income and Payment Limitations

Adjusted Gross Income Limitations

Starting with the 2003 crop, individuals and entities whose previous 3-year average adjusted gross income (AGI) exceeds \$2.5 million are ineligible for many program benefits unless they can establish that at least 75 percent of their AGI is derived from agriculture. Program benefits for which individuals or entities exceeding the AGI limit will be ineligible include:

- Direct payments;
- Counter-cyclical payments;
- Loan deficiency payments;
- Marketing loan gains;

- Agricultural Management Assistance Program;
- Conservation Security Program;
- Conservation Reserve Program;
- Environmental Quality Incentives Program;
- Farmland Protection Program;
- Grassland Reserve Program;
- Ground and Surface Water Conservation Program; and
- Wetland Reserve Program.

Payment Limitations

The 2002 Act also establishes limits on payments a "person" may receive from farm programs. The definition of "person" includes individual farmers, but also encompasses limited partnerships, corporations, and other types of organizations. The 3-entity rule, carried over from previous legislation, limits to three the number of entities through which a "person" may receive payments.

The sum of LDPs and marketing loan gains for the commodities listed below is subject to a \$75,000-per-person payment limitation for each crop year. This payment limitation is separate from the \$40,000-per-person limitation for direct payments and \$65,000-per-person limitation for counter-cyclical payments. For more information on payment limitations see the FSA fact sheet *Payment Eligibility and Limitations*, contact a local USDA Service Center, or visit the FSA Web site at: www.fsa.usda.gov

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The per “person” payment limitations apply for each crop year for the following:

Direct Payments

- \$40,000 total for wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds; and
- \$40,000 for peanuts.

Counter-cyclical Payments

- \$65,000 total for wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds; and
- \$65,000 for peanuts.

Marketing Loan Gains and Loan Deficiency Payments

- \$75,000 total for wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, dry peas, lentils, and small chickpeas; and
- \$75,000 total for peanuts, wool, mohair, and honey.

Hard White Wheat Incentive Payments

The 2002 Act made available \$20 million of CCC funds, providing hard white wheat incentive payments for the 2003-2005 crops. The production incentive payment rate is \$0.20 per bushel on production up to 60 bushels per acre. An additional incentive payment of \$2.00 per acre is available to producers who plant certified seed. However, planting certified seed is not a requirement for receiving the per bushel incentive payment.

To receive the per bushel payment, the hard white wheat must grade

#2 or higher under the grading standards, established by the Federal Grain Inspection Service (FGIS). In addition, it must be sold for domestic food use or export. Hard white wheat production enrolled in the hard white wheat incentive program retains eligibility for marketing assistance loan program. Producers can apply for incentive payments at their local USDA Service Centers.

