United States Government Accountability Office

Report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

July 2014

USDA FARM PROGRAMS

Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments

GAO-14-428

GAO Highlights

Highlights of GAO-14-428, a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

USDA administers farm programs to provide financial assistance to farmers, particularly when they experience losses. FSA, NRCS, and RMA administer most such programs. USDA's Office of Inspector General has reported on duplicative payments between USDA programs that pay for crop losses.

GAO was asked to examine the potential for overlap and duplication among USDA's farm programs. This report examines (1) USDA programs that provided financial assistance to farms during the effective period of the 2008 farm bill (2008 through 2013) and the potential for overlap and duplication among these programs; (2) the extent that farms received payments from farm programs and the amount of these payments; and (3) the internal controls USDA has designed to help prevent duplicative payments for the same crop losses to the same farms. GAO developed an inventory of USDA farm programs in existence during the 2008 farm bill, analyzed USDA data on farm payments from 2008 through 2011, and compared USDA's internal control activities for programs covering crop losses with federal standards for internal control.

What GAO Recommends

GAO recommends that RMA and FSA (1) monitor to identify the extent of duplicative payments and (2) develop a plan to prevent or recover any duplicative payments in 2014 involving a pilot RMA crop insurance policy. USDA generally agreed with GAO's recommendations.

View GAO-14-428. For more information, contact Anne-Marie Fennell at (202) 512-3841 or fennella@gao.gov.

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USDA FARM PROGRAMS

Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments

What GAO Found

From fiscal years 2008 through 2012, the U.S. Department of Agriculture (USDA) reported spending about $114 billion on 60 programs providing financial assistance to farmers, including about $28 billion in crop insurance subsidies. Those programs existed during the effective period of the Food, Conservation, and Energy Act of 2008 (2008 farm bill). Most were administered by the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), and Risk Management Agency (RMA). The 2014 farm bill eliminated some programs covered by this report, including FSA's Direct Payments Program, and added or expanded other programs. Under the 2008 farm bill, farmers were eligible for multiple programs depending on the commodities they produce and other factors. Some of these programs were overlapping, meaning they have similar goals, engage in similar activities or strategies, or target similar beneficiaries. However, based on a review of the programs, GAO did not find sufficient evidence to conclude that these programs were duplicative, meaning that they engaged in the same activities or provided the same services to the same beneficiaries.

Annually, USDA surveys individual farm costs and returns, including government payments. The survey among other things is aimed at estimating the farm sector's financial condition. The survey allows linking payments to farm characteristics, but it does not account for all payments in a given fiscal year. Based on these survey data, except crop insurance subsidies, most of the estimated 2.2 million farms reported receiving no program payments from 2008 through 2011, and about 37 percent (800,000) received a payment from at least one farm program. Farms receiving payments reported receiving $11,293 on average (median payment of $3,719) annually from various programs. Payments were higher if a farm received assistance from multiple farm programs—less than 1 percent of farms received payments of $57,899 on average (median payment of $27,412) annually from multiple programs. Larger farms or farms producing cash grains such as corn were more likely to receive payments from multiple programs than small farms or farms producing other crops. Larger farms also received more crop insurance premium subsidies than other farms.

The three largest USDA programs that pay for crop losses are FSA's Noninsured Crop Disaster Assistance Program (NAP), FSA's Supplemental Revenue Assistance Payments (SURE) Program, and RMA's Federal Crop Insurance Program. SURE and NAP assist farmers with losses due to natural disasters. Crop insurance, the largest program covering losses, makes payments based on revenue and production losses. These programs have controls to help prevent duplicative payments; however, GAO asked FSA to conduct data matching to compare payment data for RMA's Adjusted Gross Revenue crop insurance policy and FSA's NAP from 2010 through 2012, and that effort, with RMA analyses, identified 13 duplicative payments that may amount to about $188,000. It is possible there were other duplicative payments made by NAP and other crop insurance policies, but USDA has not taken steps to compare or monitor these payments. Without monitoring by engaging in activities such as data matching, agencies will find it difficult to identify such payments. In addition, a 2013 FSA decision to allow farmers in six states to have coverage for forage under both NAP and a pilot RMA crop insurance policy could result in duplicative payments in the 2014 crop year. FSA officials said they estimated potential duplicative payments to be less than $10 million resulting from this decision. RMA and FSA officials told GAO that they had not developed a plan to prevent or recover duplicative payments that may result from FSA's decision.

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Abbreviations

ACEP	Agricultural Conservation Easement Program
ACRE	Average Crop Revenue Election
AGP	Aquaculture Grant Program
AGR	Adjusted Gross Revenue
ALAP	Asparagus Revenue Market Loss Assistance Payment
AMA	Agricultural Management Assistance
AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ARC	Agricultural Risk Coverage
ARMS	Agricultural Resource Management Survey
BCAP	Biomass Crop Assistance Program
CAP	Crop Assistance Program
CBWI	Chesapeake Bay Watershed Initiative
CCC	Commodity Credit Corporation
CCP	Counter-Cyclical Payments
CL	Conservation Loan
CREP	Conservation Reserve Enhancement Program
CRP	Conservation Reserve Program
CSP	Conservation Security Program
CStP	Conservation Stewardship Program
DELAP	Dairy Economic Loss Assistance Payment
DFN	Debt for Nature
DIPP	Dairy Indemnity Payment Program
DP	Direct Payments
DPPSP	Dairy Product Price Support Program
DWQP	Durum Wheat Quality Program
ECP	Emergency Conservation Program
EFRP	Emergency Forest Restoration Program
ELAP	Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program
EM	Emergency Loan Program
EQIP	Environmental Quality Incentives Program
ERS	Economic Research Service
EWP	Emergency Watershed Protection
FAS	Foreign Agricultural Service
FSA	Farm Service Agency

FSFL	Farm Storage Facility Loan
FWP	Farmable Wetlands Program
GRP	Grassland Reserve Program
HFRP	Healthy Forests Reserve Program
HSDP	Hawaii Sugar Disaster Program
LC	Land Contract
LDP	Loan Deficiency Payments
LFP	Livestock Forage Disaster Program
LIP	Livestock Indemnity Program
MAL	Nonrecourse Marketing Assistance Loans
MILC	Milk Income Loss Contract
MLG	marketing loan gain
NAP	Noninsured Crop Disaster Assistance Program
NOCCSP	National Organic Certification Cost Share Program
NRCS	Natural Resources Conservation Service
OIG	Office of Inspector General
PGAP	Poultry Loss Contract Grant Assistance Program
PLC	Price Loss Coverage
RCPP	Regional Conservation Partnership Program
RD	Rural Development
REAP	Rural Energy for America Program
RMA	Risk Management Agency
RTCP	Reimbursement Transportation Cost Payment Program
STAX	Stacked Income Protection Plan
SURE	Supplemental Revenue Assistance Payments
TAA	Trade Adjustment Assistance
TAP	Tree Assistance Program
TIP	Transition Incentive Program
TTPP	Tobacco Transition Payment Program
USDA	U.S. Department of Agriculture
VAPG	Value-Added Producer Grants
WBP	Water Bank Program
WHIP	Wildlife Habitat Incentive Program
WRP	Wetlands Reserve Program

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
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July 8, 2014

The Honorable Tom Coburn, M.D.
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

Dear Dr. Coburn:

Farms in the United States produce a generous supply of food and make significant contributions to the nation's economy and food security.[1] Yet the uncertainties of weather and commodity markets make farming a risky endeavor. The U.S. Department of Agriculture (USDA) administers farm programs,[2] including price support, revenue support, and other risk management programs, which are intended to provide financial assistance to farmers,[3] particularly when they experience losses caused by adverse weather or low commodity prices. For decades, Congress has authorized many federal farm programs through major pieces of legislation known as farm bills. The prior farm bill—the Food, Conservation, and Energy Act of 2008 (2008 farm bill)—provided financial assistance to farmers for, among other things, crops, horticulture, livestock, and farm conservation efforts.[4] However, a number of farm programs discussed in this report were eliminated in the most recent farm bill that became law in February 2014 (see app. I for select changes to farm assistance programs under the 2014 farm bill).[5]

[1]In this report, a farm is defined as any place from which at least $1,000 worth of agricultural commodities were produced or sold, or normally have been sold, in a year.

[2]The term farm program is generally meant to include the commodity programs administered by the Farm Service Agency, as well as the other USDA programs that directly benefit farmers.

[3]A farmer is a person who operates a farm, either doing the work or making day-to-day operating decisions for the farm. We define agricultural commodities as any crop, livestock, or other agricultural products, such as wool or honey, produced by a farm.

[4]Pub. L. No. 110-246, 122 Stat. 1651. Many provisions of the 2008 farm bill were set to expire in 2012, but in January 2013, Congress extended many of them through 2013.

[5]Agricultural Act of 2014, Pub. L. No. 113-79, 127 Stat. 649.

At USDA, financial assistance to farmers is provided primarily by three agencies—the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Risk Management Agency (RMA). FSA administers various programs that, among other things, help support farm prices and revenue and compensate farmers for losses incurred as a result of natural disasters. NRCS administers programs that primarily make payments to farmers as an incentive to implement practices to conserve natural resources, such as soil and water.[6] Both FSA and NRCS assist farmers through a network of staff at headquarters, state, and county offices. RMA administers the Federal Crop Insurance Program, which offers farmers various levels and types of insurance protection for the agricultural commodities they produce. RMA partners with private insurance companies that sell and service the federal crop insurance policies and subsidizes the insurance premiums farmers pay. The program also serves as a reinsurer for the private insurance companies to limit their underwriting losses and pays an administrative fee to the insurance companies to cover their expenses of selling and servicing the crop insurance policies.

Each year, USDA's Economic Research Service (ERS) and National Agricultural Statistics Service conduct an annual national survey called the Agricultural Resource Management Survey (ARMS). This survey obtains information from a representative sample of farmers on, among other things, the farm practices they employ, the income and expenses generated by their operation, and the payments they received from USDA programs. The survey also obtains demographic information on the farmer, as well as various characteristics of the farm, such as the commodities produced and the size of the operation. The information that ERS obtains from ARMS enables researchers to examine the relationship between the payments made to farmers and the characteristics of the farmers and farms receiving those payments.

As fiscal pressures facing the nation continue, so too does the need for the federal government to improve the efficiency and effectiveness of its various financial assistance programs and activities. GAO is statutorily mandated to identify and report annually to Congress on federal programs, agencies, offices, and initiatives, either within departments or

[6]For this report, we include only those farm programs that provide some form of financial assistance to farmers and exclude programs that solely provide technical assistance.

government-wide, with duplicative goals or activities.[7] Since 2011, we have issued four annual reports, which included opportunities for executive branch agencies to reduce overlap or duplication,[8] achieve cost savings, or enhance revenue.[9] In this report, we define overlap as occurring when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries and duplication as occurring when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries. We recognize that there could be instances where program overlap and duplication may result from the way programs are designed in statute and some overlap and duplication may be warranted due to the nature or magnitude of the federal effort.

In 2010 and 2011, USDA's Office of Inspector General (OIG) reported on actual or potential duplicative payments made by USDA programs that pay for crop losses and recommended strengthening internal controls for the programs.[10] According to federal internal control standards,[11] such controls comprise the plans, methods, and procedures used to meet missions, goals, and objectives and, in doing so, support performance-based management. Internal controls also serve as the first line of

[7]Statutory Pay-As-You-Go-Act of 2010, Pub. L. No. 111-139, § 21, 124 Stat. 29.

[8]GAO, *2014 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-14-343SP (Washington, D.C.: Apr. 8, 2014); GAO, *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP (Washington, D.C.: Apr. 9, 2013); GAO, *2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-342SP (Washington, D.C.: Feb. 28, 2012); and GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

[9]These annual reports also examined whether administrative efficiencies could be achieved by reducing fragmentation—that is, circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need, and opportunities exist to improve service delivery among programs. Examining fragmentation among farm programs was outside the scope of this report.

[10]USDA OIG, *USDA Payments for 2005 Citrus Canker Tree Losses*, Audit Report No. 50099-46-At (Mar. 23, 2011); and USDA OIG, *Pasture, Rangeland and Forage Pilot Program*, Audit Report No. 50601-18-Te (Aug. 27, 2010).

[11]GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

defense in safeguarding assets and preventing and detecting errors and fraud. In this report, we define duplicative payments as payments made by more than one program to the same farmer for the same commodity loss that are specifically prohibited by federal law or contract, or are contrary to USDA policy.

You asked us to examine the potential for overlap and duplication among USDA's farm programs. This report, based on programs under way during the effective period of the 2008 farm bill, examines (1) the number of USDA programs that provided financial assistance to farms, the total amount of this assistance, and the potential for overlap and duplication among these programs; (2) the extent, if at all, that farms received payments from farm programs, including multiple farm programs, and the amount of these payments; and (3) the internal controls that USDA has designed to help prevent duplicative payments for the same crop losses to the same farms.[12]

To determine the number of USDA programs that provided financial assistance to farms, the total amount of this assistance, and the potential for overlap and duplication among these programs for fiscal years 2008 through 2012, we developed an inventory of USDA farm programs under way during the effective period of the 2008 farm bill using, among other sources, the Catalog of Federal Domestic Assistance's and USDA's program fact sheets. Based on this inventory, we developed six categories to describe the type of financial assistance these programs offered to farmers.[13] We also obtained data on the dollar obligations for each of these programs and total outlays from fiscal years 2008 through 2012 (the most recent year for which data were available) from USDA budget documents. To assess the reliability of the data, we requested that agency officials review our inventory for completeness and accuracy. For the obligations and outlays data, we interviewed agency officials and reviewed system documentation, including documentation of training, and did not identify any concerns about the reliability of the data. Based on the information we gathered, we determined these data are sufficiently

[12]When we refer to crop losses in this report, we are also including livestock losses.

[13]The six categories of financial assistance are direct payments, loans or payments to compensate for costs incurred, loans or payments to compensate for losses, loans or payments to support prices, loans or payments to encourage farmers to take a specific action, and loans or payments to support revenue.

reliable for the purposes of this report. In addition, we reviewed (1) our recent work on overlap and duplication; (2) information on the characteristics of the programs; and (3) studies conducted by USDA and the Congressional Research Service.

To determine the extent, if at all, that farms received payments from farm programs, including multiple farm programs, and the amount of these payments, we worked with ERS staff to specify custom analyses of the data they collect using ARMS on government payments received by farms during calendar years 2008 through 2011 (the most recent years for which ARMS data were available during which the 2008 farm bill was in effect) and selected characteristics of these farms, such as the size of the farm as measured by farm sales and the agricultural commodity produced. We selected these characteristics because they allowed us to analyze the data based on whether it was a small, mid-sized or large farm and what commodities were produced. We worked with ERS staff to organize the program payments collected in ARMS into four functional payment categories—direct payments; major price-related payments such as payments made to a farmer when a commodity price falls below a specific level; major conservation program payments; and other federal, state, or local agricultural program payments.[14] We also worked with ERS to design analyses to determine how many farms received payments from various farm program payment categories. To assess the reliability of the ERS analyses, we obtained the computer coding ERS used to generate the analyses and information on the statistical reliability of the results and interviewed ERS officials to obtain additional detail about how they conducted the analyses; we determined the results of these analyses were sufficiently reliable for the purposes of this report.

To identify the internal controls that USDA has designed to help prevent duplicative payments, we focused on RMA's crop insurance program, FSA's Supplemental Revenue Assistance Payments (SURE) Program, and FSA's Noninsured Crop Disaster Assistance Program (NAP) because they accounted for most of the payments USDA made for crop losses for fiscal years 2008 through 2013—the effective period of the 2008 farm bill. We reviewed prior GAO and USDA OIG reports, and laws, regulations, and USDA program policies and procedures that describe internal

[14]The four functional payment categories differ from the six categories of financial assistance used in the program inventory because the data in ARMS are not collected in sufficient detail to use the same six categories.

controls; compared USDA internal controls with federal standards for internal control to identify strengths and weaknesses;[15] and interviewed officials from RMA, FSA, and USDA's OIG and General Counsel's Office. In addition, we requested FSA conduct an analysis to match payments made to the same farmers by FSA's NAP and RMA's Adjusted Gross Revenue (AGR) crop insurance policy to identify whether any potentially duplicative payments had been made. To ensure the reliability of this analysis, we reviewed the analysis and the methodology used to conduct it. We also requested that RMA's regional compliance offices review the results of the analysis and work with insurance companies to determine which, if any, payments were duplicative. (For more details on our scope and methodology, see app. II.)

