

Table 4--Provisions of tobacco programs, 1961-90--Continued

Tobacco type/ provision	1976 7/	1977 7/	1978 7/	1979 7/	1980 7/
Flue-cured:					
Parity price (¢/lb) 1/	154.0	161.0	175.0	201.0	224.0
Loan rate (¢/lb)	106.0	113.8	121.0	129.3	141.5
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	1,268.1	1,116.5	1,117.2	1,094.9	1,094.4
Effective marketing quota (mil lbs)	1,409.1	1,197.3	1,181.5	1,068.5	1,186.5
National allotment (acres)	683,783	601,687	641,000	590,614	546,386
Burley:					
Parity price (¢/lb) 1/	160.0	167.0	180.0	205.0	229.0
Loan rate (¢/lb)	109.3	117.3	124.7	133.3	145.9
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (mil lbs) 2/	634.8	636.2	614.2	614.2	614.4
Effective marketing quota (mil lbs)	726.4	683.4	667.8	647.8	768.9
National allotment (acres)	--	--	--	--	--
Virginia fire-cured (type 21):					
Parity price (¢/lb) 1/	116.5	129.5	144.2	154.1	182.3
Loan rate (¢/lb)	74.1	79.5	84.6	90.3	98.9
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	11,230	11,174	11,080	9,819	9,729
Kentucky-Tennessee fire-cured (types 22-23):					
Parity price (¢/lb) 1/	122.0	139.0	162.0	187.0	209.0
Loan rate (¢/lb)	74.1	79.5	84.6	90.3	98.9
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	32,731	32,733	32,643	27,771	27,910
Maryland (type 32):					
Parity price (¢/lb) 1/	146.0	153.0	170.0	193.0	208.0
Loan rate (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	4/ No	4/ No	4/ No	4/ No	4/ No
National allotment (acres)	--	--	--	--	--
Kentucky-Tennessee dark air-cured (types 35-36):					
Parity price (¢/lb) 1/	104.0	117.0	135.0	157.0	177.0
Loan rate (¢/lb)	65.9	70.7	75.2	80.4	88.0
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	11,970	13,218	13,267	13,345	13,363
Virginia sun-cured (type 37):					
Parity price (¢/lb) 1/	116.0	125.0	140.0	157.0	170.0
Loan rate (¢/lb)	65.9	70.7	75.2	80.4	88.0
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	1,626	1,576	1,493	1,436	1,377
Cigar binder (types 51-52):					
Parity price (¢/lb) 1/	130.0	137.0	151.0	179.0	204.0
Loan rate (¢/lb)	75.6	81.2	86.3	92.3	101.0
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	5/ Suspended	5/ Suspended	5/ Suspended	5/ Suspended	Yes
National allotment (acres)	4,799	4,833	4,813	--	3,679
Cigar binder and filler (types 42-44 and 53-55):					
Parity price (¢/lb) 1/	96.3	102.3	117.3	137.5	159.8
Loan rate (¢/lb)	54.6	58.6	62.3	66.6	72.9
No-net-cost assessment-- tobacco types 42-44 (¢/lb)	--	--	--	--	--
tobacco type 54 (¢/lb)	--	--	--	--	--
tobacco type 55 (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	19,491	19,518	19,376	19,341	19,291
Puerto Rico filler (type 46):					
Parity price (¢/lb) 1/	97.2	102.1	111.0	130.0	144.0
Loan rate (¢/lb)	56.7	60.9	64.7	69.2	75.7
No-net-cost assessment (¢/lb)	--	--	--	--	--

See footnotes at end of table.

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Table 4--Provisions of tobacco programs, 1961-89--Continued

Tobacco type/ provision	1981 7/	1982 7/ 9/	1983 7/	1984 10/	1985 10/
Flue-cured:					
Parity price (¢/lb) 1/	242.0	253.0	266.0	283.0	288.0
Loan rate (¢/lb)	158.7	169.9	169.9	169.9	169.9
No-net-cost assessment (¢/lb)	--	3.0	7.0	7.0	25.0
National marketing quota (mil lbs) 2/	1,012.9	1,013.0	910.5	804.3	775.0
Effective marketing quota (mil lbs)	1,111.4	976.8	886.7	831.7	758.0
National allotment (acres)	546,386	546,386	457,516	404,726	389,643
Burley:					
Parity price (¢/lb) 1/	252.0	266.0	278.0	298.0	299.0
Loan rate (¢/lb)	163.6	175.1	175.1	175.1	148.8
No-net-cost assessment (¢/lb)	--	1.0	5.0	9.0	4.0
National marketing quota (mil lbs) 2/	660.1	680.3	646.6	581.8	524.4
Effective marketing quota (mil lbs)	841.9	777.8	641.0	697.0	541.7
National allotment (acres)	--	--	--	--	--
Virginia fire-cured (type 21):					
Parity price (¢/lb) 1/	200.5	209.3	215.5	227.3	223.9
Loan rate (¢/lb)	111.0	118.8	118.8	118.8	118.8
No-net-cost assessment (¢/lb)	--	2	2	2	5
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	9,576	9,430	9,342	8,751	7,782
Kentucky-Tennessee fire-cured (types 22-23):					
Parity price (¢/lb) 1/	224.0	237.0	250.0	263.0	276.0
Loan rate (¢/lb)	111.0	123.0	123.0	123.0	123.0
No-net-cost assessment (¢/lb)	--	1	2	2	2
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	26,345	26,353	22,466	24,737	22,328
Maryland (type 32):					
Parity price (¢/lb) 1/	226.0	241.0	245.0	258.0	247.0
Loan rate (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	4/ No	4/ No	4/ No	4/ No	4/ No
National allotment (acres)	--	--	--	--	--
Kentucky-Tennessee dark air-cured (types 35-36):					
Parity price (¢/lb) 1/	197.0	208.0	219.0	238.0	237.0
Loan rate (¢/lb)	98.7	105.7	105.7	105.7	104.7
No-net-cost assessment (¢/lb)	--	1	3	3	5
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	13,371	11,986	9,679	9,637	8,195
Virginia sun-cured (type 37):					
Parity price (¢/lb) 1/	189.0	199.0	204.0	217.0	212.0
Loan rate (¢/lb)	98.7	109.4	109.4	109.4	109.4
No-net-cost assessment (¢/lb)	--	1	2	2	3
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	1,335	1,320	1,263	1,227	1,076
Cigar binder (types 51-52):					
Parity price (¢/lb) 1/	234.0	255.0	271.0	288.0	293.0
Loan rate (¢/lb)	113.3	121.2	121.2	--	90.7
No-net-cost assessment (¢/lb)	--	3	3	--	--
National marketing quota (1,000 lbs) 2/	--	--	--	No	No
National allotment (acres)	3,675	3,223	2,405	1,974	2,028
Cigar binder and filler (types 42-44 and 53-55):					
Parity price (¢/lb) 1/	172.0	180.9	186.4	193.3	195.8
Loan rate (¢/lb)	81.8	90.7	90.7	90.7	90.7
No-net-cost assessment--					
tobacco types 42-44 (¢/lb)	--	2	4	8	10
tobacco type 54 (¢/lb)	--	2	2	2	2
tobacco type 55 (¢/lb)	--	2	4	5	3
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	19,048	15,194	12,879	11,593	11,554
Puerto Rico filler (type 46):					
Parity price (¢/lb) 1/	153.0	158.0	165.0	175.0	178.0
Loan rate (¢/lb)	84.9	90.9	90.9	74.0	74.0
No-net-cost assessment (¢/lb)	--	13	52	52	52

