Cooperative Extension Service

WEEKLY OUTLOOK

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PARTICIPATION IN ACREAGE REDUCTION PROGRAMS REMAINS HIGH

On May 18, the USDA announced that participation in the 1990 acreage reduction programs for feed grains, wheat, cotton, and rice accounted for 75.4 percent of the base acres of those crops. Participation in 1989 accounted for 76.4 percent of the base acres, while 84 percent of the base was enrolled in 1988. The national base acreage of these crops declined from 223.7 million acres in 1988, to 220 million in 1989, and to 216.6 million acres in 1990. Of the 3.4 million acre decline this year, 1.8 million was wheat base and 1.3 million was feed grain acreage, excluding corn. The base acreage of corn was unchanged at 82.7 million acres. The base acreage of cotton and rice declined by 200,000 and 100,000 acres, respectively.

Percentage wise, participation in 1990 is highest for rice at 92.2 percent and lowest for oats at 9.9 percent. Enrollment in the corn program accounted for 76.1 percent of the base acreage and 79.7 percent of the wheat base has been enrolled in the acreage reduction program. Participation in 1989 was 79.5 and 78.2 percent, respectively.

To be eligible for government price supports, producers of corn, sorghum, and barley are required to place 10 percent of their base acreage in conserving use. The requirement is 20 percent for rice, 12.5 percent for upland cotton, and 5 percent for wheat, oats, and extra long staple cotton. Producers could also choose to devote all or a portion of their permitted acres to conserving uses and receive deficiency payments on the acreage. The maximum acreage for deficiency payments under this program is 92 percent of the permitted acreage. Producers could plant oats on other program crop acres without losing base for those other crops. Producers could also plant soybeans or sunflowers on as much as 25 percent of the base acreage of other program crops without losing base for those crops. Finally, wheat producers were allowed to plant up to 105 percent of the base acreage and still be eligible for some deficiency payment.

Participants in the acreage reduction programs will idle 24.8 million acres of crop land in 1990, down from 30.9 million in 1989 and 53.3 million in 1988. The reduction reflects the smaller base, a slightly lower participation rate, and lower acreage reduction requirements

for some crops. Of the 24.8 million acres to be devoted to conserving uses in 1990, 12.1 million is idled under the regular acreage reduction program and 12.7 million is idled under the 0-92 program described above.

For corn, participation in the program is lower in every major producing state. Participation is highest in the western corn belt, accounting for 85 percent or more of the base acreage in Iowa, Minnesota, Nebraska and South Dakota. Participation in Illinois, Indiana, and Ohio is 73, 70, and 65 percent, respectively. About 1 million fewer acres will be idled under the corn program than in 1989. Participation in the wheat program is at a slightly higher level than a year ago, but 2.9 million fewer acres will be idled.

The number of acres idles under annual acreage reduction programs has declined by 6.1 million acres from 1989 to 1990. The USDA's *Prospective Plantings* report indicated that planted acreage of the seven program crops would increase by only 2.9 million acres. Idled acreage of wheat declined by 2.9 million acres, but plantings are expected to increase by only 940,000 acres. Idled acreage of corn is down by 1 million and plantings are up by 2.5 million acres. It is difficult to perform an accounting of all the acres because of the double counting. Acreage of oats, for example, is expected to decline by 1.2 million acres, while idled acreage under the program is down by 133,000 acres. The sharp reduction in plantings reflects the reduction in conserving use acres which are often planted to oats. Additional acreage in the Conservation Reserve Program also accounts for the relatively small increase in planted acreage. The USDA will release an updated estimate of planted acreage on June 28.

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