We conducted this performance audit from December 2012 through July 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

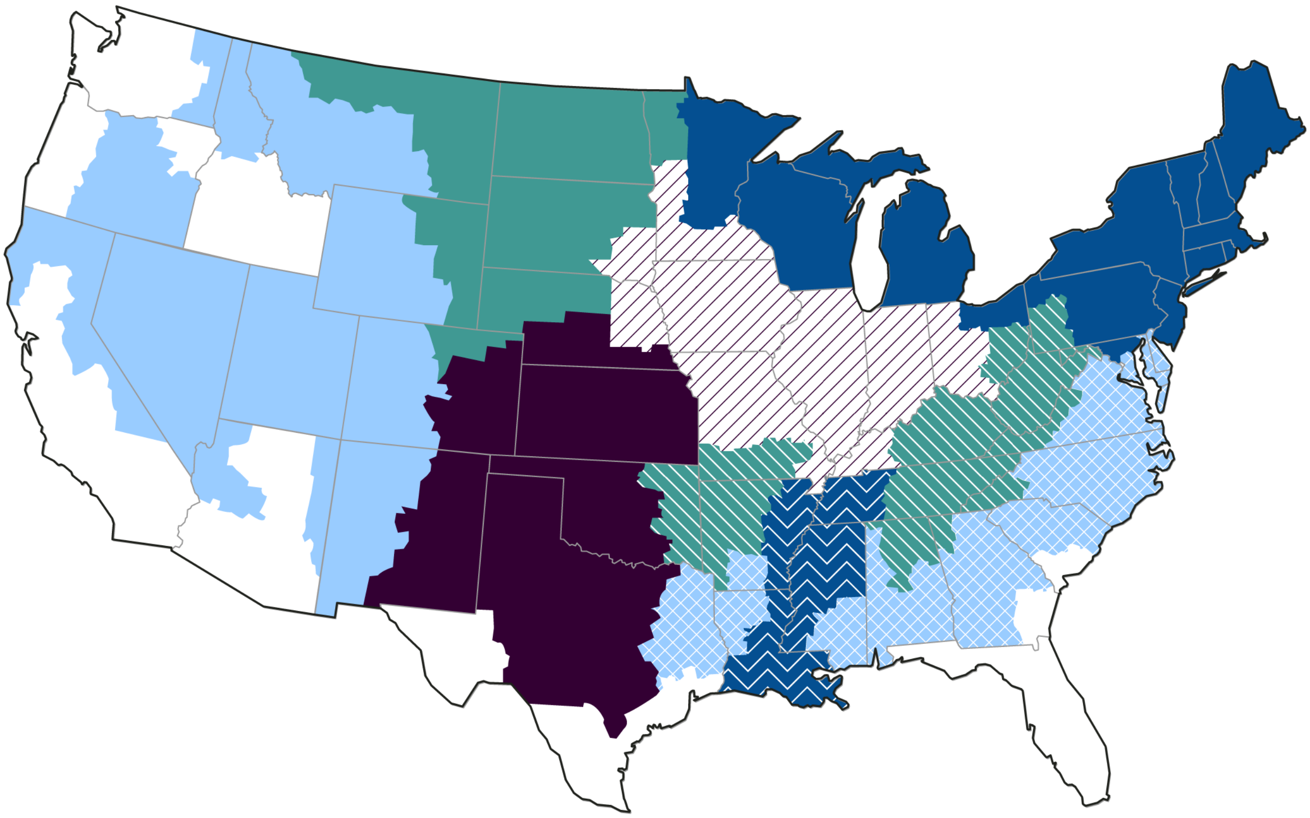
Federal financial assistance to farmers has been at the heart of federal farm policy since the early 1930s, when Congress passed the Agricultural Adjustment Act in 1933 as one of the first pieces of New Deal legislation. Since then, Congress has modified or created new farm programs in other legislation to respond to changing conditions in the farm sector, federal budgetary pressures, and shifts in policy goals.

Congress's and others' scrutiny of farm program payments has intensified in recent years in light of federal budget pressures and record farm income. According to ERS's 2014 farm income forecast, national net farm income increased from $83.7 billion in 2008 to $113.8 billion in 2012, and is forecast to reach a record of $130.5 billion in 2013 before decreasing to $95.8 billion in 2014. A new farm bill that eliminates a number of programs included in the 2008 farm bill that are discussed in this report became law in 2014. (See app. I for details.)

[15] GAO/AIMD-00-21.3.1.

According to ERS data, from 2008 through 2012, on average, there were about 2.2 million farms in the United States. The highest percentage of farms were located in the area identified by ERS as the Heartland farm resource region and predominantly produce cash grains and cattle. The percentage of farms and predominant commodities in other regions are shown in figure 1.

Figure 1: Percentage of Farms in Each of the Economic Research Service's (ERS) Farm Resource Regions



Fruitful Rim
* 12 percent of farms
* Fruit, vegetable, nursery, and cotton farms

Basin and Range
* 4 percent of farms
* Cattle, wheat, and sorghum farms

Northern Great Plains
* 4 percent of farms
* Wheat, cattle, and sheep farms

Prairie Gateway
* 14 percent of farms
* Cattle, wheat, sorghum, cotton, and rice farms

Heartland
* 20 percent of farms
* Cash grain and cattle farms

Northern Crescent
* 14 percent of farms
* Dairy, general crop, and cash grain farms

Eastern Uplands
* 15 percent of farms
* Part-time cattle, tobacco, and poultry farms

Southern Seaboard
* 12 percent of farms
* Part-time cattle, general field crop, and poultry farms

Mississippi Portal
* 4 percent of farms
* Cotton, rice, poultry, and hog farms

Source: GAO analysis of ERS data; Map Resources (map). | GAO-14-428

Note: Percentages of farms do not add to 100 because of rounding. Percentages reflect the percentage of farms in each farm resource region, on average, from 2008 through 2012, according to ERS data. The commodities produced in each farm resource region reflect the commodities identified by ERS when it developed the farm resource regions in 2000.

From 2008 through 2012, USDA Agencies Offered Financial Assistance to Farmers under 60 Programs That May Have Overlapped but Did Not Appear to Be Duplicative

From fiscal years 2008 through 2012, seven USDA agencies obligated a total of about $173 billion in financial assistance to farmers under 60 programs that could result in farmers being eligible for multiple programs, depending on the characteristics of the farms (see app. III).[16] FSA, NRCS, and RMA administered the majority of the 60 programs and provided most of the financial assistance that USDA provided to farms. Farmers were eligible to receive financial assistance from overlapping programs, but there were no programs that appeared to be duplicative because we did not find sufficient evidence that they engaged in the same activities or provided the same services to the same beneficiaries.

For 2008 through 2012, Seven USDA Agencies Obligated a Total of About $173 Billion in Financial Assistance to Farmers

From fiscal years 2008 through 2012, seven USDA agencies obligated about $173 billion (about $114 billion in outlays) in financial assistance to farmers under 60 programs. FSA (with 40 programs), NRCS (with 9), and RMA (with 1) administered 50 programs and jointly administered another 2 programs.[17] We found that four other USDA agencies administered 8 financial assistance programs—the Agricultural Marketing Service (AMS), the Animal and Plant Health Inspection Service (APHIS), the Foreign Agricultural Service (FAS), and Rural Development (RD).[18]

From fiscal years 2008 through 2012, the 60 programs obligated a total of about $34.5 billion annually in financial assistance to farmers (see app.

[16]We chose to primarily report obligations data as these funds are more indicative of a program's commitment to the farmer in a given year instead of outlays, which reflect what a program spent in a given year but may reflect financial commitments of prior years. Obligations do not reflect the impact of offsetting loan payments, which are reflected in net outlays.

[17]The Agricultural Management Assistance program, which provided financial assistance to farmers in 16 states to address issues such as watershed management, water quality, and soil erosion control by incorporating conservation into their farming operations, was jointly administered by the Agricultural Marketing Service, NRCS, and RMA. The Grassland Reserve Program, which provided financial assistance to landowners and operators to protect grazing uses and related conservation values by restoring and conserving grassland, was jointly administered by FSA and NRCS.

[18]In addition, farmers indirectly receive benefits from programs other than the 60, such as the Sugar Program, that provide payments to other entities, such as processors. We generally excluded such programs from our inventory.

IV). FSA, NRCS, and RMA accounted for about $172 billion of the approximately $173 billion in obligations for programs providing financial assistance to farmers.[19] RMA's Federal Crop Insurance Program was the largest program, providing an average of $9.6 billion annually and $48.2 billion in total obligations (about $28 billion in outlays) from fiscal years 2008 through 2012 in crop insurance subsidies, including premium subsidies to farmers. Among the larger programs were FSA's Nonrecourse Marketing Assistance Loan Program, which provides an influx of cash to farmers at harvest time and allows them to delay the sale of crops until more favorable market conditions emerge ($7.5 billion annual average, $37.7 billion total obligations); FSA's Direct Payments Program, which provided farmers with fixed annual payments based on their farms' historical crop production ($4.7 billion annual average, $23.5 billion total obligations);[20] and FSA's Farm Operating Loans Program, which includes obligations for guaranteed and direct loans ($2.3 billion annual average, $11.6 billion total obligations). Some USDA programs obligated far less in financial assistance. For example, FSA's Durum Wheat Quality Program, which compensated farmers of durum wheat for up to 50 percent of the purchase price of fungicide and the cost to apply it to control fusarium head blight, commonly known as wheat scab, obligated a total of $2.9 million during fiscal years 2008 through 2012.

Not all USDA-administered programs provided financial assistance to farmers every year from fiscal years 2008 through 2012. For example, NRCS's Water Bank Program was only available to farmers in 2012 after being authorized following flooding in 2011 in the Great Plains region. Similarly, FSA's Hawaii Sugar Disaster Program was only available to farmers who suffered a loss during the 2008 crop year. We also found that not all programs that were authorized had obligated funds from fiscal years 2008 through 2012. For example, FSA's Land Contract Guarantee Program, which provides incentives to farmers who sell their land to

[19]This total obligations for FSA, NRCS, and RMA does not include obligations for two programs that were administered by multiple agencies, which were the Agricultural Management Assistance program jointly administered by AMS, NRCS and RMA, and the Grassland Reserve Program jointly administered by FSA and NRCS.

[20]The Direct Payments Program was eliminated in the 2014 farm bill. (See app. I.)

beginning and socially disadvantaged farmers, had no obligations from fiscal year 2008 through fiscal year 2012.[21]

USDA programs' providing financial assistance to farmers varied by the type of assistance they provided, and some programs provided multiple types of assistance. We categorized these programs based on the type of assistance provided: direct payments, support for costs, support for losses, price support, support to encourage specific actions, and revenue support.[22] We found that 3 programs provided direct payments, and 24 programs offered support for various costs incurred by farmers, which was the type of financial assistance offered by the largest number of programs (see app. V). In addition, we found that:

- Thirteen programs provided assistance for farmers who had suffered a loss. For example, FSA's SURE provided assistance to farmers who suffered a loss due to damaging weather or adverse natural occurrences, such as an earthquake, that occurred on or before September 30, 2011, and FSA's NAP provided assistance for crop and planting losses as a result of a natural disaster when catastrophic-level crop insurance was not available.
- Six programs provided price support assistance to farmers when prices for a commodity fell below a specific level. These programs included FSA's Milk Income Loss Contract Program, which compensated dairy farmers when domestic milk prices fell below a specific price. FSA's Nonrecourse Marketing Assistance Loan Program also provided assistance to farmers, allowing farmers to delay the sale of a crop until more favorable conditions emerged.
- Twenty-two programs offered assistance to encourage a specific action. For example, FSA's Conservation Loan Program provided access to credit for farmers to implement conservation practices on their land—such as the establishment of forest cover—if they did not have the up-front funds available to implement these practices. The APHIS animal indemnity program offered financial assistance to

[21]According to USDA officials, there were no obligations because no contract guarantees were made during this time period.

[22]The total number of programs exceeds 60 because some programs provide more than one type of financial assistance. We were unable to break out obligations by the type of financial assistance provided because some programs provide more than one type of assistance.

farmers whose animals were destroyed to control the spread of certain diseases, thus encouraging farmers to cooperate in disease control measures by compensating for the loss of their herds or flocks.

- Five programs provided revenue support assistance to offset lost revenue. For example, in addition to offering policies that protect against crop production losses, RMA's Federal Crop Insurance Program offered revenue-based policies that protect against crop revenue loss resulting from declines in yield, price, or both. Another example of revenue support programs is FSA's Poultry Loss Contract Grant Assistance Program, which provided financial assistance, through participating states, to poultry farmers if their poultry dealer filed for bankruptcy.

Farmers Were Eligible to Receive Financial Assistance from Overlapping Programs

Farmers were eligible to receive financial assistance from overlapping programs, but GAO did not find sufficient evidence to conclude that these programs were duplicative with respect to engaging in the same activities or providing the same services to the same beneficiaries. Farmers were eligible for multiple programs based on the commodities they produced and/or risks they faced, the lands that comprised their farms, and the costs they incurred. To the extent that eligibility for multiple programs occurred, the programs overlapped. For example, several programs were specifically available to farms that produced cash grain crops. Depending on the risks they faced, soybean farmers were potentially eligible for 10 programs that specifically listed soybeans as an eligible crop.[23] Similarly, wheat farmers were potentially eligible for 11 programs. For example, during the effective period of the 2008 farm bill, a wheat farmer could have been eligible for FSA's ACRE, Direct Payments Program, Durum Wheat Quality Program, Counter-Cyclical Payments Program, Commodity Certificates, Nonrecourse Marketing Assistance Loan Program, Loan Deficiency Payments, SURE, and NAP as well as RMA's Federal Crop Insurance Program and APHIS's Plant Indemnity program, which compensates farmers for losses resulting from efforts to eradicate plum pox, a viral disease on some fruits, and Karnal bunt, a fungal

[23]Commodities may be covered under multiple programs, but a farmer's participation in some programs disqualifies commodities from coverage in other programs. For example, if a farmer enrolls a tract of land into ACRE, he is disqualified from enrolling the same tract in the Counter-Cyclical Payments Program.

disease on certain wheat or rye plants.[24] The largest programs for which wheat and soybean farmers were eligible were FSA's Direct Payments Program and Nonrecourse Marketing Assistance Loan Program and RMA's Federal Crop Insurance Program. We found that farmers producing crops other than cash grains were eligible for fewer programs. Individual specialty crops, such as fruits and vegetables, were generally covered by four programs.

Program eligibility also varied by farm operational characteristics, with some types of operations eligible for more programs than others, depending on what commodities were being produced. For example, we found that dairy farmers were potentially eligible for 12 programs covering different aspects of their production cycle, including for their dairy cows, the forage (i.e., plant material) to be eaten by their cows, and the dairy products produced. The various dairy programs would be overlapping, but if a dairy farmer also raised corn and was eligible for financial assistance for that crop, the dairy and corn programs also would overlap.

In addition to programs targeting specific commodities, USDA also administered programs that provided financial assistance to farmers not tied to the production of a specific commodity, such as programs that either encouraged specific conservation practices on lands that comprised their farms or provided assistance for various costs incurred by them (e.g., housing, energy, or transportation costs). To the extent the farmers were eligible for these conservation or cost programs, these programs overlapped with any programs targeting specific commodities for which the same farmers also may have been eligible. For example, in addition to nine programs specifically available for corn, a corn farmer may have also been eligible for financial assistance from NRCS's Environmental Quality Incentives Program and FSA's Conservation Reserve Program that compensate farmers for implementing conservation practices and undertaking efforts to improve water quality, control soil erosion and enhance wildlife habitat. Other USDA-administered programs also provided specific assistance for a farm's operating expenses that were not tied to the production of a specific commodity. For example, FSA's Farm Operating Loans provided assistance to farmers for expenses such as paying costs incident to

[24]Karnal bunt is a fungal disease of wheat and triticale. While some wheat growers were covered under APHIS's Karnal bunt quarantine and compensation program, there were no obligated funds during our review period.

reorganizing a farm for more profitable operation, purchasing farm equipment, and refinancing debt. In the event of a natural disaster, farmers may have also been eligible for the Emergency Loan Program, which provided assistance for farmers to recover from production and physical losses not relating to any specific commodity. These funds could have been used to repair or replace essential property; pay annual operating expenses; pay essential family living expenses; reorganize the farming operation; and refinance certain debts.

In addition to FSA, RD also administered programs that provided specific assistance for operating expenses that were not tied to the production of a specific commodity. RD's Farm Labor Housing Loan Program provided loans to eligible farmers to help construct or purchase housing for laborers. Similarly, RD's Value-Added Producer Grants program provided assistance to farmers for generating new value-added products and creating and expanding marketing opportunities, as well as working-capital expenses such as processing, marketing, and advertising expenses.

Some USDA programs exhibited similar characteristics, but our review of the programs' characteristics did not produce sufficient evidence that these programs were duplicative.