See footnotes at end of table.

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Table 4--Provisions of tobacco programs, 1961-90--Continued

Tobacco type/ provision	1986 10/ 1986 10/	1987 10/ 1987 10/	1988 10/ 1988 10/	1989 10/ 1989 10/	1990 10/ 1990 10/
Flue-cured:					
Parity price (¢/lb) 1/	289.0	295.0	308.0	318.0	328.0
Loan rate (¢/lb)	143.8	143.5	144.2	146.8	148.8
No-net-cost assessment (¢/lb)	11/ 2.5	12/ 2.0	12/ 1.0	12/ 1.0	12/ 2.0
National marketing quota (mil lbs) 2/	13/ 728.5	13/ 707.0	13/ 755.0	13/ 890.5	13/ 877.7
Effective marketing quota (mil lbs)	699.4	740.0	810.2	900.0	939.0
National allotment (acres)	366,264	355,455	379,588	426,485	420,354
Burley:					
Parity price (¢/lb) 1/	297.0	302.0	314.0	327.0	334.0
Loan rate (¢/lb)	148.8	148.8	150.0	153.2	155.8
No-net-cost assessment (¢/lb)	14/ 2.75	12/ 2.0	12/ 0.8	12/ 0.83	12/ 1.0
National marketing quota (mil lbs) 2/	13/ 493.2	13/ 463.9	13/ 473.4	13/ 587.6	13/ 602.0
Effective marketing quota (mil lbs)	488.2	524.8	565.0	670.0	--
National allotment (acres)	--	--	--	--	--
Virginia fire-cured (type 21):					
Parity price (¢/lb) 1/	221.2	221.2	231.0	246.3	256.0
Loan rate (¢/lb)	120.0	119.6	117.1	119.1	15/ 126.2
No-net-cost assessment (¢/lb)	1	1	1	2	3
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	7,621	6,546	5,588	4,838	4,315
Kentucky-Tennessee fire-cured (types 22-23):					
Parity price (¢/lb) 1/	278.0	273.0	282.0	306.0	324.0
Loan rate (¢/lb)	124.2	123.8	121.3	122.6	15/ 129.7
No-net-cost assessment (¢/lb)	0	2	3	2	2
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	19,678	11,874	11,890	14,319	15,071
Maryland (type 32):					
Parity price (¢/lb) 1/	248.0	248.0	255.0	259.0	266.0
Loan rate (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	4/ No	4/ No	4/ No	4/ No	4/ No
National allotment (acres)	--	--	--	--	--
Kentucky-Tennessee dark air-cured (types 35-36):					
Parity price (¢/lb) 1/	235.0	233.0	238.0	256.0	270.0
Loan rate (¢/lb)	105.8	105.4	103.2	104.4	15/ 110.7
No-net-cost assessment (¢/lb)	0	7	8	6	7
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	6,166	4,035	4,006	4,392	4,361
Virginia sun-cured (type 37):					
Parity price (¢/lb) 1/	206.0	207.0	210.0	222.0	233.0
Loan rate (¢/lb)	106.0	105.6	103.4	105.2	15/ 111.5
No-net-cost assessment (¢/lb)	1	1	1	2	3
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	1,030	935	595	401	285
Cigar binder (types 51-52):					
Parity price (¢/lb) 1/	297.0	311.0	326.0	337.0	344.0
Loan rate (¢/lb)	--	--	--	--	--
No-net-cost assessment (¢/lb)	--	--	--	--	--
National marketing quota (1,000 lbs) 2/	No	No	No	No	No
National allotment (acres)	--	--	--	--	--
Cigar binder and filler (types 42-44 and 53-55):					
Parity price (¢/lb) 1/	194.4	197.0	201.0	209.0	215.0
Loan rate (¢/lb)	91.6	91.4	89.5	90.9	15/ 96.2
No-net-cost assessment-- tobacco types 42-44 (¢/lb)	18	35	44	44	96.2
tobacco type 54 (¢/lb)	0	0	0	0	0
tobacco type 55 (¢/lb)	15	15	0	0	0
National marketing quota (1,000 lbs) 2/	Yes	Yes	Yes	Yes	Yes
National allotment (acres)	9,185	8,526	8,296	11,095	11,953
Puerto Rico filler (type 46):					
Parity price (¢/lb) 1/	184.0	192.0	200.0	211.0	218.0
Loan rate (¢/lb)	75.0	74.7	73.1	74.0	15/ 77.8
No-net-cost assessment (¢/lb)	52	53	60	16/ --	16/ --

