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Washington, DC 20548

## Accessible Version

August 21, 2020

The Honorable Debbie Stabenow  
Ranking Member  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate

### **USDA Market Facilitation Program: Information on Payments for 2019**

Dear Senator Stabenow:

In May 2019, the U.S. Department of Agriculture (USDA) announced its plans to assist farmers directly affected by trade disruptions and tariffs targeting a variety of U.S. agricultural products. USDA announced it would distribute up to \$14.5 billion in direct payments to farming operations that produced three types of commodities in 2019: (1) nonspecialty crops (including grains and oilseeds, such as corn and soybeans); (2) specialty crops (including nuts and fruits, such as pecans and cranberries); and (3) dairy and hogs.

The 2019 payments were in addition to the approximately \$8.6 billion USDA announced it had distributed for 2018. USDA's Farm Service Agency (FSA) administered these 2018 and 2019 payments, which USDA refers to as the Market Facilitation Program (MFP). In comparison with 2018, in 2019, USDA changed the payment structure for the three types of commodities, including by establishing county-specific payment rates for nonspecialty crops and increasing the payment limit—the cap on payments members of farming operations can receive—from \$125,000 to \$250,000 for each type, not to exceed \$500,000 per person or legal entity.<sup>1</sup>

To receive the 2019 MFP payments, individuals and legal entities that are members of farming operations had to meet certain eligibility requirements. For example, individuals—including members of legal entities—who received payments for most types of nonspecialty crops, had to have been determined to be actively engaged in farming.<sup>2</sup> USDA also issues projections each month that forecast the market price of various agricultural commodities, including eight commodities that were eligible for 2019 MFP payments.

You requested that we review the distribution of MFP payments for 2019. This report examines: (1) MFP payment rates for selected commodities and USDA's price projections for these commodities in 2019; (2) MFP payments for 2019 and how the payments varied by location, farming operation, and type of commodity; and (3) additional MFP payments for 2019 compared

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<sup>1</sup>A farming operation is a business enterprise engaged in the production of agricultural products, commodities, or livestock that is operated by an individual, legal entity (e.g., limited liability company), or joint operation (e.g., a general partnership). A member of a farming operation can be either an individual or an entity.

<sup>2</sup>Specifically, an individual or entity must provide the farming operation with a significant contribution of capital, land, or equipment, as well as a significant contribution of personal labor or active personal management. Those contributions must be in proportion to the share of the operation's profits and losses, and the contributions must be at risk.

with 2018 that resulted from increased payment limits. On May 28, 2020, we briefed members of your staff on the results of our review. This report formally transmits the briefing slides (see enc. 1).

To provide information on MFP payment rates for selected commodities in 2019, we relied on data from FSA. To provide information on USDA's price projections for these selected commodities, we relied on USDA's World Agricultural Supply and Demand Estimates (WASDE) data from May 2019. Specifically, we obtained information on the eight major commodities for which WASDE had price projections.<sup>3</sup> We calculated MFP payment rates in 2019 for those commodities as a percentage of the WASDE price projections. We assessed the reliability of USDA's data, including by reviewing related documentation and internal controls. We determined that the data were sufficiently reliable for the purposes of this report.

To determine the total MFP payments for 2019 and how these payments varied by location, farming operation, and type of commodities, we analyzed FSA data on 2019 MFP payments.<sup>4</sup> FSA distributed MFP payments for 2019 in three installments, the last of which it distributed in February 2020.<sup>5</sup>

We assessed the reliability of FSA's data by, among other steps, (1) reviewing information about the data and the system that produced them and (2) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

We selected the 25 farming operations that received the highest 2019 MFP payments for additional review.<sup>6</sup> We obtained information on the number of members who contributed active personal management or labor from the 13 FSA state offices responsible for administering payment eligibility requirements for these farming operations. We also obtained information from FSA state officials on the primary (i.e., those with the highest number of acres) nonspecialty crops that these operations produced.<sup>7</sup> To assess the accuracy of the information on the number of managers at these operations—individuals who claimed active personal management or a combination of active personal management and labor—that we obtained from FSA state offices, we compared this information with our analysis of FSA data on farming operations. To assess the accuracy of the FSA information on the primary crops that the farming operations produced, we compared this information with publicly available information and found it to be consistent with that information.

To determine the additional MFP payments that FSA distributed for 2019 because of the increased payment limits, we analyzed FSA data to identify payments for 2019 above the

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<sup>3</sup>USDA issues the WASDE monthly reports on certain grains and oilseeds as well as cotton, sugar, meat, poultry, eggs, and milk. We used the WASDE price projections of May 10, 2019, for eight commodities that were eligible for 2019 MFP payments: corn, cotton, dairy (milk), hogs, rice, sorghum, soybeans, and wheat.

<sup>4</sup>We excluded payments made to Indian tribes from our analysis because, according to an FSA handbook, such payments are not subject to payment limits. Because we did not include payments to Indian tribes, our totals may be lower than other publicly reported figures.

<sup>5</sup>The data we reviewed were from March 2020, the latest available at the time of our review.

<sup>6</sup>The results of this review are not generalizable to other farming operations that received MFP payments for 2019.

<sup>7</sup>Eligible nonspecialty crops for 2019 MFP include alfalfa hay, barley, canola, corn, crambe, dried beans, dry peas, extra-long staple cotton, flaxseed, lentils, long- and medium-grain rice, millet, mustard seed, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat.

payment limits for the 2018 MFP. The additional payments were the sum of those that individuals received above the 2018 limit for each commodity type.

We conducted this performance audit from March 2020 to August 2020 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.

In summary, we found that MFP payment rates for the eight selected commodities in 2019 varied as a percentage of the projected prices of these commodities, ranging from a high of 56.3 percent (sorghum) to a low of 1.1 percent (dairy). MFP payments for 2019 were about \$14.4 billion, and payments varied by location, farming operation, and type of commodity. Moreover, USDA distributed approximately \$519 million in additional MFP payments for 2019 compared with 2018 because of increased payment limits.

## Background

USDA categorized the 2019 MFP payments by three commodity types and calculated payment rates for each type differently.