Nearly Two-Thirds of Farms Received No Payments, and About One-Third Received Payments from at Least One Program

Of the estimated 2.2 million farms in the United States, about 63 percent (about 1.4 million) received no program payments from calendar year 2008 through 2011, the most recent year for which data were available at the time we conducted our analysis. The remaining 37 percent of farms (about 800,000) received a payment from at least one farm program. Of the farms receiving government payments, the median payment was $3,719 annually per farm.[25] Also, larger farms were more likely than small farms to receive payments from multiple farm programs. In addition to size, a farm's production specialty often determined whether the farm was eligible to receive certain program payments, with cash grain farms more likely to receive multiple payments than farms specializing in other commodities.

[25]When we report estimates of government payments received by farms, we are reporting estimates of outlays.

From 2008 through 2011, 37 Percent of Farms Received Payments from at Least One Farm Program

From calendar years 2008 through 2011, about 37 percent of all farms (about 800,000 of 2.2 million farms) received direct payments, price-related payments, conservation program payments, and/or other federal, state, or local agricultural program payments. The remaining 1.4 million farms (approximately 63 percent) did not receive any program payments.

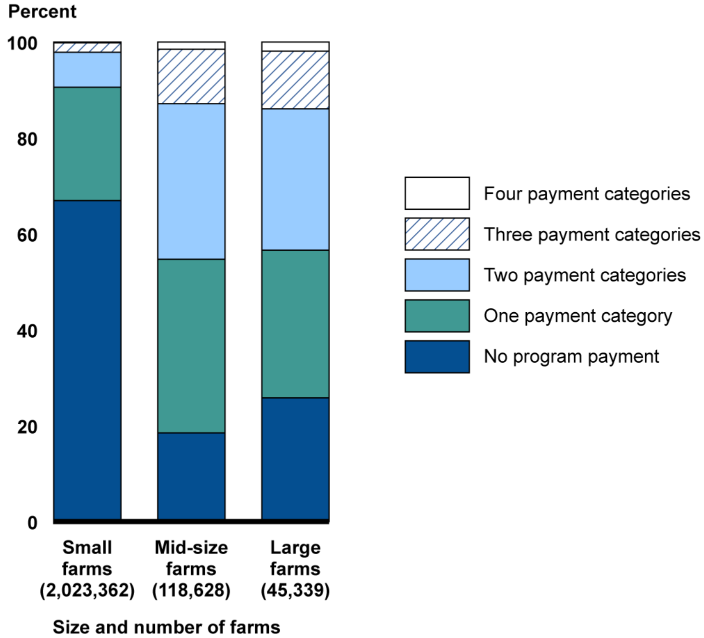
Of the nearly 800,000 farms that received farm program payments during this period, the median payment was $3,719 annually ($11,293 on average), meaning an equal number of farms received more than and less than that amount. For farms that received program payments, we analyzed whether they received payments from the following categories: (1) direct payments, (2) major price-related payments, (3) major conservation program payments, or (4) other agricultural program payments. (For more details on this analysis, see app. II.) For the nearly 800,000 farms receiving any type of farm program payment from 2008 through 2011, we estimated that about 67 percent received payments from one category, 25 percent received payments from two categories, about 7 percent received payments from three categories, and less than 1 percent received payments from all four categories.

The amount of payments that a farm received increased considerably if a farm participated in more than one category of program payments. Farms that received payments from one category received median payments of $2,538 annually. In contrast, farms that received payments from four payment categories received median payments of $27,412 annually ($57,899 on average).

Larger Farms Were More Likely Than Small Farms to Receive Payments from Multiple Farm Programs

About 82 percent of mid-size farms (gross cash farm income from $350,000 to $999,999) and about 74 percent of large farms (gross cash farm income of $1 million or more) received payments from one or more program categories. About 45 percent and 43 percent of mid-size and large farms, respectively, received payments from two or more categories. In contrast, about 67 percent of small farms (gross cash farm income of less than $350,000) received no payments, and most of the remaining small farms received only one category of payments. Based on gross cash farm income,[26] from calendar years 2008 through 2011, about 93 percent of all farms were categorized as small farms, about 5 percent were categorized as mid-size farms, and about 2 percent were categorized as large farms. The breakdown of payments to small, mid-size, and large farms under programs under way during the effective period of the 2008 farm bill is shown in figure 2.

Figure 2: Number and Percentages of Farms by Size and the Number of Categories of Program Payments Received, Calendar Years 2008 through 2011



Source: GAO analysis of Economic Research Service data. | GAO-14-428

Note: USDA's Economic Research Service data come from a survey, and, as such, are estimates and have sampling error associated with them.

From 2008 through 2011, farms receiving more categories of payments generated greater annual gross cash farm income than farms that

[26]Gross cash farm income includes farm-related income, such as rentals of land and equipment, income from the provision of custom services such as harvesting and spraying, and income from agricultural tourism such as hunting fees and farm tours. Landlords' and contractors' share of production and landlords' share of government payments are excluded from gross cash farm income.

received no payments. Farms that received no payments generated a median gross cash farm income of $3,400 per year. However, for the less than 1 percent of all farms that received payments from all four categories, the median gross cash farm income was $288,327 per year.[27]

Larger farms also received more crop-insurance premium subsidies than other farms. From 2008 through 2011, about 15 percent (329,799) of all approximately 2.2 million farms purchased federal crop insurance, and the median amount spent on the policies was $3,587 per year. The federal government provides financial assistance to a farmer who purchases federal crop insurance in the form of a premium subsidy, and during this period, on average, USDA subsidized about 61 percent of farmers' crop insurance premiums. The median amount farms spent on federal crop insurance increased as farms received more categories of program payments.

Cash Grain Farms Were More Likely to Receive Payments Than Farms Specializing in Other Commodities

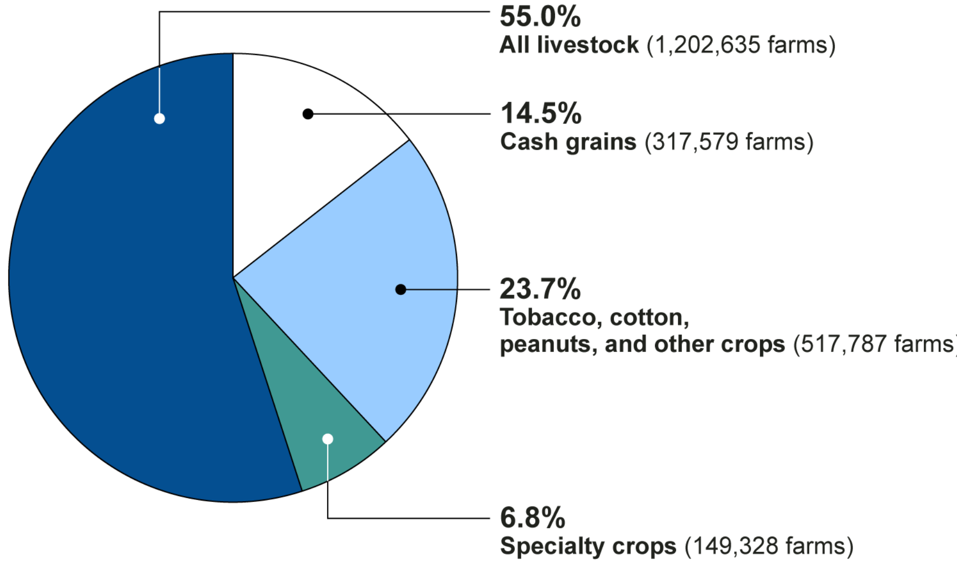
For our analyses of ARMS data, ERS organized the production specialty of farms tracked in ARMS into four broad categories of agricultural commodities:

- **Cash grains** include corn, soybeans, and wheat.
- **Tobacco, cotton, peanuts, and other crops** include grass seed and silage, hay, hops, maple syrup, mint, pasture, sugar beets, sugarcane, and straw.
- **Specialty crops** include fruits, vegetables, and nursery plants.
- **All livestock** include cattle, dairy, hogs, and poultry.

Figure 3 provides a breakdown of the percentage and number of farms in each production category of agricultural commodity.

[27]In 2012, the median household net worth of farms with annual gross cash farm income of $350,000 or more was more than $2.5 million, and the median household income for these farms was $208,485. In contrast, for 2012, the overall U.S. median household net worth was $38,786, and median household income was $51,017.

Figure 3: Percentage and Number of Farms by Categories of Agricultural Commodities, Calendar Years 2008 through 2011



Source: GAO analysis of Economic Research Service data. | GAO-14-428

Note: USDA's Economic Research Service data come from a survey, and, as such, are estimates and have sampling error associated with them.

Cash grain farms were more likely to receive farm program payments than farms specializing in other commodities. Specifically, about 40 percent of farms specializing in cash grains received payments from two or more categories of farm programs. In general, livestock and specialty crop farmers are not eligible for certain farm program payments, such as direct or price-related payments, for which cash grain, cotton, and peanut farmers are. As a result, about 79 percent of farms that primarily produced livestock and about 89 percent of farms that primarily produced specialty crops received no payments from farm programs.

USDA's Three Largest Programs Covering Crop Losses Have Internal Controls Designed to Help Prevent Duplicative Payments, but Duplicative Payments Are Possible

The three largest USDA programs that pay for crop losses—FSA's NAP, FSA's SURE, and RMA's Federal Crop Insurance Program—have internal controls designed to help prevent duplicative payments.[28] However, some duplicative payments have occurred between NAP and a crop insurance policy that covers farm revenue losses, and additional duplicative payments are possible between NAP and catastrophic-level crop insurance policies. In addition, potentially duplicative payments are possible between NAP and a crop insurance pilot policy offered in six states for 2014 because of an FSA decision.

FSA's NAP and SURE Programs and RMA's Crop Insurance Program Have Internal Controls Designed to Help Prevent Duplicative Payments

To help prevent potentially duplicative payments, FSA has developed internal controls for SURE, which provided assistance to farmers who suffered a loss due to a qualifying natural disaster, including damaging weather conditions,[29] and NAP, which provides assistance for crop and planting losses as a result of a natural disaster when catastrophic-level crop insurance is not available. In addition, to help prevent potentially duplicative payments, RMA has developed internal controls for its Federal Crop Insurance Program, which is the largest program covering losses and which offers policies that protect against crop revenue and crop production losses. One such policy—Adjusted Gross Revenue (AGR)—covers revenue losses for all commodities on a farm. Examples of controls for these programs include:

- FSA county officials are directed to consider the amount of RMA crop insurance or NAP payments when calculating the amount of a SURE

[28]SURE payments supplement NAP and crop insurance payments. Therefore, we would only consider them to be duplicative if the SURE payment calculation did not properly consider NAP, crop insurance, or other program payments.

[29]Under SURE, agricultural disaster assistance was authorized to farmers beginning with the 2008 crop year and ending with losses incurred on or before September 30, 2011. SURE was not renewed in the 2014 farm bill. (See app. I.)

payment, by FSA's SURE handbook.[30] According to FSA officials, this internal control is intended to help prevent duplication between SURE payments, which totaled $1.8 billion in 2011, and RMA crop insurance payments, which totaled $10.7 billion in 2011. It also is intended to help prevent duplicative payments between SURE payments and NAP payments, which totaled $262 million in 2011. FSA officials in the county offices are to verify and sign off on the accuracy of payment calculations, which are entered into spreadsheets by FSA county office staff, according to FSA's program handbooks and by FSA officials.

- FSA county officials are directed by FSA's NAP Handbook to check RMA's list of crops and counties eligible for catastrophic-level crop insurance when determining whether farmers are eligible for NAP coverage. According to FSA officials, this internal control is intended to help prevent duplicative payments between NAP and crop insurance policies that offer catastrophic-level coverage.

- Insurance companies that offer crop insurance to farmers provide policy information to farmers detailing their benefits and policy requirements. According to RMA officials, that information includes the fact that farmers are not allowed to receive both a NAP payment from FSA and a payment from an insurance company on an RMA AGR policy. RMA officials said that to prevent duplicative payments, farmers are required to report NAP payments to their insurance companies when they also are receiving AGR payments. AGR covers losses related to multiple commodities on a farm, rather than providing insurance on a single commodity. The RMA policy information is intended to help prevent duplicative payments between NAP and AGR crop insurance policies. AGR payments totaled $13 million in 2011.

[30]Handbooks provide policy and procedures for administering programs for state and county FSA offices to follow.

Some Duplicative Payments Have Occurred, and Others Could Be Possible

USDA's OIG reported on the accuracy of SURE and other farm program payments in 2012 and 2013.[31] The OIG found SURE payment errors in both reports, and some of these errors were due to incorrect amounts of RMA payments that were used to calculate the SURE payments.[32] However, for the 2012 report, the OIG did not find any duplicative SURE payments. The OIG analyzed the amount of SURE and crop insurance farmers received for crop losses and actual revenues. The OIG did not find any producers that received more than their expected farm revenue and thus made no recommendations. According to the OIG's 2013 report, payment errors occurred primarily because FSA's internal controls over the SURE program's manual payment calculation process did not prevent the data errors from occurring, but the OIG report did not state whether the payment errors resulted in duplicative payments.[33] The 2013 report states that personnel at county offices made errors when inputting the data into the manual workbook used to calculate the payments, and second-party reviewers did not identify these errors. The OIG recommended that FSA officials strengthen internal controls by emphasizing the importance of second-party reviews, a form of monitoring conducted in the county offices to ensure the accuracy of SURE data input. The OIG also recommended that FSA officials develop and implement a checklist to verify the integrity of data entered into SURE workbooks.

In response to the OIG's recommendations, FSA officials stated that FSA's Deputy Administrator for Farm Programs alerted FSA state offices to the importance of second-party reviews by video conference and highlighted the OIG's findings, including crop insurance data discrepancies. In addition, FSA calls for second-party reviews in agency

[31]*Supplemental Revenue Assistance Payments Program—American Recovery and Reinvestment Act of* 2009, USDA OIG, March 12, 2012, Audit Report No. 50703-0001-31; and *Fiscal Year 2012: Farm Service Agency Farm Assistance Program Payments,* USDA OIG, July 2, 2013, Audit Report No. 03401-0002-11.

[32]For the 2013 report, the OIG found 12 payment errors in its statistical sample of 80 payments (including 56 SURE payments) drawn from a universe of $759 million. Of the 12 errors, 11 were for SURE, and total improper payments for SURE were $77,980. For the 2012 report, the OIG found 35 of 125 payment files had one or more types of errors. The 125 payment files were a statistical sample representing $2.6 million of SURE payments taken from a universe of $2.1 billion.

[33]The OIG provided the amount of payment errors due to all errors, not the errors related to crop insurance indemnity payments.

guidance, policy, and procedures—e.g., FSA Notice SURE-33 and FSA Handbook 1-SURE.[34] The SURE handbook provides instructions for using a checklist as an optional management tool to help address deficiencies identified by an audit or review. However, FSA decided not to call for a checklist because the authority for SURE ended with crop losses that were due to a natural disaster that occurred through September 30, 2011, and the program is in its final stages. We did not conduct further work on potentially duplicative payments between SURE and other programs because the program is in its final stages, and FSA reported taking actions to address weaknesses identified by the OIG.

Regarding NAP and the Federal Crop Insurance Program, RMA and FSA senior headquarters and field office officials said there is a low risk of duplicative payments between NAP and RMA policies that offer catastrophic-level coverage. Providing NAP coverage when catastrophic-level coverage is available would be inconsistent with federal statute and regulation.[35] According to these officials, the risk is low because of an internal control that requires FSA county officials to check RMA's list of crops and counties eligible for catastrophic-level coverage when determining whether farmers are eligible for NAP. The officials said based on their experience working with and in county offices, they consider this internal control to be effective. However, they had not monitored payments by conducting data matching or other activities to show the extent to which, if at all, NAP payments and catastrophic-level crop insurance payments were provided for the same acreage. In addition, the internal control requiring county officials to check RMA's eligibility list does not apply to AGR because that crop insurance policy does not offer catastrophic-level coverage. Since AGR policies cover multiple commodities on a farm, they could provide duplicative payments with NAP. We asked FSA to conduct data matching to compare payment data for AGR and NAP to determine whether duplicative payments were made. FSA's effort, which was the first time such data matching had been done, identified 14 potentially duplicative payments received by 10 farmers who

[34]FSA notices and handbooks provide information, guidance, policies, and procedures. Handbooks are focused on individual programs covering multiple years, and notices are issued weekly on different topics.