Footnotes for table 4--Provisions of tobacco programs, 1961-90

- 1/ Calendar year average parity price.
- 2/ A national marketing quota program for any kind of tobacco operates through acreage allotments and/or poundage quotas to individual farms. By complying with farm acreage allotments and quotas, farmers may market all of their tobacco free of penalty and the crop is eligible for price support. If the growers exceed their acreage allotment, their crops, when marketed, are subject to a marketing quota penalty of 75 percent of the average market price of the previous year and is not eligible for price support.
- 3/ Acreage and poundage marketing quota program is in effect for flue-cured tobacco starting in 1965.
- 4/ Quotas were disapproved by growers of Maryland tobacco; therefore, price support is not available for that type of tobacco.
- 5/ Legislation authorizes the Secretary to increase or terminate farm marketing quotas whenever the Secretary finds that the operation of quotas will cause the amount of any kind of tobacco which is free of marketing restrictions to be less than the normal supply. All production is eligible for price support.
- 6/ To be eligible, producers are required to certify that they have not used restricted pesticides (DDT and TDE) on their crop.
- 7/ To be eligible, producers are required to certify that they have not used restricted pesticides (DDT, TDE, toxaphene, and endrin) on their crop.
- 8/ As of 1971, poundage quotas for burley tobacco are used in lieu of acreage allotments.
- 9/ The intent of the No-Net-Cost Tobacco Program Act of 1982 was to ensure the operation of the tobacco price-support program at no net cost to taxpayers, except for administrative costs. As a condition of price-support eligibility, tobacco farmers must agree to contribute to a no-net-cost tobacco fund or account set up by the association.
- 10/ Producers are required to certify that pesticides used on price-support tobacco have been approved by the Environmental Protection Agency and that these products have been used in accordance with the label directions.
- 11/ In addition, 1.5 cents applies for buyers.
- 12/ For both producers and buyers divided equally.
- 13/ Beginning with the 1986 crop, marketings in excess of 103 percent of the quota are subject to penalty and are ineligible for loan.
- 14/ In addition, 1.25 cents applies for buyers.
- 15/ The 1990 support levels are about 6 percent above 1989 levels of support as authorized by law. These support levels will be reduced 1.4 percent to comply with the FY 1990 Gramm-Rudman-Hollings deficit reduction sequester order.
- 16/ CCC has terminated loan agreements with producer associations.

Sugar and Honey Programs

The CCC has operated support programs for sugar and honey. Crops supported under the sugar program are sugar beets and sugarcane.

Sugar

Acreage reduction programs under the Agricultural Adjustment Act of 1933 were carried out for sugar crops through 1935 (10). The Jones-Costigan Act required the Secretary to determine the consumption requirements for sugar in the United States. The Secretary was then to allocate the market to domestic areas and foreign countries by means of quotas. The act also provided for benefit payments to producers, a processing tax on sugar, minimum wages for farmworkers, child labor regulations, and acreage restrictions. The Sugar Act of 1937 substituted an excise tax for a processing tax, which had been declared unconstitutional. The excise tax was assessed against all sugar processed or refined in the United States. Also, an import tax was assessed against all direct-consumption sugar imported into this country. The quota provisions were suspended in April 1942. The provisions in the Sugar Act of 1948 were more extensive and detailed than those of its predecessors. However, its basic features were the same.

The Food and Agriculture Act of 1977 provided through loans and purchases for price support of between 52.5 and 65 percent of parity for 1977 and 1978 sugarcane and sugar beet crops (1). To provide incentive for producers to sell their sugar in the marketplace rather than forfeit it to the CCC, import duties and fees were used to maintain the domestic sugar price at the market price objective. Price support was provided to 1979 crops under the authority of permanent legislation.

The Agriculture and Food Act of 1981 provided for the support of 1982-85 crops of sugarcane and sugar beets (1). A purchase-agreement program was used for sugar processed from December 22, 1981, through March 31, 1982. At this time, a nonrecourse loan program was established. To minimize the risk of the CCC acquiring sugar, a market stabilization price was established for raw cane sugar above the loan rate.

The 1985 Act mandates a price support program for 1986-90 sugar crops (1, 4). The nonrecourse loan was set at levels determined as appropriate by the Secretary, but no lower than 18 cents per pound. The act required the President to use all authorities available to enable the Secretary to operate the sugar program at no cost to the Federal Government by preventing accumulation of sugar by the CCC. Provisions for sugar programs from 1961 through 1990 are presented in table 5.

Honey

Support for honey was allowed in 1947 (10). The USDA was asked to help the beekeeping industry dispose of large stocks of dark-colored, strong-flavored honey produced in that year. The USDA extended assistance to the beekeeping industry in 1947 and 1948 by helping to remove the accumulated surplus honey through purchases from packers, who promised to pay beekeepers not less than 10 cents per pound for honey delivered to their plants. The following year, honey was included in the 1949 Act, which mandated that honey be supported at not less than 60 percent nor more than 90 percent of parity through loans, purchases, or other operations.

The price of honey was supported under the 1950 and 1951 programs through purchases from packers, export payments, and diversion payments. The export and diversion payment programs remained in operation through the 1954 crop. The loan and purchase programs were initiated in 1952. These programs continued through 1985, with the exception of 1975 and 1976, which featured purchase agreement programs only, without loan provisions.

The 1985 Act dropped the parity formula and established progressively lower support prices (4, 7). The 1985 Act set price-support levels for the 1986 and 1987 crops of honey at 64 and 63 cents per pound, respectively. The price support level for the 1988-90 crops was the rate from the previous year reduced by 5 percent, but not less than 75 percent of the average price received by producers over the preceding 5 years, dropping the years with the highest and lowest prices. The Secretary had discretionary authority to offer a lower loan repayment option for the 1986-90 crops in order to minimize loan forfeitures, reduce Government storage costs, and maintain competitiveness of honey in domestic and foreign markets. To encourage use of the lower loan repayment option, the purchase program was dropped and the 1986-89 programs

were designated as "loans only" programs. Provisions for 1961-90 honey programs are presented in table 5.

