

Government Payments and Use of Selected Management Strategies

Large farms (sales of \$250,000 or more) received a disproportionate share of payments relative to their share of farms. These farms have higher participation rates and are more likely to produce traditional program commodities. Program payments—particularly conservation reserve payments—are also important to retirement farms, making up a larger share of their gross cash income. Most farms, however, do not receive government payments. Only 36 percent of all farms received government payments of any kind.

This section reviews provisions of the Federal Agriculture Improvement and Reform Act of 1996 that pertain to government payments to farmers. It then identifies which farms received government payments, determines the distribution of these payments among farms in 1998, and provides limited information about changes in farmers' use of management strategies in response to the Act. Several programs provide payments to farmers, so individual programs are examined in some detail. Individual programs differ in the amount of payments that they provide and the types of farms that participate.

Federal Agriculture Improvement and Reform Act of 1996

The Act, signed into law on April 4, 1996, removed many planting restrictions imposed on producers who participated in traditional commodity programs (Young and Westcott, 1996).⁷ While eliminating target prices, deficiency payments, and acreage reduction programs (ARP's), the Act provided for fixed—but declining—production flexibility contract (transition) payments, nonrecourse marketing assistance loans with marketing loan repayment provisions, and loan deficiency payments (LDP's) for the 1996-2002 contract crops of wheat, rice, corn, sorghum, barley, oats, and upland cotton. Eligibility for production flexibility contract payments depended upon whether a farm had at least one crop acreage

⁷Detailed discussion of specific provisions of the Act are available from several sources. Nelson and Schertz (1996) provide a concise description of the provisions of the Act. Young and Shields (1996) make a comparison of the Act's provisions with those of the Food, Agriculture, Conservation and Trade Act of 1990, as amended. Young and Westcott (1996) present a comprehensive analysis of the expected impacts of the Act. The Farm Service Agency maintains a web site (USDA, Farm Serv. Agency, 1999) with program fact sheets.

base in a production adjustment program for any of the crop years 1991 through 1995 (or acreage that was considered planted under program rules). Thus, while the new Act made payments independent of prices, the eligibility of producers for production flexibility contract payments was tied to having a program acreage base. The same eligibility requirements extended to loan deficiency payments for wheat, feed grains, cotton, and rice. Crops produced on farms that did not have a production flexibility contract were not eligible for transition payments, nonrecourse loans, or LDP's. Note that although oilseeds are not contract commodities, all production of oilseeds is eligible for nonrecourse loans and LDP's. Under the Act, producers of contract crops or oilseeds who are eligible for a nonrecourse loan—but agree to forgo the loan—can receive LDP's.⁸

To receive payments under production flexibility contracts, farms were required to enroll in the 7-year program when the one-time signup was held. Farms with CRP contracts expiring after the signup are an exception; these farms may enroll when their CRP contract expires. Initial production flexibility contracts began with the 1996 crop and extend through the 2002 crop. Initial participation in the program was very high, with 89 percent of estimated eligible farms and 99 percent of the estimated eligible acreage being enrolled in the program (USDA, 1996).

Government Program Payments Available in 1998

Program payments are appropriated for a fiscal year, but may be distributed over 2 or more calendar years, depending on the program. Government payments received by farmers in calendar year 1998 included the following:

- LDP's from both the 1997 and 1998 crops.⁹
- Transition payments, or—more specifically—transition payments for 1998 crops, less advanced payments for 1998 crops received in 1997, plus advanced payments for 1999 crops.
- CRP payments.
- Disaster Assistance Program payments, which include all market loss or disaster assistance payments, but exclude Federal Crop Insurance indemnity and other indemnity payments.¹⁰
- Wetland Reserve Program (WRP) payments.
- Environmental Quality Incentive Program (EQIP) payments.
- All other State and Federal agricultural program payments.

The 1998 Agricultural Resource Management Study (ARMS) asked farm operators specifically about receipt of the payments listed above. To help minimize the amount of information farmers had to

⁸Producers of extra-long staple cotton are eligible for loans, but the market loan repayment and LDP provisions do not apply to them.

