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United States General Accounting Office

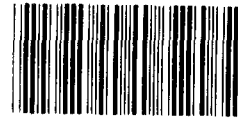
GAO

Fact Sheet for the Honorable
Bill Alexander, House of Representatives

April 1988

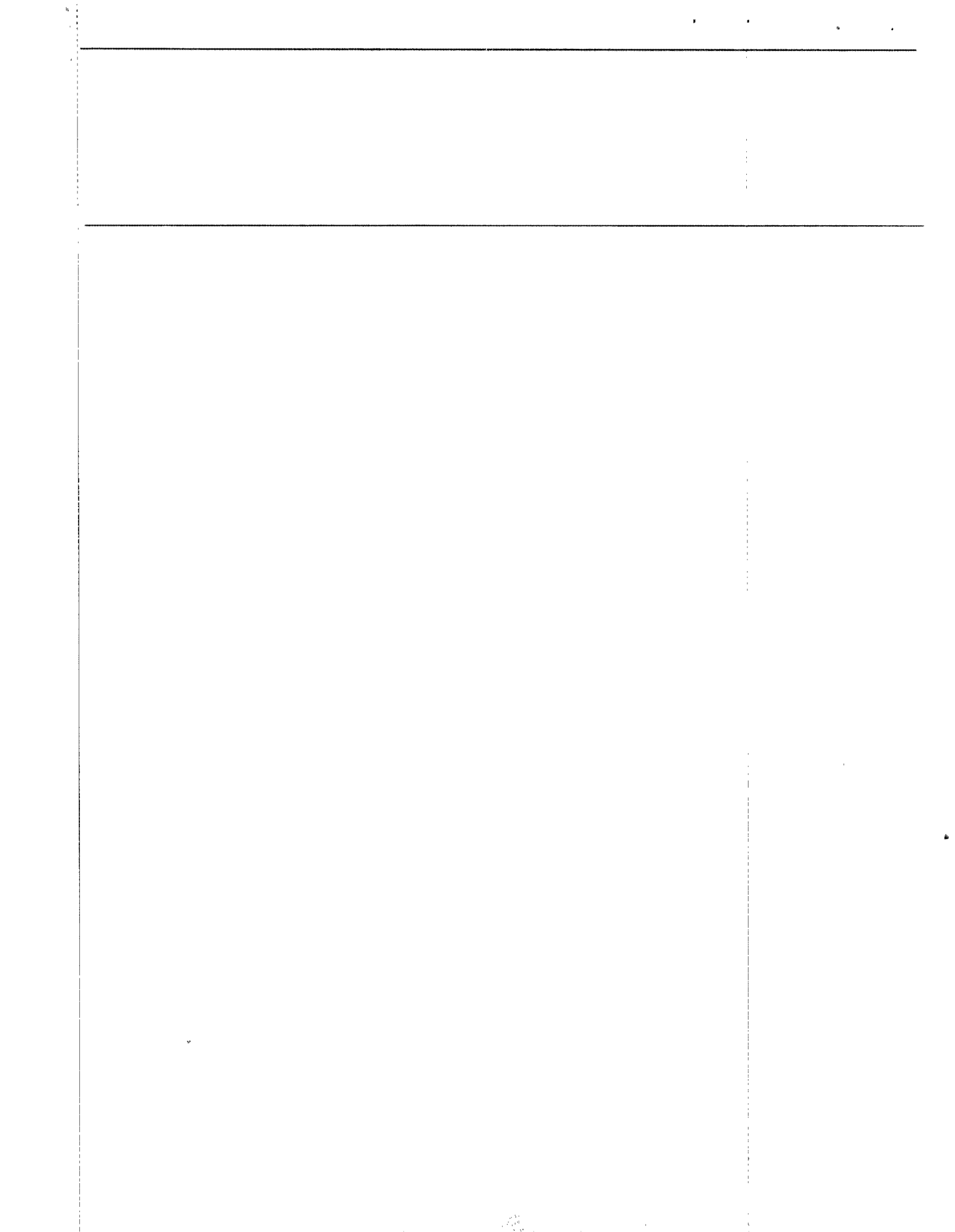
FARM PROGRAMS

Price and Income Support Programs for Fiscal Years 1987-89



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Resources, Community, and
Economic Development Division

B-225236

April 22, 1988

The Honorable Bill Alexander
House of Representatives

Dear Mr. Alexander:

In response to your staff's February 29, 1988, request, this fact sheet presents information, primarily for 1987 through 1989,¹ on the U.S. Department of Agriculture's (USDA) net cash outlays for commodity price and income support programs. As requested, this fact sheet updates the net cash outlay information in our report, Farm Programs: An Overview of Price and Income Support, and Storage Programs (GAO/RCED-88-84BR, Feb. 29, 1988).