[35]RMA regulations state that "Noninsured crop disaster assistance is available for loss of production or prevented planting of eligible commercial crops or other agricultural commodities .. .for which catastrophic coverage is not available." 7 C.F.R. § 1437.4(a)(4). See also 7 U.S.C. § 7333(a)(2)(A).

received both AGR and NAP payments from crop years 2010 through 2012. According to FSA officials, the data matching took an estimated 1 to 2 staff days to complete. Four RMA regional compliance offices then analyzed insurance company payment data for the 14 payments, and their preliminary analysis found that 13 of the 14 payments were duplicative. The RMA officials said regional compliance offices will conduct further analysis to confirm their findings and work with the insurance companies and FSA to determine how the agencies will ensure that farmers refund any overpayments. RMA officials said that recovery of the 13 duplicative payments will require considerable staff time and that the agency needs the flexibility to decide which payments it will seek to recover so that it focuses on the most significant (e.g., larger dollar) compliance issues. RMA officials stated that if farmers returned the smaller of the duplicative AGR or NAP payments, the amount returned to the federal government could be $188,000 for those 13 duplicative payments.[36]

RMA's AGR handbook and insurance policy documents provided to farmers state that a farmer should not be able to obtain both NAP and AGR indemnity payments for the same crop year.[37] In addition, insurance companies give documents to farmers signing up for the AGR policies that state the farmers must choose between AGR payments and other payments if they are eligible for both payments due to a loss, according to RMA officials. After the opportunity to read the statements, farmers certify their eligibility and the accuracy of the information they have provided when they sign the insurance application. Identifying a duplicative payment would rely on farmers' self-reporting. FSA and RMA officials stated that prior to our request, the agencies had not made an effort to identify duplicative payments involving NAP and AGR or any other RMA crop insurance policies because these programs have a low risk of a duplicative payment and that the agencies' limited resources are needed

[36]The $188,000 that was identified represents less than 1 percent of the total AGR payments made over the same period, and AGR payments represent less than 1 percent of the total crop insurance payments. These data matching results cannot be used to make projections for duplicative payments for other types of crop insurance policies because policy characteristics and internal control activities for the programs vary.

[37]USDA, RMA, *Adjusted Gross Revenue Standards Handbook: 2007 and Succeeding Insurance Years*, Handbook FCIC-18050 (Jan. 22, 2007). This handbook identifies the specific standards or requirements for underwriting and administering insurance policies, and adjusting AGR losses.

in other areas. The RMA officials said that areas with a greater risk of larger improper payments include questionable payments to farmers for crop losses.[38] We recognize that these duplicative payments are less than 1 percent (0.0006) of total crop insurance payments, but our review showed that monitoring of NAP and crop insurance payments by data matching or other activities can identify whether duplicative payments have been made and assist USDA in recovering duplicative payments.

Under federal internal control standards, monitoring is to be performed continually and includes regular management and supervisory activities, comparisons, and reconciliations.[39] Without monitoring these farm programs and engaging in data matching or other activities for at least a sample of payments, it will be difficult for the agencies to identify whether duplicative payments have occurred and the reasons for these occurrences and make changes, as needed, to prevent future occurrences. RMA and FSA have identified 13 apparently duplicative payments over a 2-year period through data matching, and RMA officials are in the process of recovering such payments. However, FSA and RMA officials said that they had no plans to monitor NAP and crop insurance payments—including payments made under catastrophic-level policies and AGR policies—by engaging in activities to identify duplicative payments. RMA officials said developing a plan to conduct such monitoring would be a reasonable action to take so that the agencies could identify duplicative payments and establish the size of the problem. These officials also said they have not determined whether internal control weaknesses are of a magnitude to warrant additional controls given resource constraints and higher priorities. Federal internal control standards state that management should design and implement internal controls based on the related cost and benefits.

[38]An improper payment is defined as any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. See GAO, *Improper Payments: Remaining Challenges and Strategies for Governmentwide Reduction Efforts*, GAO-12-573T (Washington, D.C.: Mar. 28, 2012).

[39]GAO/AIMD-00-21.3.1.

Duplicative Payments Are Possible between NAP and an RMA Pilot Offered in Six States for 2014 due to an Agency Decision

FSA decided in 2013 to allow coverage by both NAP and a pilot RMA crop insurance policy in six states for 1 year (crop year 2014) because of concerns that farmers might not become aware of the pilot policy in time to obtain coverage. This decision may result in duplicative payments because a farmer may be paid for forage production losses due to drought under NAP and also be paid for lower than average rainfall causing the same drought, under the pilot policy for the same acreage. RMA initiated the pilot crop insurance policy starting with the 2014 crop year to cover losses for annual forage[40] resulting from lower than average rainfall. The pilot policy is intended to take the place of coverage previously offered under NAP and is being offered in Kansas, Nebraska, North Dakota, Oklahoma, South Dakota, and Texas. The pilot policy offers catastrophic-level coverage to farmers for annual forage based on RMA's rainfall index.[41]

However, a 2013 FSA policy memorandum stated that for 2014 only, farmers would still be eligible to obtain forage coverage from NAP despite the pilot RMA crop insurance policy being available.[42] As a result, there is a potential for duplicative payments to the same farmers, which would not be consistent with statute or regulation.[43] Farmers in the six states who only use their land for forage could sign up for both the RMA pilot policy and NAP for forage coverage for the 2014 crop year and file claims for the same loss under both programs.

Starting in the 2015 crop year, no NAP coverage option for forage will be available in those six states, and farmers will need to decide which acres they want covered under the RMA pilot coverage for forage and which acres they want covered through crop insurance for their wheat production. FSA officials said they expect most grain farmers to cover

[40]The pilot covers annual forage crops that are used for grazing livestock and includes, for example, ryegrass and wheat that are planted each year. The pilot also covers livestock feed, such as hay.

[41]The determination of lower than average rainfall is based on a rainfall index developed by the National Oceanic and Atmospheric Administration's Climate Prediction Center. The index reflects how much precipitation is received compared with the long-term average for a specific area and time frame.

[42]Information Memo to Secretary Vilsack, *Impact of RMA rainfall index annual forage policy on NAP eligibility,* June 7, 2013.

[43]See 7 U.S.C § 7333, 7 C.F.R. § 1437.4.

their wheat production rather than forage because it is the more valuable of the two crops. The FSA memo stated that the agency decided to leave the NAP program in place for the 2014 crop year out of concern that many farmers would not learn that they were ineligible for NAP coverage until it was too late to sign up for RMA's pilot crop insurance policy and could end up with no coverage at all. FSA officials said they would not know how many duplicative payments were made or the amount of duplicative payments that occurred until later in 2014 when the last payments for losses are paid. However, these officials said that they estimated that the total amount of duplicative payments would be less than $10 million. An FSA official confirmed that if a drought were to occur, the amount of duplicative payments would increase. As of March 4, 2014, drought is occurring in four of the six pilot states.

Through FSA's policy decision, the agencies are allowing the possibility for duplicative payments to occur. FSA's 2013 memo on its decision to allow both NAP and RMA coverage in the six pilot states said that USDA did not consider losses under RMA's annual forage policy and FSA's NAP forage to be the same crop losses. The memo said the RMA losses would be based on lack of rainfall, and the NAP losses would be calculated based on production, but did not address the statute prohibiting NAP coverage when catastrophic-level crop insurance is available. The memo also did not address the potentially duplicative payments from NAP coverage of forage and RMA catastrophic-level coverage of winter wheat. The amount of potentially duplicative payments will not be known until later in 2014 because most payments will not be made until after summer 2014, according to a senior FSA official. RMA and FSA have not developed a plan to prevent or recover potential duplicative payments between FSA's NAP and RMA's annual forage pilot policy or NAP forage coverage and RMA's catastrophic-level coverage for winter wheat in the 2014 crop year. Based on our interviews with RMA and FSA officials, it was not clear why such a plan has not been developed. Without such a plan, the agencies may have difficulty preventing or recovering potential duplicative payments made in 2014.

Conclusions

USDA administers a wide array of programs that provide financial assistance to farms to ensure that they continue to produce a generous supply of food and make significant contributions to the nation's economy and food security. Our review of the 60 USDA programs available to farmers during the effective period of the 2008 farm bill found some overlap, but no evidence that the programs are duplicative in terms of their activities or services. However, of USDA's three largest programs covering crop losses, two—FSA's NAP and RMA's Federal Crop Insurance Program—have made some duplicative payments. Those programs have a number of internal controls designed to help prevent such payments. But without monitoring by conducting data matching or other activities to identify the extent to which duplicative payments have been made and the reasons for these occurrences, it will be difficult for the agencies to determine whether duplicative payments have been made through NAP and crop insurance programs. The agencies have no plans to monitor these payments by engaging in such activities, although RMA officials said developing a plan to conduct such monitoring would be a reasonable action to take to establish the size of the problem.

In addition, due to a policy decision by FSA in 2013, farmers in six states covered by a pilot crop insurance policy could receive duplicative payments for crop year 2014. The decision was made because of concern that farmers might not become aware of the pilot policy in time to obtain coverage. However, the decision means that for that year, farmers in those six states could receive forage coverage from NAP as well as forage coverage from the RMA pilot policy. FSA decided to allow coverage that may result in duplicative payments for one year, but the agencies did not develop a plan to prevent such duplicative payments from occurring or to recover potential duplicative payments made in 2014 to help mitigate the impact of FSA's policy decision. Without such a plan, the agencies may have difficulty preventing or recovering potential duplicative payments made in 2014.

Recommendations for Executive Action

To further strengthen internal controls for preventing duplicative payments, we recommend that the Secretary of Agriculture direct the administrators of RMA and FSA to take the following two actions:

- Monitor NAP and crop insurance payments by conducting data matching or other activities to identify the extent to which duplicative payments have been made and the reasons for these occurrences and make changes, as needed, to prevent future occurrences.
- Develop a plan to prevent or recover any potential duplicative payments in 2014 resulting from FSA's decision to continue NAP eligibility for forage payments in 2014 in the six states covered by the RMA pilot forage policy.

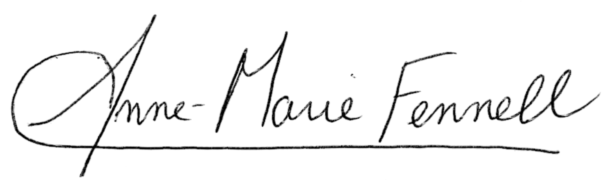
Agency Comments

We provided the Secretary of Agriculture with a draft of this report for review and comment. In written comments, which are reproduced in appendix VI, USDA generally agreed with our report's findings and recommendations. The comment letter further states that FSA and RMA plan to evaluate different options on how to monitor NAP payments and crop insurance payments to identify the extent to which duplicative payments may occur. USDA also provided technical comments, which we incorporated, as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the Secretary of Agriculture, the appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff members have any questions regarding this report, please contact me at (202) 512-3841 or fennella@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix VII.

Sincerely yours,



Anne-Marie Fennell
Director, Natural Resources and Environment

Appendix I: Select Changes to Farm Assistance Programs under the 2014 Farm Bill

On February 7, 2014, the President signed the 2014 farm bill into law. Under the 2014 farm bill, there have been several changes made to the U.S. Department of Agriculture's programs described in this report that offer financial assistance to farmers. Such changes are summarized below.

Changes to Commodity Programs under the 2014 Farm Bill

The 2014 farm bill authorizes commodity programs for the 2014 through 2018 crop years and through December 31, 2018, for dairy programs. In addition, the 2014 farm bill:

- Eliminates the Direct Payments Program,[1] Counter-Cyclical Payments Program, and Average Crop Revenue Election Program.
- Retains a counter-cyclical price program that makes a farm payment when prices for covered crops decline below certain levels and a revenue-based program designed to cover a portion of a farmer's out-of-pocket loss (or "shallow loss"). A farm that produces covered crops[2] has a one-time, irrevocable opportunity to elect either Price Loss Coverage (PLC) or Agricultural Risk Coverage (ARC) on a crop-by-crop basis. If no choice is made, the farm defaults to PLC. The farmer may elect county-based or individual farm ARC, but this election applies to the entire farm. PLC payments occur if the effective price for the crop year is less than the crop's reference price. ARC payments occur when actual crop revenue is below the ARC revenue guarantee for a crop year.
- Extends the Nonrecourse Marketing Assistance Loan Program and the Loan Deficiency Payments Program and extends, and in some cases modifies, the associated loan rates.
- Replaces the Dairy Product Price Support Program, Milk Income Loss Contract Program, and export subsidies with a Margin Protection Program for Dairy Producers based on the difference between the price of milk and feed cost of producing milk. A farmer elects a coverage level from $4 to $8 per hundredweight. No premium is paid

[1]Direct payments continue at a reduced level for cotton in crop years 2014 and 2015.

[2]Covered crops include wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long- and medium-grain rice, pulse crops, soybeans, other oilseeds, and peanuts.

for the $4 coverage level; premiums are paid for higher coverage levels.

- Retroactively reauthorizes four of the five disaster programs authorized in the 2008 farm bill. The Supplemental Revenue Assistance Payments Program is not reauthorized, though elements of the program are folded into ARC by allowing producers to protect against farm-level revenue losses. The Livestock Indemnity Program; Livestock Forage Disaster Program; Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program; and the Tree Assistance Program are permanently authorized.

Changes to Conservation Programs under the 2014 Farm Bill

The 2014 farm bill reduces and consolidates the number of conservation programs. Specifically, the 2014 farm bill:

- Extends many of the larger existing conservation programs, such as the Conservation Reserve Program (CRP), the Environmental Quality Incentives Program (EQIP), and the Conservation Stewardship Program, with smaller and similar conservation programs “rolled” into them. CRP is amended to include the enrollment of grassland acres similar to the Grassland Reserve Program (GRP), which is repealed. EQIP is reauthorized with funding dedicated for wildlife habitat practices similar to the Wildlife Habitat Incentives Program, which is repealed.
- Directs the Secretary of Agriculture to create two new conservation programs—the Agricultural Conservation Easement Program (ACEP) and the Regional Conservation Partnership Program (RCPP)—out of several existing programs. Conservation easement programs, including the Wetlands Reserve Program and GRP, are repealed and consolidated to create ACEP. The Chesapeake Bay Watershed Initiative and other programs are consolidated into the new RCPP, which uses partnership agreements with state and local governments, Indian tribes, and farmer cooperatives, among others to leverage federal funding and further conservation on a regional or watershed scale.

Changes to the Federal Crop Insurance Program under the 2014 Farm Bill

Regarding crop insurance, the 2014 farm bill:

- Directs RMA to make available a new crop insurance policy called the Stacked Income Protection Plan (STAX) for cotton farmers. The STAX policy indemnifies losses in county revenue of 10 to 30 percent of expected revenue based on the deductible level selected by the farmer for the underlying individual policy. The farmer's subsidy as a share of the policy premium is set at 80 percent.
- Establishes an additional coverage called the Supplemental Coverage Option, for farmers selecting PLC but not ARC. The Supplemental Coverage Option is based on expected county yields or revenue, to cover part of the deductible under the farmer's underlying policy (referred to as a farmer's out-of-pocket loss or "shallow loss"). The farmer subsidy as a share of the policy premium is set at 65 percent.

Appendix II: Objectives, Scope, and Methodology

This report, based on farm programs under way during the effective period of the 2008 farm bill, examines (1) the number of U.S. Department of Agriculture (USDA) programs that provided financial assistance to farms, the total amount of this assistance, and the potential for overlap and duplication among these programs; (2) the extent, if at all, that farms received payments from farm programs, including multiple farm programs, and the amount of these payments; and (3) the internal control activities USDA has designed to help prevent duplicative payments for the same crop losses to the same farms. For this report, a farm is defined as any place from which at least $1,000 worth of agricultural commodities were produced or sold, or normally have been sold, in a year. A farmer is a person who operates a farm, either doing the work or making day-to-day operating decisions for the farm. The term farm program is generally meant to include the commodity programs administered by the Farm Service Agency (FSA), as well as the other USDA programs that directly benefit farmers. For this report, we include only those farm programs that provide some form of financial assistance to farmers and exclude programs that provide solely technical assistance. We define agricultural commodities as any crop, livestock, or other agricultural products, such as wool or honey, produced by a farm. When we refer to crop losses in this report, we are also including livestock losses.