Table 5--Provisions of sugar crops and honey programs, 1961-90

Commodity/ provision	1961	1962	1963	1964
Sugar crops:				
Parity price (\$/ton) 1/--				
Sugarcane	9.78	10.30	11.10	11.40
Sugar beets	16.40	16.90	17.90	18.00
Target price for raw cane sugar (¢/lb)	6.40	6.51	6.61	6.63
Nonrecourse loan (¢/lb)--				
Raw cane sugar	--	--	--	--
Refined beet sugar	--	--	--	--
Direct payments (\$/net ton)--				
Sugarcane	1.19	1.11	1.15	1.01
Sugar beets	2.26	2.25	2.20	2.20
Honey:				
Parity price (¢/lb) 2/	16.3	17.2	18.1	18.6
Loan level (¢/lb)	11.2	11.2	11.2	11.2
	1965	1966	1967	1968
Sugar crops:				
Parity price (\$/ton) 1/--				
Sugarcane	11.90	12.30	12.60	13.00
Sugar beets	18.80	19.30	19.60	20.30
Target price for raw cane sugar (¢/lb)	6.80	7.08	7.25	7.52
Nonrecourse loan (¢/lb)--				
Raw cane sugar	--	--	--	--
Refined beet sugar	--	--	--	--
Direct payments (\$/net ton)--				
Sugarcane	1.12	1.11	1.16	1.16
Sugar beets	2.18	2.16	2.17	2.16
Honey:				
Parity price (¢/lb) 2/	19.1	19.6	19.9	19.8
Loan level (¢/lb)	11.2	11.4	12.5	12.5
	1969	1970	1971	1972
Sugar crops:				
Parity price (\$/ton) 1/--				
Sugarcane	14.00	14.70	15.60	16.60
Sugar beets	21.50	22.30	23.20	24.60
Target price for raw cane sugar (¢/lb)	7.91	8.27	8.69	9.10
Nonrecourse loan (¢/lb)--				
Raw cane sugar	--	--	--	--
Refined beet sugar	--	--	--	--
Direct payments (\$/net ton)--				
Sugarcane	1.18	1.17	1.08	1.01
Sugar beets	2.02	2.07	2.09	2.03
Honey:				
Parity price (¢/lb) 2/	20.7	21.6	22.1	23.6
Loan level (¢/lb)	13.0	13.0	14.0	14.0

See footnotes at end of table.

Continued--

Table 5--Provisions of sugar crops and honey programs, 1961-90--continued

Commodity/ provision	1973	1974	1975	1976
Sugar crops:				
Parity price (\$/ton) 1/--				
Sugarcane	19.20	22.10	31.20	33.10
Sugar beets	28.00	32.00	40.50	43.20
Target price for raw cane sugar (¢/lb)	10.38	12.19	--	--
Nonrecourse loan (¢/lb)--				
Raw cane sugar	--	--	--	--
Refined beet sugar	--	--	--	--
Direct payments (\$/net ton)--				
Sugarcane	1.05	1.06	--	--
Sugar beets	2.05	2.12	--	--
Honey:				
Parity price (¢/lb) 2/	27.3	34.9	43.7	49.7
Loan level (¢/lb)	16.1	20.6	25.5	29.4
	1977	1978	1979	1980
Sugar crops:				
Parity price (\$/ton) 1/--				
Sugarcane	33.30	35.90	40.00	44.00
Sugar beets	43.50	47.10	51.80	57.00
Target price for raw cane sugar (¢/lb)	13.50	15.00	15.00	15.00
Nonrecourse loan (¢/lb)--				
Raw cane sugar	13.50	14.73	13.00	4/
Refined beet sugar	3/ 14.24/15.57	16.99	15.15	4/
Direct payments (\$/net ton)--				
Sugarcane	5/ 4.33	--	--	--
Sugar beets	5/ 4.44	--	--	--
Honey:				
Parity price (¢/lb) 2/	54.7	61.3	72.4	84.1
Loan level (¢/lb)	32.7	36.8	43.9	50.3
	1981	1982	1983	1984
Sugar crops:				
Parity price (\$/ton) 1/--				
Sugarcane	52.00	52.70	53.60	55.20
Sugar beets	65.50	66.20	67.00	68.20
Target price for raw cane sugar (¢/lb)	6/ 15.00/19.08/19.88	20.73	21.17	21.57
Nonrecourse loan (¢/lb)--				
Raw cane sugar	7/ 16.75	17.00	17.50	17.75
Refined beet sugar	7/ 19.70	20.15	20.86	20.76
Direct payments (\$/net ton)--				
Sugarcane	--	--	--	--
Sugar beets	--	--	--	--
Honey:				
Parity price (¢/lb) 2/	96.4	102.0	106.0	111.0
Loan level (¢/lb)	57.4	60.4	62.2	65.8

See footnotes at end of table.

Continued--

Table 5--Provisions of sugar crops and honey programs, 1961-90--continued

Commodity/ provision	1985	1986	1987
Sugar crops:			
Parity price (\$/ton) 1/--			
Sugarcane	48.80	47.90	49.90
Sugar beets	63.30	61.40	63.60
Target price for raw cane sugar (¢/lb)	21.50	--	--
Nonrecourse loan (¢/lb)--			
Raw cane sugar	18.00	8/ 18.00	18.00
Refined beet sugar	21.06	8/ 21.09	21.16
Direct payments (\$/net ton)--			
Sugarcane	--	--	--
Sugar beets	--	--	--
Honey:			
Parity price (¢/lb) 2/	111.0	111.0	106.0
Loan level (¢/lb)	65.3	64.0	9/ 61.0
	1988	1989	1990
Sugar crops			
Parity price (\$/ton) 1/--			
Sugarcane	53.20	56.00	57.60
Sugar beets	67.70	72.00	74.50
Target price for raw cane sugar (¢/lb)	--	--	--
Nonrecourse loan (¢/lb)--			
Raw cane sugar	8/ 18.00	8/ 18.00	8/ 18.00
Refined beet sugar	8/ 21.37	8/ 21.54	8/ 21.93
Direct payments (\$/net ton)--			
Sugar cane	--	--	--
Sugar beets	--	--	--
Honey:			
Parity price (¢/lb) 2/	114.0	114.0	115.0
Loan level (¢/lb)	56.4	56.4	--

1/ Average parity price for July.