USDA's Commodity Credit Corporation (CCC) and Agricultural Stabilization and Conservation Service (ASCS) administer the federal government's farm support programs. Some highlights from the 1987-89 net cash outlay data include the following:

- Net cash outlays (cash expenditures less cash receipts in any year) for commodity price and income support programs totaled about \$22.4 billion in 1987, and USDA estimated about an additional \$34.8 billion in 1988 and 1989 combined (see pp. 6-9).
- Three programs continued to account for most of the net cash outlays over the 1987-89 period: nonrecourse commodity loans, the direct purchase of farm commodities, and cash payments when market prices are below target prices set by law (deficiency payments). Net cash outlays on these three programs totaled about \$18.9 billion in 1987 and are estimated at about \$25.4 billion for 1988 and 1989 combined (see pp. 7-9).
- Four commodities continued to account for most of the net cash outlays over the 1987-89 period: corn, wheat, dairy products, and upland cotton. Net cash outlays on these four commodities totaled \$18.1 billion in 1987 and are

¹Yearly information presented in this fact sheet is on a fiscal year basis. Data for 1987 are actual amounts, and data for 1988 and 1989 are USDA estimates as of February 1988.

estimated at \$26.8 billion for 1988 and 1989 combined (see pp. 10-12).

- Most support programs continued to provide cash payments, which are generally nonrecoverable: about \$11.6 billion in 1987 and an estimated \$17.8 billion for 1988 and 1989 combined. However, loan programs, in which some outlays are recoverable, continued to account for a large part of total net cash outlays: about \$12 billion in 1987 and an estimated \$13.5 billion for 1988 and 1989 combined (see pp. 12-13).
- Outlays for ASCS administration of the programs, such as operating expenses, were about \$1.1 billion in 1987 and are estimated at \$6.1 billion for 1988 and 1989 combined. Proceeds from the sale of farm commodities, which continued to reduce total net cash outlays, were \$2.3 billion in 1987 and are estimated at \$2.7 billion for 1988 and 1989 combined (see pp. 12-14).
- Most support program outlays continued to go to farmers: about \$19.8 billion in 1987 and an estimated \$25.2 billion for 1988 and 1989 combined. However, outlays under some programs continued to go to nonfarmers, such as commercial processors of farm commodities, and the recipients of outlays for other programs may or may not be farmers. Net cash outlays to nonfarmers and other recipients, excluding administrative-related outlays, were about \$3.8 billion in 1987 and are estimated at \$6.1 billion for 1988 and 1989 combined (see p. 14).

Section 1 of this fact sheet contains detailed information on 1987-89 net cash outlays; appendix I contains a cross-tabulation of 1987-89 outlays by program and by commodity.

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Our work for this fact sheet was conducted during March 1988. The data in this fact sheet came from ASCS in Washington, D.C. We did not independently verify the ASCS data, but ASCS officials reviewed a draft of the material contained in this fact sheet and agreed with the information presented.

Copies of this fact sheet are being sent to the Chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, and to the Chairman of the House Committee on Agriculture. Copies are also being sent to the Secretary of

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Agriculture; the Administrator, Agricultural Stabilization and Conservation Service; the Director, Office of Management and Budget; and other interested parties. Copies will be available to others upon request. If we can be of further assistance, please contact me at (202) 275-5138.

Major contributors to this fact sheet are listed in appendix II.

Sincerely yours,

A handwritten signature in cursive script that reads "Brian P. Crowley". The signature is written in dark ink and is positioned above the typed name.

Brian P. Crowley
Senior Associate Director

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ABBREVIATIONS

ASCS	Agricultural Stabilization and Conservation Service
CCC	Commodity Credit Corporation
GAO	General Accounting Office
USDA	U.S. Department of Agriculture

SECTION 1

NET CASH OUTLAYS FOR COMMODITY PRICE AND INCOME SUPPORT PROGRAMS, 1987 THROUGH 1989

This section provides detailed information on the U.S. Department of Agriculture's (USDA) net cash outlays for commodity price and income support programs primarily from 1987 through 1989.¹ Data are presented in the following manner:

- net cash outlays on all major programs and on all major commodities;
- net cash outlays as payments versus loans;
- net cash outlays to farmers versus nonfarmers;
- net cash outlays on nonrecourse commodity loans; and
- nonrecourse commodity loan activity.