To determine the number of USDA programs that provided financial assistance to farms, the total amount of this assistance, and the potential for overlap and duplication among these programs, we developed an inventory of USDA farm assistance programs in existence during the effective period of the 2008 farm bill. We developed this inventory using, among other sources, the *Catalog of Federal Domestic Assistance*; USDA program fact sheets and other publicly available information from USDA's website; and studies completed by us, USDA, the Congressional Research Service, and other organizations. In addition, we interviewed officials from USDA's Agricultural Marketing Service, Animal and Plant Health Inspection Service, FSA, Foreign Agricultural Service, Natural Resources Conservation Service, Office of Inspector General (OIG), Risk Management Agency (RMA), and Rural Development. In our inventory, we included all USDA-administered programs that provided financial assistance—such as payments, loans, or debt restructuring—to farmers during fiscal years 2008 through 2012. We generally excluded from the inventory any programs that (1) provided assistance to processors only (e.g., programs that provided financial assistance to sugar processors), (2) provided only technical assistance to farmers, (3) were considered to be components of larger programs (e.g., the Conservation Reserve Enhancement Program, which we listed as a component of the

Conservation Reserve Program), or (4) provided assistance to states or tribes, unless the financial assistance provided by these programs subsequently went to farmers through the state agencies or tribes. In addition to brief descriptions of each program, we obtained information on the characteristics of these programs—such as the type of assistance provided (e.g., direct payments, price support payments, or loss compensation payments); the recipients, commodities, lands, and costs that were eligible for the programs; and the risks covered by the programs—among others. Based on this inventory, we developed six categories to describe the type of financial assistance these programs offered to farmers.[1] We requested that USDA officials review the programs we included in our inventory as well as the descriptions provided for each program, and they verified the completeness and accuracy of the information presented. We also obtained the dollars obligated for each of the programs in our inventory and total outlays for fiscal years 2008 through 2012 (the most recent year for which data were available) from USDA budget documents and agency officials in USDA's program offices as well as USDA's Office of Budget and Program Analysis. For this report, we primarily used obligations to express the federal government's commitment to these programs. We interviewed agency officials and reviewed system documentation, including documentation of training, and did not identify any concerns about the reliability of the data. Based on the information we gathered, we determined these data are sufficiently reliable for the purposes of this report. In addition, we (1) reviewed our annual reports on opportunities to reduce overlap and duplication across federal agencies and programs;[2] (2) reviewed information on the characteristics of the programs in our inventory; and (3) reviewed studies by and interviewed officials from USDA and the Congressional Research Service to determine whether programs were overlapping or duplicative. In this report, we use the same definitions for overlap and duplication found in our annual reports:

[1]The six categories of financial assistance are direct payments, loans or payments to compensate for costs incurred, loans or payments to compensate for losses, loans or payments to support prices, loans or payments to encourage farmers to take a specific action, and loans or payments to support revenue.

[2]These annual reports also examined whether administrative efficiencies could be achieved by reducing fragmentation—i.e., circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need, and opportunities exist to improve service delivery among programs. Examining fragmentation among farm programs was outside the scope of this report.

- **Overlap** occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.
- **Duplication** occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.

We recognize that there could be instances where program overlap and duplication may result from the way programs are designed in statute and some overlap and duplication may be warranted due to the nature or magnitude of the federal effort.

To determine the extent, if at all, that farms received payments from farm programs, including multiple farm programs, and the amount of these payments, we worked with staff in USDA's Economic Research Service (ERS) to specify custom analyses of the data they collect using the Agricultural Resource Management Survey (ARMS) on government payments received by farms for calendar years 2008 through 2011 (the most recent years for which ARMS data were available during the effective period of the 2008 farm bill) and selected characteristics of these farms, such as the size of the farm as measured by farm sales and the agricultural commodity produced. We selected these characteristics because they allowed us to analyze the data based on whether it was a small, mid-sized or large farm and what commodities were produced. ARMS is an annual survey of individual farm costs and returns, including government payments, which is aimed at estimating the farm sector's financial condition, production practices, and resource use. The survey allows linking payments to farm characteristics. However, it does not account for all payments in a given fiscal year, and estimates derived from ARMS have sampling error associated with them. To increase the likelihood that this analysis would produce results that would be reportable (i.e., with sample sizes large enough to produce reliable data), we worked with ERS staff to organize the program payments collected in ARMS into four functional payment categories—direct payments; major price-related payments such as payments made to a farmer when a commodity price falls below a specific level; major conservation program payments; and other federal, state, or local agricultural program payments. Each payment category combined payments farms received from at least two programs as follows:[3]

1. **Direct payments** include those that farms received from either the Direct Payments Program or the Average Crop Revenue Election (ACRE) Program.
2. **Major price-related payments** include Counter-Cyclical Payments Program payments, Average Crop Revenue Election Program revenue payments, loan deficiency payments, marketing loan gains, or the net value of commodity certificates that farms received.
3. **Major conservation program payments** include any Conservation Reserve Program, Conservation Reserve Enhancement Program, Wetlands Reserve Program, Environmental Quality Incentive Payments Program, Conservation Security Program, or Conservation Stewardship Program payments that the farm received.
4. **Other federal, state, or local agricultural program payments** include any agricultural disaster program, Milk Income Loss Contract, Tobacco Transition Payment,[4] or any other federal, state, or local agricultural program payments that the farm received.

Because each payment category combines payments from two or more programs, if a farm received payments from one payment category, it received payments from at least one, and possibly multiple, farm programs. Conversely, a farm that received payments from two payment categories may have received payments from just one program if the farm received ACRE direct payments, which are included in the direct payments category, and ACRE revenue payments, which are included in the major price-related payments category, but no other payments. We were unable to isolate the individual program or programs within a payment category from which a farm received a payment. We worked with ERS to design analyses of the payment categories to determine how

[3]These programs listed are described in appendix III. The financial assistance provided by the Federal Crop Insurance Program was not included in any of the payment categories used in our analysis of ERS's ARMS data because ARMS does not track premium subsidies to farmers. Our analysis examined the amount of crop insurance that farmers purchased.

[4]Data in ARMS for tobacco transition payments, which we categorized as direct payments in appendixes III and V, are not collected in sufficient detail to separate them from other federal, state, or local agricultural payments.

many farms received payments from one, two, three, or four different payment categories. We also worked with ERS staff to specify custom analyses that examined how the amount of the payments and the characteristics of farms varied as the number of different categories of farm program payments received increased. Characteristics of farms we examined included the size of the farm as measured by farm sales and acres operated; the gross cash farm income; whether the farm purchased federal crop insurance and if so, how much; the production specialty (e.g., livestock) of the farm; and the ownership structure (e.g., sole proprietorships, partnerships, or corporations) of the farm. We obtained the computer coding ERS used to generate the analyses, as well information on the statistical reliability of the results, and interviewed ERS officials to obtain additional detail about how they conducted the analyses. Based on the information we gathered, we determined the results of these analyses are sufficiently reliable for our purposes.

To identify the internal control activities that USDA has designed to help prevent duplicative payments for the same crop losses, we focused on RMA's crop insurance program, FSA's Supplemental Revenue Assistance Payments Program, and FSA's Noninsured Crop Disaster Assistance Program (NAP) because they accounted for most of the payments USDA made for crop losses from fiscal years 2008 through 2013—the period covered by the 2008 farm bill. We reviewed prior GAO and USDA OIG reports, and laws, regulations, and USDA program policies and procedures that describe internal controls. We interviewed officials from (1) RMA headquarters and three regional compliance offices, (2) FSA headquarters and three county offices, (3) USDA OIG headquarters and regional offices, and (4) three USDA General Counsel officials to obtain information on the programs that pay for crop losses and the controls used to safeguard against duplicative payments. Regarding the two OIG reports that we cite for our discussion of SURE, we reviewed the methodology for those reports, including how the OIG sampled farm program payments and determined they were sufficiently reliable for the purposes of our report. In addition, we requested that FSA conduct an analysis to match payments made to the same farmers by FSA's NAP and RMA's Adjusted Gross Revenue crop insurance policy to identify whether any potentially duplicative payments had been made. To ensure the reliability of this analysis, we reviewed the FSA analysis and the methodology used to develop it, and requested that RMA's regional compliance offices review the results of the analysis and work with insurance companies to determine which, if any, payments were duplicative. Furthermore, we compared USDA internal control activities with federal standards for internal control (e.g., GAO's *Standards for*

Internal Control in the Federal Government [GAO/AIMD-00-21.3.1]) to identify strengths and weaknesses.

We conducted this performance audit from December 2012 through July 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix III: U.S. Department of Agriculture Programs for Fiscal Years 2008 through 2012 That Offered Financial Assistance to Farmers

For fiscal years 2008 through 2012, 60 programs in 7 U.S. Department of Agriculture (USDA) agencies offered financial assistance to farmers. Table 1 describes these programs and provides information on the USDA agency or agencies that administered them; the commodities, lands, or costs that formed the basis of whether farmers were eligible for the programs; the type of financial assistance that the programs offered; and the total obligations for the programs for fiscal years 2008 through 2012.

Table 1: USDA Programs for Fiscal Years 2008 through 2012 That Offered Financial Assistance to Farmers

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
Agricultural Marketing Service (AMS) – 1 program	**National Organic Certification Cost Share Program (NOCCSP)** NOCCSP provides certification cost share assistance to farmers and handlers of organic agricultural products in states that receive certification or continuation of certification from a USDA-accredited certifying agent. Reimbursements are provided through participating states. NOCCSP covers up to 75 percent of the costs of certification, limited to $750 per year. Eligible costs: According to AMS policies and procedures, application fees, inspection costs, first-time National Organic Program certification fees, travel costs and per diem for organic inspectors, user fees, sales assessments, and postage.	Payments to compensate for costs	$21.5
Animal and Plant Health Inspection Service (APHIS) – 2 programs	**Animal Indemnity Programs** APHIS provides payments to farmers, in cooperation with states, for livestock that are destroyed as part of a disease control effort. Indemnities serve as an incentive to farmers to report disease promptly to minimize the risk of disease spread. Indemnities are authorized for animals destroyed because of tuberculosis, brucellosis, pseudorabies, foot-and-mouth disease, pleuropneumonia, rinderpest, scrapie, chronic wasting disease, avian influenza, and certain other communicable diseases of livestock. Eligible commodities: Cattle, bison, or captive cervids (such as deer, elk, and moose) because of tuberculosis; sheep or goats because of scrapie; cattle, bison, swine, sheep, goats, and horses because of brucellosis; swine because of pseudorabies; all livestock, including poultry, because of foot-and-mouth disease, pleuropnemonia, rinderpest, and certain other communicable diseases; any captive cervid because of chronic wasting disease; and poultry because of avian influenza.	Payments to encourage a specific action and to compensate for losses	$49.0
	Plant Indemnity Programs APHIS makes payments to farmers to mitigate losses or compensate for costs incurred as a result of Karnal bunt because of regulations and emergency actions or plum pox quarantine and emergency actions. Eligible commodities: Wheat affected by Karnal bunt, and stone fruit affected by plum pox.	Payments to compensate for losses and to compensate for costs	$0.5

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
Farm Service Agency (FSA) – 40 programs	**Aquaculture Grant Program (AGP)** AGP provides financial assistance to aquaculture farmers who experienced high feed input costs during the 2008 calendar year. FSA provides block grants to state departments of agriculture that agree to provide assistance to eligible farmers. Payments are calculated by multiplying a farmer's total feed deliveries in calendar year 2009 by the farmer's payment rate. Payments are limited to $100,000. Eligible commodities: Any aquaculture species.	Payments to compensate for costs	$48.5
	Asparagus Revenue Market Loss Assistance Payment (ALAP) Program ALAP compensates asparagus farmers for revenue losses resulting from imports during the 2004 through 2007 crop years. Eligible farmers will receive a market loss payment based upon the marketing category of their 2003 crop of asparagus. Payments are limited to $100,000. Eligible commodities: Commercial quantities of asparagus produced and marketed during both crop years 2003 and 2007.	Payments to support revenue	$14.8
	Average Crop Revenue Election (ACRE) Program[a, b] ACRE is an alternative revenue-based safety net to the price-based safety net provided by the Direct Payments and Counter-Cyclical Payments programs for crop years 2009 through 2012. ACRE payments are made when (1) the actual state-level revenue for a crop falls below a guaranteed level, and (2) the farmer experiences an individual crop revenue loss on a farm. A farmer's decision to enroll and "elect" ACRE may be made in any of the crop years 2009-2012; however, ACRE election is irrevocable and cannot be changed from the time of election through the 2012 crop year. If ACRE is selected, Direct Payments are limited to $40,000 minus a 20 percent Direct Payment reduction. ACRE payments are limited to $65,000 in addition to the 20 percent direct payment reduction amount. In addition, farmers are not eligible for Counter-Cyclical Payments and their marketing assistance loan rates are reduced by 30 percent. Eligible commodities: Wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium grain rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, pulse crops, and other oilseeds as determined by the Secretary, and peanuts.	Direct payments and payments to support revenue	$442.6

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Biomass Crop Assistance Program (BCAP) BCAP provides financial assistance to owners and operators of agricultural and nonindustrial private forest land to establish produce, and deliver biomass feed stocks. Assistance may include annual payments and up to 75 percent payment of cost-share assistance to establish eligible crops. BCAP also assists agricultural and forest land owners and operators with matching payments for the collection, harvest, storage and transportation of eligible material by a qualified biomass conversion facility. Eligible lands: Agricultural and non-industrial private forestland (excluding federal or state-owned land, land that is native sod, or land enrolled in the Conservation Reserve Program, Wetlands Reserve Program, or Grassland Reserve Program).	Payments to encourage a specific action	$290.6
	Commodity Certificates[b] The Commodity Credit Corporation (CCC) offers farmers the opportunity to purchase commodity certificates that may be exchanged for the farmer's outstanding marketing assistance loan collateral rather than forfeit the loan collateral at loan maturity. The program was terminated by the 2008 farm bill beginning for the 2009 crop year. Eligible commodities: Wheat, rice, feed grains (including corn), pulse crops (dry peas, lentils, and small chickpeas), peanuts, wool, mohair, upland cotton, soybeans, and designated minor oilseeds.	Loans to support prices	$893.4
	Conservation Loan (CL) Program CL provides direct loans and loan guarantees to finance conservation techniques that will conserve natural resources. Guaranteed conservation loans are limited to a maximum indebtedness of $1,214,000 for fiscal year 2012. Direct conservation loans, which have a maximum indebtedness of $300,000, received funding in fiscal years 2010 and 2011. Eligible costs: Conservation practices approved by NRCS, such as the installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; implementation of waste management; and the adaptation of other emerging or existing conservation practices, techniques or technologies.	Loans to encourage a specific action	$16.8[c]

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Conservation Reserve Program (CRP)[d] CRP provides farmers with annual contract payments, including certain incentive payments, and cost-share assistance. To participate, farmers must enter into contracts to convert eligible lands into conserving uses. Contract durations are between 10 and 15 years. The objective of the program is to cost-effectively reduce water and wind erosion, reduce sedimentation, improve water quality, and create and enhance wildlife habitat, among other things. The Conservation Reserve Enhancement Program (CREP) is a derivative program of CRP. It is a federal-state cooperative effort designed to target specific high-priority resource concerns. The program is a partnership among farmers; tribal, state, and federal governments; and, in some cases, private groups. Eligible lands: Land must be cropland that is planted or considered planted to an agricultural commodity 4 of the 6 previous crop years from 2002 through 2007, and which is physically and legally capable of being planted in crops; or certain marginal pastureland.	Payments to encourage a specific action	$9,566.4
	Counter-Cyclical Payments (CCP) Program[b] CCP provides payments to farmers when national farm prices drop below a certain threshold (i.e., a crop's target price minus the Direct Payment rate). Farmers and landowners receive a payment based on their farm's historical acreage and yield. The CCP payments are crop-specific and depend on the relationship between national average farm prices and government-set target prices. Payments are limited to $65,000 annually. Eligible commodities: Wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium grain rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, pulse crops, and other oilseeds as determined by the Secretary, lentils, small and large chickpeas, and peanuts.	Payments to support revenue	$2,126.6
	Crop Assistance Program (CAP) CAP is a limited one-time program providing emergency assistance to reestablish the purchasing power of eligible rice, upland cotton, soybean, and sweet potato farmers in specified counties for which a Secretarial disaster designation was issued based on excessive moisture and related conditions for the 2009 crop year. Payments are limited to $100,000. Eligible commodities: Rice, upland cotton, soybeans, and sweet potatoes from 2009 crop year.	Payments to compensate for losses	$258.5
	Dairy Economic Loss Assistance Payment (DELAP) Program DELAP provides assistance to dairy farmers who have recently experienced low milk prices and high production costs. Farmers will receive a one-time payment based on the amount of milk both produced and commercially marketed by their operation during the months of February through July 2009. Eligible commodities: Commercially marketed milk produced in the United States from February 2009 through July 2009.	Payments to compensate for losses	$287.3

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Dairy Indemnity Payment Program (DIPP) DIPP provides payments to dairy farmers and manufacturers of dairy products when a formally registered public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or chemical or toxic substances. The indemnity payment is based on the average daily production. Eligible commodities: Commercially marketed whole milk or dairy products.	Payments to compensate for losses	$1.6
	Dairy Product Price Support Program (DPPSP) DPPSP supports the price of nonfat dry milk, butter, and cheddar at statutory minimum levels through the purchase of such products made from cow's milk produced in the United States. The established prices are uniform for all regions of the United States and may be increased by the Secretary when considered appropriate. Eligible commodities: Cheddar cheese, butter, and nonfat dry milk.	Payments to support prices	$277.2
	Debt for Nature (DFN) Program DFN allows farmers to cancel a portion of their FSA indebtedness in exchange for a conservation contract with a term of 50, 30, or 10 years. The conservation contract is a voluntary legal agreement that restricts the type and amount of development that may take place on portions of the farmer's property. Contracts may be established on marginal cropland and other environmentally sensitive lands for conservation, recreation, and wildlife purposes. Eligible lands: Wetlands; highly erodible lands; lands containing aquatic life, endangered species, or wildlife habitat of local, regional, or national importance; lands in 100-year floodplains; areas of high water quality or scenic value; historic or cultural properties listed or eligible for the National Register of Historic Places; aquifer recharge areas of local, regional, or state importance; buffer zones necessary to protect proposed conservation contract areas; and areas within or adjacent to federal, state, or local conservation areas.	Payments to encourage a specific action	$0[e]
	Direct Payments (DP) Program[a] DP provides farmers with fixed annual payments based on their farms' historical crop production. USDA makes these payments regardless of whether these farmers grow crops, as long as they and their farms meet certain eligibility criteria. DP payments do not vary with crop prices or crop yields and are made regardless of a farmer's risk factors. Payments are limited to $40,000 annually. Eligible commodities: Wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium grain rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, and other oilseeds as determined by the Secretary and peanuts.	Direct payments	$23,524.0