2/ Average parity price for January.

3/ Initial setting, then final.

4/ No program was established, but market price continued to be supported.

5/ Includes processors' share.

6/ 15 cents, October 1, 1981-December 23, 1982; 19.08 cents, December 24-May 5 1982; and 19.88 cents, May 6-September 30, 1982.

7/ Represents data for price-support purchase program for sugar produced from December 22, 1981 through March 31, 1982. The sugar was statutorily defined as part of the 1982 crop.

8/ Loan proceeds were reduced 4.3 percent for 1986/87 as result of Balanced Budget and Emergency Deficit Control Act (Gramm-Rudman-Hollings) and 1.4 percent for 1988/89, 1989/90, and 1990/91.

9/ On April 1, 1987, national average support price announced at 63 cents per pound. National average support dropped to 61 cents on December 23, 1987, as a result of the Omnibus Budget Reconciliation Act of 1987.

Wool and Mohair Programs

Price support programs for wool and mohair were authorized by the 1938 Act (10). Although not mandatory, loan programs were carried out. Price support for wool became mandatory in 1947, and for mohair, it became mandatory in 1949. Support levels were to be set between 60 and 90 percent of parity. Price-support programs for wool and mohair were authorized by the National Wool Act of 1954. The program was designed to encourage domestic production at a yearly level of 300 million pounds of shorn wool by means of annual incentive payments to producers, if required. The law also provides for price support for pulled wool. This payment, which is based on the liveweight of unshorn slaughter lambs marketed, is made at a rate comparable with the shorn-wool support rate. This method of payment is designed to discourage shearing of lambs prior to slaughter for the sole purpose of earning a price-support payment.

The Food and Agriculture Act of 1965 introduced a formula for determining the shorn-wool support price (8). The formula adjusted the support price for changes in prices paid by farmers for production inputs. The Agricultural Act of 1970 fixed the level of shorn-wool and mohair support prices. This approach was continued through 1976. The Food and Agriculture Act of 1977 returned to the formula for determining support levels and included a factor of 0.85, which was applied to the result of the formula calculation. The factor was reduced by the Agriculture and Food Act of 1981 to 0.775. Provisions of wool and mohair programs from 1961 to 1990 are presented in table 6.

Table 6--Provisions of wool and mohair programs, 1961-90

Commodity/ provision	1961	1962	1963	1964	1965
Wool:					
Parity price (¢/lb) 1/	73.9	75.2	74.2	77.5	79.5
Support level (¢/lb)	62.0	62.0	62.0	62.0	62.0
Payment rate (% of market price)	44.5	30.0	27.8	16.5	31.6
Unshorn lamb payment rate (\$/cwt)	0.76	0.57	0.54	0.35	0.60
Mohair:					
Parity price (¢/lb) 1/	102.0	105.0	106.0	106.0	108.0
Support level (¢/lb)	73.0	74.0	76.0	72.0	72.0
Payment rate (% of market price)	--	3.6	--	--	9.9
<hr/>					
	1966	1967	1968	1969	1970
Wool:					
Parity price (¢/lb) 1/	83.6	86.3	87.3	90.4	94.9
Support level (¢/lb)	65.0	66.0	67.0	69.0	72.0
Payment rate (% of market price)	24.8	65.8	65.4	65.1	102.8
Unshorn lamb payment rate (\$/cwt)	0.52	1.05	1.06	1.09	1.46
Mohair:					
Parity price (¢/lb) 1/	115.0	117.0	117.0	119.0	124.0
Support level (¢/lb)	75.8	76.4	77.4	77.4	80.2
Payment rate (% of market price)	42.1	86.8	71.2	18.9	105.1
<hr/>					
	1971	1972	1973	1974	1975
Wool:					
Parity price (¢/lb) 1/	98.6	103.0	110.0	126.0	142.0
Support level (¢/lb)	72.0	72.0	72.0	72.0	72.0
Payment rate (% of market price)	271.1	105.7	--	21.8	61.1
Unshorn lamb payment rate (\$/cwt)	2.10	1.48	--	0.52	1.09
Mohair:					
Parity price (¢/lb) 1/	125.0	127.0	133.0	151.0	185.0
Support level (¢/lb)	80.2	80.2	80.2	80.2	80.2
Payment rate (% of market price)	166.4	--	--	--	--
<hr/>					
	1976	1977	1978	1979	1980
Wool:					
Parity price (¢/lb) 1/	140.0	138.0	137.0	152.0	172.0
Support level (¢/lb)	72.0	99.0	108.0	115.0	123.0
Payment rate (% of market price)	9.6	37.5	45.0	33.3	39.6
Unshorn lamb payment rate (\$/cwt)	0.25	1.08	1.34	1.15	1.40
Mohair:					
Parity price (¢/lb) 1/	190.0	208.0	245.0	302.0	406.0
Support level (¢/lb)	80.2	149.8	164.7	194.3	290.3
Payment rate (% of market price)	--	--	--	--	--

See footnotes at end of table.