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Crop Year	Number of Farms Participating	Acreage Allotment/Base on Farms Participating	National Acreage Allotment/Base <u>1/</u>	Acreage Diversion Set-Aside on Farms Participating	Payments, Diversion & SG&H <u>2/</u>	Deficiency/Contract Payments
1960	not avail.	not avail.	55,000,000	none	none	none
1961	not avail.	not avail.	55,000,000	none	none	none
1962	777,714	41,183,000	55,000,000	10,699,000	\$285,524,000	none
1963	409,890	25,023,000	55,000,000	7,161,000	163,394,000	\$79,200,000 <u>3/</u>
1964	584,955	39,267,000	53,200,000	5,123,000	32,716,000	410,176,000
1965	819,535	43,465,000	53,300,000	7,185,000	36,882,000	472,338,000
1966	809,079	42,120,000	51,600,000	8,257,000	26,156,000	655,186,000
1967	769,295	56,887,000	68,200,000	none	none	727,053,000
1968	803,050	50,155,000	59,300,000	none	none	745,974,000
1969	953,318	45,243,000	51,600,000	11,097,000	71,612,000	784,336,000
1970	923,302	39,867,000	45,500,000	15,723,000	62,548,000	808,458,000
1971	1,011,954	18,122,000	19,700,000 <u>4/</u>	13,500,000 <u>5/</u>	none	885,653,000
1972	976,338	18,314,000	19,700,000 <u>4/</u>	20,106,000	132,000,000	726,670,000
1973	1,053,360	17,783,000	18,700,000 <u>4/</u>	7,372,000	103,024,000	375,226,000
1974	N/A <u>6/</u>	N/A	55,000,000	N/A	N/A	N/A
1975	N/A	N/A	53,500,000	N/A	N/A	N/A
1976	N/A	N/A	61,600,000	N/A	N/A	N/A
1977	N/A	N/A	62,200,000	none	none	996,416,000
1978	not avail.	41,965,000	58,800,000 <u>7/</u>	9,600,000 <u>8/</u>	15,116,000	617,353,000
1979	not avail.	36,142,300	70,100,000 <u>7/</u>	8,200,000	none	none
1980	666,143	73,349,613	75,000,000 <u>7/</u>	none	none	none
1981	782,608	81,725,768 <u>9/</u>	84,500,000 <u>7/</u>	none	none	414,588,000
1982	222,912	43,753,209	90,661,347 <u>7/</u>	5,800,000	none	476,500,000
1983	498,013	70,152,741	90,186,265	30,017,000	309,200,000	769,700,000
1984	317,565	56,146,824	93,961,821	18,449,800	506,100,000	1,049,800,000
1985	472,886	69,970,117	94,035,775	18,824,021	652,700,000	1,555,300,000
1986	456,725	78,101,983	91,599,459	21,014,243	215,400,000	3,457,000,000
1987	557,203	76,606,731	87,551,977	23,931,737	none	3,287,000,000
1988	547,012	72,693,872	84,761,610	22,462,977	none	1,216,400,000
1989	433,758	64,369,632 <u>10/</u>	82,315,009	9,580,558	none	572,100,000
1990	463,859	66,696,372	80,492,510	7,520,564	none	2,420,300,000
1991	462,882	67,644,101	79,202,505	15,924,272	none	2,246,100,000
1992	433,990	65,650,430	78,873,913	7,321,461	none	1,370,503,000
1993	475,590	68,565,784	78,365,734	5,696,746	none	1,900,079,000
1994	461,039	67,996,895	78,113,657	5,194,652	none	1,145,514,000
1995	417,038	65,846,523	77,653,599	6,129,239	none	265,764,000
1996	953,995	76,673,982 <u>11/</u>	N/A	N/A	none	1,940,519,000
1997	966,349	76,662,592	N/A	N/A	none	1,396,798,000
1998	988,032	78,904,816	N/A	N/A	none	1,496,191,000
1999	1,006,583	79,038,119	N/A	N/A	none	1,446,875,000
2000	1,016,618	78,937,785	N/A	N/A	none	1,337,332,000
2001	1,022,961	78,464,094	N/A	N/A	none	1,076,048,000
2002	1,034,803	78,444,102 <u>13/</u>	N/A	N/A	none	1,045,980,000

1/ 1964 through 1969 includes the increase in small farm allotment authorized by law.

2/ SG&H: Special Grazing and Hay Program.

3/ Price support payments in 1963.

4/ Domestic allotment.

5/ Required set-aside.

6/ N/A: not applicable.

7/ National program acreage.

8/ Includes set-aside and special grazing and hay program acreage.

9/ Acreage on which program payments were based.

10/ Acreage base complying with program provisions.

11/ Contract acreage.

12/ 1996-2002 includes only production flexibility contract payments.

13/ PFC base only, does not include updated bases for 2002 Act.