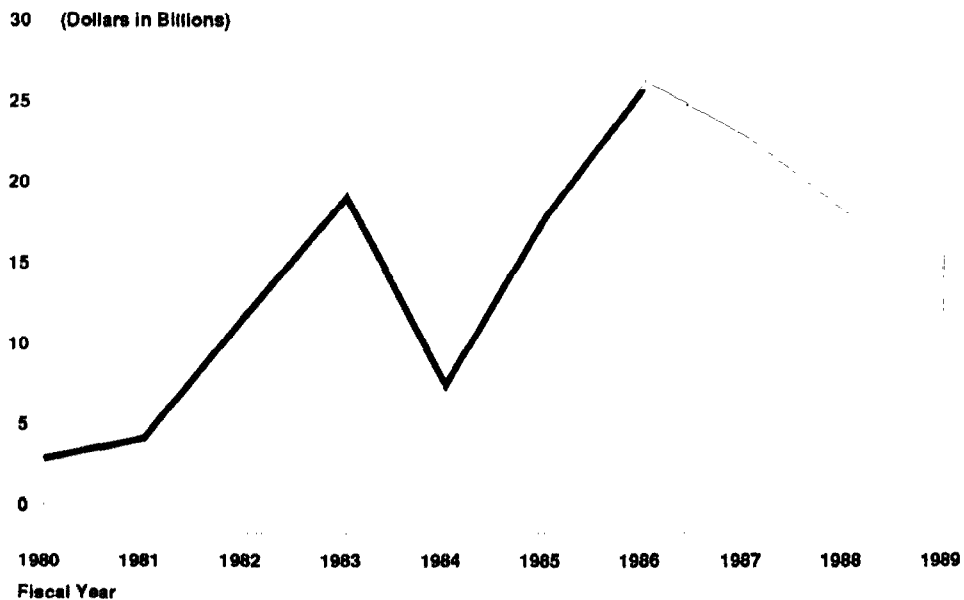
The Commodity Credit Corporation (CCC) and the Agricultural Stabilization and Conservation Service (ASCS) administer the price and income support programs. CCC is a wholly-owned government corporation that was created in 1933 to stabilize, support, and protect farm prices and farmers' income. CCC funds the various price and income support programs and relies on ASCS personnel and facilities to carry out the programs.

NET CASH OUTLAYS FOR COMMODITY PRICE AND INCOME SUPPORT PROGRAMS

Net cash outlays are cash expenditures less cash receipts in any year. These outlays for commodity price and income support programs totaled \$110.5 billion from 1980 through 1987, and USDA estimated about an additional \$34.8 billion in outlays in 1988 and 1989 combined. Figure 1.1 shows the overall increasing trend in these outlays from 1980 through 1986 and the decreasing trend since 1986.

¹Yearly information presented in this fact sheet is on a fiscal year basis. Data for 1987 are actual amounts, and data for 1988 and 1989 are USDA estimates as of February 1988. Our previous report, Farm Programs: An Overview of Price and Income Support, and Storage Programs (GAO/RCED-88-84BR, Feb. 29, 1988), contains detailed information on 1985 and 1986 actual net cash outlays on price and income support programs and a description of each major program.

Figure 1.1: Total Net Cash Outlays for Commodity Price and Income Support Programs, 1980-89



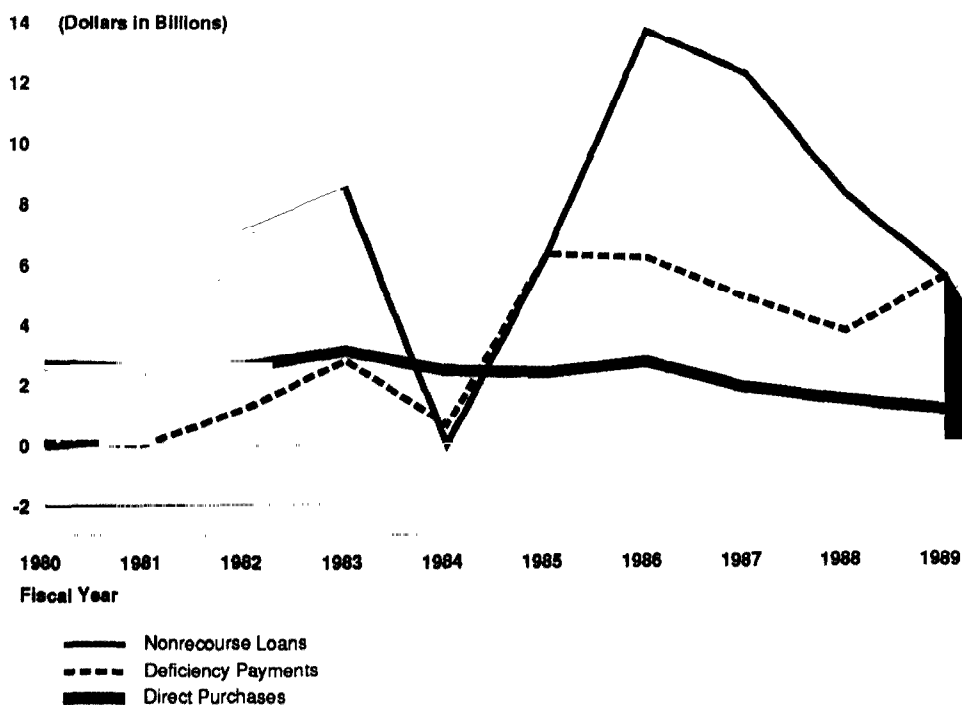
Note: Data for 1988 and 1989 are USDA estimates as of February 1988.

Source: ASCS.