Continued--

Table 6--Provisions of wool and mohair programs, 1961-90--Continued

Commodity/ provision	1981	1982	1983	1984	1985
Wool:					
Parity price (¢/lb) 1/	189.0	195.0	201.0	213.0	225.0
Support level (¢/lb)	135	137	153	165	2/ 173
Payment rate (% of market price)	42.9	100.3	149.6	107.5	160.7
Unshorn lamb payment rate (\$/cwt)	1.62	2.74	3.67	3.42	4.07
Mohair:					
Parity price (¢/lb) 1/	521.0	566.0	608.0	665.0	712.0
Support level (¢/lb)	371.8	397.7	462.7	516.9	443.0
Payment rate (% of market price)	6.2	56.0	14.2	20.2	28.4
	1986	1987	1988	1989	1990
Wool:					
Parity price (¢/lb) 1/	233.0	243.0	267.0	289.0	303.0
Support level (¢/lb)	178	181	178	177	182
Payment rate (% of market price)	166.5	97.4	29.0	42.7	127.5
Unshorn lamb payment rate (\$/cwt)	4.45	3.57	1.60	2.12	4.08
Mohair:					
Parity price (¢/lb)	760.0	782.0	828.0	882.0	887.0
Support level (¢/lb)	493.0	495.0	469.0	458.8	453.2
Payment rate (% of market price)	96.4	88.2	148.1	190.4	387.3

1/ Average parity price for December, previous year.

2/ Revised to 165 in order to comply with Gramm-Rudman-Hollings Act.

Gum Naval Stores

Price support programs for gum naval stores, a nonbasic commodity, have been permitted by legislation since 1934 (10). From 1934 through 1974, nonrecourse loans were used to support prices. Purchases were also used from 1942 through 1944.

Beginning in 1951, parity prices for rosin and turpentine were replaced by a parity price for crude pine gum, processed basis (10). The support level for turpentine and rosin was based on a specified percentage of the parity price for crude pine gum. Although there was no support rate for turpentine, an allowance was made in the crude gum support level for the prospective market value of the turpentine content in crude gum pine.

The CCC made advances available to producers of gum naval stores through a nonrecourse loan to the American Turpentine Farmers Association (ATFA). Under the loan agreement with the CCC, ATFA made the advances to its eligible producers on eligible rosin or the rosin content in crude pine gum.

The loan made to ATFA covered advances to producers, administrative and operating expenses, and storage charges on the pledged collateral. The loan had no fixed maturity date, but was payable on demand. ATFA generally redeemed the collateral and sold it from redemption pools. For certain years, ATFA was given the right to sell without redemption, provided all the proceeds were paid to the CCC. ATFA could sell its redeemed collateral stock at or above redemption cost, which was determined by the CCC. Any amount remaining over redemption costs that was realized from sales was returned to participating producers on an equitable basis, as approved by the CCC. Price support was last offered to producers of gum naval stores in 1980. Provisions of gum naval stores programs from 1961 to the present are presented in table 7.

Table 7--Provisions of gum naval stores programs, 1961-90

Provision/ commodity	1961	1962	1963	1964	1965
Parity price:					
Rosin (\$/cwt) 1/	NR	NR	NR	NR	NR
Turpentine (\$/gal) 1/	NR	NR	NR	NR	NR
Crude pine gum (\$/std bbl) 2/	32.30	33.90	35.60	36.60	38.20
Average support level:					
Rosin (\$/cwt)	9.69	10.50	10.50	10.50	10.00
Turpentine (\$/gal) 3/	--	--	--	--	--
Crude pine gum (\$/std bbl)	28.98	34.28	34.28	35.60	35.60
	1966	1967	1968	1969	1970
Parity price:					
Rosin (\$/cwt) 1/	NR	NR	NR	NR	NR
Turpentine (\$/gal) 1/	NR	NR	NR	NR	NR
Crude pine gum (\$/std bbl) 2/	39.70	40.50	41.60	44.60	46.70
Average support level:					
Rosin (\$/cwt)	9.87	10.01	10.01	10.01	10.01
Turpentine (\$/gal) 3/	--	--	--	--	--
Crude pine gum (\$/std bbl)	35.60	35.60	35.71	39.76	41.74
	1971	1972	1973	1974	1975
Parity price:					
Rosin (\$/cwt) 1/	NR	NR	NR	NR	NR
Turpentine (\$/gal) 1/	NR	NR	NR	NR	NR
Crude pine gum (\$/std bbl) 2/	48.80	52.00	60.40	70.80	82.60
Average support level:					
Rosin (\$/cwt)	10.01	10.01	11.46	11.46	16.00
Turpentine (\$/gal) 3/	--	--	--	--	--
Crude pine gum (\$/std bbl)	41.61	41.36	41.36	41.77	61.30
	1976	1977	1978	1979	1980
Parity price:					
Rosin (\$/cwt) 1/	NR	NR	NR	NR	NR
Turpentine (\$/gal) 1/	NR	NR	NR	NR	NR
Crude pine gum (\$/std bbl) 2/	91.00	95.20	102.00	116.00	130.00
Average support level:					
Rosin (\$/cwt)	16.00	26.75	21.40	23.75	24.99
Turpentine (\$/gal) 3/	--	--	--	--	--
Crude pine gum (\$/std bbl)	51.30	51.30	--	--	--

See footnotes at end of table.

Continued--

Table 7--Provisions of gum naval stores programs, 1961-90--continued

Provision/ commodity	1981	1982	1983	1984	1985
Parity price:					
Rosin (\$/cwt) 1/	NR	NR	NR	NR	NR
Turpentine (\$/gal) 1/	NR	NR	NR	NR	NR
Crude pine gum (\$/std bbl) 2/	144.00	152.00	153.00	169.00	157.00
Average support level:					
Rosin (\$/cwt)	--	--	--	--	--
Turpentine (\$/gal) 3/	--	--	--	--	--
Crude pine gum (\$/std bbl)	--	--	--	--	--
	1986	1987	1988	1989	1990
Parity price:					
Rosin (\$/cwt) 1/	NR	NR	NR	NR	NR
Turpentine (\$/gal) 1/	NR	NR	NR	NR	NR
Crude pine gum (\$/std bbl) 2/	NR	NR	NR	NR	NR
Average support level:					
Rosin (\$/cwt)	--	--	--	--	--
Turpentine (\$/gal) 3/	--	--	--	--	--
Crude pine gum (\$/std bbl)	--	--	--	--	--

NR = Not reported.