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Crop Year <u>1/</u>	Support Price/ Target Price -----(\$ per bushel)-----	Direct Payment Rate -----(\$ per bushel)-----	Loan Rate	Loan Placements (million bushels)	Average Price to Farmers (\$ per bushel)	Value of Production (million \$)	Government Payments (million \$)
1960	1.78 <u>2/</u>			424.0	1.74	2,361.2	
1961	1.79			271.2	1.83	2,254.7	
1962	2.00			297.3	2.04	2,225.7	285.5 Diversion
1963	2.00 <u>3/</u>	0.18 <u>4/</u>	1.82 <u>5/</u>	177.4	1.85 (2.03) <u>6/</u>	2,125.3	242.6 Div. & Price Sup.
1964	2.00 <u>7/</u>	0.70 <u>8/</u>	0.25 <u>9/</u>	205.8	1.37 (1.80) <u>6/</u>	1,757.0	442.9 Div. & Certificates
1965	2.00 <u>7/</u>	0.75 <u>8/</u>	0.30 <u>9/</u>	172.4	1.35 (1.79) <u>6/</u>	1,774.5	509.2 Div. & Certificates
1966	2.57 <u>7/</u>	1.32 <u>8/</u>	1.25 <u>5/</u>	132.7	1.63 (2.22) <u>6/</u>	2,129.9	681.3 Div. & Certificates
1967	2.61 <u>7/</u>	1.36 <u>8/</u>	1.25 <u>5/</u>	281.5	1.39 (1.87) <u>6/</u>	2,090.1	727.1 Certificates
1968	2.63 <u>7/</u>	1.38 <u>8/</u>	1.25 <u>5/</u>	453.1	1.24 (1.79) <u>6/</u>	1,929.1	746.0 Certificates
1969	2.77 <u>7/</u>	1.52 <u>8/</u>	1.25 <u>5/</u>	407.6	1.25 (1.89) <u>6/</u>	1,795.7	855.9 Div. & Certificates
1970	2.82 <u>7/</u>	1.57 <u>8/</u>	1.25 <u>5/</u>	254.3	1.33 (2.08) <u>6/</u>	1,803.2	871.0 Div. & Certificates
1971	2.93 <u>7/</u>	1.63 <u>10/</u>	1.25 <u>5/</u>	441.8	1.34 (1.88) <u>6/</u>	2,167.8	885.7 Div. & Certificates
1972	3.02 <u>7/</u>	1.34 <u>10/</u>	1.25 <u>5/</u>	185.1	1.76 (2.23) <u>6/</u>	2,706.1	858.7 Div. & Certificates
1973	3.39 <u>7/</u>	0.68 <u>10/</u>	1.25 <u>5/</u>	59.9	3.95 (4.17) <u>6/</u>	6,744.6	478.2 Div. & Certificates
1974	2.05 <u>11/</u>	—	1.37 <u>5/</u>	37.2	4.09	7,287.3	101.5 Disaster
1975	2.05 <u>11/</u>	—	1.37 <u>5/</u>	51.3	3.56	7,549.8	51.2 Disaster
1976	2.29 <u>11/</u>	—	2.25 <u>5/</u>	492.8	2.73	5,867.8	143.4 Disaster
1977	2.90 <u>12/</u>	0.65 <u>13/</u>	2.25 <u>5/</u>	604.1	2.33	4,764.6	1,157.2 Def. & Disaster
1978	3.40 <u>14/</u>	0.52 <u>13/</u>	2.35 <u>5/</u>	256.4	2.97	5,280.6	719.3 Def/Hay&Grz, Dis
1979	3.40 <u>14/</u>	—	2.50 <u>5/</u>	182.0	3.80 <u>15/</u>	8,109.0	72.3 Disaster
