

## Why GAO Did This Study

To provide support for agricultural producers impacted by COVID-19, USDA distributed tens of billions of dollars in supplemental assistance to agricultural producers, such as farmers and ranchers. Part of this assistance was distributed under CFAP. USDA established CFAP to provide payments to producers that experienced price declines and higher costs to sell their commodities because of COVID-19.

Producers received payments based on signed statements certifying that the claims in their CFAP applications were correct. Producers also had to provide records supporting their claims to FSA and GAO, on request.

The CARES Act includes a provision for GAO to monitor and report on the federal response to the COVID-19 pandemic. In addition, GAO was asked to review CFAP payments and FSA's implementation and oversight of CFAP. This report examines (1) the distribution of CFAP payments, (2) the extent to which producers that GAO selected for review provided support for CFAP payments, and (3) the extent to which FSA verified producers' compliance with program rules.

GAO reviewed statutes, guidance, and other documents; analyzed FSA data on CFAP payments as of December 2021; reviewed CFAP claims and support from 90 producers that GAO selected based on risk factors; and interviewed agency officials.

## What GAO Recommends

GAO is making four recommendations for FSA to conduct more rigorous reviews of CFAP applications. FSA generally agreed with the recommendations.

View [GAO-22-104397](#). For more information, contact Steve D. Morris at (202) 512-3841 or [Morris@gao.gov](mailto:Morris@gao.gov).

# CORONAVIRUS FOOD ASSISTANCE PROGRAM

## USDA Should Conduct More Rigorous Reviews of Payments to Producers

### What GAO Found

The Coronavirus Food Assistance Program (CFAP) provided producers \$31.0 billion for various commodities. Specifically, the U.S. Department of Agriculture (USDA) paid producers \$13.8 billion for field crops; \$9.8 billion for livestock; \$3.0 billion for dairy; and \$4.4 billion for other commodities, such as fruits, tree nuts, and vegetables. Of the total, \$661.5 million—primarily for livestock and other commodities—went to high-income producers whose average annual adjusted gross income exceeded \$900,000 over a 3-year period.

GAO reviewed a nongeneralizable sample of 90 producers whose CFAP claims GAO considered to have risk factors for improper payments. Such factors include large claims for commodities for which the USDA agency that administered the program—the Farm Service Agency (FSA)—has limited knowledge because the commodities are not typically eligible for FSA's farm programs. GAO found that over half of the producers (48 of 90) that GAO reviewed did not provide full support for their payments. The payments are therefore potentially improper.

**Producers That GAO Selected for Review That Received Coronavirus Food Assistance Program (CFAP) Payments, Including Potentially Improper Payments**

Commodity	Number of producers	CFAP payments to producers (dollars)	Number of producers receiving potentially improper payments	Amount of potentially improper payments (dollars)
Livestock	44	78,172,476	24	45,094,863
Other commodities	24	39,337,428	15	26,095,044
Dairy	22	37,099,421	9	16,128,396
<b>Total</b>	<b>90</b>	<b>154,609,325</b>	<b>48</b>	<b>87,318,303</b>

Source: GAO analysis of Farm Service Agency data. | [GAO-22-104397](#)

Note: For more details, see table 4 in [GAO-22-104397](#).

For example, 33 producers provided support (e.g., sales receipts) for a lesser amount than they claimed, and nine producers did not clearly establish ownership of commodities they claimed. In some cases, GAO found indicators of fraudulent activity to obtain the payments. GAO referred the 48 producers with potentially improper payments to USDA's Office of Inspector General.

FSA conducted spot-check reviews of CFAP payments to ensure that producers' claims were accurate, but these reviews had limitations. For example:

- Officials from FSA's national office selected producers for spot checks without fully considering risk factors, such as large claims for livestock.
- In spot checks, FSA county offices accepted producer-generated documents, such as spreadsheets, which are difficult to verify, as support for claims.
- FSA state offices did not monitor the quality of CFAP spot checks that the county offices conducted in 2021 and do not plan to monitor the quality of ongoing CFAP spot checks, according to FSA state officials.

By conducting additional and more rigorous reviews of producers' CFAP applications, FSA could better ensure the integrity of CFAP payments to producers impacted by the COVID-19 pandemic.