Federal Government Program Participation and Direct Payments

Only about one-third of the Nation's farms receive direct Government payments, but some types of farms are more likely to receive payments than others. More than half of farms specializing in crops were enrolled in Government programs in 1993, and they accounted for two-thirds of direct Government payments received by farmers that year. Cash grain farms, including corn and wheat farms, had the highest participation rates, with more than three-fourths of these farms receiving Government program payments.

About 25 percent of farms specializing in livestock received direct Government payments during 1993; dairy farms had the highest participation rate among livestock farms (46 percent). Many farmers growing program-eligible crops feed the grain to their livestock.

Direct Government payments were higher for crop farms, on average, than for livestock farms. The U.S. average direct payment to all participating farms was $13,220, ranging from a low of $4,538 for poultry farms to $22,735 for wheat farms.

Table 3-8.

Number of farms, gross cash income, and direct commodity program participation, by farm type, 1993

Item	Number of farms	Distribution of direct Government payments	All Farms: Average gross cash farm income	All Farms: Average direct Government payment per farm	Participating Farms: Percent participating	Participating Farms: Average direct Government payment per participant
All farms	2,063,300	100.00	69,084	4,761	36.0	13,220
Farms that specialize in:						
Wheat	48,840	9.2	82,619	18,589	81.8	22,735
Corn	80,094	11.3	106,290	13,918	81.4	17,104
Other cash grains	111,583	18.1	110,901	15,947	78.0	20,413
Other field crops	407,556	29.2	55,333	7,032	55.1	12,773
Veg., fruits, nuts nursery, greenhouse	157,798	2.0	128,944	1,259	8.7	14,556
Beef, hogs	822,243	19.6	47,755	2,338	23.7	9,856
Poultry	27,559	0.3	126,949	1,025	22.6	4,538
Dairy	125,408	5.2	181,955	4,035	46.4	8,691
Other livestock	282,250	5.1	32,380	1,778	18.9	9,401

Source: U.S. Dept. of Agriculture, 1993 Farm Costs and Returns Survey, all versions.

Table 3-9.

Number of farms and net cash income, by value of sales class, 1993

Item	$1,000,000 and over	$500,000 to $999,999	$250,000 to $499,999	$100,000 to $249,999	$40,000 to $99,999	$20,000 to $39,999	Less than $20,000
				Thousands			
Number of farms	15	31	70	223	273	224	1,229
Total:				*Million dollars*			
Gross cash income	46,443	26,926	31,506	42,887	25,567	9,126	14,761
Cash receipts from marketings	44,826	24,614	27,706	36,224	21,262	7,833	12,587
Direct Government payment commodities	2,789	3,565	6,593	9,880	4,844	1,108	553
Price support only commodities	1,645	1,234	1,561	2,427	1,724	581	3,455
Nonsupported commodities	40,392	19,815	19,553	23,918	14,695	6,144	8,579
Government payments	613	1,209	2,534	4,492	2,592	776	1,186
Farm-related income	1,004	1,103	1,265	2,171	1,713	518	988
Cash expenses	31,985	17,886	21,111	30,730	18,256	6,844	11,885
Net cash income	14,458	9,040	10,395	12,157	7,312	2,282	2,876
Percent of total:				*Percent*			
Number of farms	0.7	1.5	3.4	10.8	13.2	10.9	59.5
Gross cash income	23.5	13.7	16.0	21.7	13.0	4.6	7.5
Cash receipts from marketings	25.6	14.1	15.8	20.7	12.1	4.5	7.2
Direct Government payment commodities	9.5	12.2	22.5	33.7	16.5	3.8	1.9
Price support only commodities	13.0	9.8	12.4	19.2	13.7	4.6	27.4
Nonsupported commodities	30.3	14.9	14.7	18.0	11.0	4.6	6.4
Government payments	4.6	9.0	18.9	33.5	19.3	5.8	8.9
Farm-related income	11.5	12.6	14.4	24.8	19.6	5.9	11.3
Cash expenses	23.1	12.9	15.2	22.2	13.2	4.9	8.6
Net cash income	24.7	15.4	17.8	20.8	12.5	3.9	4.9

Note: Farm operations may have several households sharing in the earnings of the business (for example, partners or shareholders in the farm corporation). The number of households per farm operation tends to increase as sales per farm increase.

Source: U.S. Dept. of Agriculture, 1993 Farm Costs and Returns Survey, all versions.

Table 3-10.

Number of farms, by value of sales class, 1978-93

Year	$1,000,000 or more	$500,000 to $999,999[1]	$250,000 to $499,999[2]	$100,000 to $249,999[3]	$40,000 to $99,999	$20,000 to $39,999	Less than $20,000	All farms
				Thousands				
1978	NA	17	60	135	347	292	1,585	2,436
1979	NA	20	71	151	351	287	1,558	2,437
1980	NA	24	81	166	355	282	1,532	2,440
1981	NA	27	92	182	359	276	1,504	2,440
1982	NA	30	63	232	358	267	1,457	2,407
1983	NA	23	64	240	352	289	1,412	2,379
1984	NA	32	77	230	345	248	1,401	2,334
1985	NA	27	76	223	328	244	1,394	2,293
1986	NA	30	70	217	305	247	1,381	2,250
1987	10	19	59	212	316	235	1,361	2,213
1988	12	21	60	218	312	248	1,327	2,197
1989	13	26	67	206	315	265	1,278	2,171
1990	16	27	64	214	306	259	1,254	2,140
1991	14	32	79	244	349	260	1,127	2,105
1992	15	32	76	247	339	254	1,131	2,094
1993	17	35	81	258	313	254	1,105	2,065
				Percentage distribution				
1978	NA	0.7	2.5	5.6	14.2	12.0	65.1	100.0
1979	NA	0.8	2.9	6.2	14.4	11.8	63.9	100.0
1980	NA	1.0	3.3	6.8	14.5	11.6	62.8	100.0
1981	NA	1.1	3.8	7.4	14.7	11.3	61.7	100.0

Table 3-10 continued.