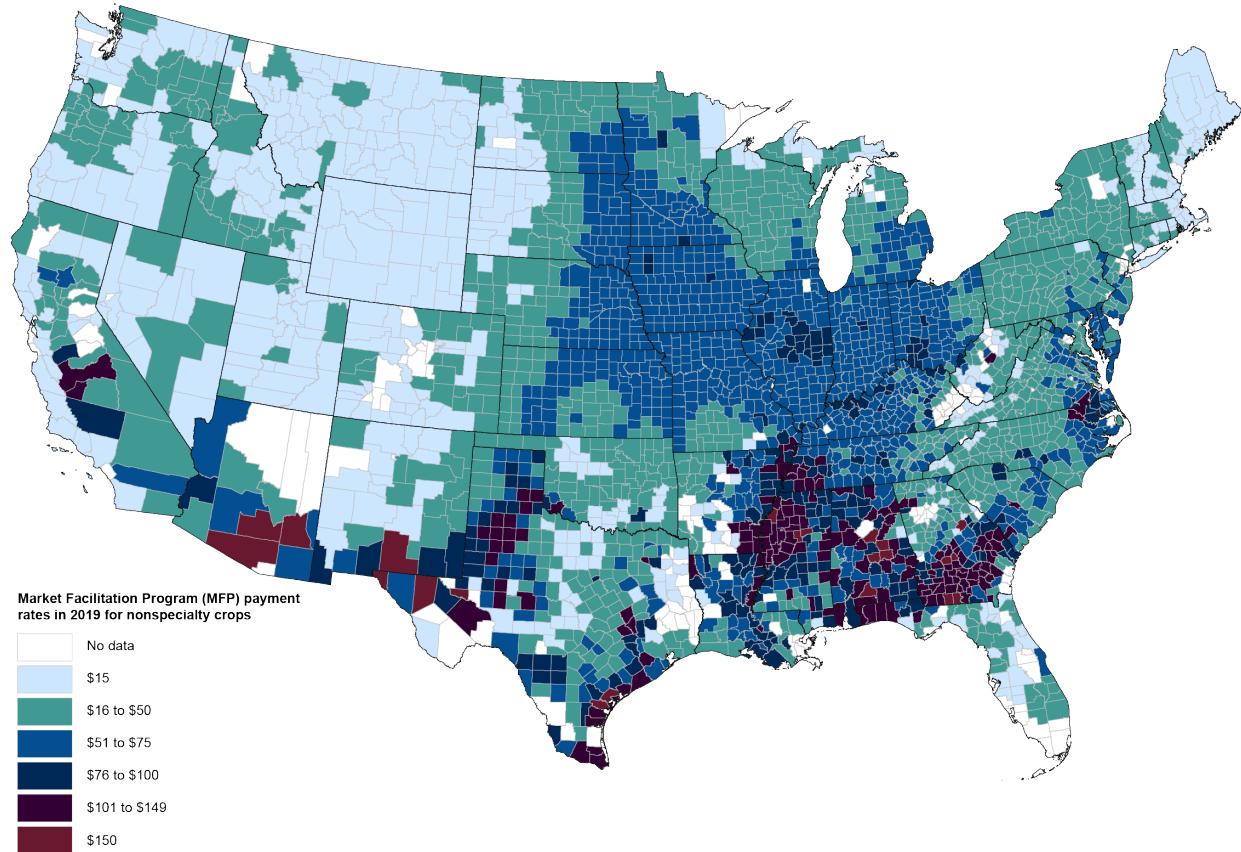
- **Nonspecialty crops.** According to the MFP handbook, USDA was to multiply the payment rate per acre it calculated for each county by a farming operation's total eligible acres of nonspecialty crops.<sup>8</sup> MFP payment rates varied across counties based on the average of each county's planted acres of eligible crops from 2015 to 2018 and the yields of those crops from 2015 to 2017. The county payment rates varied from a minimum of \$15 per acre to a maximum of \$150 per acre, as shown in figure 1.<sup>9</sup>

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<sup>8</sup>U.S. Department of Agriculture, Farm Service Agency, *Market Facilitation Program*, 1-MFP, Amendment 5.

<sup>9</sup>USDA also used a nationwide payment rate of \$15 per acre if a nonspecialty crop could not be planted, but a cover crop could be planted. According to the MFP handbook, cover crops may include grasses, legumes, and forbs planted for seasonal cover intended for harvest.

**Figure 1: MFP Payment Rates in 2019 for Nonspecialty Crops, by County**



Source: GAO analysis of Farm Service Agency data. | GAO-20-700R

- **Specialty crops.** USDA used a national payment rate per acre for each type of eligible specialty crop. Eligible specialty crops for 2019 include almonds, cranberries, cultivated ginseng, fresh grapes, fresh sweet cherries, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts. The payment rates varied from \$146 to about \$1,500 per acre depending on the type of crop.
- **Dairy and hogs.** USDA used a national payment rate for milk (\$0.20 per hundred pounds) and hogs (\$11 per head).

### Agency Comments

We provided a draft of this report to USDA for comment. USDA provided technical comments, which we incorporated as appropriate.

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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 appropriate congressional committees, the Secretary of Agriculture, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3841 or [morriss@gao.gov](mailto:morriss@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Thomas M. Cook (Assistant Director), Ruth Solomon (Analyst in Charge), Sahar Angadjivand, Josey Ballenger, Meghan Kubit, Donna Morgan, Cynthia Norris, Kevin S. Bray, John Mingus, and Sara Sullivan.

Sincerely yours,

A handwritten signature in black ink that reads "Steve D. Morris". The signature is written in a cursive, slightly slanted style.

Steve D. Morris  
Director, Natural Resources and Environment  
Enclosure(s) – 1



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**Enclosure I: Briefing to Senate Committee on Agriculture, Nutrition, and Forestry, May 28, 2020**

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# USDA Market Facilitation Program: Information on Payments for 2019

Briefing to Senate Committee on Agriculture, Nutrition, and Forestry

May 28, 2020



## MFP Payment Rates and USDA's Price Projections in 2019

Table 1 provides information on the Market Facilitation Program (MFP) payment rates in 2019 as a percentage of the U.S. Department of Agriculture's (USDA) projected prices, which ranged from a high of 56.3 percent (sorghum) to a low of 1.1 percent (dairy).<sup>10</sup>

**Table 1: Market Facilitation Program (MFP) Payment Rates and USDA's Price Projections for Selected Commodities in 2019**

Commodity	MFP payment rate in 2019 (dollars)	USDA's price projection as of May 2019 (dollars)	2019 MFP payment rate as a percentage of the USDA projected price
Sorghum	1.69 per bushel	3.00 per bushel	56.3
Cotton	0.26 per pound	0.65 per pound	40.0
Soybeans	2.05 per bushel	8.10 per bushel	25.3
Wheat	0.41 per bushel	4.70 per bushel	8.7
Hogs	11.00 per head	156.42 per head <sup>a</sup>	7.0
Rice	0.63 per hundred pounds	11.20 per hundred pounds	5.6
Corn	0.14 per bushel	3.30 per bushel	4.2
Dairy (milk)	0.20 per hundred pounds	18.80 per hundred pounds <sup>b</sup>	1.1

Source: GAO analysis of U.S. Department of Agriculture (USDA) data. | GAO-20-700R

Note: USDA's *World Agricultural Supply and Demand Estimates* (WASDE) data from May 10, 2019, include price projections for selected commodities eligible for the 2019 MFP: sorghum, cotton (upland), soybeans, wheat, hogs, rice, corn, and dairy (milk). For sorghum, cotton (upland), soybeans, wheat, rice, and corn, the WASDE price projections reflect the average prices farmers would receive in the 2019-2020 marketing year. For hog and dairy (milk) price projections, the WASDE price projections reflect calendar year 2020.

<sup>a</sup>We converted the WASDE price projection for hogs to a per-head basis using an average live weight of 287 pounds, based on USDA National Agricultural Statistics Service's *Livestock Slaughter* data from May 23, 2019.

<sup>b</sup>The dairy (milk) price projection is the simple average of monthly prices received by farmers for milk.

