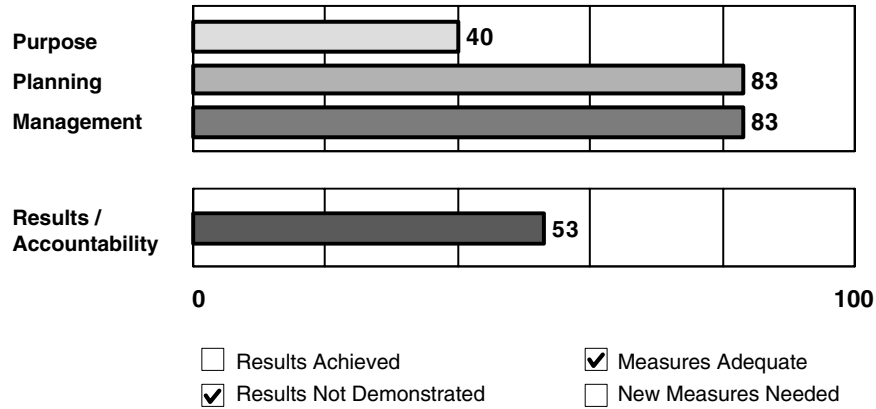


**Program: Direct Crop Payments**

**Agency:** Department of Agriculture

**Bureau:** Commodity Credit Corporation



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Reduce producer dependence on government support payments by reducing assistance provided (in billions of dollars)	1998	5.706	5.672
	1999	5.513	8.487
	2000	5.048	16.104
	2001	4.065	9.560
	2002	0%	0.3%
Annual Measure: Percentage of fraudulent payments			
Other measures under development			

**Rating: Results Not Demonstrated**

**Program Type:** Direct Federal

**Program Summary:**

This program provides direct payments (cash) to eligible crop farmers. Roughly 41 percent of farms receive direct payments. Of farms receiving payments, the average farm receives about \$17,319 per year. Farmers receive these payments regardless of the type of crop or the amount of crop they grow. Payments are based on historical production. This program does not include crop specific price supports which also support farmer income.

The following conclusions and suggestions are based on findings of the PART review:

1. The purpose of the programs is clear, however the design could be improved. Direct payments are designed as part of a safety-net for farmers, however they are going to about 41 percent of all farmers, 85 percent of which have annual sales of at least \$50,000.
2. The program management has devised performance goals that are designed to improve the delivery of the program.
3. The program is generally well managed.
4. Outside sources have reviewed the program and determined that it has provided support in maintaining farm income but has not been effective in reducing the need for additional Government subsidies.

In response to these findings, the Administration will:

1. Devise better performance measures to address program goals and delivery. Agricultural income support should be better targeted to those producers that most need assistance. While this assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed as a result.
2. Reduce trade barriers through trade negotiations, to create new markets for U.S. agricultural exports so that farmers will be less reliant on government income support.

Note: Funding increases in 2004 due to policy changes mandated in the 2002 farm bill.

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

**Program Funding Level (in millions of dollars)**

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
3,962	3,820	5,228