Outlays by Program

Three commodity price and income support programs accounted for about \$89.8 billion, or over 81 percent, of the total net cash outlays from 1980 through 1987: nonrecourse commodity loans (net outlays of \$47.6 billion), direct cash deficiency payments (about \$22 billion), and direct purchase of farm commodities (about \$20.2 billion). USDA estimated about an additional \$25.4 billion in outlays for these three programs in 1988 and 1989 combined. Figure 1.2 shows the trend in net cash outlays for these three programs from 1980 through 1989.

Figure 1.2: Total Net Cash Outlays for the Key Commodity Price and Income Support Programs, 1980-89



Note: Data for 1988 and 1989 are USDA estimates as of February 1988.

Source: ASCS.

Table 1.1 shows the amount of net cash outlays for the support programs in 1987 and USDA's estimates for 1988 and 1989, by program.

Table 1.1: Net Cash Outlays, by Program, 1987-89
(Dollars in Millions)

<u>Programs</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
<u>Commodity-specific</u>			
Nonrecourse loans	\$12,198	\$ 8,222	\$ 5,513
Deficiency payments	4,833	3,699	5,496
Direct purchases	1,830	1,407	1,060
Storage and handling payments	1,376	1,279	918
Producer storage payments	832	565	522
Diversion payments	382	15	338
Loan collateral settlements	260	137	46
Transportation payments	185	135	77
Processing and packaging payments	98	80	63
Sales proceeds	(2,308)	(2,040)	(660)
Miscellaneous and other	<u>402</u>	<u>346</u>	<u>299</u>
Total	20,088	13,845	13,672
<u>Noncommodity-specific</u>			
Export guarantee claims payments	373	558	530
Conservation reserve program payments	267	0	0
Storage facility loans	(109)	(55)	(10)
Export credit sales loans	(103)	(116)	(32)
Net interest expense	1,219	836	1,196
Federal Crop Insurance Corporation transfers	750	0	100
Operating expense	541	575	590
Working capital changes	(745)	1,500	1,000
Other	<u>127</u>	<u>514</u>	<u>87</u>
Total	<u>2,320</u>	<u>3,812</u>	<u>3,461</u>
Total, all programs	<u>\$22,408</u>	<u>\$17,657</u>	<u>\$17,133</u>

Note: Numbers in parenthesis are receipts in excess of expenditures. Data for 1988 and 1989 are based on USDA's February 1988 estimates.

Source: ASCS.

According to the Chief of the ASCS Budget Division's Corporate Programs Branch, conservation reserve program cash outlays are

estimated at zero for 1988 and 1989 because, starting in 1988, CCC receives a separate appropriation for this program and will no longer fund it with its revolving funds; cash outlays for the program in 1988 are projected at about \$1.1 billion. The Federal Crop Insurance Corporation transfers (payments) are made so that sufficient funds are available to pay farmers' insured crop loss claims.

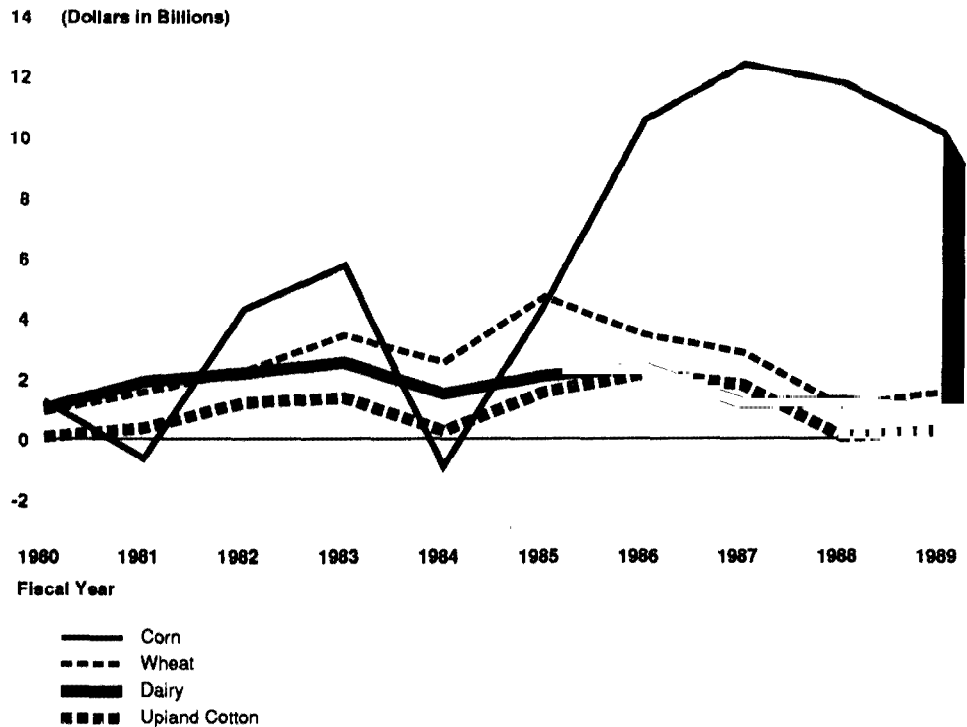
Additionally, working capital changes represent a significant part of total net cash outlays. CCC uses accrual accounting, in which some revenues remain uncollected (receivables) and some expenses remain unpaid (payables) at the end of a year. The difference between receivables and payables is working capital and the difference between working capital at the start and at the end of a year is working capital change. Converting from an accrual to a cash basis shows that working capital change decreased 1987 net cash outlays by \$745 million. However, working capital changes are estimated to increase 1988 and 1989 net cash outlays by \$1.5 billion and \$1 billion, respectively.