⁹LDP's (and nonrecourse loans) are available for eligible commodities from the time of harvest until the final loan availability date. Depending on the crop, the final loan availability date is March 31 or May 31 following the year in which the crop is harvested.

¹⁰Ongoing Natural Disaster Assistance Programs include the Emergency Conservation Program, Noninsured Crop Disaster Assistance Program, Emergency Loan Assistance, Emergency Haying and Grazing Assistance. Also, specific programs (such as the Crop Loss Disaster Assistance Program and the Dairy Production Disaster Assistance Programs) were enacted in 1998 to provide emergency financial assistance to farmers who suffered losses due to specific natural disasters.

provide, respondents were asked to report total transition payments received during 1998. No attempt was made to associate transition payments with a specific crop (wheat, rice, corn, sorghum, barley, oats, or cotton). In addition, farmers were not asked if transition payments were solely for the 1998 crop (less advanced payments received in 1997), or if the payments reported also included advanced payments for the 1999 crop program. Only the data needed to develop indicators of the structure and financial position of farm operations within the 1998 calendar year were collected. Nevertheless, survey responses support analysis of the distribution of payments among farms. The data also enable us to explain which type of payment is received by farms within different typology groups, adding depth to existing information about which program features farmers choose to use.

Farms Receiving Government Payments

In 1998, 36 percent of farms reported receiving government payments of some type from participation in commodity, conservation, or other environmental programs ([table 25](#)). Government payments amounted to 5 percent of gross cash income from farming for all farms. For farms that reported receiving government payments, payments were twice as important, 9 percent of total cash income. Farms vary in the commodities they produce, in ownership structure, in size of operation, and in decisions regarding land use for production or conservation. Each of these characteristics affects how government payments are distributed among farms. They also affect how important government payments are to farms, as reflected in the contribution of payments to farm income.

Larger farms received a disproportionate share of payments relative to their numbers, with the largest 8 percent of farms (sales of \$250,000 or more), receiving 47 percent of all Government farm payments. These larger farms, accounted for 15 percent of farms that reported receipt of a Government program payment, indicating that they participated at a higher rate than farms in the lower sales classes.

In other words, a larger share of farms of this size had a program history or acreage base that made them eligible to participate in farm programs under the 1996 Act. While information on base acreage distributed by size of farm is not available, farmers reported acreage and crop values for wheat, feed grain, cotton, soybean, and rice production. Large-farm operations produced over half of these commodities measured in acreage or value of production.

In addition, the 19 percent of farms that specialized in cash grains (defined to include oilseeds) received nearly two-thirds of all Government program payments in 1998. Cash grain farms participated at a very high rate relative to all farms, second only to cotton farms, and accounted for 42 percent of all farms that reported receipt of payments.

Results from the 1998 survey mirror results from earlier in the 1990's. In 1993, the Farm Costs and Returns Survey (FCRS) indicated that the largest 6 percent of farms received a third of all payments. The persistence of a high concentration of payments among the largest farms between 1993, a year that reflected earlier farm legislation, and 1998, a year that reflected implementation of the 1996 act, is not surprising. Key payments in 1998, including production flexibility contract and LDP payments, were available to farms with a historical grounding in the commodity programs. Thus, the distribution of payments relative to numbers of farms should be similar.