<sup>10</sup>The WASDE price projections in May 2019 for six MFP-eligible crop commodities (corn, upland cotton, rice, sorghum, soybeans, and wheat) referred to the 2019-2020 marketing year, and the price projections for hogs and dairy (milk) referred to calendar year 2020. Marketing years span calendar years (e.g., 2019-2020), and can differ by commodity.



## MFP Payments Were about \$14.4 Billion for 2019

For 2019, USDA’s Farm Service Agency (FSA) distributed about \$14.4 billion in MFP payments in all 50 states and Puerto Rico to 643,965 farming operations comprised of 870,427 individual members. As shown in table 2, average payments by state per individual ranged from a high of about \$42,500 in Georgia to less than \$2,000 in Rhode Island.

**Table 2: 2019 Market Facilitation Program (MFP) Payments by State and Number of Farming Operations and Individuals Receiving Payments**

State <sup>a</sup>	MFP payments		Farming operations		Individuals		Average payment per farming operation (dollars)	Average payment per individual (dollars)
	Dollars	Percentage	Number	Percentage	Number	Percentage		
Georgia	310,832,608	2.2	5,479	0.9	7,306	0.8	56,732	42,545
Mississippi	323,593,329	2.3	4,690	0.7	9,107	1.0	68,996	35,532
North Dakota	693,157,967	4.8	18,953	2.9	21,750	2.5	36,572	31,869
Arizona	49,709,777	0.3	596	0.1	1,586	0.2	83,406	31,343
South Carolina	60,098,839	0.4	1,796	0.3	2,287	0.3	33,463	26,278
Alabama	121,995,760	0.8	3,399	0.5	4,682	0.5	35,892	26,056
Florida	24,095,215	0.2	718	0.1	986	0.1	33,559	24,437
Minnesota	1,066,556,872	7.4	36,532	5.7	43,883	5.0	29,195	24,305
North Carolina	194,690,509	1.4	7,269	1.1	9,026	1.0	26,784	21,570
Texas	1,075,174,517	7.5	36,639	5.7	51,117	5.9	29,345	21,034
Iowa	1,581,719,579	11.0	61,433	9.5	79,464	9.1	25,747	19,905
Arkansas	441,658,607	3.1	12,975	2.0	22,820	2.6	34,039	19,354
New Mexico	36,940,198	0.3	1,255	0.2	2,002	0.2	29,434	18,452
Virginia	72,526,934	0.5	2,956	0.5	4,037	0.5	24,535	17,966
California	317,077,273	2.2	9,992	1.6	18,133	2.1	31,733	17,486
Nebraska	960,181,906	6.7	42,340	6.6	56,131	6.4	22,678	17,106
Tennessee	231,581,245	1.6	11,717	1.8	13,733	1.6	19,765	16,863





State <sup>a</sup>	MFP payments		Farming operations		Individuals		Average payment per farming operation (dollars)	Average payment per individual (dollars)
	Dollars	Percentage	Number	Percentage	Number	Percentage		
Louisiana	162,263,358	1.1	6,717	1.0	9,957	1.1	24,157	16,296
Delaware	18,152,902	0.1	726	0.1	1,124	0.1	25,004	16,150
South Dakota	523,467,014	3.6	20,991	3.3	32,433	3.7	24,938	16,140
Indiana	725,298,539	5.0	34,660	5.4	45,050	5.2	20,926	16,100
Michigan	260,601,255	1.8	13,844	2.1	16,959	1.9	18,824	15,367
Maryland	55,536,024	0.4	2,607	0.4	3,656	0.4	21,303	15,190
Missouri	632,689,068	4.4	31,901	5.0	42,055	4.8	19,833	15,044
Illinois	1,452,547,648	10.1	76,129	11.8	98,380	11.3	19,080	14,765
Ohio	523,892,947	3.6	29,513	4.6	37,350	4.3	17,751	14,027
Kentucky	229,938,635	1.6	14,407	2.2	16,992	2.0	15,960	13,532
Kansas	1,010,635,043	7.0	58,599	9.1	76,545	8.8	17,247	13,203
New Jersey	9,932,766	0.1	609	0.1	825	0.1	16,310	12,040
Wisconsin	347,868,224	2.4	23,259	3.6	29,409	3.4	14,956	11,829
Oklahoma	206,404,611	1.4	16,662	2.6	19,971	2.3	12,388	10,335
Massachusetts	6,812,715	0.0	458	0.1	748	0.1	14,875	9,108
New York	65,399,722	0.5	4,848	0.8	7,506	0.9	13,490	8,713
Pennsylvania	79,416,392	0.6	7,009	1.1	9,169	1.1	11,331	8,661
Colorado	105,337,276	0.7	8,212	1.3	12,190	1.4	12,827	8,641
Idaho	74,319,215	0.5	5,851	0.9	9,240	1.1	12,702	8,043
Oregon	42,475,903	0.3	3,782	0.6	6,365	0.7	11,231	6,673
Washington	107,378,042	0.7	8,460	1.3	16,705	1.9	12,692	6,428
Montana	128,406,508	0.9	9,958	1.5	20,440	2.3	12,895	6,282
West Virginia	3,520,806	0.0	435	0.1	567	0.1	8,094	6,210
Nevada	4,120,435	0.0	380	0.1	665	0.1	10,843	6,196
Vermont	6,049,146	0.0	644	0.1	1,064	0.1	9,393	5,685
Hawaii	179,349	0.0	29	0.0	36	0.0	6,184	4,982



State <sup>a</sup>	MFP payments		Farming operations		Individuals		Average payment per farming operation (dollars)	Average payment per individual (dollars)
	Dollars	Percentage	Number	Percentage	Number	Percentage		
Alaska	95,278	0.0	12	0.0	21	0.0	7,940	4,537
Puerto Rico	1,343,339	0.0	248	0.0	331	0.0	5,417	4,058
Connecticut	1,072,357	0.0	115	0.0	269	0.0	9,325	3,986
Utah	10,926,775	0.1	1,907	0.3	2,869	0.3	5,730	3,809
Maine	2,312,500	0.0	405	0.1	625	0.1	5,710	3,700
New Hampshire	610,166	0.0	104	0.0	190	0.0	5,867	3,211
Wyoming	7,689,807	0.1	1,704	0.3	2,599	0.3	4,513	2,959
Rhode Island	121,410	0.0	41	0.0	72	0.0	2,961	1,686
<b>Total</b>	<b>14,368,406,309</b>	<b>100.0</b>	<b>643,965</b>	<b>100.0</b>	<b>870,427</b>	<b>100.0</b>	<b>22,312</b>	<b>16,507</b>

Source: GAO analysis of Farm Service Agency data. | GAO-20-700R

Note: Percentages may not sum to 100 because of rounding.

<sup>a</sup>Also includes Puerto Rico.