1/ Beginning in 1951, parity prices for rosin and turpentine were replaced by a parity price for crude pine gum, processed basis, and the support levels for turpentine and rosin were based on a specified percentage of the parity price for crude pine gum.

2/ Average parity price of crude pine gum for March, last reported December 1985.

3/ Although there is no support rate for turpentine, an allowance is made in the crude gum support level for the prospective market value of the turpentine content in crude gum pine.

Dairy Programs

The price support program authorized by the 1949 Act and the Federal milk marketing order program authorized by the Agricultural Marketing Agreement of 1937 are the principal domestic dairy programs (10).

Dairy Price Support Program

The basic provisions of the 1949 Act required that the price of milk to producers be supported at such level between 75 and 90 percent of parity as the Secretary determines necessary to assure an adequate supply of pure and wholesome milk, to reflect changes in the cost of production, and to assure a level of farm income adequate to maintain productive capacity sufficient to meet future needs (10). However, since October 21, 1981, the support price has been established by Congress at specific price levels, rather than parity levels. To carry out the milk price-support program, the CCC offers to buy carlots of butter, cheese, and nonfat dry milk in bulk containers at announced prices, thus providing a floor for milk and dairy product prices.

The 1985 Act amended the 1949 Act to continue price support at \$11.60 per hundredweight for milk containing 3.67 percent milk fat for calendar year 1986, at \$11.35 for January 1-September 30, 1987, and \$11.10 for October 1, 1987-December 31, 1990 (3, 4). The act required that on January 1 of 1988, 1989, 1990, the Secretary must reduce the support price 50 cents if the net price-support purchases were projected to exceed 5 billion pounds milk equivalent, or must increase the price by 50 cents if net surpluses were projected at not more than 2.5 billion pounds. Other provisions included a 40-cent reduction in the price received by producers for all milk produced and marketed for commercial use during April 1-December 31, 1986; and 25-cent reduction during January 1-September 30, 1987. The Food Security Improvement Act of 1986 provided for an additional 12-cent reduction in producers' returns from April 1-September 30, 1986. The Omnibus Budget Reconciliation Act of 1987 required a 2.5-cent reduction for calendar year 1988.

The Disaster Assistance Act of 1988 deleted the authority for the Secretary to reduce the price-support level for milk on January 1, 1989 (3). Furthermore, the act provided a temporary increase of 50 cents in the support level effective April 1-June 30, 1989.

Federal Milk Marketing Orders Program

Federal milk marketing orders are issued by the Secretary as authorized by the Agricultural Marketing Agreement Act of 1937, as amended. The Food and Agriculture Act of 1965 amended the act to include authorization for the use of class I base plans (10).

Federal milk orders are designed to aid in stabilizing marketing conditions in the sale of milk by dairy farmers to handlers. The statute authorizes the fixing of minimum milk prices to producers at levels that will reflect supply and demand conditions in the regulated markets, assure an adequate supply of wholesome milk, and be in the public interest. The program objectives are achieved by: (1) establishment of uniform prices to handlers for milk received from producers according to a classified price plan based on the use of milk; (2) pooling the proceeds of sales, usually on a marketwide basis, so that producers can be paid a uniform blend price; (3) an impartial audit of handlers' records to verify the payments of required prices; (4) a system for verifying the accuracy of weights and butterfat content of milk sold by producers; and (5) making available information on the handling of milk in the marketing areas so that interested parties can evaluate market situations.

Dairy Indemnity Payment Program

The Economic Opportunity Act of 1964, as extended to 1990 by the 1985 Act, authorizes the Secretary to make dairy indemnity payments (3, 4, 10).

Payments are made to dairy producers who have been directed by a public regulatory agency to remove their raw milk from commercial markets because it had been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination.

The indemnity payment to dairy producers is calculated by multiplying the number of cows milked times the number of days the milk is off the market times base production in terms of pounds per cow per day times farm price for milk of the same butterfat content as that in the base period. The base period used to establish base production is the calendar month, two half months, or two biweekly pay periods immediately before the milk is removed from the commercial market.

The indemnity payment to manufacturers of dairy products is calculated by multiplying the fair market value of the product times the amount of product removed from the market minus any salvage value of the product.

Milk Diversion Program

The Dairy and Tobacco Adjustment Act of 1983 mandated a milk diversion program (3). From January 1, 1984, through March 31, 1985, producers who reduced their milk marketings between 5 and 30 percent below their base production for 1981-82 or 1982 were paid 10 dollars per hundredweight for such reductions. Authority for milk diversion programs was continued through 1990 by the Food Security Act of 1985. However, the Secretary chose not to offer the program to producers during this period.

Dairy Herd Termination Program

The 1985 Act mandated that the Secretary offer a dairy herd termination program to milk producers (3, 4). Under the program, dairy farmers could enter into contracts with the CCC through bids to dispose of their entire herds and terminate any interest they had in the production of milk or in dairy cattle for a period as specified in the contract. Legislation provided the Secretary discretion as to establishing terms of the contract. The Secretary could choose to contract for periods of 3 up to 5 years. For the mandated program which began April 1, 1986, the Secretary decided to contract for 5 years only. Although legislation provided the Secretary the authority to offer other programs through 1990, only the mandated program was offered. Provisions of dairy programs from 1961 to 1990 are presented in table 8.