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Downpayment Farm Ownership Loans Downpayment Farm Ownership loans provide beginning and socially disadvantaged farmers loans and loan guarantees to partially finance the purchase of a family farm. FSA provides not more than the least of 45 percent of the purchase price, 45 percent of the appraised value of the farm, or $225,000. The farmer must provide a minimum of 5 percent of the purchase price and secure other financing for the remaining 50 percent. Eligible costs: Available to socially disadvantaged or beginning farmers to purchase a farm.	Loans to compensate for costs	$668.8[c]
	Durum Wheat Quality Program (DWQP) DWQP compensates farmers of durum wheat for the cost of fungicide applied to control Fusarium head blight, commonly known as wheat scab. Farmers will be compensated for 50 percent of their share of both the purchase price of an eligible fungicide and the cost of applying the eligible fungicide to durum wheat acres. To be eligible, the farmer must have a share in the durum wheat planted, as well as a share in the costs to acquire and apply eligible fungicide. Eligible commodities: Durum wheat treated with eligible fungicide to control Fusarium head blight, applied during flowering stage of the crop.	Payments to compensate for costs	$2.9
	Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) ELAP provides emergency assistance to farmers of livestock, honeybees, and farm-raised fish not covered under other supplemental agricultural disaster assistance payment programs, covering losses due to disease, adverse weather conditions, and wildfires that occur on or before September 30, 2011. Payments from SURE, LIP, LFP, and ELAP combined are limited to $100,000 per crop year. Eligible commodities: Specific losses not covered by LFP, LIP or SURE. Livestock: Alpacas, dairy cattle, beef cattle, beefalo, buffalo, deer, elk, emus, equine, goats, llamas, poultry, reindeer, sheep, or swine. Fish: Bait or game fish propagated and reared in a controlled environment. Fish feed: Fish must be an aquatic species propagated and reared in a controlled environment. Honeybees: Bees housed in a managed hive and used for honey production or pollination in commercial use in a farming operation.	Payments to compensate for losses	$39.4

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Emergency Conservation Program (ECP) ECP provides funding for farmers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and to carry out emergency water conservation measures during periods of severe drought. Eligible ECP participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency land rehabilitation practices, or up to 90 percent for qualified limited resource producers. Cost-share assistance is limited to $200,000 per person or legal entity, per disaster. Eligible costs: Costs to replace or restore the farmland, fences, or conservation structures to a condition similar to that existing before the natural disaster. Eligible lands: Land that has new conservation problems as a result of a natural disaster that, if untreated, would impair or endanger the land; materially affect the land's productive capacity; represent unusual damage, which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that federal assistance is or will be required to return the land to productive agricultural use.	Payments to encourage a specific action	$359.4
	Emergency Forest Restoration Program (EFRP) EFRP provides payments to owners of rural nonindustrial private forest land to carry out emergency measures to restore forest health on land damaged by natural disasters. Participants may receive financial assistance of up to 75 percent of the cost to implement forest restoration measures. Payments are limited to $500,000 per disaster. Eligible costs: Costs to implement emergency forest restoration practices. Eligible lands: Forest land that has new conservation problems as a result of a natural disaster that if not dealt with would harm the natural resources on the land and significantly affect future use.	Payments to compensate for costs	$19.4
	Emergency Loan Program (EM) EM provides loans to help farmers recover from production and physical losses due to natural disasters or quarantine who cannot obtain credit from commercial sources. EM loans are only available as direct loans. Farmers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of $500,000. Eligible costs: Costs to repair or replace essential property (real estate and chattel) damaged or destroyed by the disaster; pay annual operating expenses; pay essential family living expenses; reorganize the farming operation, and refinance certain debts, among other things. Eligible lands: Land located in a county declared by the President or designated by the Secretary of Agriculture as a primary disaster area or quarantine area and counties contiguous to the primary counties.	Loans to compensate for costs	$174.6[c]

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Farm Operating Loans Direct and guaranteed Farm Operating Loans are made to farmers to pay for farm operating costs and improvements. To qualify, farmers must be unable to obtain sufficient credit from commercial credit sources, have acceptable credit history demonstrated by debt repayment, and pledge enough collateral to fully secure the loan. Direct loans are limited to a maximum indebtedness of $300,000. Guaranteed loans were limited to a maximum indebtedness of $1,214,000 for fiscal year 2012. Eligible costs: Costs incident to reorganizing the farm; purchasing livestock, poultry, and equipment; meeting essential farm operating costs, land or water development, use, and conservation; paying loan closing costs; complying with occupational safety requirements; refinancing debt; family subsistence; and certain training.	Loans to compensate for costs	$11,645.2[c, f]
	Farm Ownership Loans Direct and guaranteed Farm Ownership Loans are made to farmers to acquire or enlarge a farm or ranch, make capital improvements, and promote soil and water conservation measures, among other things. To qualify, farmers must be unable to obtain sufficient credit from commercial credit sources, have acceptable credit history demonstrated by debt repayment, and pledge enough collateral to fully secure the loan. Direct loans are limited to a maximum indebtedness of $300,000. Guaranteed loans were limited to a maximum indebtedness of $1,214,000 for fiscal year 2012. Eligible costs: Purchasing of a farm, enlarging an existing farm, constructing or improving farm structures, paying closing costs, and promoting soil and water conservation and protection.	Loans to compensate for costs	$10,210.8[c, f]
	Farm Storage Facility Loan (FSFL) Program FSFL provides low-interest financing for farmers to construct or upgrade farm storage and handling facilities. These loans must be approved by the local FSA county committee before any site preparation and/or construction can be started. The types of facilities eligible include but are not limited to bins for whole grain storage, new cold storage buildings and the remodeling of existing farm storage facilities. Loans are limited to $500,000. Eligible commodities: Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain; corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain; lentils, chickpeas, dry peas, hay; renewable biomass; and fruits, vegetables, and nuts for cold storage facilities. Eligible costs: Costs to construct or upgrade storage facilities.	Loans to compensate for costs	$1,125.6[c]

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Farmable Wetlands Program (FWP) FWP provides farmers with annual contract payments, including incentive payments, and cost share payments. Up to 1 million acres of farmable wetlands and associated buffers may be enrolled in the program. Farmers may enter between 10 and 15 year contracts and must restore the hydrology of the wetlands and establish vegetative cover. Eligible lands: Land that has been farmed and prior converted wetlands that have a cropping history in 3 of the immediately preceding 10 crop years; constructed wetland developed to receive flow for row-crop agriculture drainage system for the purpose of providing nitrogen removal and other wetland functions; land devoted to commercial pond-raised aquaculture in any year during 2002-2007; and cropland that, after January 1, 1990, and before December 31, 2002, was planted in crops during at least 3 of 10 crop years, and was subject to the natural overflow of a prairie wetland.	Payments to encourage a specific action	$58.7
	Graze-out Program The Graze-out Program provides payments to farmers who elect to use their acreage planted to wheat, barley, oats, or triticale for grazing by livestock and agree to forgo any other harvesting of the crop on such acreage during the applicable crop year. Graze-out payments are subject to the same basic eligibility requirements as crop loans and loan deficiency payments. Graze-out acres may not receive assistance from MAL, LDP, crop insurance, or NAP. Eligible commodities: Wheat, barley, oats, or triticale that is not harvested by any means other than grazing.	Payments to encourage a specific action	Less than $0.01
	Hawaii Sugar Disaster Program (HSDP) HSDP provides assistance to farmers who suffered a production loss due to a natural disaster during the 2008 crop year. The farmer must demonstrate that there was a lack of access to a policy or plan of insurance, or that the farmer does not qualify for a written agreement because one or more farming practices differed from that of other farming practices of farmers of the same crop in other regions of the United States. The farmer must also not be eligible for NAP. Eligible commodities: Sugar produced in Hawaii during the 2008 crop year.	Payments to compensate for losses	$4.9

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Land Contract (LC) Guarantee Program LC provides incentive for owners to sell land to beginning and socially disadvantaged farmers by reducing the financial risk to the seller due to buyer default on the contract payments. The program offers two guarantee options. The Prompt Payment Guarantee provides a guarantee of up to the amount of three annual installments and related real estate taxes and insurance on three occasions. The Standard Guarantee provides a 90-percent guarantee of the outstanding principal balance of the land contract. The program is only available for farms priced at $500,000 or less. Eligible lands: Farm owned by someone selling real estate through a land contract to a beginning or socially disadvantaged farmer or rancher.	Loans to encourage a specific action	$0
	Livestock Forage Disaster Program (LFP) LFP provides payments to livestock farmers who have suffered grazing losses due to drought on land that is native or improved pastureland with permanent vegetative cover or is planted specifically for grazing. LFP also provides compensation to livestock farmers that have suffered grazing losses on rangeland managed by a federal agency if the livestock farmer is prohibited by the federal agency from grazing the normal permitted livestock on the managed rangeland due to a qualifying fire. The grazing losses must have occurred on or after January 1, 2008, and before October 1, 2011. Payments from SURE, LIP, LFP, or ELAP combined are limited to $100,000 per year. Eligible commodities: Alpacas, cattle (beef, beefalo, buffalo, dairy), deer, elk, emus, equine, goats, llamas, poultry, reindeer, sheep, and swine.	Payments to compensate for losses	$555.4
	Livestock Indemnity Program (LIP) LIP provides indemnity payments to livestock farmers suffering deaths in excess of normal mortality caused by adverse weather between January 1, 2008, and October 1, 2011. The livestock death losses must also have occurred in the calendar year for which benefits are being requested. Farmers do not have to be located in a county or contiguous county designated a natural disaster. Payments are based on the individual farmer's losses. Payments from SURE, LIP, LFP, or ELAP combined are limited to $100,000 per year. Eligible commodities: Alpacas, cattle (beef, beefalo, buffalo, dairy), deer, elk, emus, equine, goats, llamas, poultry (chickens, ducks, geese, turkeys), reindeer, sheep, and swine.	Payments to compensate for losses	$145.0

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Loan Deficiency Payments (LDP)[b] LDP provides payments to farmers eligible for Nonrecourse Marketing Assistance Loans (MAL) who agree to forgo MAL. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the effective MAL repayment rate for the respective commodity. The LDP amount equals the LDP rate times the quantity of the commodity for which the LDP is requested. Eligible commodities: Barley, corn, grain sorghum, oats, soybeans, oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), wheat, dry peas, lentils, chickpeas, rice, cotton, wool, mohair, unshorn pelts, hay, silage, honey, and peanuts.	Payments to support prices	$373.0
	Milk Income Loss Contract (MILC) Program MILC compensates dairy farmers who enter into contracts when domestic milk prices fall below a specified level. MILC payments are made monthly when the milk price falls below the established price per hundredweight and are issued by CCC based upon selection of a start month by the farmer. Farmers are subject to an annual maximum eligible pound limit per dairy operation which varies by per fiscal year. Eligible commodities: Commercially marketed cow milk produced in the United States between October 1, 2007, and September 30, 2012.	Payments to support prices	$1,344.3
	Noninsured Crop Disaster Assistance Program (NAP) NAP provides eligible farmers with catastrophic-level coverage for crop losses and planting prevented due to qualifying natural disasters for crops when catastrophic-level crop insurance is unavailable. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Payments for covered losses are limited to $100,000 per crop year. Eligible commodities: Crops grown for food; crops planted and grown for livestock consumption, including, but not limited to grain and forage crops, including native forage; crops grown for fiber, such as cotton and flax (except trees); crops grown in a controlled environment, such as mushrooms and floriculture; specialty crops, such as honey and maple sap; value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod; sea oats and sea grass; and seed crops where the propagation stock is produced for sale for other eligible NAP crop production.	Payments to compensate for losses	$559.4

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Nonrecourse Marketing Assistance Loans (MAL)[b] MAL provides an influx of cash when market prices are typically at harvest-time lows, which allows the farmer to delay the sale of the crop until more favorable market conditions emerge. Allowing farmers to store production at harvest or shearing provides for a more orderly marketing of crops throughout the year. There are no limitations on loan amounts. A farmer realizes a marketing loan gain (MLG) if the MAL is repaid at less than the loan principal. The MLG rate equals the amount by which the applicable loan rate exceeds the MAL repayment rate. Eligible commodities: Barley, corn, grain sorghum, oats, soybeans, oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), wheat, dry peas, lentils, chickpeas, rice, cotton, wool, mohair, honey, and peanuts.	Loans to support prices	$37,752.5[c]
	Poultry Loss Contract Grant Assistance Program (PGAP) PGAP provides assistance to poultry farmers whose poultry growing arrangements with a live poultry dealer were terminated because of that dealer's bankruptcy. FSA provides grants to the state departments of agriculture that agree to provide assistance to eligible poultry farmers. Payments are limited to $100,000. Eligible commodities: Poultry in Alabama, Arkansas, Florida, Georgia, Louisiana, North Carolina, Pennsylvania, Tennessee, and Texas.	Payments to support revenue	$60.0
	Recourse Seed Cotton Loans Recourse seed cotton loans are made available by CCC to farmers through March 31 of the year following the calendar year in which the cotton crop is normally harvested. Seed cotton pledged as collateral for a loan must be tendered to CCC by a farmer and must be in existence and in good condition at the time of disbursement of loan proceeds, in addition to other requirements. Eligible commodities: Seed cotton.	Loans to support prices	$96.2[c]
	Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers RTCP reimburses geographically disadvantaged farmers with a portion of the cost to transport agricultural commodities or inputs used to produce an agricultural commodity. RTCP payments are calculated based on the amount of costs incurred by the farmer for transportation of the agricultural commodity or inputs during a fiscal year and multiplied by the applicable percentage of allowance for the applicable fiscal year in the applicable area. Payments are limited to $8,000 per fiscal year. Eligible commodities: Any agricultural commodity (including horticulture, aquaculture, and floriculture), food, feed, fiber, livestock (including elk, reindeer, bison, horses, or deer), or insects, and any product thereof.	Payments to compensate for costs	$7.1

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Supplemental Revenue Assistance Payments (SURE) Program SURE provides agricultural disaster assistance to farmers who suffered qualifying crop production losses, crop quality losses, or both due to damaging weather or adverse natural occurrences, such as an earthquake, that occurred on or before September 30, 2011. To receive SURE payments, a farmer must have suffered at least a 10 percent loss of at least one crop of economic significance due to a disaster on a farm in a disaster county. Farmers outside a declared disaster county, but with production losses greater than or equal to 50 percent of the normal production on the farm (expected revenue for all crops on the farm), also qualify for SURE. Payments from SURE, LIP, LFP, or ELAP combined are limited to $100,000 per year. Eligible commodities: The initial planting of Federal Crop Insurance Corporation-insured crops and crops covered by NAP, excluding acreage intended for grazing.	Payments to compensate for losses	$2,517.7
	Tobacco Transition Payment Program (TTPP) TTPP provides payments to tobacco quota holders and tobacco farmers. TTPP is the final and only opportunity to receive federal payments related to tobacco marketing quotas. Payments began in 2005 for those who signed up on or before June 17, 2005. Sign up for the program is continuous through 2014 to allow those who missed the original signup to receive payments that have not been made as of the contract date. Owners, operators, landlords, tenants, or sharecroppers who shared production risk during any of the 2002, 2003, or 2004 marketing years are eligible. There are no payment limitations for TTPP payments. Eligible commodities: Certain varieties of tobacco.	Direct Payments	$4,768.8[c]
	Transition Incentive Program (TIP) TIP provides annual rental payments to retired or retiring farmers for up to two additional years after the date of the expiration of a CRP contract. The retired or retiring farmer must agree to sell, or have a contract to sell, or agree to lease long-term (at least 5 years) the land enrolled in an expiring CRP contract to a beginning or socially disadvantaged farmer or rancher. Eligible lands: CRP land from a retired or retiring owner or operator. Land must be used for sustainable grazing or crop production.	Payments to encourage a specific action	$26.8
	Tree Assistance Program (TAP) TAP provides financial assistance to qualifying orchard and nursery tree farmers for a share of the costs to replant or rehabilitate eligible trees, bushes and vines that were affected by natural disasters and suffered mortality losses in excess of 15 percent, after adjustment for normal mortality on or before September 30, 2011. Payments are limited to $100,000 per year. Eligible commodities: Trees, bushes, and vines from which an annual crop is produced for commercial purposes. Nursery trees include ornamental, fruit, nut, and Christmas trees produced for commercial sale.	Payments to compensate for losses	$33.9