Payments for nonspecialty crops accounted for about \$13.5 billion or about 94 percent of total MFP payments for 2019. As shown in table 3, average 2019 MFP payments ranged from a high of \$119 per acre in Georgia to a low of \$15 per acre in Maine, Utah, Montana, Wyoming, and Alaska.<sup>11</sup>

**Table 3: 2019 Market Facilitation Program (MFP) Payments for Acres of Nonspecialty Crops, by State**

State <sup>a</sup>	MFP payments		Acres		Average MFP payment per acre (dollars)
	Dollars	Percentage	Number	Percentage	
Georgia	292,934,291	2.2	2,456,729	1.0	119
Mississippi	322,415,680	2.4	2,991,630	1.3	108
Puerto Rico	22,139	0.0	218	0.0	102
Alabama	121,222,526	0.9	1,248,091	0.5	97
Arizona	43,075,521	0.3	460,654	0.2	94
Arkansas	439,660,174	3.2	5,001,091	2.1	88
Tennessee	229,971,611	1.7	2,708,883	1.1	85
Louisiana	160,880,127	1.2	1,995,006	0.8	81
Texas	1,050,030,036	7.8	13,670,948	5.7	77
Florida	21,065,088	0.2	275,141	0.1	77
Illinois	1,422,433,078	10.5	20,083,275	8.4	71
Missouri	623,615,714	4.6	8,866,470	3.7	70
Ohio	504,870,729	3.7	7,378,108	3.1	68
Indiana	705,497,094	5.2	10,415,302	4.4	68
Iowa	1,496,136,773	11.1	22,467,111	9.4	67
Kentucky	226,233,993	1.7	3,446,413	1.4	66
North Carolina	190,154,095	1.4	3,138,649	1.3	61
South Carolina	59,377,524	0.4	988,012	0.4	60
Minnesota	995,859,597	7.4	16,690,206	7.0	60
Virginia	69,967,443	0.5	1,192,519	0.5	59

<sup>11</sup>We included payments for cover crops with those for nonspecialty crops. USDA used a nationwide payment rate of \$15 per acre if a nonspecialty crop could not be planted, but a cover crop was planted.



State <sup>a</sup>	MFP payments		Acres		Average MFP payment per acre (dollars)
	Dollars	Percentage	Number	Percentage	
California	95,542,599	0.7	1,664,335	0.7	57
Nebraska	943,314,968	7.0	16,919,254	7.1	56
Michigan	240,722,159	1.8	4,482,073	1.9	54
Maryland	53,977,881	0.4	1,011,197	0.4	53
Delaware	18,011,662	0.1	356,019	0.1	51
Kansas	1,001,433,931	7.4	19,890,942	8.3	50
New Jersey	8,623,235	0.1	175,716	0.1	49
South Dakota	505,028,416	3.7	10,981,989	4.6	46
West Virginia	3,348,624	0.0	76,082	0.0	44
Wisconsin	286,112,783	2.1	6,658,121	2.8	43
Pennsylvania	63,485,277	0.5	1,574,523	0.7	40
New Mexico	20,969,938	0.2	629,277	0.3	33
North Dakota	691,468,149	5.1	20,974,450	8.8	33
Oklahoma	195,737,697	1.4	5,978,036	2.5	33
New York	42,142,965	0.3	1,365,628	0.6	31
Washington	64,510,625	0.5	2,775,345	1.2	23
Colorado	98,411,437	0.7	4,532,840	1.9	22
Oregon	19,966,933	0.1	951,731	0.4	21
Idaho	54,459,817	0.4	2,721,216	1.1	20
Massachusetts	235,341	0.0	12,301	0.0	19
Rhode Island	15,022	0.0	842	0.0	18
Vermont	1,344,331	0.0	76,492	0.0	18
Nevada	2,943,191	0.0	183,834	0.1	16
Connecticut	362,685	0.0	22,808	0.0	16
New Hampshire	148,253	0.0	9,418	0.0	16
Maine	1,105,210	0.0	71,409	0.0	15
Utah	7,157,297	0.1	464,496	0.2	15



State <sup>a</sup>	MFP payments		Acres		Average MFP payment per acre (dollars)
	Dollars	Percentage	Number	Percentage	
Montana	125,117,133	0.9	8,124,958	3.4	15
Wyoming	7,449,042	0.1	496,603	0.2	15
Alaska	82,026	0.0	5,468	0.0	15
<b>Total</b>	<b>13,528,651,862</b>	<b>100.0</b>	<b>238,661,858</b>	<b>100.0</b>	<b>57</b>

Source: GAO analysis of Farm Service Agency data. | GAO-20-700R

Notes: Total MFP payments and number of acres include cover crops. To calculate the number of acres, we divided the payments for each county by the applicable nonspecialty crop payment rate and summarized across each state. This may result in an undercount of the acres and an overestimate of the average MFP payment per acre in some counties.

Percentages may not sum to 100 because of rounding.

<sup>a</sup>Also includes Puerto Rico.



Farming operations that produced specialty crops accounted for about \$274 million or about 2 percent of total MFP payments for 2019 and dairy and hogs operations accounted for about \$566 million or about 4 percent of total MFP payments for 2019. As shown in table 4 below, FSA distributed about half of the specialty crops payments to farming operations in California and about half of the dairy and hogs payments to farming operations in Iowa, Minnesota, California, Wisconsin, and Illinois.

**Table 4: 2019 Market Facilitation Program (MFP) Payments for Specialty Crops and Dairy and Hogs, by State**

State <sup>a</sup>	MFP payments					
	Specialty crops		Dairy and hogs		Total	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
California	153,302,903	56.0	68,231,771	12.1	221,534,674	26.4
Iowa	100,406	0.0	85,482,400	15.1	85,582,806	10.2
Minnesota	59,056	0.0	70,638,218	12.5	70,697,274	8.4
Wisconsin	12,329,507	4.5	49,425,934	8.7	61,755,441	7.4
Washington	33,605,157	12.3	9,262,260	1.6	42,867,417	5.1
Illinois	128,567	0.0	29,986,003	5.3	30,114,570	3.6
Texas	9,592,809	3.5	15,551,672	2.7	25,144,481	3.0
New York	410,987	0.2	22,845,770	4.0	23,256,757	2.8
Oregon	19,188,198	7.0	3,320,772	0.6	22,508,970	2.7
Michigan	907,785	0.3	18,971,311	3.4	19,879,096	2.4
Idaho	590,577	0.2	19,268,821	3.4	19,859,398	2.4
Indiana	31,175	0.0	19,770,270	3.5	19,801,445	2.4
Ohio	75,741	0.0	18,946,476	3.3	19,022,218	2.3
South Dakota	7,131	0.0	18,431,467	3.3	18,438,598	2.2
Georgia	15,269,014	5.6	2,629,303	0.5	17,898,317	2.1
Nebraska	40,710	0.0	16,826,228	3.0	16,866,938	2.0
New Mexico	3,571,123	1.3	12,399,137	2.2	15,970,259	1.9