USDA's 1988 estimate also includes \$300 million for the cash redemption of outstanding commodity certificates (included in table 1.1 as part of the \$514 million "other" category under noncommodity-specific outlays). The Chief of the Corporate Programs Branch told us that while \$26 million in cash outlays had been expended on certificate redemptions between May 1986 and February 1988, the 1988 estimate includes \$300 million as a contingency for outstanding commodity certificate redemptions.

Outlays by Commodity

Four commodities accounted for about \$81.9 billion, or over 74 percent, of the total net cash outlays from 1980 through 1987: corn (\$36.9 billion), wheat (about \$21.6 billion), dairy products (\$14.7 billion), and upland cotton (about \$8.7 billion). USDA estimated an additional \$26.8 billion in outlays for these four commodities in 1988 and 1989 combined. Figure 1.3 shows the trend in net cash outlays for these four commodities from 1980 through 1989.

Figure 1.3: Total Net Cash Outlays for Four Key Commodities, 1980-89



Note: Data for 1988 and 1989 are USDA estimates as of February 1988.

Source: ASCS.

Table 1.2 shows the amount of net cash outlays for all major commodities in 1987 and USDA's estimates for 1988 and 1989. The total net cash outlays in table 1.2 exclude the noncommodity-specific program outlays (\$2.3 billion, \$3.8 billion, and about \$3.5 billion, respectively, in 1987, 1988, and 1989).

Table 1.2: Net Cash Outlays, by Commodity, 1987-89
(Dollars in Millions)

<u>Commodity</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Corn	\$12,346	\$11,700	\$10,088
Other feed grains ^a	<u>1,621</u>	<u>868</u>	<u>962</u>
Total	13,967	12,568	11,050
Wheat	2,836	1,083	1,524
Upland cotton	1,786	42	229
Dairy products	1,166	1,227	936
Rice	906	189	320
Wool	152	125	127
Honey	73	70	56
Soybeans	(476)	(1,069)	(305)
Tobacco	(346)	(433)	(323)
Sugar	(65)	(14)	0
Other ^b	<u>89</u>	<u>57</u>	<u>58</u>
Total, all commodities	<u>\$20,088</u>	<u>\$13,845</u>	<u>\$13,672</u>

Note: Numbers in parenthesis are receipts in excess of expenditures. Data for 1988 and 1989 are based on USDA's February 1988 estimates.

^aOther feed grains are sorghum, barley, and oats.

^bCategory covers extra-long staple cotton, peanuts and peanut products, rye, blended food products, and vegetable oil; also included are seed cotton net expenditures of \$1 million in 1987 and net receipts of \$1 million in 1988.

Source: ASCS.

CASH PAYMENTS AND LOANS

Most support programs provide direct cash payments. Loan programs, however, provide a large amount of the total net cash outlays. In addition, some net cash outlays were for ASCS administration of the programs. Proceeds from the sale of farm commodities reduce total net cash outlays.

Table 1.3 shows, among other things, the amount of net cash outlays in 1987, and USDA's estimates for 1988 and 1989 that were direct payments and loans.

Table 1.3: Net Cash Outlays on Payments and Loans, 1987-89
(Dollars in Millions)

<u>Type of outlay</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Payments ^a	\$11,595	\$8,336	\$9,494
Loans ^b	11,986	8,051	5,471
Administrative	1,103	3,305	2,833
Miscellaneous	32	5	(5)
Sales proceeds	<u>(2,308)</u>	<u>(2,040)</u>	<u>(660)</u>
Total	<u>\$22,408</u>	<u>\$17,657</u>	<u>\$17,133</u>

Note: Data for 1988 and 1989 are based on USDA's February 1988 estimates.

^aThe following involve cash payments: deficiency payments, direct purchases of farm commodities, storage and handling payments, producer storage payments, diversion payments, loan collateral settlements, transportation payments, processing and packaging payments, dairy whole herd buy-out payments, upland cotton loan deficiency payments, rice inventory payments, wool program payments, transfers through USDA's Federal Crop Insurance Corporation to pay farmers' crop loss claims, export guarantee claims payments, and conservation reserve payments. These cash outlays are generally nonrecoverable; however, some payments for the direct purchase of farm commodities and for processing and packaging are subsequently recovered by selling those commodities.