The farm typology provides more detail to the sales class analyses discussed above. Typically, limited-resource, retirement, and residential/lifestyle farms do not report large amounts of crops on

Table 25—Distribution of government payments among farms, 1998

Item	Distribution of payments by reporting farms (%)	Farms (no.)	Distribution of farms (%)	Reporting farms (no.)	Distribution of reporting farms (%)	Farms reporting payments (%)	Payment as share of gross cash income (%)	Distribution of selected crop value of production ¹ (%)	Distribution of selected crop planted acreage ¹ (%)	Payment per farm (\$)	Payment per reporting farm (\$)
All farms	100.0	2,064,709	100.0	750,777	100.0	36.4	5.3	100.0	100.0	4,488	12,343
Sales class:											
\$500,000 or more	21.9	67,862	3.3	38,653	5.1	57.0	2.5	26.1	21.7	29,846	52,400
\$250,000 to \$499,999	25.0	96,029	4.7	72,101	9.6	75.1	6.9	27.6	26.8	24,081	32,072
\$100,000 to \$249,999	26.5	197,639	9.6	147,895	19.7	74.8	7.8	28.1	29.0	12,437	16,620
\$50,000 to \$99,999	10.5	148,355	7.2	96,823	12.9	65.3	8.6	9.7	11.9	6,590	10,097
\$10,000 to \$49,999	12.2	470,937	22.8	216,682	28.9	46.0	8.7	7.4	9.0	2,409	5,235
Less than \$10,000	3.9	1,083,888	52.5	178,623	23.8	16.5	7.6	1.1	1.7	331	2,011
Farm acres operated:											
2,000 acres or more	29.9	83,667	4.1	62,761	8.4	75.0	6.5	29.2	32.5	33,165	44,212
1,000 to 1,999 acres	26.0	101,607	4.9	81,837	10.9	80.5	7.6	29.0	27.9	23,715	29,444
500 to 999 acres	22.5	190,775	9.2	137,585	18.3	72.1	6.4	22.9	21.0	10,910	15,128
250 to 499 acres	12.5	295,835	14.3	168,117	22.4	56.8	4.7	11.8	11.3	3,930	6,916
100 to 249 acres	7.2	480,029	23.2	178,434	23.8	37.2	3.0	5.9	6.0	1,385	3,727
Less than 100 acres	1.9	912,795	44.2	122,043	16.3	13.4	0.8	1.2	1.4	190	1,421
Farm type:											
Cash grain	59.9	384,871	18.6	317,643	42.3	82.5	12.0	78.3	74.4	14,418	17,470
Cotton	5.6	13,462	0.7	12,322	1.6	91.5	11.3	6.3	4.5	38,763	42,350
Other crop	17.7	590,161	28.6	188,111	25.1	31.9	3.0	7.8	8.4	2,784	8,736
Beef	8.2	642,683	31.1	136,570	18.2	21.3	3.1	2.8	5.5	1,184	5,570
Hog	2.8	51,605	2.5	22,936	3.1	44.4	4.3	2.1	2.5	4,955	11,150
Dairy	3.7	93,880	4.5	49,578	6.6	52.8	1.2	1.2	3.0	3,609	6,834
Other livestock	2.1	288,047	14.0	23,617	3.1	8.2	2.0	1.5	1.8	686	8,371
Farm typology: ²											
Small family farms											
Limited-resources	*1.2	150,268	7.3	30,022	4.0	20.0	*9.8	*0.8	*1.3	*722	*3,615
Retirement	4.9	290,938	14.1	81,684	10.9	28.1	12.8	0.9	1.0	1,566	5,578
Residential/lifestyle	8.9	834,321	40.4	197,692	26.3	23.7	7.2	8.0	7.9	993	4,189
Farming occupation/low-sales	12.9	422,205	20.4	186,787	24.9	44.2	7.9	10.4	13.8	2,833	6,403
Farming occupation/high-sales	23.8	171,469	8.3	129,644	17.3	75.6	8.0	25.4	26.6	12,870	17,022
Large family	24.3	91,939	4.5	70,096	9.3	76.2	7.0	26.8	26.1	24,539	32,185
Very large family	19.8	61,273	3.0	35,597	4.7	58.1	3.1	23.4	19.7	29,971	51,589
Nonfamily farms	4.1	42,296	2.0	19,255	2.6	45.5	1.6	4.3	3.7	8,970	19,704