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
Foreign Agricultural Service (FAS) – 1 program	**Trade Adjustment Assistance (TAA) for Farmers Program** TAA provides financial benefits and technical assistance to farmers of agricultural commodities, including livestock and wild-caught aquatic species, who have been hurt by import competition. Farmers who develop an approved 'initial business plan' will receive up to $4,000 as payment toward implementing the plan or developing long-term business adjustment plans. Farmers who subsequently develop approved long-term business adjustment plans may receive an additional cash payment of up to $8,000 for plan implementation. A farmer may not receive more than $12,000 during the 36-month period following certification of a group petition. Eligible commodities: Agricultural commodities, including livestock, in its raw or natural state and wild-caught aquatic species can be eligible if the Secretary of Agriculture certifies the group of producers as being qualified when an increase in imports contributed to declines in price, value, production, or cash receipts. Eligible costs: Developing and implementing business plans.	Payments to compensate for costs	$127.2
Natural Resources Conservation Service (NRCS) – 9 programs	**Chesapeake Bay Watershed Initiative (CBWI)** CBWI provides payments for approved conservation practices and systems and land use adjustments on agricultural and nonindustrial private forest lands in the Chesapeake Bay Watershed through the Environmental Quality Incentives Program and Wildlife Habitat Incentive Program. Eligible lands: Land within the Chesapeake Bay Watershed, defined as all tributaries, backwaters, and side channels and their watersheds, that drain into the Chesapeake Bay in the states of Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia as well as the District of Columbia that are eligible under the Environmental Quality Incentives Program or Wildlife Habitat Incentive Program.	Payments to encourage a specific action and to compensate for costs	$188.1
	Conservation Security Program (CSP)[d] CSP provides financial and technical assistance to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes. While CSP closed to new enrollees in 2008, the program continues to pay on enrolled acres until 2017. Annual contract payment amounts vary with level of participation, with an upward limit of $45,000. Since 2008, farmers must enroll new acres into the Conservation Stewardship Program. Acres cannot be enrolled in both CSP and the Conservation Stewardship Program. Eligible lands: Privately owned and tribal agricultural land (which includes cropland, rangeland, pastureland, and hayland) and forested land that is an incidental part of an agriculture operation.	Payments to encourage a specific action and to compensate for costs	$1,202.2

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Conservation Stewardship Program (CStP)[d] CStP provides financial and technical assistance to conserve and enhance soil, water, air, and related natural resources on their land to encourage producers to address resource concerns. CStP payments may not exceed $40,000 in any year, and $200,000 during any 5-year period. CStP replaced CSP in 2008; acres cannot be enrolled in both. Eligible lands: Privately owned and tribal agricultural land (which includes cropland, rangeland, and pastureland on which agricultural products and livestock are produced). Agricultural land may also include incidental areas included in the agricultural operation.	Payments to encourage a specific action and to compensate for costs	$1,718.6
	Emergency Watershed Protection (EWP) Program EWP provides cost share assistance and in-kind services upon requests when a watershed impairment that poses a threat to health, life, or property is determine to exist to a state, subdivision of a state, Indian tribe, tribal organization, or local government. Except in limited resource areas, the federal contribution may not exceed 75 percent of the construction cost of emergency measures. In addition, NRCS may purchase any floodplain easements lands that have been impaired within the last calendar year or have been flooded at least twice during the past 10 years. Eligible costs: Assistance may be provided for structural, enduring, and long-life conservation practices, including grassed waterways, terraces, embankment ponds, diversions, and water conservation systems.	Payments to compensate for costs	$1,090.7
	Environmental Quality Incentives Program (EQIP)[d] EQIP provides financial and technical assistance to farmers who face threats to soil, water, air quality, wildlife habitat, surface and groundwater conservation, energy conservation, and related natural resources on their land. NRCS contracts with farmers to implement conservation practices to address environmental natural resource problems. Generally, payments are made once conservation practices are completed according to NRCS requirements. Payments are limited to $300,000 for all contracts entered into in any 6-year period. Payments for organic production are limited to $20,000 per year or $80,000 during any 6-year period for implementing conservation practices. Eligible lands: Eligible land includes agricultural land and nonindustrial private forest land, and other land on which agricultural products, livestock, or forest-related products are produced and resource concerns may be addressed. Other agricultural lands include cropped woodland, marshes, incidental areas included in the agricultural operation, and other types of agricultural land used for production of livestock.	Payments to encourage a specific action and to compensate for costs	$6,118.5

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Healthy Forests Reserve Program (HFRP) HFRP provides payments to landowners to assist them in restoring, enhancing, and protecting forestland resources on private lands through permanent and 30-year easements, 30-year contracts and 10-year cost-share agreements. Eligible landowners agree to implement restoration plans. In addition, landowners may avoid certain regulatory restrictions under the Endangered Species Act on the use of that land. Eligible costs: Landowners receive from 75 to 100 percent of the land’s value for permanent easement and up 75 percent for 30-year easements and contracts. In addition, landowners may receive cost share payments of from 75 to 100 percent for measures in the restoration plan for permanent easements and cost share payments of up to 75 percent for 30-year easements or contracts. For 10-year cost-share agreements, landowners may receive up to 50 percent of costs. Eligible lands: Private land or tribal lands that will contribute to the restoration or enhancement of the habitat or otherwise measurably increase the likelihood of recovery of a threatened or endangered species.	Payments to encourage a specific action	$38.9
	Water Bank Program (WBP) WBP provides payments to landowners who enter into 10-year agreements to implement conservations plans to protect, enhance, maintain, and manage the hydrologic conditions of the land. Landowners receive annual payments for conserving and protecting wetlands and adjacent lands from adverse land uses and activities, such as drainage, that would destroy the wetland characteristics of those lands. In addition, WBP offers cost-share payments of up to 75 percent of costs for wetland protection measures provided for by the conservation plan. Eligible lands: Certain privately owned wetlands and adjacent lands essential for nesting, breeding, or feeding of migratory waterfowl or for the protection of wetland. It does not include converted wetlands.	Payments to encourage a specific action	$7.3

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Wetlands Reserve Program (WRP)[d] WRP provides financial and technical assistance to owners of private and tribal lands to restore, protect, and enhance wetlands in exchange for retiring eligible land from agricultural production. WRP offers four enrollment options: permanent easements, 30-year easements, 30-year contracts, and restoration cost-share agreements. WRP pays 100 percent of the easement's fair-market value for permanent easements and up to 75 percent of the value for 30-year easements and 30-year contracts. Eligible costs: Restoration cost-share payments on permanent easements are from 75 to 100 percent of costs, For non-permanent easements, 30-year contracts, and restoration cost-share agreements, payments are from 50 percent to 75 percent of costs. Cost-share payments are limited to $50,000 per year. In addition, USDA pays all costs associated with recording the easement in the local land records office, including recording fees, charges for abstracts, survey and appraisal fees, and title insurance for easements and 30-year contracts. Eligible lands: Farmed or converted wetlands, with adjacent land that is functionally dependent on the wetlands, or certain cropland or grassland used for agricultural production prior to flooding from natural overflow.	Payments to encourage a specific action and to compensate for costs	$2,405.9
	Wildlife Habitat Incentive Program (WHIP) WHIP provides financial and technical assistance to private and tribal landowners for the development of wildlife habitat. Cost-share payments are made to landowners to develop upland and wetland wildlife habitat, habitat for threatened or endangered species, fish habitat, and other wildlife habitat. Payments are limited to $50,000 per year for each participant. Eligible costs: Generally, up to 75 percent of the cost to develop fish and wildlife habitat. Eligible lands: Private agricultural land including cropland, grassland, rangeland, pasture, and other land determined by NRCS to be suitable for fish and wildlife habitat development; non-industrial private forest land which is rural land that has existing tree cover or is suitable for growing trees; and tribal land.	Payments to encourage a specific action and to compensate for costs	$370.9

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
Risk Management Agency (RMA) – 1 program	**Federal Crop Insurance Program**[g] Through the federal crop insurance program, farmers insure against losses on major crops as well as nursery crops and certain fruits and vegetables. RMA partners with private insurance companies that sell and service the federal program's insurance policies and share a percentage of the risk of loss and opportunity for gain associated with the policies. Most crop insurance policies are either production-based or revenue-based. For production-based policies, a farmer can receive a payment if there is a production loss relative to the farmer's historical production per acre. Revenue-based policies protect against crop revenue loss resulting from declines in production, price, or both. The federal government encourages farmers' participation in the federal crop insurance program by subsidizing their insurance premiums and acting as the primary reinsurer for the private insurance companies that take on the risk of covering, or "underwriting," losses to insured farmers. Eligible commodities: Almonds, apiculture, apples, avocados, barley, beans, blueberries, buckwheat, cabbage, camelina, canola and rapeseed, cattle, cherries, chili peppers, citrus fruit, corn, cotton, cotton seed, cranberries, cultivated clams, cultivated wild rice, dairy, figs, flax, Florida fruit trees, forage, forage seed, grain sorghum, grapes and table grapes, grass seed, Hawaii tropical fruit, Hawaii tropical trees, hybrid seed, lamb, macadamia, millet, mint, mustard, nursery plants, oats, olives, onions, oysters, peas, peaches, peanuts, pears, pecans, peppers, pistachios, plums, popcorn, potatoes, prunes, pumpkins, raisins, rice, rye, safflower, sesame, silage sorghum, soybeans, stonefruit, strawberries, sugar beets, sugarcane, sunflowers, sweet corn, sweet potato, swine, tobacco, Texas citrus fruit tree, tomatoes, walnuts, and wheat.[h]	Payments to support revenue and to compensate for losses	$48,212.0[c]
Rural Development (RD) – 4 programs	**Advanced Biofuel Payment Program** The Advanced Biofuel Payment Program provides payments to biofuel producers to ensure and expand production of advanced biofuels refined from sources other than corn kernel starch. Additional incentive payments may be made to certain producers who have increased their biofuel output over the previous year's production. Eligible commodities: Advanced biofuel derived from renewable biomass other than corn kernel starch.	Payments to encourage a specific action	$0.6
	Farm Labor Housing Loans Farm Labor Housing Loans provide capital financing for the development of housing for domestic farm laborers. Typically, loan applicants are unable to obtain credit elsewhere, but in some instances, farmers able to get credit elsewhere may obtain loans at a rate of interest based on the cost of federal borrowing. Eligible costs: Purchasing a site or a leasehold interest in a site; construction of housing, emergency care facilities, or community rooms; fees to purchase durable household furnishings; and construction loan interest.	Loans to compensate for costs	$8.0[c, i]

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Rural Energy for America Program (REAP) REAP provides assistance to farmers and rural small businesses to complete renewable energy systems projects through both loan guarantees and grants. Assistance is also available for energy system feasibility studies. The amount of a grant cannot exceed 25 percent of the actual cost. The amount of the loan guarantee cannot exceed 75 percent of the eligible project costs, and in no case can be more than $25,000,000. Eligible costs: The purchase or improvement of renewable energy systems to make energy efficiency improvements or conduct energy audits and feasibility studies.	Payments and loans to encourage a specific action and to compensate for costs	$210.0[c]
	Value-Added Producer Grants (VAPG) VAPG helps farmers enter into value-added activities related to, among other things, the processing and/or marketing of bio-based value-added products. Funds may be used to develop a business plan and strategies for marketing opportunities and capital expenses. Grants are awarded on a competitive basis. Payments are capped at $100,000 for planning and $300,000 for working capital grants. Eligible costs: Conducting feasibility studies and developing business plans for processing and marketing of the proposed value-added product. Funds may also be used for eligible working capital expenses such as processing costs, marketing and advertising, and some inventory and salary expenses directly related to a value-added project.	Payments to compensate for costs	$50.7
Jointly administered – 2 programs	**Agricultural Management Assistance (AMA)** *administered by AMS, NRCS, and RMA* AMA provides assistance to farmers in 16 states to construct or improve watershed management structures or irrigation structures; plant trees for windbreaks or improve water quality; and mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, and organic farming, among other things. NRCS has leadership for the conservation provisions of AMA. AMS is responsible for an organic certification cost-share program, and RMA is responsible for mitigation of financial risk through an insurance cost-share program. Generally, payments are limited to 75 percent of costs incurred or 100 percent of income foregone. Payments are limited to $50,000 per recipient each year. Eligible lands: Cropland, grassland, rangeland, pasture, or other agricultural land on which agricultural, forest-related products, or livestock are produced.	Payments to encourage a specific action and to compensate for costs	$38.7

Dollars in millions

Agency	Program description and eligible commodities, lands, or costs	Type of financial assistance	Total obligations, FY 2008-2012
	Grassland Reserve Program (GRP) *administered by FSA and NRCS* GRP provides assistance to landowners and operators to protect grazing uses and related conservation values by restoring and conserving grassland, including rangeland, pastureland, shrubland, and certain other lands. Participants may apply for easements or choose a 10-year, 15-year, or 20-year contract. USDA will provide payments up to the value of the land, less the grazing value of the land, and for annual contract payments, up to 75 percent of the grazing value established by FSA. Contract payments are limited to $50,000 per recipient per year. Eligible lands: Privately owned and tribal grasslands; land that contains forbs or shrubland (including improved rangeland and pastureland) for which grazing is the predominant use; is located in an area that has been historically dominated by grassland, forbs, or shrubland; or has the potential to serve as wildlife habitat of significant ecological value.	Payments to encourage a specific action	$567.9

Source: GAO analysis of USDA data. | GAO-14-428

Note: This table generally includes programs that provide financial assistance directly to farmers and excludes programs that provide technical assistance to farmers or provide financial assistance directly to processors, which indirectly benefits farmers, such as the FSA's Sugar Program.

[a]Program was included in the direct payments category of the custom analysis of the Economic Research Service's (ERS) Agricultural Resource Management Survey (ARMS) data.

[b]Program was included in the major price-related payments category of the custom analysis of ERS's ARMS data.

[c]Obligations do not reflect the impact of offsetting collections, which are reflected in net outlays.

[d]Program was included in the major conservation program payments category of the custom analysis of ERS's ARMS data.

[e]Use of program does not entail a new obligation.

[f]Includes both direct and guaranteed loans.

[g]The financial assistance provided by the Federal Crop Insurance Program was not included in any of the payment categories used in the custom analysis of ERS's ARMS data. The custom analysis examined the amount of crop insurance that farmers purchased.

[h]Includes the eligible commodities for 2012 crop year. Commodities eligible for the Federal Crop Insurance Program change on a yearly basis and vary by county.

[i]Total includes on-farm loans only, as on-farm projects are not eligible for the grant portion of this program.

Appendix IV: Obligations for U.S. Department of Agriculture Programs Under Way during the Effective Period of the 2008 Farm Bill That Offered Financial Assistance to Farmers, Fiscal Years 2008 through 2012

From fiscal years 2008 through 2012, the U.S. Department of Agriculture (USDA) obligated $172.7 billion in financial assistance, or about $34.5 billion annually on average, through 60 programs. Table 2 identifies the total dollars that agencies obligated to each of these programs.