State <sup>a</sup>	Specialty crops		Dairy and hogs		Total	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
Pennsylvania	166,795	0.1	15,764,320	2.8	15,931,115	1.9
Oklahoma	9,596,137	3.5	1,070,778	0.2	10,666,915	1.3
Kansas	687,097	0.3	8,514,015	1.5	9,201,112	1.1
Missouri	1,041,042	0.4	8,032,312	1.4	9,073,354	1.1
Colorado	317,183	0.1	6,608,656	1.2	6,925,839	0.8
Arizona	598,895	0.2	6,035,362	1.1	6,634,256	0.8
Massachusetts	6,107,392	2.2	469,983	0.1	6,577,374	0.8
Vermont	0	0.0	4,704,816	0.8	4,704,816	0.6
North Carolina	294,442	0.1	4,241,971	0.7	4,536,413	0.5
Utah	232,565	0.1	3,536,912	0.6	3,769,478	0.4
Kentucky	21,760	0.0	3,682,881	0.7	3,704,641	0.4
Montana	416,538	0.2	2,872,837	0.5	3,289,375	0.4
Florida	166,984	0.1	2,863,144	0.5	3,030,128	0.4
Virginia	47,910	0.0	2,511,582	0.4	2,559,492	0.3
Arkansas	997,979	0.4	1,000,455	0.2	1,998,434	0.2
North Dakota	5,360	0.0	1,684,457	0.3	1,689,818	0.2
Tennessee	56,328	0.0	1,553,306	0.3	1,609,635	0.2
Maryland	42,006	0.0	1,516,137	0.3	1,558,143	0.2
Louisiana	1,064,486	0.4	318,745	0.1	1,383,231	0.2
Puerto Rico	0	0.0	1,321,200	0.2	1,321,200	0.2
New Jersey	1,053,071	0.4	256,461	0.0	1,309,531	0.2
Maine	43,832	0.0	1,163,458	0.2	1,207,290	0.1
Mississippi	685,719	0.3	491,930	0.1	1,177,649	0.1
Nevada	35,040	0.0	1,142,203	0.2	1,177,243	0.1
Alabama	564,618	0.2	208,616	0.0	773,234	0.1
South Carolina	186,183	0.1	535,132	0.1	721,315	0.1
Connecticut	7,006	0.0	702,665	0.1	709,672	0.1



State <sup>a</sup>	Specialty crops		Dairy and hogs		Total	
	Dollars	Percentage	Dollars	Percentage	Dollars	Percentage
New Hampshire	3,851	0.0	458,062	0.1	461,913	0.1
Wyoming	0	0.0	240,765	0.0	240,765	0.0
Hawaii	129,739	0.0	49,610	0.0	179,349	0.0
West Virginia	3,110	0.0	169,072	0.0	172,182	0.0
Delaware	2,830	0.0	138,410	0.0	141,240	0.0
Rhode Island	72,338	0.0	34,050	0.0	106,388	0.0
Alaska	0	0.0	13,252	0.0	13,252	0.0
<b>Total</b>	<b>273,859,081</b>	<b>100.0</b>	<b>565,895,366</b>	<b>100.0</b>	<b>839,754,447</b>	<b>100.0</b>

Source: GAO analysis of Farm Service Agency data. | GAO-20-700R

Note: Percentages may not sum to 100 because of rounding.

<sup>a</sup>Also includes Puerto Rico.





FSA paid the 25 farming operations that received the highest MFP payments for 2019 about \$37 million. As shown in table 5, FSA made all but three of these payments to operations that produced only nonspecialty crops.

**Table 5: Payments, Number of Members, and Contributions of Management and Labor for the 25 Farming Operations Receiving the Highest Market Facilitation Program (MFP) Payments for 2019**

Farming operation	Census Bureau region <sup>b</sup>	MFP payments				Total (dollars) <sup>c</sup>	Primary crops <sup>d</sup>	Number of members <sup>e</sup>	Number of individuals contributing management or labor, by type <sup>a</sup>		
		Nonspecialty crops (dollars)	Specialty crops (dollars)	Dairy and hogs (dollars)	Active personal management only				Personal labor only	Combination of active personal management and personal labor	
1	South	2,077,999	0	0	<b>2,077,999</b>	Corn, cotton, sorghum	10 (all individuals)	0	0	6 (plus 4 spouses)	
2	Midwest and South	1,980,118	0	0	<b>1,980,118</b>	Corn, rice, soybeans	8 (6 corporations and 2 individuals)	4 (plus 4 spouses)	0	0	
3	South	1,940,323	0	0	<b>1,940,323</b>	Cotton, sorghum, wheat	8 (all individuals)	0	0	5 (plus 3 spouses)	
4	South	1,886,334	0	0	<b>1,886,334</b>	Corn, cotton, soybeans	9 (all corporations)	0	7 (plus 3 spouses)	0	
5	Midwest	1,740,248	0	0	<b>1,740,248</b>	Corn, soybeans	8 (2 individuals and 6 corporations)	0	5 (plus 3 spouses)	0	
6	South	1,622,520	0	0	<b>1,622,520</b>	Corn, cotton, soybeans	8 (all corporations)	5 (plus 3 spouses)	0	0	
7	Midwest	1,528,311	0	0	<b>1,528,311</b>	Corn, soybeans	7 (all individuals)	1	0	3 (plus 3 spouses)	



Farming operation	Census Bureau region <sup>b</sup>	MFP payments				Total (dollars) <sup>c</sup>	Primary crops <sup>d</sup>	Number of individuals contributing management or labor, by type <sup>a</sup>		
		Nonspecialty crops (dollars)	Specialty crops (dollars)	Dairy and hogs (dollars)	Number of members <sup>e</sup>			Active personal management only	Personal labor only	Combination of active personal management and personal labor
8	South	1,519,383	0	0	<b>1,519,383</b>	Cotton, sorghum	6 (2 joint ventures and 4 corporations)	0	3 (plus 2 spouses)	1 (plus 1 spouse)
9	Midwest and South	1,496,728	0	0	<b>1,496,728</b>	Corn, soybeans, wheat	6 (all individuals)	0	5	0
10	South	807,341	0	680,944	<b>1,488,285</b>	Corn, soybeans	4 (all LLCs)	0	0	4
11	South	1,381,885	0	0	<b>1,381,885</b>	Corn, cotton, soybeans	6 (all LLCs)	5 (plus 1 spouse)	0	0
12	South	1,377,422	0	0	<b>1,377,422</b>	Corn, cotton, soybeans	8 (4 corporations and 4 individuals)	4 (plus 1 spouse)	0	0
13	Midwest	1,374,279	0	0	<b>1,374,279</b>	Corn, soybeans	6 (5 corporations and 1 individual)	0	5 (plus 1 spouse)	0
14	South	1,361,268	0	0	<b>1,361,268</b>	Corn, cotton, soybeans	8 (all individuals)	4 (plus 4 spouses)	0	0
15	Midwest	1,355,509	0	0	<b>1,355,509</b>	Corn, soybeans	11 (7 corporations and 4 individuals)	1	6 (plus 2 spouses)	0
16	Midwest	1,348,866	0	0	<b>1,348,866</b>	Corn, sorghum, wheat	6 (all individuals)	3 (plus 3 spouses)	0	0