^bThe following are loan programs: nonrecourse commodity loans, storage facility loans, and export credit sales loans. Currently, CCC is not making loans under the latter two programs, and net cash outlay amounts reflect loan repayments. In addition, some nonrecourse loans are recoverable by future loan repayments and by selling forfeited collateral commodities.

Source: ASCS.

The large increase in administrative outlays in table 1.3 for 1988 and 1989, compared with the outlays in 1987, primarily reflects (1) the change in CCC working capital, which accounted for a \$745-million reduction in 1987 total net cash outlays but \$1.5-billion and \$1-billion increases in 1988 and 1989 estimated outlays, respectively, and (2) \$300 million in 1988 estimated outlays for the cash redemption of outstanding commodity certificates.

CCC sells some farm commodities acquired by direct purchase and through nonrecourse loan forfeitures, and the sales proceeds reduce total cash outlays. ASCS records, however, do not show how much of the sales proceeds relate to commodities that were acquired by direct purchase versus those acquired by loan forfeiture.

OUTLAYS TO FARMERS AND NONFARMERS

Most net cash outlays go to farmers. The outlays from some programs, however, go to persons who are not farmers or to other recipients who may or may not be farmers. Table 1.4 shows, among other things, the amount of net cash outlays in 1987, and USDA's estimates for 1988 and 1989, that go to farmers and to nonfarmers and others.

Table 1.4: Net Cash Outlays to Farmers and Nonfarmers, 1987-89
(Dollars in Millions)

<u>Recipient</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Farmers ^a	\$19,783	\$12,924	\$12,309
Nonfarmers and others ^b	3,798	3,463	2,656
Administrative and miscellaneous outlays	1,135	3,310	2,828
Sales proceeds	<u>(2,308)</u>	<u>(2,040)</u>	<u>(660)</u>
Total	<u>\$22,408</u>	<u>\$17,657</u>	<u>\$17,133</u>

Note: Data for 1988 and 1989 are based on USDA's February 1988 estimates.

^aThe following programs involve cash outlays to farmers: nonrecourse loans, deficiency payments, producer storage payments, diversion payments, loan collateral settlements, dairy whole herd buy-out payments, upland cotton loan deficiency payments, rice inventory payments, wool program payments, transfers through the Federal Crop Insurance Corporation to pay crop loss claims, and conservation reserve payments. In addition, storage facility loan repayments result in receipts that reduce total net cash outlays.

^bThe following programs involve cash outlays to nonfarmers, such as commercial operators engaged in farming-related activities, and other recipients who may or may not be farmers: direct purchases of farm commodities, storage and handling payments, transportation payments, processing and packaging payments, and export guarantee claims payments. In addition, export credit sales loan repayments result in receipts that reduce total net cash outlays.

Source: ASCS.

NONRECOURSE COMMODITY LOAN PROGRAM

Net cash outlays on nonrecourse commodity loans to the nation's farmers totaled about \$12.2 billion in 1987. USDA has estimated that net cash outlays on these loans will be over \$8.2 billion in 1988 and over \$5.5 billion in 1989. Table 1.5 shows the amount of net cash outlays on nonrecourse commodity loans, by commodity, in 1987 and USDA's estimates for 1988 and 1989.

Table 1.5: Net Cash Outlays on Nonrecourse Commodity Loans, by Commodity, 1987-89
(Dollars in Millions)

<u>Commodity</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Corn	\$ 9,176	\$7,989	\$5,637
Other feed grains ^a	<u>949</u>	<u>241</u>	<u>145</u>
Total	10,125	8,230	5,782
Wheat	764	271	130
Upland cotton	690	(95)	(53)
Rice	471	111	110
Soybeans	361	73	(189)
Tobacco	(266)	(433)	(319)
Sugar	(22)	0	0
Other ^b	<u>75</u>	<u>65</u>	<u>52</u>
Total, all commodities	<u>\$12,198</u>	<u>\$8,222</u>	<u>\$5,513</u>

Note: Numbers in parenthesis are receipts in excess of expenditures. Data for 1988 and 1989 are based on USDA's February 1988 estimates.

^aOther feed grains are sorghum, barley, and oats.

^bCategory covers honey, peanuts, rye, and extra-long staple and seed cotton in 1987 and 1988, and honey and rye in 1989.

Source: ASCS.

OUTSTANDING NONRECOURSE COMMODITY LOANS

The total amount of CCC's outstanding nonrecourse commodity loans changes each year as CCC makes new loans and as loans are repaid, canceled by the acquisition of collateral, and charged off. Table 1.6 shows CCC nonrecourse commodity loan activity during 1987 and USDA's estimates for 1988 and 1989.