Table 2: Obligations for USDA Programs Under Way during the Effective Period of the 2008 Farm Bill That Offered Financial Assistance to Farmers, Fiscal Years 2008 through 2012

Dollars in millions

	Fiscal year					
Program	**2008**	**2009**	**2010**	**2011**	**2012**	**Total, FY 2008-2012**
Agricultural Marketing Service (AMS)						
National Organic Certification Cost Share Program (NOCCSP)	$4.0	$8.9	$3.1	$5.3	$0.2	**$21.5**
Animal and Plant Health Inspection Service (APHIS)						
Animal Indemnity Programs	$35.0	$4.7	$4.3	$2.2	$2.8	**$49.0**
Plant Indemnity Programs	$0.3	$0.1	$0.1	$0.0	$0.0	**$0.5**
Total, APHIS programs	**$35.3**	**$4.8**	**$4.4**	**$2.2**	**$2.8**	**$49.5**
Farm Service Agency (FSA)						
Aquaculture Grant Program (AGP)	$0	$48.5	$0	$0	$0	**$48.5**
Asparagus Revenue Market Loss Assistance Program (ALAP)	$0	$0	$0	$14.8	$0.1	**$14.8**
Average Crop Revenue Election (ACRE) Program	$0	$0	$0	$431.5	$11.1	**$442.6**
Biomass Crop Assistance Program (BCAP)	$0	$2.1	$248.2	$24.3	$15.9	**$290.6**
Commodity Certificates	$1.2	$887.6	$4.5	$0	$0	**$893.4**
Conservation Loan (CL) Program[a]	$0	$0	$5.1	$11.7	$0	**$16.8**
Conservation Reserve Program (CRP)	$1,991.2	$1,909.9	$1,890.9	$1,875.0	$1,899.3	**$9,566.4**
Counter-Cyclical Payments (CCP) Program	$359.1	$731.1	$902.6	$124.0	$9.9	**$2,126.6**
Crop Assistance Program (CAP)	$0	$0	$0	$258.5	$0	**$258.5**
Dairy Economic Loss Assistance Payment (DELAP) Program	$0	$0	$287.3	$0	$0	**$287.3**
Dairy Indemnity Payment Program (DIPP)	$0.1	$0.7	$0.2	$0.4	$0.3	**$1.6**
Dairy Product Price Support Program (DPPSP)	$0.7	$17.3	$247.2	$12.0	$0	**$277.2**

Dollars in millions

Program	Fiscal year 2008	2009	2010	2011	2012	Total, FY 2008-2012
Debt for Nature (DFN) Program[b]	$0	$0	$0	$0	$0	**$0**
Direct Payments (DP) Program	$4,821.2	$5,222.3	$4,898.1	$4,745.0	$3,837.5	**$23,524.0**
Downpayment Farm Ownership Loans[a]	$13.1	$133.7	$170.0	$175.2	$176.7	**$668.8**
Durum Wheat Quality Program (DWQP)	$0	$0	$2.9	$0	$0	**$2.9**
Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)	$0	$0	$21.5	$8.4	$9.5	**$39.4**
Emergency Conservation Program (ECP)	$35.5	$92.5	$92.5	$64.3	$74.6	**$359.4**
Emergency Forest Restoration Program (EFRP)	$0	$0	$0	$2.2	$17.2	**$19.4**
Emergency Loan Program (EM)[a]	$45.0	$30.4	$35.6	$32.6	$31.0	**$174.6**
Farm Operating Loans[a, c]	$1,712.2	$2,611.1	$2,933.7	$2,285.1	$2,103.0	**$11,645.2**
Farm Ownership Loans[a, c]	$1,552.3	$1,832.7	$2,308.8	$2,486.9	$2,030.0	**$10,210.8**
Farm Storage Facility Loan (FSFL) Program[a]	$148.5	$200.0	$327.1	$250.0	$200.0	**$1,125.6**
Farmable Wetlands Program (FWP)	$3.5	$6.7	$19.7	$15.6	$13.2	**$58.7**
Graze-out Program	$0	$0	$0	Less than $0.01	$0	**Less than $0.01**
Hawaii Sugar Disaster Program (HSDP)	$0	$0	$0	$4.9	$0	**$4.9**
Land Contract (LC) Guarantee Program	$0	$0	$0	$0	$0	**$0**
Livestock Forage Disaster Program (LFP)	$0	$0	$264.7	$212.0	$78.7	**$555.4**
Livestock Indemnity Program (LIP)	$0	$5.8	$89.4	$23.9	$25.9	**$145.0**
Loan Deficiency Payments (LDP)	$6.0	$145.5	$191.6	$29.8	$0	**$373.0**
Milk Income Loss Contract Program (MILC) Program	$2.2	$756.9	$181.5	$0.6	$403.2	**$1,344.3**
Noninsured Crop Disaster Assistance Program (NAP)	$74.0	$62.1	$98.7	$71.0	$253.6	**$559.4**
Nonrecourse Marketing Assistance Loans (MAL)[a]	$9,509.0	$8,290.9	$7,189.6	$7,103.3	$5,659.6	**$37,752.5**
Poultry Loss Contract Grant Assistance Program (PGAP)	$0	$0	$0	$60.0	$0	**$60.0**
Recourse Seed Cotton Loans[a]	$74.8	$6.8	$2.4	$8.6	$3.6	**$96.2**

Dollars in millions

Program	Fiscal year 2008	2009	2010	2011	2012	Total, FY 2008-2012
Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers	$0	$0	$2.6	$2.5	$2.0	**$7.1**
Supplemental Revenue Assistance Payments (SURE) Program	$0	$0	$1,195.5	$760.7	$561.5	**$2,517.7**
Tobacco Transition Payment Program (TTPP)[a]	$954.8	$953.2	$954.1	$953.3	$953.4	**$4,768.8**
Transition Incentive Program (TIP)	$0	$0	$0	$2.8	$24.0	**$26.8**
Tree Assistance Program (TAP)	$0	$0	$2.2	$13.0	$18.7	**$33.9**
Total, FSA programs	**$21,304.6**	**$23,947.7**	**$24,568.3**	**$22,063.9**	**$18,413.4**	**$110,297.9**
Foreign Agricultural Service (FAS)						
Trade Adjustment Assistance (TAA) for Farmers Program	$0	$25.1	$79.6	$22.5	$0	**$127.2**
Natural Resources Conservation Service (NRCS)						
Chesapeake Bay Watershed Initiative (CBWI)	$0	$21.8	$44.0	$72.6	$49.7	**$188.1**
Conservation Security Program (CSP)	$317.1	$276.0	$222.2	$198.9	$188.0	**$1,202.2**
Conservation Stewardship Program (CStP)	$0	$9.4	$389.8	$577.8	$741.6	**$1,718.6**
Emergency Watershed Protection (EWP) Program	$178.8	$324.2	$299.2	$76.1	$212.4	**$1,090.7**
Environmental Quality Incentives Program (EQIP)	$1,252.3	$1,054.6	$1,184.3	$1,244.7	$1,382.6	**$6,118.5**
Healthy Forests Reserve Program (HFRP)	$0.7	$2.6	$7.9	$17.9	$9.8	**$38.9**
Water Bank Program (WBP)	$0	$0	$0	$0	$7.3	**$7.3**
Wetlands Reserve Program (WRP)	$182.9	$435.7	$630.2	$569.1	$588.0	**$2,405.9**
Wildlife Habitat Incentive Program (WHIP)	$83.5	$72.7	$83.4	$83.9	$47.4	**$370.9**
Total, NRCS programs	**$2,015.3**	**$2,197.0**	**$2,861.0**	**$2,841.0**	**$3,226.8**	**$13,141.1**
Risk Management Agency (RMA)						
Federal Crop Insurance Program[a]	$6,496.0	$12,113.0	$7,073.0	$9,849.0	$12,681.0	**$48,212.0**
Rural Development (RD)						
Advanced Biofuel Payment Program	$0	$0.1	$0.2	$0.2	Less than $0.1	**$0.6**
Farm Labor Housing Loans[a, d]	$1.3	$3.0	$1.9	$1.1	$0.8	**$ 8.0**
Rural Energy for America Program (REAP)[a]	$25.3	$59.1	$84.4	$31.4	$9.8	**$210.0**

Dollars in millions

Program	Fiscal year 2008	2009	2010	2011	2012	Total, FY 2008-2012
Value-Added Producer Grants (VAPG)	$5.3	$0	$9.2	$0	$36.1	**$50.7**
Total, RD programs	**$31.9**	**$62.2**	**$95.7**	**$32.7**	**$46.7**	**$269.2**
Jointly administered programs						
Agricultural Management Assistance (AMA) *Administered by AMS, NRCS, and RMA*	$8.2	$8.9	$8.7	$9.0	$3.9	**$38.7**
Grassland Reserve Program (GRP) *Administered by FSA and NRCS*	$4.6	$88.2	$190.4	$148.6	$136.1	**$567.9**
Total, USDA programs	**$29,899.8**	**$38,455.8**	**$34,884.2**	**$34,974.1**	**$34,511.0**	**$172,724.9**

Source: GAO analysis of USDA data. | GAO-14-428

Note: Figures may not total due to rounding.

[a]Obligations do not reflect the impact of offsetting collections, which are reflected in net outlays.

[b]Use of program does not entail a new obligation.

[c]Includes both direct and guaranteed loans.

[d]Total includes on-farm loans only, as on-farm projects are not eligible for the grant portion of this program.

Appendix V: U.S. Department of Agriculture Farm Assistance Programs Under Way during the Effective Period of the 2008 Farm Bill, the Types of Financial Assistance Offered, and the General Basis for Determining Eligibility

During the effective period of the 2008 farm bill, 60 U.S. Department of Agriculture (USDA) programs offered financial assistance to farmers. Some programs offered more than one type of assistance. Table 3 categorizes USDA programs by the type of financial assistance they offered.

Table 3: USDA Farm Assistance Programs Under Way during the Effective Period of the 2008 Farm Bill, the Types of Financial Assistance Offered, and the General Basis for Determining Eligibility

Programs and type of financial assistance offered	Agency	Eligibility based on
Programs that offered direct payments (3 total)		
1. Average Crop Revenue Election (ACRE) Program[a]	Farm Service Agency (FSA)	Commodities produced
2. Direct Payments (DP) Program	FSA	Commodities produced
3. Tobacco Transition Payment Program (TTPP)	FSA	Commodities produced
Programs that offered loans or payments to support prices (6 total)		
1. Commodity Certificates	FSA	Commodities produced
2. Dairy Product Price Support Program (DPPSP)	FSA	Commodities produced
3. Loan Deficiency Payments (LDP)	FSA	Commodities produced
4. Milk Income Loss Contract (MILC) Program	FSA	Commodities produced
5. Nonrecourse Marketing Assistance Loans (MAL)	FSA	Commodities produced
6. Recourse Seed Cotton Loans	FSA	Commodities produced
Programs that offered loans or payments to support revenue (5 total)		
1. Asparagus Revenue Market Loss Assistance Payment (ALAP) Program	FSA	Commodities produced
2. Average Crop Revenue Election (ACRE) Program[a]	FSA	Commodities produced
3. Counter-Cyclical Payments (CCP) Program	FSA	Commodities produced
4. Poultry Loss Contract Grant Assistance Program (PGAP)	FSA	Commodities produced

Programs and type of financial assistance offered	Agency	Eligibility based on
5. Federal Crop Insurance Program	Risk Management Agency (RMA)	Commodities produced
Programs that offered loans or payments to compensate for losses (13 total)		
1. Animal Indemnity Programs	Animal and Plant Health Inspection Service (APHIS)	Commodities produced
2. Plant Indemnity Programs	APHIS	Commodities produced
3. Crop Assistance Program (CAP)	FSA	Commodities produced
4. Dairy Economic Loss Assistance Payment (DELAP) Program	FSA	Commodities produced
5. Dairy Indemnity Payment Program (DIPP)	FSA	Commodities produced
6. Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP)	FSA	Commodities produced
7. Hawaii Sugar Disaster Program (HSDP)	FSA	Commodities produced
8. Livestock Forage Disaster Program (LFP)	FSA	Commodities produced
9. Livestock Indemnity Program (LIP)	FSA	Commodities produced
10. Noninsured Crop Disaster Assistance Program (NAP)	FSA	Commodities produced
11. Supplemental Revenue Assistance Payments (SURE) Program	FSA	Commodities produced
12. Tree Assistance Program (TAP)	FSA	Commodities produced
13. Federal Crop Insurance Program	RMA	Commodities produced
Programs that offered loans or payments to compensate for costs (24 total)		
1. National Organic Certification Cost Share Program (NOCCSP)	Agricultural Marketing Service (AMS)	Costs incurred
2. Plant Indemnity Programs	APHIS	Commodities produced
3. Aquaculture Grant Program (AGP)	FSA	Commodities produced
4. Downpayment Farm Ownership Loans	FSA	Costs incurred
5. Durum Wheat Quality Program (DWQP)	FSA	Commodities produced
6. Emergency Forest Restoration Program (EFRP)	FSA	Costs incurred and lands comprising farm

Programs and type of financial assistance offered	Agency	Eligibility based on
7. Emergency Loan Program (EM)	FSA	Costs incurred and lands comprising farm
8. Farm Operating Loans	FSA	Costs incurred
9. Farm Ownership Loans	FSA	Costs incurred
10. Farm Storage Facility Loan (FSFL) Program	FSA	Commodities produced and costs incurred
11. Farmable Wetlands Program (FWP)	FSA	Lands comprising farm
12. Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers	FSA	Commodities produced
13. Trade Adjustment Assistance (TAA) for Farmers Program	Foreign Agricultural Service	Commodities produced and costs incurred
14. Chesapeake Bay Watershed Initiative (CBWI)	Natural Resources Conservation Service (NRCS)	Lands comprising farm
15. Conservation Security Program (CSP)	NRCS	Lands comprising farm
16. Conservation Stewardship Program (CStP)	NRCS	Lands comprising farm
17. Emergency Watershed Protection (EWP) Program	NRCS	Costs incurred
18. Environmental Quality Incentives Program (EQIP)	NRCS	Costs incurred and lands comprising farm
19. Wetlands Reserve Program (WRP)	NRCS	Costs incurred and lands comprising farm
20. Wildlife Habitat Incentive Program (WHIP)	NRCS	Costs incurred and lands comprising farm
21. Farm Labor Housing Loans	RD	Costs incurred
22. Rural Energy for America Program (REAP)	RD	Costs incurred
23. Value-Added Producer Grants (VAPG)	RD	Costs incurred
24. Agricultural Management Assistance (AMA)	AMS, NRCS, and RMA	Lands comprising farm
Programs that offered loans or payments to encourage a specific action (22 total)		
1. Animal Indemnity Programs	APHIS	Commodities produced
2. Biomass Crop Assistance Program (BCAP)	FSA	Commodities produced and lands comprising farm
3. Conservation Loan (CL) Program	FSA	Costs incurred

Programs and type of financial assistance offered	Agency	Eligibility based on
4. Conservation Reserve Program (CRP)	FSA	Lands comprising farm
5. Debt for Nature (DFN) Program	FSA	Lands comprising farm
6. Emergency Conservation Program (ECP)	FSA	Costs incurred and lands comprising farm
7. Farmable Wetlands Program (FWP)	FSA	Lands comprising farm
8. Graze-out Program	FSA	Commodities produced
9. Land Contract (LC) Guarantee Program	FSA	Lands comprising farm
10. Transition Incentive Program (TIP)	FSA	Lands comprising farm
11. Chesapeake Bay Watershed Initiative (CBWI)	NRCS	Lands comprising farm
12. Conservation Security Program (CSP)	NRCS	Lands comprising farm
13. Conservation Stewardship Program (CStP)	NRCS	Lands comprising farm
14. Environmental Quality Incentives Program (EQIP)	NRCS	Costs incurred and lands comprising farm
15. Healthy Forests Reserve Program (HFRP)	NRCS	Costs incurred and lands comprising farm
16. Water Bank Program (WBP)	NRCS	Lands comprising farm
17. Wetlands Reserve Program (WRP)	NRCS	Costs incurred and lands comprising farm
18. Wildlife Habitat Incentive Program (WHIP)	NRCS	Costs incurred and lands comprising farm
19. Advanced Biofuel Payment Program	RD	Commodities produced
20. Rural Energy for America Program (REAP)	RD	Costs incurred
21. Agricultural Management Assistance (AMA)	AMS, NRCS, and RMA	Lands comprising farm
22. Grassland Reserve Program (GRP)	FSA and NRCS	Lands comprising farm

Source: GAO analysis of USDA data. | GAO-14-428

Note: The total number of programs exceeds 60 because some programs provide more than one type of financial assistance. Eligibility may be based on the current or historical production of commodities depending on the program.

[a]ACRE offered two types of financial assistance to farmers—direct payments and payments to support revenue (see app. III).

Appendix VI: Comments from the U.S. Department of Agriculture

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United States Department of Agriculture

Farm and Foreign Agricultural Services

Farm Service Agency

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JUN 18 2014

TO: Anne-Marie Fennell, Director
Natural Resources and Environment
U.S. Government Accountability Office

FROM: Juan M. Garcia
Administrator

SUBJECT: U.S. Department of Agriculture Comments – U.S. Government Accountability Office Draft Report, GAO-14-428, "USDA FARM PROGRAMS: Farmers Have Been Eligible for Multiple Programs and further Efforts Could Help Prevent Duplicative Payments" (361465)

The U.S. Department of Agriculture (USDA) appreciates the opportunity to review the subject Government Accountability Office (GAO) draft report. USDA generally agrees with the report's findings and recommendations.

USDA's Farm Service Agency and Risk Management Agency plan to evaluate different options on how to monitor Noninsured Crop Disaster Assistance Program payments and crop insurance payments to identify the extent to which duplicative payments may occur.

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Anne-Marie Fennell, (202) 512-3841 or fennella@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Thomas Cook (Assistant Director), Cheryl Arvidson, Kevin Bray, Stephen Cleary, Barbara El Osta, David Garcia, Karen Jones, Beverly Peterson, and Anne Rhodes-Kline made key contributions to this report.

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