Farming operation	Census Bureau region <sup>b</sup>	MFP payments				Total (dollars) <sup>c</sup>	Primary crops <sup>d</sup>	Number of individuals contributing management or labor, by type <sup>a</sup>			
		Nonspecialty crops (dollars)	Specialty crops (dollars)	Dairy and hogs (dollars)				Number of members <sup>e</sup>	Active personal management only	Personal labor only	Combination of active personal management and personal labor
17	South	1,348,273	0	0	1,348,273	Corn, soybeans, wheat	8 (all LLPs)	0	0	4	
18	Midwest	1,338,208	0	0	1,338,208	Corn, soybeans, wheat	7 (all individuals)	0	0	6 (plus 1 spouse)	
19	South	1,326,477	0	0	1,326,477	Cotton, sorghum, soybeans	6 (all corporations)	0	4 (plus 2 spouses)	0	
20	South	1,203,330	0	119,645	1,322,975	Corn, soybeans, wheat	9 (all individuals)	1	0	4 (plus 1 spouse)	
21	South	1,322,196	0	0	1,322,196	Rice, soybeans, wheat	8 (all LLCs)	4 (plus 4 spouses)	0	0	
22	South	1,308,888	0	0	1,308,888	Cotton, peanuts, sorghum	9 (all individuals)	8	1	0	
23	Midwest	0	0	1,282,590	1,282,590	N/A	22 (10 corporations and 12 individuals)	N/A, livestock determination only			
24	Midwest and South	1,276,172	0	0	1,276,172	Corn, cotton, soybeans	8 (all corporations)	0	7 (plus 2 spouses)	0	
25	South	1,269,369	0	0	1,269,369	Corn, cotton, soybeans	7 (all LLCs)	4 (plus 3 spouses)	0	0	
<b>Total</b>	<b>N/A</b>	<b>35,191,445</b>	<b>0</b>	<b>2,083,179</b>	<b>37,274,624</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	



Legend:

LLC = limited liability company

LLP = limited liability partnership

N/A = not applicable

Sources: Farm Service Agency (FSA) state officials and GAO analysis of FSA data. | GAO-20-700R

Notes: We analyzed FSA data to identify the 25 farming operations—general partnerships and joint ventures—that received the highest MFP payments for 2019. A joint venture is a short-term association of individuals or entities, where the association exists without an actual partnership.

We provide the Census Bureau region where each farming operation is located to provide a general, rather than a specific location (e.g., state or county).

<sup>a</sup>Type of individual contribution is based on information provided by FSA state officials. Individuals may contribute active personal management or personal labor (or a combination of the two) and can provide these contributions on behalf of entities within a general partnership or joint venture. Both spouses may be considered “actively engaged in farming” and qualify for farm program payments if one spouse makes the requisite contributions to meet the actively engaged in farming requirements.

<sup>b</sup>The U.S. Census Bureau divides the 50 states among 4 regions—Northeast, South, Midwest, and West. The Northeast region includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. The South region includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The Midwest region includes Indiana, Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. The West region includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Montana, Oregon, Utah, Washington, and Wyoming.

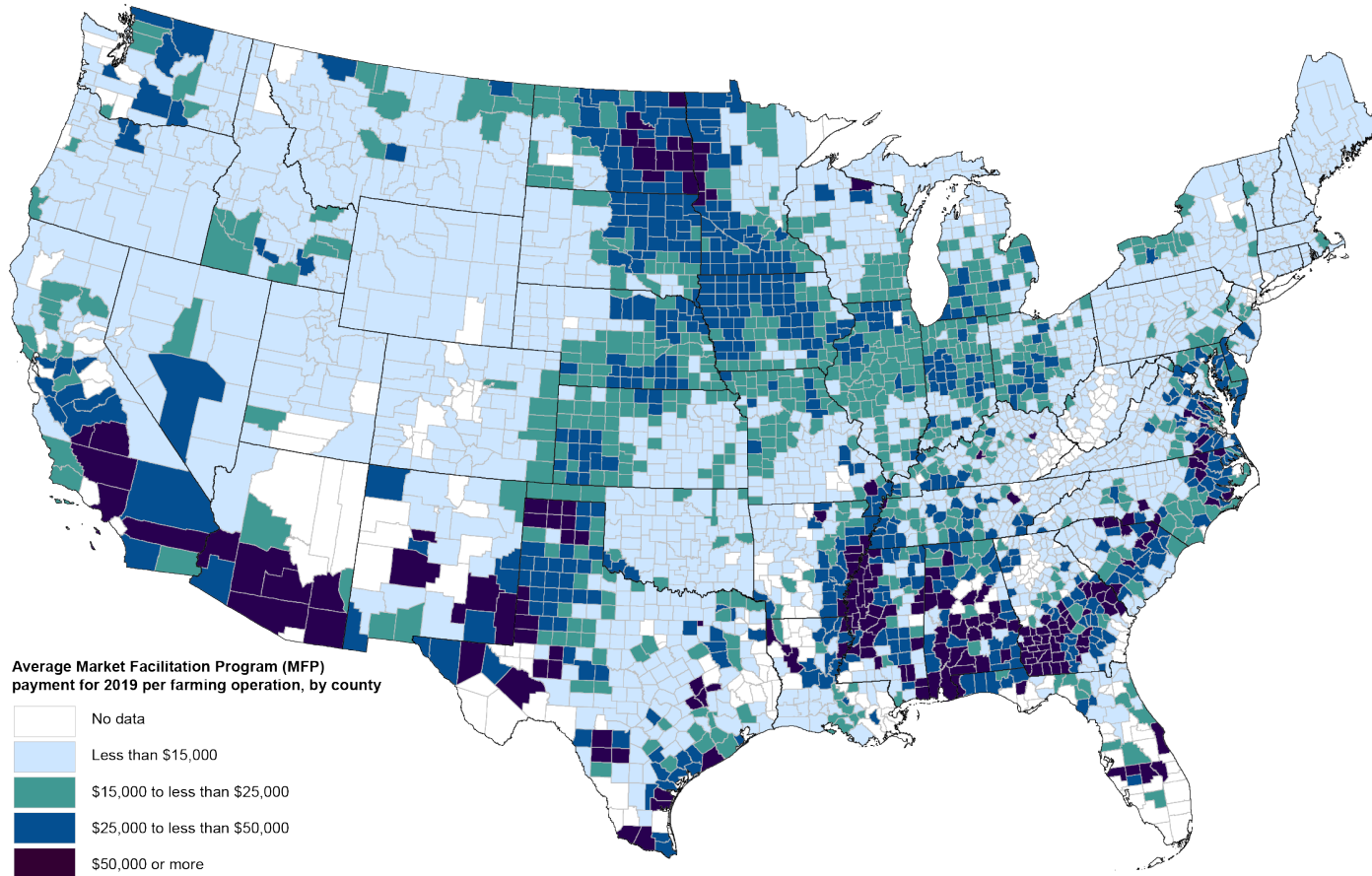
<sup>c</sup>Total reflects the MFP payments each farming operation received for 2019. The national average MFP payment per farming operation for 2019 was \$22,312.

<sup>d</sup>Primary crops are those with the most acreage, according to FSA officials. They are listed in alphabetical order.

<sup>e</sup>Members of a general partnership or joint venture can be individuals or entities (e.g., corporations or limited liability companies). The number of members consists of the number of entities and individuals who are members of the general partnership or joint venture.

The average MFP payment per farming operation for 2019 was \$22,312 but varied by county, ranging from \$44 to \$295,299. As shown in figure 2, a number of counties had average payments of \$50,000 or more.