Table 8--Provisions of dairy programs, 1960/61-90/91

Provision	Marketing year 1/				
	1960/61				1961/62
	Apr. 1-Sept. 16	Sept. 17-Oct. 23	Oct. 24-Mar. 9	Mar. 10-Mar. 31	Apr. 1-Jul. 17
Milk, manufacturing grade:					
Parity price (\$/cwt) 2/	4.01	3.98	3.98	4.09	4.09
Support level--					
Percent of parity (%) 3/	76.0	80.0	80.0	85.0	83.0
At 3.5% milkfat (\$/cwt)	2.86	3.02	3.02	3.20	3.20
At national average milkfat (\$/cwt)	3.06	3.22	3.22	3.40	3.40
National average milkfat test (%)	3.78	3.78	3.78	3.78	3.77
CCC announced purchase price:					
Butter, U.S. grade A (¢/lb)	58.75	61.25	61.25	61.25	61.25
Cheese--					
Cheddar, 40-lb blocks (¢/lb)	32.75	34.25	34.25	36.10	36.10
Barrel, 500-lb (¢/lb)	--	--	--	--	--
Nonfat dry milk, spray--					
50-lb bags (¢/lb)	--	--	--	--	--
50-lb bags, fortified (¢/lb)	--	--	--	--	--
100-lb bags (¢/lb)	13.40	13.90	13.90	13.90	15.90
Barrels and drums (¢/lb)	13.40	13.90	15.90	15.90	15.90
Nonfat dry milk, roller:					
Barrels and drums (¢/lb)	11.40	11.90	13.90	13.90	13.90
Milk diversion program:					
Diversion (%)	--	--	--	--	--
Payment (\$/cwt)	--	--	--	--	--
Deductions collected from producers (¢/cwt):					
Price support program	--	--	--	--	--
Deficit reduction	--	--	--	--	--
Dairy promotion program assessment (¢/cwt)	--	--	--	--	--
Dairy herd termination program:					
Term of program (yrs)	--	--	--	--	--
Accepted bids (\$/cwt)--					
Range	--	--	--	--	--
Average	--	--	--	--	--

See footnotes at end of table

Continued--

Table 8--Provisions of dairy programs, 1960/61-90/91--Continued

Provision	Marketing year 1/				
	1961/62	1962/63	1963/64	1964/65	1965/66
	Jul. 18-Mar. 31	Apr. 1-Mar. 31	Apr. 1-Mar. 31	Apr. 1-Mar. 31	Apr. 1-Mar. 31
Milk, manufacturing grade:					
Parity price (\$/cwt) 2/	4.06	4.15	4.18	4.20	4.31
Support level--					
Percent of parity (%) 3/	83.0	75.0	75.0	75.0	75.0
At 3.5% milkfat (\$/cwt)	3.20	2.93	2.99	3.00	3.09
At national average milkfat (\$/cwt)	3.40	3.11	3.14	3.15	3.24
National average milkfat test (%)	3.77	3.76	3.72	3.71	3.71
CCC announced purchase price:					
Butter, U.S. grade A (¢/lb)	61.25	58.75	58.75	58.75	59.75
Cheese--					
Cheddar, 40-lb blocks (¢/lb)	36.50	34.60	35.60	35.60	36.10
Barrel, 500-lb (¢/lb)	--	--	--	--	--
Nonfat dry milk, spray--					
50-lb bags (¢/lb)	--	--	--	--	--
50-lb bags, fortified (¢/lb)	--	--	--	--	--
100-lb bags (¢/lb)	16.40	14.40	14.40	14.40	14.60
Barrels and drums (¢/lb)	16.40	14.40	--	--	--
Nonfat dry milk, roller--					
Barrels and drums (¢/lb)	14.40	--	--	--	--
Milk diversion program:					
Diversion (%)	--	--	--	--	--
Payment (\$/cwt)	--	--	--	--	--
Deductions collected from producers (¢/cwt):					
Price support program	--	--	--	--	--
Deficit reduction	--	--	--	--	--
Dairy promotion program assessment (¢/cwt)	--	--	--	--	--
Dairy herd termination program:					
Term of program (yrs)	--	--	--	--	--
Accepted bids (\$/cwt)--					
Range	--	--	--	--	--
Average	--	--	--	--	--

See footnotes at end of table.

Continued--

Table 8--Provisions of dairy programs, 1960/61-90/91--Continued

Provision	Marketing year 1/					
	1966/67		1967/68		1968/69	
	Apr. 1-Jun. 29	Jun. 30-Mar. 31	Apr. 1-Sep. 28	Sep. 29-Mar. 31	Apr. 1-Mar. 31	
Milk, manufacturing grade:						
Parity price (\$/cwt) 2/	4.47	4.49	4.62	4.66	4.79	
Support level--						
Percent of parity (%) 3/	78.0	89.0	87.0	87.0	89.0	
At 3.5% milkfat (\$/cwt)	3.35	3.84	3.85	3.85	4.13	
At national average milkfat (\$/cwt)	3.50	4.00	4.00	4.00	4.28	
National average milkfat test (%)	3.70	3.70	3.69	3.69	3.69	
CCC announced purchase price:						
Butter, U.S. grade A (¢/lb)	61.75	67.25	67.25	67.25	67.25	
Cheese--						
Cheddar, 40-lb blocks (¢/lb)	39.30	43.75	43.75	43.75	47.00	
Barrel, 500-lb (¢/lb)	--	--	--	--	--	
Nonfat dry milk, spray--						
50-lb bags (¢/lb)	--	--	--	19.85	23.35	
50-lb bags, fortified (¢/lb)	--	--	--	--	--	
100-lb bags (¢/lb)	16.60	19.60	19.60	19.60	23.10	
Barrels and drums (¢/lb)	--	--	--	--	--	
Nonfat dry milk, roller--						
Barrels and drums (¢/lb)	--	--	--	--	--	
Milk diversion program:						
Diversion (%)	--	--	--	--	--	
Payment (\$/cwt)	--	--	--	--	--	
Deductions collected from producers (¢/cwt):						
Price support program	--	--	--	--	--	
Deficit reduction	--	--	--	--	--	
Dairy promotion program assessment (¢/cwt)	--	--	--	--	--	
Dairy herd termination program:						
Term of program (yrs)	--	--	--	--	--	
Accepted bids (\$/cwt)--						
Range	--	--	--	--	--	
Average	--	--	--	--	--	

See footnotes at end of table.

Continued--