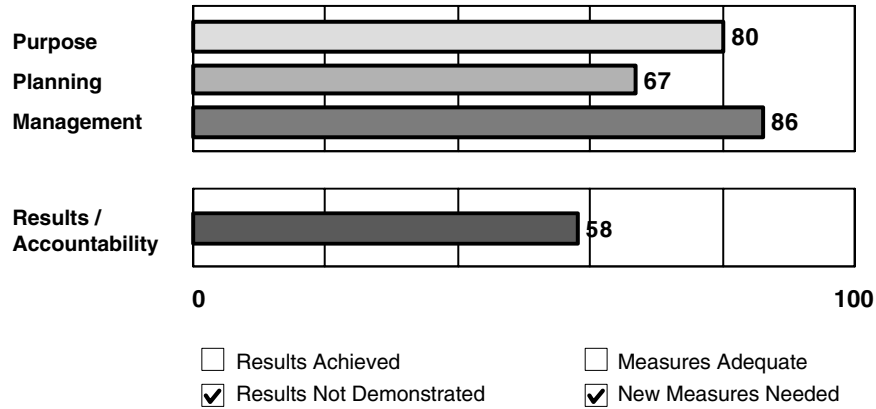


Program: Crop Insurance

Agency: Department of Agriculture

Bureau: Risk Management Agency



Key Performance Measures

Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Percent Participation (percent of planted acres of principal crops as reported by NASS that are insured)	2000	71.5%	76.5%
	2001	69.9%	77%
	2002	77.7%	80%
Efficiency Measure: Measure under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

This program provides crop insurance for farmers for approximately 88 crops and other farm commodities. Farmers can purchase insurance at below-market rates and be reimbursed for losses due to bad weather and other natural causes. Price declines are also covered for some crops. The amount of coverage that may be purchased ranges from 50% to 75% of crop value and, in some cases as much as 85%. Farmers pay premiums for loss coverage to private insurance companies and the companies, in turn, pay the claims filed by farmers. The companies send the farmers' premiums to USDA, and USDA uses those payments to offset the portion of the claims that they are responsible for, which they pay to the private insurance companies.

The PART found that:

1. The program's purpose is clear.
2. Additional planning and performance measurement is needed. The program cannot yet demonstrate the extent of its impact on farm income or in reducing dependence on other government support programs.
3. The management of this program is relatively good. It includes a close partnership with the crop insurance companies. Participation information, such as policies sold, liability, acres, and premiums are provided on a daily basis at a producer level by the companies. The data is crucial to the formulation of the strategic plan.
4. There are still commodities that do not have policies in place to allow for any risk management.

The Administration will:

1. Establish adequate long-term and short-term measures and goals, and
2. Identify improvements in the program that will get it closer to becoming a complete risk management tool for the agriculture sector, such as developing a successful livestock crop insurance plan.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

[Funding changes from year to year are a result of differences in claims on crop insurance policies due to crop losses and below market revenue from crop sales. The Government does not set a limit on this funding.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
3,020	3,315	2,781