Table 1.6: CCC Nonrecourse Commodity Loan Activity, 1987-89
(Dollars in Millions)

<u>Loans</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Outstanding at the start of the year	\$18,494	\$15,108	\$10,374
Made	16,566	14,316	10,746
Repaid	13,790	16,242	11,080
Canceled ^a	6,144	2,745	905
Other ^b	18	63	78
Outstanding at the end of the year	15,108	10,374	9,056 ^c

Note: Data for 1988 and 1989 are based on USDA's February 1988 estimates.

^aLoans canceled by the acquisition of collateral.

^bLoans charged off or transferred to accounts receivable.

^cTotal does not add due to rounding.

Source: ASCS.

NET CASH OUTLAYS, BY PROGRAM AND BY COMMODITY,
1987 AND USDA'S 1988 AND 1989 ESTIMATES

Table I.1: Net Cash Outlays, by Program and by Commodity, 1987
(Dollars in Millions)

Program	Commodity										Total net cash outlays			
	Feed grains		Upland cotton	Rice	Wheat	Corn	Tobacco	Honey	Dairy	Soybeans		Sugar	Wool	Other ^a
Corn	Other	Total												
<u>Commodity-specific:</u>														
Nonrecourse commodity loans	\$ 9,176	\$ 949	\$10,125	\$ 764	\$ 471	\$ 690	\$(266)	\$53	\$ 0	\$ 361	\$(22)	\$ 0	\$ 22 ^b	\$12,198
Deficiency payments	1,660	320	1,980	1,547	376	928	0	0	0	0	0	0	2	4,833
Direct purchases	222	44	266	130	30	0	0	0	1,205	65	0	0	134 ^c	1,830
Storage and handling payments	605	189	794	331	23	28	1	2	49	137	4	0	7	1,376
Producer storage payments	582	78	660	172	0	0	0	0	0	0	0	0	0	832
Diversion payments	344	38	382	0	0	0	0	0	0	0	0	0	0	382
Loan collateral settlements	170	52	202	38	3	(2)	0	5	0	14	0	0	0	260
Transportation	60	23	83	17	0	0	0	0	65	18	0	0	2	185
Processing and packaging	1	0	1	1	5	0	0	13	78	0	0	0	0	98
Other	0	0	0	0	1	60	0	0	157 ^d	0	0	152 ^e	0	370
Miscellaneous	(14)	(3)	(17)	(1)	1	57	0	1	(51)	(6)	(1)	0	49	32
Sales proceeds	(460)	(49)	(509)	(163)	(4)	25	(81)	(1)	(337)	(1,065)	(46)	0	(127) ^c	(2,306)
Total	12,346	1,621	13,967	2,836	906	1,786	(346)	73	1,166	(476)	(65)	152	89	20,088
<u>Noncommodity-specific:</u>														
Export guarantee claims payments														373
Conservation reserve payments														267
Storage facility loans														(109)
Export credit sales loans														(103)
Net interest expense														1,219
Fed. Crop Ins. Corp. transfers														750
Operating expenses														541
Changes in working capital														(745)
Other ^f														127
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	2,320
Total net cash outlays	\$12,346	\$1,621	\$13,967	\$2,836	\$906	\$1,786	\$(346)	\$73	\$1,166	\$(476)	\$(65)	\$152	\$89	\$22,408

Notes: Receipts and net receipts are shown in parenthesis.

^aOther commodities are extra-long staple cotton, peanuts and peanut products, rye, blended food products, and vegetable oil.

^bOther nonrecourse commodity loans also includes \$1 million for seed cotton.

^cOther direct purchases and sales proceeds also includes \$11 million for dry edible beans and peas and raisins.

^dOther dairy is the difference between whole herd buy-out payments (\$587 million) and dairy assessment receipts (\$430 million).

^eWool outlays are National Wool Act expenditures.

^fOther primarily covers the costs of administrative equipment and data processing, and ocean transportation for export donations.

Source: ASCS.

Table 1.2: Net Cash Outlays, by Program and by Commodity, USDA Estimate for 1988
(Dollars in Millions)