1980	3.08/3.63 <u>16/</u>	—	3.00/3.30 <u>17/</u>	331.8	3.99	9,303.0	28.2 Disaster
1981	3.81 <u>14/</u>	0.15 <u>13/</u>	3.20/3.50 <u>17/</u>	452.7	3.69	10,172.0	635.2 Deficiency & Dis.
1982	4.05 <u>14/</u>	0.50 <u>13/</u>	3.55/4.00 <u>17/</u>	646.2	3.45	9,489.0	488.8 Deficiency & Dis.
1983	4.30 <u>14/</u>	0.65 <u>13/</u>	3.65/3.65 <u>17/</u>	635.2	3.51	10,883.0 <u>18/</u>	1,079.5 Def., Div. & Dis.
1984	4.38 <u>18/</u>	1.00 <u>13/</u>	3.30 <u>5/</u>	284.7	3.39	9,246.0 <u>18/</u>	1,555.9 Def. & Diversion
1985	4.38 <u>14/</u>	1.08 <u>13/</u>	3.30 <u>5/</u>	842.6	3.08	7,371.0	2,188.0 Def. & Diversion
1986	4.38 <u>14/</u>	1.98 <u>13/</u>	2.40 <u>5/</u>	514.1	2.42	5,042.0	3,672.4 Def. & Diversion
1987	4.38 <u>14/</u>	1.81 <u>13/</u>	2.28 <u>5/</u>	472.3	2.57	5,498.0	3,287.0 Deficiency
1988	4.23 <u>14/</u>	0.69 <u>13/</u>	2.21 <u>5/</u>	106.2	3.72	6,741.0	1,688.0 Def. & Disaster
1989	4.10 <u>14/</u>	0.32 <u>13/</u>	2.06 <u>5/</u>	113.5	3.72	7,542.0	1,046.0 Def. & Disaster
1990	4.00 <u>14/</u>	1.28 <u>13/</u>	1.95 <u>5/</u>	405.2	2.61	7,184.0	2,420.3 Deficiency
1991	4.00 <u>14/</u>	1.35 <u>13/</u>	2.04 <u>5/</u>	143.2	3.00	5,957.0	2,246.1 Deficiency
1992	4.00 <u>14/</u>	0.81 <u>13/</u>	2.21 <u>5/</u>	240.3	3.24	7,984.0	1,370.5 Deficiency
1993	4.00 <u>14/</u>	1.03 <u>13/</u>	2.45 <u>5/</u>	258.2	3.26	7,812.0	1,900.1 Deficiency
1994	4.00 <u>14/</u>	0.61 <u>13/</u>	2.58 <u>5/</u>	231.1	3.45	8,007.0	1,145.9 Deficiency
1995	4.00 <u>14/</u>	0.00 <u>13/</u>	2.58 <u>5/</u>	114.0	4.55	9,787.0	100.0 Deficiency
1996 <u>19/</u>	N/A	0.874 <u>13/</u>	2.58 <u>5/</u>	194.2	4.30	9,782.0	1,940.5 PFC, LDP, MLG
1997	N/A	0.631 <u>13/</u>	2.58 <u>5/</u>	263.8	3.38	8,287.0	1,412.4 PFC, LDP, MLG
1998	NA	0.992 <u>13/</u>	2.58	362.2	2.65	6,781.0	2,394.0 PFC, LDP, MLG, MLA
1999	N/A	1.274 <u>13/</u>	2.58	154.2	2.48	5,594.0	3,827.6 PFC, LDP, MLG, MLA
2000	N/A	1.225 <u>13/</u>	2.58	181.1	2.62	5,872.1	3,608.7 PFC, LDP, MLG, MLA
2001	N/A	1.014 <u>13/</u>	2.58	196.7	2.78	5,440.2	2,474.1 DP, CCP, LDP, MLG
2002 <u>21/</u>	3.86 <u>14/</u>	0.52	2.80	120.0	3.60	5,819.0	
2003 <u>22/</u>	3.86 <u>14/</u>	0.52	2.80	210.0	NA	NA	NA