**Figure 2: Average MFP Payment for 2019 per Farming Operation, by County**



Source: GAO analysis of Farm Service Agency data. | GAO-20-700R



## USDA Distributed Approximately \$519 Million in Additional MFP Payments for 2019

USDA’s FSA distributed approximately \$519 million in additional MFP payments for 2019 compared with 2018 because of increased payment limits. Farming operations in Texas received approximately 22 percent of all additional payments. Farming operations in five states—Texas, Illinois, Iowa, Missouri, and Minnesota—received almost half of all additional payments, as shown in table 6.

**Table 6: Additional Market Facilitation Program (MFP) Payments because of Increased 2019 Payment Limits, by State**

State	Number	Farming operations that received additional payments Percentage of farming operations that received MFP payments	Number of individuals who received additional payments		Number of individuals who received above \$125,000, by commodity type <sup>a</sup>			Additional MFP payments	
			One additional payment <sup>b</sup>	More than one additional payment <sup>c</sup>	Nonspecialty crops	Specialty crops	Dairy and hogs	Dollars	Percentage
Texas	1,605	4.4	2,000	8	1,996	1	19	114,875,919	22.2
Illinois	961	1.3	1,057	2	1,033	0	28	44,146,789	8.5
Iowa	739	1.2	793	11	752	0	63	30,914,726	6.0
Missouri	538	1.7	634	0	633	0	1	29,716,634	5.7
Minnesota	618	1.7	673	6	629	0	56	28,687,919	5.5
North Dakota	690	3.6	763	0	762	0	1	28,523,411	5.5
Kansas	593	1.0	665	2	665	0	4	26,564,292	5.1
Tennessee	352	3.0	476	0	476	0	0	24,197,268	4.7
Georgia	458	8.4	560	1	556	5	1	23,927,029	4.6
Indiana	425	1.2	468	3	462	0	12	17,873,864	3.4
Arkansas	271	2.1	392	0	390	0	2	16,893,584	3.3
Mississippi	278	5.9	393	0	393	0	0	16,593,006	3.2
Kentucky	242	1.7	323	0	323	0	0	15,246,369	2.9



State	Number	Farming operations that received additional payments	Number of individuals who received additional payments		Number of individuals who received above \$125,000, by commodity type <sup>a</sup>			Additional MFP payments		
			Percentage of farming operations that received MFP payments	One additional payment <sup>b</sup>	More than one additional payment <sup>c</sup>	Nonspecialty crops	Specialty crops	Dairy and hogs	Dollars	Percentage
Nebraska	402	0.9	427	2	422	0	9	14,558,035	2.8	
South Dakota	283	1.3	319	0	315	0	4	13,494,175	2.6	
Ohio	244	0.8	274	0	260	0	14	11,517,934	2.2	
California	184	1.8	197	12	63	92	66	11,440,468	2.2	
North Carolina	162	2.2	187	0	186	0	1	8,965,597	1.7	
Oklahoma	111	0.7	132	0	132	0	0	7,843,622	1.5	
Alabama	105	3.1	128	0	128	0	0	5,315,577	1.0	
Louisiana	112	1.7	146	0	146	0	0	4,786,019	0.9	
Michigan	82	0.6	91	1	85	0	8	3,602,030	0.7	
Virginia	65	2.2	71	0	70	0	1	2,874,489	0.6	
Arizona	31	5.2	50	0	44	0	6	2,480,889	0.5	
Wisconsin	65	0.3	67	1	61	5	3	2,190,126	0.4	
Maryland	36	1.4	36	0	36	0	0	1,582,625	0.3	
Washington	22	0.3	22	0	1	16	5	1,442,137	0.3	
South Carolina	38	2.1	43	0	43	0	0	1,387,014	0.3	
Pennsylvania	18	0.3	18	0	10	0	8	1,207,644	0.2	
Idaho	17	0.3	18	1	4	0	16	1,157,107	0.2	
Colorado	20	0.2	22	1	20	0	4	1,119,190	0.2	
Florida	23	3.2	26	0	25	0	1	1,011,054	0.2	
New Mexico	21	1.7	22	0	6	1	15	761,392	0.1	
Montana	13	0.1	13	0	13	0	0	514,111	0.1	
Delaware	11	1.5	15	0	15	0	0	425,234	0.1	



State	Farming operations that received additional payments		Number of individuals who received additional payments		Number of individuals who received above \$125,000, by commodity type <sup>a</sup>			Additional MFP payments	
	Number	Percentage of farming operations that received MFP payments	One additional payment <sup>b</sup>	More than one additional payment <sup>c</sup>	Nonspecialty crops	Specialty crops	Dairy and hogs	Dollars	Percentage
Oregon	7	0.2	7	0	0	7	0	365,844	0.1
New Jersey	5	0.8	5	0	3	2	0	283,029	0.1
New York	4	0.1	4	0	4	0	0	143,989	0.0
West Virginia	1	0.2	1	0	1	0	0	65,000	0.0
<b>Total</b>	<b>9,852</b>	<b>1.5</b>	<b>11,538</b>	<b>51</b>	<b>11,163</b>	<b>129</b>	<b>348</b>	<b>518,695,139</b>	<b>100.0</b>

Source: GAO analysis of Farm Service Agency (FSA) data. | GAO-20-700R

Notes: There may have been additional MFP payments for 2019 compared with 2018 because of the increase in the types of eligible specialty and nonspecialty crops; we were not able to determine what these additional payments may have been because FSA did not report payment data for individual crops. Percentages may not sum to 100 because of rounding.

<sup>a</sup>Because individuals could have had additional payments for multiple commodity types, the sum of these payments across commodity types may not equal the number of individuals who received one and more than one additional payments in each state.