Number of farms, by value of sales class, 1978-93

Year	$1,000,000 or more	$500,000 to $999,999[1]	$250,000 to $499,999[2]	$100,000 to $249,999[3]	$40,000 to $99,999	$20,000 to $39,999	Less than $20,000	All farms
				Percentage distribution				
1982	NA	1.2	2.6	9.6	14.9	11.1	60.5	100.0
1983	NA	0.9	2.7	10.1	14.8	12.2	59.3	100.0
1984	NA	1.4	3.3	9.9	14.8	10.6	60.0	100.0
1985	NA	1.2	3.3	9.7	14.3	10.7	60.8	100.0
1986	NA	1.3	3.1	9.7	13.5	11.0	61.4	100.0
1987	0.5	0.9	2.7	9.6	14.3	10.6	61.5	100.0
1988	0.5	1.0	2.7	9.9	14.2	11.3	60.4	100.0
1989	0.6	1.2	3.1	9.5	14.5	12.2	58.9	100.0
1990	0.8	1.3	3.0	10.0	14.3	12.1	58.6	100.0
1991	0.7	1.5	3.7	11.6	16.6	12.4	53.5	100.0
1992	0.7	1.5	3.6	11.8	16.2	12.1	54.0	100.0
1993	0.8	1.7	3.9	12.5	15.2	12.3	53.5	100.0

NA = not available. [1]For 1978-93, data are for sales class $500,000 or more. [2]For 1978-81, data are for sales class $200,000 to $499,999.
[3]For 1978-81, data are for sales class $100,000 to $199,999.
Source: Economic Indicators of the Farm Sector: National Financial Summary, 1993, ECIFS 13-1, December 1994, USDA, ERS.

Table 3-11.

Direct Government payments, by program, 1950-93[1]

Year	Feed grains	Wheat	Rice	Cotton	Wool	Conser-vation[2]	Miscel-laneous[3]	Total
				Million dollars				
1950	np	np	np	np	np	246	37	283
1951	np	np	np	np	np	246	40	286
1952	np	np	np	np	np	242	33	275
1953	np	np	np	np	np	181	32	213
1954	np	np	np	np	np	217	40	257
1955	np	np	np	np	np	188	41	229
1956	np	np	np	np	54	220	280	554
1957	np	np	np	np	53	230	732	1,015
1958	np	np	np	np	14	215	859	1,088
1959	np	np	np	np	82	233	367	682
1960	np	np	np	np	51	223	429	703
1961	772	42	np	np	56	236	387	1,493
1962	841	253	np	np	54	230	368	1,746
1963	843	215	np	np	37	231	370	1,696
1964	1,163	438	np	39	25	236	278	2,179
1965	1,391	525	np	70	18	224	235	2,463
1966	1,293	679	np	773	34	231	267	3,277
1967	865	731	np	932	29	237	284	3,078
1968	1,366	747	np	787	66	229	268	3,463
1969	1,643	858	np	828	61	204	199	3,793
1970	1,504	871	np	919	49	208	166	3,717
1971	1,054	878	np	822	69	173	149	3,145

Table 3-11 continued.

Direct Government payments, by program, 1950-93[1]

Year	Feed grains	Wheat	Rice	Cotton	Wool	Conser-vation[2]	Miscel-laneous[3]	Total
1972	1,845	856	np	813	110	198	140	3,962
1973	1,142	474	np	718	65	72	136	2,607
1974	101	70	np	42	[4]	192	125	530
1975	279	77	np	138	13	193	107	807
1976	196	135	[4]	108	39	209	47	734
1977	187	887	130	89	5	328	192	1,818
1978	1,172	963	3	127	27	239	499	3,030
1979	494	114	59	185	33	197	294	1,376
1980	382	211	2	172	28	214	276	1,285
1981	243	625	2	222	35	201	605	1,933
1982	713	652	156	800	46	179	946	3,492
1983	1,346	864	278	662	84	188	5,874	9,296
1984	367	1,795	192	275	118	191	5,493	8,431
1985	2,861	1,950	577	1,106	98	189	924	7,705
1986	5,158	3,500	423	1,042	112	254	1,325	11,814
1987	8,490	2,931	475	1,204	144	1,531	1,972	16,747
1988	7,219	1,842	465	924	117	1,607	2,306	14,480
1989	3,141	603	671	1,184	81	1,771	3,436	10,887
1990	2,701	2,311	465	441	96	1,898	1,386	9,298
1991	2,649	2,166	550	407	154	1,858	431	8,215
1992	2,499	1,403	512	751	188	1,899	1,916	9,168
1993	4,844	1,909	650	1,226	173	1,967	2,633	13,402

np = no program. [1]Components may not add due to rounding. Includes both cash payments and payments-in kind (PIK). [2]Includes Great Plains and other conservation programs. [3]Through 1970, total amounts are for Soil Bank program, which was discontinued in 1971. Starting with 1971, amounts include all other programs. [4]Less than $500,000.

Source: Economic Indicators of the Farm Sector: National Financial Summary, 1993, ECIFS 13-1, December 1994, USDA, ERS.