1/ For 1933 through 1959 statistics, see 1979 Wheat Commodity Fact Sheet.

2/ For 1960 through 1963 crops, support outside the commercial area was 75 percent of the rate reflecting the U.S. average level.

3/ Total support.

4/ Price support payment.

5/ Loan rate.

6/ Blended average price to program participants, reflecting national average price farmers received and the marketing certificate value average for participants total production.

7/ Support for wheat used for domestic food.

8/ Domestic marketing certificate value.

9/ Export marketing certificate value.

10/ The marketing certificate payment rate was the difference between the price farmers received the first 5 months (July-November) of the marketing year and 100 percent of wheat parity on July 1. An advance payment equal to 75 percent of the estimated face value of the certificate was made to eligible producers

11/ Established target price, guaranteed on production from allotment acreage.

12/ Established target price on planted allotment acreage; established target price on unplanted allotment acreage was \$2.47

13/ Deficiency payment, 1977-1995; production flexibility contract rate (including market loss assistance for 1998-2001), 1996-2001; direct payment rate, 2002-2003.

14/ Established target price.

Fact Sheet**Wheat**

Summary of 2002-2007 Program

WHEAT SUPPLY

Crop Year	Acreage Planted million acres	Acreage Harvested million acres	Yield bushels per acre	Production million bushels	Beginning Stocks million bushels	Imports million bushels	Supply 1/ million bushels
1960	54.9	51.9	26.1	1,354.7	1,384.2	8.0	2,746.9
1961	55.7	51.6	23.9	1,232.4	1,502.4	5.9	2,740.7
1962	49.3	43.7	25.0	1,092.0	1,420.6	5.8	2,518.4
1963	53.4	45.5	25.2	1,146.8	1,269.7	4.1	2,420.6
1964	55.7	49.8	25.8	1,283.4	993.5	1.8	995.3
1965	57.4	49.6	26.5	1,315.6	921.1	0.9	2,237.6
1966	54.1	49.6	26.3	1,304.9	660.5	1.7	1,967.1
1967	67.3	58.4	25.8	1,507.6	512.8	1.0	2,021.4
1968	61.9	54.8	28.4	1,556.7	630.2	1.1	2,187.9
1969	53.5	47.1	30.6	1,442.7	904.0	2.9	2,349.5
1970	48.7	43.6	31.0	1,351.6	982.6	1.4	2,335.7
1971	53.8	47.7	33.9	1,618.6	822.8	1.1	2,442.5
1972	54.9	47.3	32.7	1,546.2	983.4	1.3	2,530.9
1973	59.3	54.1	31.6	1,710.8	597.1	2.6	2,310.5
1974	71.0	65.4	27.3	1,781.9	340.1	3.4	2,125.4
1975	74.9	69.5	30.6	2,126.9	435.0	2.4	2,564.3
1976	80.4	70.9	30.3	2,148.8	665.6	2.7	2,817.1
1977	75.4	66.7	30.7	2,045.5	1,113.2	1.9	3,160.6
1978	66.0	56.5	31.4	1,775.5	1,177.8	1.9	2,955.2
1979	71.4	62.5	34.2	2,134.1	924.1	2.1	3,060.3
1980	80.8	71.1	33.5	2,380.9	902.0	2.5	3,285.4
1981	88.3	80.6	34.5	2,785.4	989.1	2.8	3,777.3
1982	86.2	77.9	35.5	2,765.0	1,159.4	7.6	3,932.0
1983	76.4	61.4	39.4	2,419.8	1,515.1	3.8	3,938.8
1984	79.2	66.9	38.8	2,594.8	1,398.6	9.4	4,002.8
1985	75.5	64.7	37.5	2,424.1	1,425.2	16.3	3,865.6
1986	72.0	60.7	34.4	2,090.6	1,905.0	21.3	4,016.8
1987	65.8	55.9	37.7	2,107.7	1,820.9	16.1	3,944.7
1988	65.5	53.2	34.1	1,812.2	1,260.8	22.7	3,095.7
1989	76.6	62.2	32.7	2,036.6	701.6	22.5	2,760.7
1990	77.0	69.1	39.5	2,729.8	536.5	36.4	3,302.6
1991	69.9	57.8	34.3	1,980.1	868.1	40.7	2,889.0
1992	72.2	62.8	39.3	2,466.8	475.0	70.0	3,011.8
1993	72.2	62.7	38.2	2,396.4	530.7	108.8	3,035.9
1994	70.3	61.8	37.6	2,321.0	568.5	91.9	2,981.4
1995	69.0	61.0	35.8	2,182.7	506.6	67.9	2,757.2
1996	75.1	62.8	36.3	2,277.4	376.0	92.3	2,745.7
1997	70.4	62.8	39.5	2,481.5	443.6	94.9	3,020.0
1998	65.8	59.0	43.2	2,547.3	722.5	103.0	3,372.8
1999	62.7	53.8	42.7	2,299.0	945.9	94.5	3,339.4
2000	62.6	53.1	42.0	2,232.5	949.7	89.8	3,272.0
2001 2/	59.6	48.6	40.2	1,957.0	876.2	107.5	2,940.8
2002 3/	60.4	45.8	35.3	1,616.4	777.1	70.0	2,463.6

1/ Totals may not add due to rounding.

2/ Preliminary.

3/ Forecast based on April 2003 WASDE.