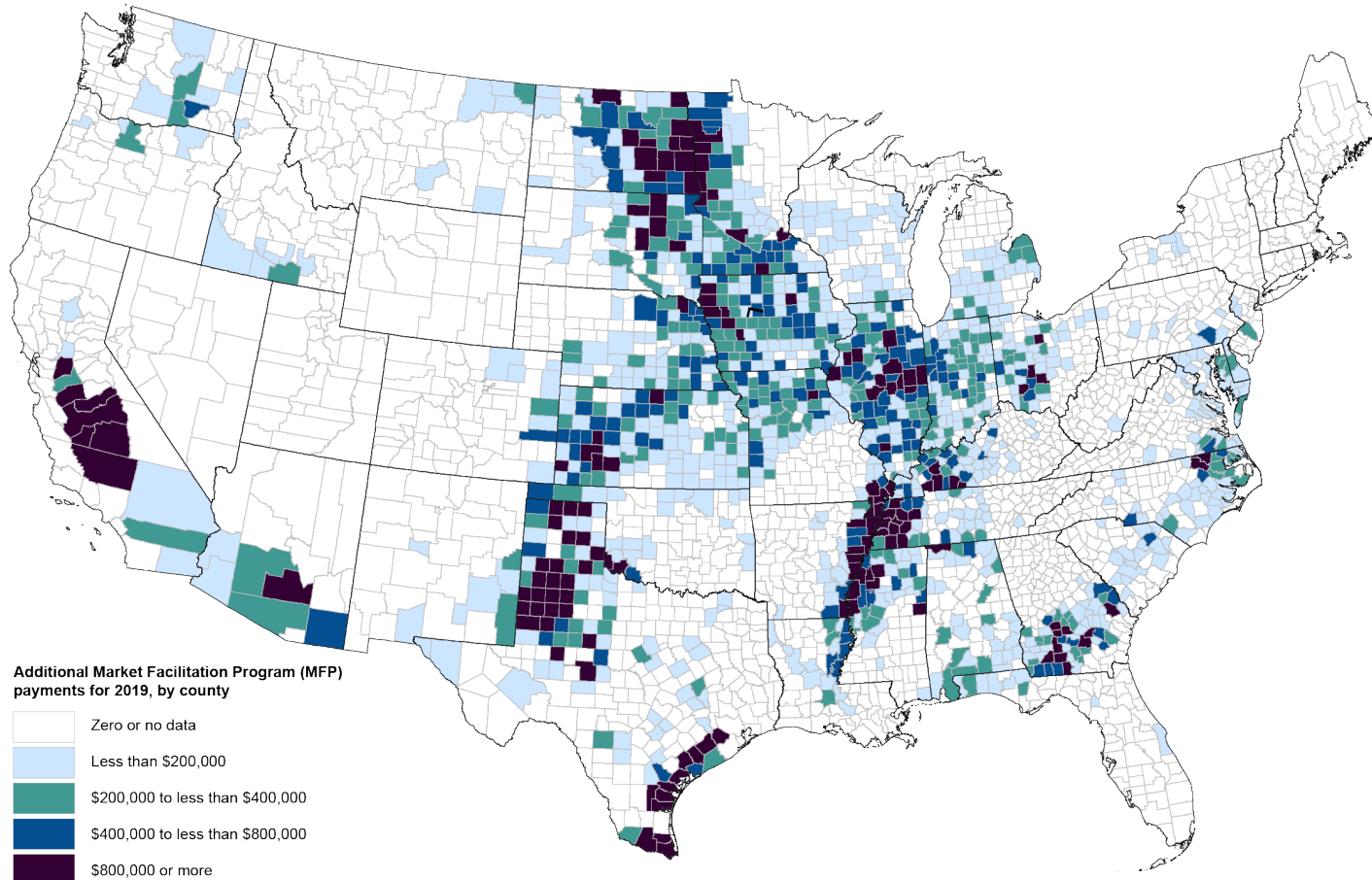
<sup>b</sup>One additional payment means an individual received a payment above the payment limit for the 2018 MFP for one type of commodity.

<sup>c</sup>More than one additional payment means an individual received payments above the payment limits for the 2018 MFP for two or three types of commodities.



As shown in figure 3, the amount of additional 2019 MFP payments because of increased payment limits compared with 2018 varied by county, but farming operations in most counties did not receive additional payments.

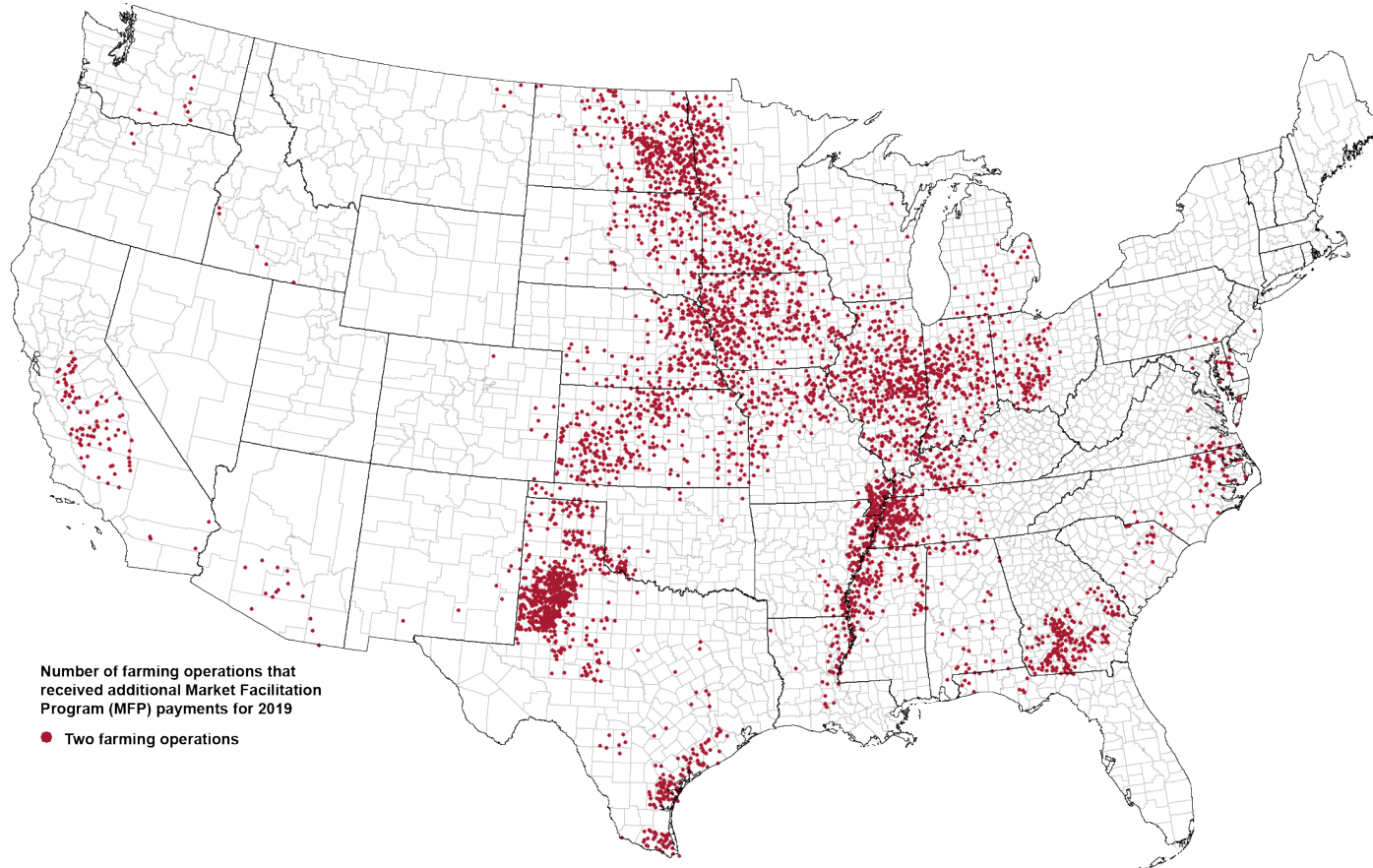
**Figure 3: Additional MFP Payments because of Increased Payment Limits for 2019, by County**



Source: GAO analysis of Farm Service Agency data. | GAO-20-700R

FSA distributed additional MFP payments for 2019 to about 10,000 farming operations across 39 states because of increased payment limits compared with 2018, as shown in figure 4.

**Figure 4: Location and Number of Farming Operations That Received Additional MFP Payments because of Increased Payment Limits for 2019**



Source: GAO analysis of Farm Service Agency data. | GAO-20-700R (104150)