* = Standard error is between 25 and 50 percent of the estimate. ¹Selected crops include wheat, rice, corn, sorghum, barley, oats, cotton, and soybeans. ²Small family farms have sales less than \$250,000. Limited-resource farms have household income less than \$20,000, farm assets less than \$150,000, and sales less than \$100,000. Small farms other than limited-resource farms are classified according to the major occupation of their operators. Operators of retirement farms are retired. Operators of residential/lifestyle farms report a nonfarm occupation. Operators of farming-occupation farms report farming as their major occupation. Farming-occupation farms are further divided into low-sales (sales less than \$100,000) and high-sales (sales between \$100,000 and \$249,999). Large family farms have sales between \$250,000 and \$499,999. Very large family farms have sales of \$500,000 or more. Nonfamily farms include nonfamily corporations or cooperatives, as well as farms operated by a hired manager.

Source: USDA, Economic Research Service, 1998 Agricultural Resource Management Study, version 1.

which payments have traditionally been based, focusing instead on the production of beef, hay, and other commodities. In total, only a fifth of limited-resource farms, and about a fourth of residential/lifestyle and retirement farms reported receipt of any government payments. Although more low-sales farms received government payments, less than half of these small farms reported government payments. In contrast, three-quarters of high-sales and large family farms received government payments, reflecting their tendency to specialize in cash grains.

Payments Farmers Receive

In an apparent anomaly, government payments made up a larger share of gross cash income for retirement farms (13 percent) than for high-sales small farms (8 percent) and large farms (7 percent). In fact, retirement farms reported receiving a larger share of payments than they had of key base acreage commodities. The source of government payments for retirement farms was not production flexibility contract, loan deficiency, market loss, or disaster assistance payments. Three-fourths of the payments received by members of this group of small farms were CRP payments ([fig. 25](#)). CRP payments also are a large source of payments reported by other small farms, except for high-sales farms. Moreover, for retirement and limited-resource farms who report payments, the CRP is not only an important source of total payments, but also a relatively large share of total cash farm income ([table 26](#)).

For larger farm businesses, government payments form a smaller share of total cash income, declining in a relatively linear manner from about 8 percent for high-sales farms to 3 percent for very large farms. For the larger farms that reported payments, transition payments made up nearly three-fifths of total payments. Adding in loan deficiency and disaster payments accounted for nearly 90 percent of the payments received by these farms. These results reflect not only the relatively high level of participation of these farms in the programs, but also their large share of production of commodities for which base acreage is determined. In 1998, high-sales small farms, large family farms, and very large family farms together accounted for 80 percent of the combined value of wheat, feed grains, cotton, rice, and soybean production.

Farmers' Use of Management Strategies

The 1996 Act reduced constraints on individual farm decisionmaking that were previously imposed as a condition for the receipt of payments, providing farmers with greater latitude to make changes in their production plans. In response to these changes in government farm programs, the 1996 ARMS asked farmers about their use of selected pricing, liquidity, and operating strategies in their businesses. Questions were written to ask if use of eight specific items had changed during calendar year 1996. The items of interest were:

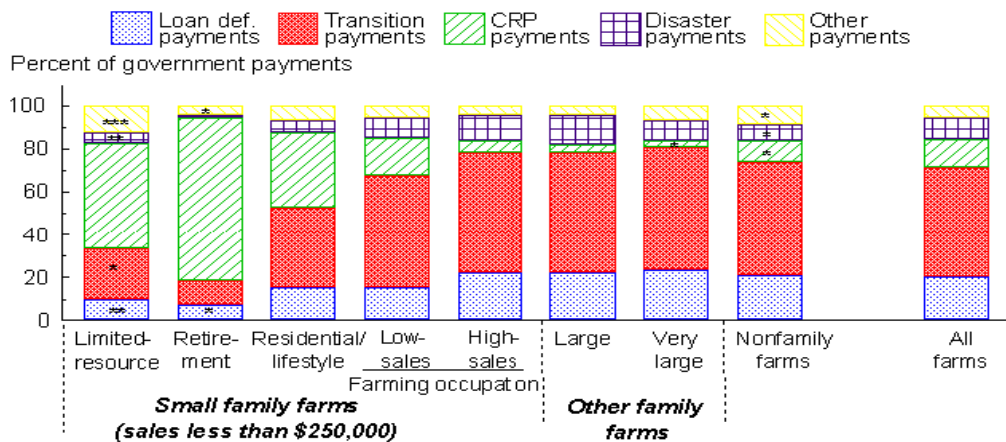
- Forward contracting of commodity sales.
- Spreading sale of commodities over the year.
- Hedging or using futures or options.
- Forward pricing inputs.
- Having cash on hand or assets that could be converted into cash.
- Keeping an open line of credit.
- Diversifying the farm into other crop or livestock enterprises.
- Hiring custom work to be done.