Fact Sheet**Wheat**

Summary of 2002-2007 Program

USE OF WHEAT
(million bushels)

Crop Year	Food & Industrial Use	Feed, Seed & Residual Use	Exports <u>1/</u>	Total Use	Ending Stocks	CCC Inventory	Reseal/ Farmer-Owned Reserve <u>2/</u>
1960	496.5	94.7	653.5	1,244.7	1,502.4	1,242.0	38.0
1961	504.0	100.3	715.7	1,320.0	1,420.6	1,097.0	37.0
1962	502.7	96.1	649.4	1,248.2	1,269.7	1,082.0	29.0
1963	487.9	93.5	845.6	1,427.0	993.5	829.0	10.0
1964	514.4	120.4	722.7	1,357.5	921.1	646.0	—
1965	517.9	207.4	851.8	1,577.1	660.5	340.0	3.0
1966	505.1	178.0	771.3	1,454.3	512.8	124.0	8.0
1967	517.8	108.1	765.3	1,391.2	630.2	102.0	—
1968	522.4	217.3	544.2	1,283.9	904.0	163.0	—
1969	520.1	243.9	603.0	1,367.0	982.6	301.0	—
1970	517.1	255.1	740.8	1,512.9	822.8	370.0	8.0
1971	523.7	325.6	609.8	1,459.1	983.4	367.0	13.0
1972	531.8	266.9	1,135.1	1,933.8	597.1	144.0	11.0
1973	544.3	209.1	1,217.0	1,970.4	340.1	19.0	—
1974	545.0	126.9	1,018.5	1,690.4	435.0	1.0	—
1975	588.5	137.3	1,732.9	1,898.7	665.6	0.0	—
1976	588.0	166.4	949.5	1,703.9	1,113.2	0.0	—
1977	586.5	272.5	1,123.8	1,982.8	1,177.8	48.0	342.0
1978	592.4	244.5	1,194.2	2,031.1	924.1	51.0	403.0
1979	596.1	187.0	1,375.3	2,158.3	902.0	188.0	260.0
1980	610.5	172.0	1,513.8	2,296.3	989.1	200.0	360.0
1981	602.4	244.8	1,770.7	2,617.9	1,159.4	190.0	560.0
1982	616.4	291.8	1,508.7	2,416.9	1,515.1	192.0	1,061.0
1983	642.6	471.2	1,426.4	2,540.2	1,398.6	188.0	611.0
1984	651.0	505.1	1,421.4	2,577.6	1,425.2	378.0	654.0
1985	674.3	377.2	909.1	1,960.7	1,905.0	602.0	596.0
1986	712.2	485.2	998.5	2,195.9	1,820.9	830.0	632.0
1987	720.7	365.2	1,587.9	2,683.8	1,260.8	283.0	467.0
1988	725.8	253.5	1,414.9	2,394.1	701.6	190.0	287.0
1989	748.9	243.4	1,232.0	2,224.3	536.5	117.0	144.0
1990	789.8	575.3	1,069.5	2,434.5	868.1	163.0	14.0
1991	789.5	342.2	1,282.3	2,413.9	475.0	152.0	50.0
1992	834.8	292.7	1,353.6	2,481.2	530.7	150.0	28.0
1993	871.7	368.0	1,227.8	2,467.4	568.5	150.0	6.0
1994	853.0	433.6	1,188.3	2,474.8	506.6	142.0	0
1995	882.9	257.2	1,241.1	2,381.2	376.0	118.0	0
1996	890.7	409.9	1,001.5	2,302.1	443.6	93.0	N/A
1997	914.1	343.0	1,040.4	2,297.5	722.5	94.0	N/A
1998	909.1	471.8	1,046.0	2,426.9	945.9	128.0	N/A
1999	921.0	380.1	1,088.6	2,389.7	949.7	104.0	N/A
2000	949.6	384.2	1,062.0	2,395.9	876.2	97.0	N/A
2001 <u>3/</u>	926.3	276.1	961.3	2,163.7	777.1	99.0	N/A
2002 <u>4/</u>	935.0	209.0	875.0	2,019.0	444.6	59.0	N/A

1/ Includes foreign currency and long-term credit, donations, barter, and agency development programs.2/ The Farmer-Owned Reserve Program started in crop year 1977. Prior to that the Reseal was in effect. Beginning in 1985, includes wheat in the Special Producer Storage Loan Program.3/ Preliminary.4/ Forecast based on April 2003 WASDE.