Program	Commodity												Total net cash outlays	
	Feed grains			Wheat	Rice	Upland cotton	Tobacco	Honey	Dairy	Soybeans	Sugar	Wool		Other ^d
Corn	Other	Total												
<u>Commodity-specific:</u>														
Nonrecourse commodity loans	\$ 7,989	\$241	\$ 8,230	\$ 271	\$111	\$(95)	\$(433)	\$56	\$ 0	\$ 73	\$ 0	\$ 0	\$ 9 ^b	\$ 8,222
Deficiency payments	2,640	327	2,967	542	58	132	0	0	0	0	0	0	0	3,699
Direct purchases	0	31	31	98	36	0	0	0	1,085	0	0	0	157 ^c	1,407
Storage and handling payments	729	262	991	186	8	0	0	1	21	64	1	0	7	1,279
Producer storage payments	400	48	448	117	0	0	0	0	0	0	0	0	0	565
Diversion payments	13	2	15	0	0	0	0	0	0	0	0	0	0	15
Loan collateral settlements	73	30	103	27	2	0	0	3	0	1	0	0	1	137
Transportation	32	20	52	10	0	0	0	2	50	19	0	0	2	135
Processing and packaging	1	0	1	1	4	0	0	8	66	0	0	0	0	80
Other	0	0	0	0	0	0	0	0	216 ^d	0	0	125 ^e	0	341
Miscellaneous	0	0	0	0	0	5	0	0	(25)	0	0	0	25	5
Sales proceeds	(177)	(93)	(270)	(169)	(30)	0	0	0	(186)	(1,226)	(15)	0	(144) ^c	(2,040)
Total	11,700	868	12,568	1,083	189	42	(433)	70	1,227	(1,069)	(14)	125	57	13,845
<u>Noncommodity-specific:</u>														
Export guarantee claims payments														558
Conservation reserve payments														0
Storage facility loans														(55)
Export credit sales loans														(116)
Net interest expense														836
Fed. Crop Ins. Corp. transfers														0
Operating expenses														575
Changes in working capital														1,500
Other ^f														514
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	3,812
Total net cash outlays	\$11,700	\$868	\$12,568	\$1,083	\$189	\$42	\$(433)	\$70	\$1,227	\$(1,069)	\$(14)	\$125	\$57	\$17,657

Note: Receipts and net receipts are shown in parenthesis. Data for 1988 based on USDA's February 1988 estimates.

^aOther commodities are extra-long staple cotton, peanuts and peanut products, rye, blended food products, and vegetable oil.

^bOther nonrecourse commodity loans also includes receipts of \$1 million for seed cotton.

^cOther direct purchases and sales proceeds also includes \$17 million for dry edible beans and peas and lentils.

^dOther dairy is the difference between whole herd buy-out payments (\$270 million) and dairy assessment receipts (\$54 million).

^eWool outlays are National Wool Act expenditures.

^fOther primarily covers the costs of redeeming commodity certificates, administrative equipment and data processing, and ocean transportation for export donations.

Table 1.3: Net Cash Outlays, by Program and by Commodity, USDA Estimate for 1989

(Dollars in Millions)

Program	Commodity													Total net cash outlays
	Feed grains			Wheat	Rice	Upland cotton	Tobacco	Honey	Dairy	Soybeans	Sugar	Wool	Other ^a	
	Corn	Other	Total											
Commodity-specific:														
Nonrecourse commodity loans	\$ 5,637	\$145	\$ 5,782	\$ 130	\$110	\$(53)	\$(319)	\$44	\$ 0	\$(189)	\$0	\$ 0	\$ 8	\$ 5,513
Deficiency payments	3,295	479	3,774	1,233	207	282	0	0	0	0	0	0	0	5,496
Direct purchases	0	37	37	93	19	0	0	0	738	0	0	0	173 ^b	1,060
Storage and handling payments	515	260	775	114	2	0	0	0	14	6	0	0	7	918
Producer storage payments	380	41	421	101	0	0	0	0	0	0	0	0	0	522
Diversion payments	303	35	338	0	0	0	0	0	0	0	0	0	0	338
Loan collateral settlements	21	13	34	10	0	0	0	1	0	0	0	0	1	46
Transportation	21	9	30	11	0	0	0	2	30	2	0	0	2	77
Processing and packaging	1	1	2	1	4	0	0	9	47	0	0	0	0	63
Other	0	0	0	0	0	0	0	0	177 ^c	0	0	127 ^d	0	304
Miscellaneous	0	0	0	0	0	0	(4)	0	(25)	0	0	0	24	(5)
Sales proceeds	(86)	(57)	(143)	(169)	(22)	0	0	0	(45)	(124)	0	0	(157) ^b	(660)
Total	10,088	962	11,050	1,524	320	229	(323)	56	936	(305)	0	127	58	13,672
Noncommodity-specific:														
Export guarantee claims payments														530
Conservation reserve payments														0
Storage facility loans														(10)
Export credit sales loans														(32)
Net interest expense														1,196
Fed. Crop Ins. Corp. transfers														100
Operating expenses														590
Changes in working capital														1,000
Other ^e														87
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	3,461
Total net cash outlays	\$10,088	\$962	\$11,050	\$1,524	\$320	\$229	\$(323)	\$56	\$936	\$(305)	\$0	\$127	\$58	\$17,133

Note: Receipts and net receipts are shown in parentheses. Data for 1989 based on USDA's February 1988 estimates.

^aOther commodities are extra-long staple cotton, peanuts and peanut products, rye, blended food products, and vegetable oil.

^bOther direct purchases and sales proceeds also includes \$17 million for dry edible beans and lentils.

^cOther dairy is the difference between whole herd buy-out payments (\$189 million) and dairy assessment receipts (\$12 million).

^dWool outlays are National Wool Act expenditures.

^eOther primarily covers the costs of administrative equipment and data processing, and ocean transportation for export donations.

Source: ASCS.

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