The question about change in use of these eight management items was followed by a question that asked whether use of the item changed as a result of change in farm programs.

Figure 25

Composition of government payments for recipient farms, by farm typology group, 1998

The composition of government payments varies widely among the typology groups



* = Standard error is between 25 and 50 percent of the estimate.

** = Standard error is between 51 and 75 percent of the estimate.

*** = Standard error is between 76 and 100 percent of the estimate.

Source: USDA, Economic Research Service, 1998 Agricultural Resource Management Study, version 1.

The 1996 Act was enacted in April 1996, after a majority of producers had made production plans. Thus, the questions asked of producers about their use of management strategies in 1996 focused largely on pricing and liquidity, which still could have been changed during the calendar year. Responses to questions such as those posed to farmers about 1996 form a benchmark against which farmers' use of management strategies can be assessed using data from forthcoming surveys.

Farmers' responses showed great differences in the use of the selected management strategies across the typology groups (table 27). Of the three commodity pricing strategies (forward contracts, spreading sales, and hedging or futures/options), spreading sales was the strategy reported as being most often used by farmers. Even then, only about two-fifths of all farmers used this strategy. Only one-fifth of farmers reported use of forward price contracts. The least used pricing strategy of the three asked about in 1996 was hedging or use of futures or options. About 1 in 10 farmers reported using this strategy. But as with the other pricing tools, its use increased among larger farms.

On the input side, a fifth of farmers reported that they forward-priced agricultural inputs. Use of this approach to management of input costs ranged from less than 10 percent of retirement and limited-resource farmers to nearly 60 percent of large farm operations.

The most-often-used strategies were those related to the maintenance of a farm's liquidity. More than 60 percent of farmers reported they kept cash on hand or maintained assets that could be converted into cash while more than half reported that they maintained an open line of credit. Both small and large farm operations used these management approaches extensively.

Table 26—Number of farms, average program payments, and payments' contribution to farm income, by program and farm typology, 1998

Item	Small family farms ¹					Large family farms ¹	Very large family farms ¹	Nonfamily farms ²	All farms
	Limited-resource ³	Retire-ment ⁴	Residential/ lifestyle ⁴	Farming-occupation ⁴					
				Low-sales	High-sales				
Total farms	150,268	290,938	834,321	422,205	171,469	91,939	61,273	42,296	2,064,709
Average gross cash farm income (\$)	7,361	12,255	13,780	35,800	161,036	348,769	977,037	566,289	84,651
Average government payment per farm (\$)	*722	1,566	993	2,833	12,870	24,539	29,971	8,970	4,488
Percent of gross cash farm income (%)	*9.8	12.8	7.2	7.9	8.0	7.0	3.1	1.6	5.3
Average transition payment per farm (\$)	*172	178	370	1,489	7,137	13,714	17,141	4,738	2,300
Average loan deficiency payment per farm (\$)	**68	*114	149	430	2,865	5,436	7,082	1,860	898
Average CRP payment per farm (\$)	*355	1,179	348	491	781	961	*850	*925	585
Average disaster payment per farm (\$)	*36	27	57	254	1,466	*3,277	2,778	*692	446
Farms receiving government payments	30,022	81,684	197,692	186,787	129,644	70,096	35,597	19,255	750,777
Percent of all farms (%)	20.0	28.1	23.7	44.2	75.6	76.2	58.1	45.5	36.4
Average gross cash farm income (\$)	13,350	17,308	30,404	49,264	163,785	362,918	964,596	414,763	141,217
Average government payment (\$)	*3,615	5,578	4,189	6,403	17,022	32,185	51,589	19,704	12,343
Percent of gross cash income (%)	*27.1	32.2	13.8	13.0	10.4	8.9	5.3	4.8	8.7
Transition payment, share of total (%)	*23.8	11.4	37.2	52.5	55.5	55.9	57.2	52.8	51.3
Loan deficiency payment, share of total (%)	**9.4	*7.3	15.1	15.2	22.3	22.2	23.6	20.7	20.0
CRP payment, share of total (%)	49.2	75.3	35.1	17.3	6.1	3.9	*2.8	*10.3	13.0
Disaster payment, share of total (%)	**5.0	1.7	5.7	9.0	11.4	13.4	9.3	*7.7	9.9
Farms with no government payments	120,246	209,254	636,629	235,418	41,825	21,843	25,676	23,041	1,313,932
Percent of all farms (%)	80.0	71.9	76.3	55.8	24.4	23.8	41.9	54.5	63.6
Average gross cash farm income (\$)	*5,866	*10,283	8,618	25,118	152,517	303,365	994,287	692,915	52,329

* = Standard error is between 25 and 50 percent of the estimate. ** = Standard error is between 51 and 75 percent of the estimate.

¹Small family farms have sales less than \$250,000. Large family farms have sales between \$250,000 and \$499,999. Very large family farms have sales of \$500,000 or more.

²Nonfamily farms include nonfamily corporations or cooperatives, as well as farms operated by a hired manager.

³Limited-resource farms have household income less than \$20,000, farm assets less than \$150,000, and sales less than \$100,000.

⁴Small farms other than limited-resource farms are classified according to the major occupation of their operators. Operators of retirement farms are retired. Operators of residential/lifestyle farms report a nonfarm occupation. Operators of farming-occupation farms report farming as their major occupation. Farming-occupation farms are further divided into low-sales (sales less than \$100,000) and high-sales (sales between \$100,000 and \$249,999).

Source: USDA, Economic Research Service, 1998 Agricultural Resource Management Study, version 1.

Table 27—Farm operators' use of selected management strategies, by farm typology, 1996

Strategy	Small family farms ¹					Large family farms ¹	Very large family farms ¹	Nonfamily farms ²	All farms
	Limited-resource ³	Retirement ⁴	Residential/lifestyle ⁴	Farming-occupation ⁴					
				Low-sales	High-sales				
Percent									
Pricing:									
Forward contract sales of commodities	*8.1	*13.8	12.4	18.0	54.9	53.5	52.7	**25.4	20.9
Change in use due to change in programs	d	d	**4.1	*3.8	*8.9	12.3	14.1	**5.7	4.4
Spread sales of commodities over the year	*24.0	26.7	32.9	39.2	64.1	68.6	61.5	*31.8	37.9
Change in use due to change in programs	d	d	*5.5	5.3	*8.6	9.4	7.7	**6.0	5.0
Hedge or use futures/options	d	*4.3	*7.6	7.5	28.5	35.8	34.7	**16.6	11.0
Change in use due to change in programs	d	d	d	*3.0	5.1	13.7	13.3	d	2.7
Forward price agricultural inputs	*8.3	8.7	12.8	16.5	46.7	58.4	52.4	*23.4	19.4
Change in use due to change in programs	d	d	*1.9	*3.6	5.4	*11.1	13.0	**4.3	3.4
Liquidity:									
Have cash on hand or assets that can be converted into cash	43.8	48.5	65.8	63.1	79.1	86.3	80.4	*47.5	61.9
Change in use due to change in programs	d	*16.4	6.0	*9.7	*11.6	*16.1	8.2	**6.1	8.8
Keep a line of credit open, including credit cards	31.5	31.2	54.1	53.6	76.3	84.6	77.7	*50.4	51.9
Change in use due to change in programs	d	d	*4.0	*9.3	*11.0	*15.3	8.7	d	6.6
Operating:									
Diversify your farm/ranch into other crop or livestock enterprise	13.9	9.8	24.1	25.3	43.6	52.5	47.2	**29.1	25.1
Change in use due to change in programs	d	d	*6.6	6.2	6.9	11.4	9.2	**4.3	5.6
Hire work to be custom done	22.4	30.3	35.2	41.6	64.3	58.3	63.9	*37.7	39.1
Change in use due to change in programs	d	d	*4.5	*4.7	*7.9	*9.6	*7.3	**5.0	5.2

d= Data suppressed due to insufficient observations. * = Standard error is between 25 and 50 percent of the estimate. ** = Standard error is between 51 and 75 percent of the estimate.

¹Small family farms have sales less than \$250,000. Large family farms have sales between \$250,000 and \$499,999. Very large family farms have sales of \$500,000 or more. ²Nonfamily farms include nonfamily corporations or cooperatives, as well as farms operated by a hired manager. ³Limited-resource farms have household income less than \$20,000, farm assets less than \$150,000, and sales less than \$100,000. ⁴Small farms other than limited-resource farms are classified according to the major occupation of their operators. Operators of retirement farms are retired. Operators of residential/lifestyle farms report a nonfarm occupation. Operators of farming-occupation farms report farming as their major occupation. Farming-occupation farms are further divided into low-sales (sales less than \$100,000) and high-sales (sales between \$100,000 and \$249,999).

Source: USDA, Economic Research Service, 1998 Agricultural Resource Management Study, version 1.

Even though the 1996 Act was in place for only two-thirds of the year, change was reported in the use of each of the strategies by approximately 3 to 9 percent of farmers. As with original use of the strategies, change in use was more common among larger farm operations. For example, one in seven operators of large and very large family farms reported changes in the use of forward contracts and futures or options. Large farms, where there is a heavy emphasis on the production of grains, tended to show large adjustment in the use of pricing and liquidity management strategies. In fact, the largest of any increase was the adjustment that large farms made to enhance farm liquidity through the maintenance of cash or credit reserves.

Summary

Concentration of government program payments among farms has persisted after the advent of production flexibility contracts and the increased use of loan deficiency and disaster payments in 1998. In fact, the largest 8 percent of farms received 47 percent of payments in 1998, comparable to the 33 percent of payments received by the largest 5 percent of farms in 1993.

In another similarity to earlier distributions, the approximately 10 percent of farms with the largest net cash incomes continued to receive about half of total payments. A larger share of these farms report payments than other groups and they account for more than half of the production of key crops such as wheat, corn, cotton, or soybeans.

Newly developed information from the farm typology illustrates differences among farms in importance and source of payments. In 1998, payments were a larger share of the gross incomes of retirement farms than of any other group. This occurred not from the large absolute amount of payments that these farms received, but rather from the amount of payments they received in relationship to the small volume of output generated. Sources of payments mattered as well. A large share of the payments received by retirement farms came not from production-related programs, but from the CRP.

Despite the public discourse about farm programs, not all farms are eligible for program payments. In fact, only 36 percent of all farms received government payments in 1998. Over 70 percent of limited-resource, retirement, and residential/lifestyle farms received no government payments in 1998. Producers of program crops are eligible for transition payments only if they had an acreage base in at least one program crop and participated in an ARP for any of the crop years 1991 through 1995. Loan deficiency payments are made available to eligible producers of wheat, rice, corn, sorghum, barley, oats, upland cotton, soybeans, and minor oilseeds under specific market conditions. CRP is targeted at land meeting specific criteria concerning erodibility and other environmental considerations and retires land for 10 to 15 years. Disaster assistance programs are available to help producers of crop and livestock who may be eligible after suffering loss due to natural disaster.