

Why GAO Did This Study

Agricultural imports—including imports of fruit, vegetables, seafood, and other commodities that directly compete with U.S. products—have more than doubled over the last decade, according to data from USDA. The department's TAA for Farmers program provides technical and financial assistance to producers of commodities certified by USDA as eligible for assistance. The Trade and Globalization Adjustment Assistance Act of 2009 reauthorized and amended the program and directed GAO to prepare and submit a report on the operation and effectiveness of the amendments. In particular, GAO examined (1) the commodities and producers USDA approved for assistance and the type and amount of assistance it provided, and (2) the approach USDA is taking to evaluate the program's effectiveness and limitations, if any, in this approach. GAO analyzed USDA data and documents; interviewed USDA officials, their academic partners, producer groups, and commodity experts; and conducted fieldwork in two states to meet with producer groups for certified commodities.

What GAO Recommends

GAO recommends that, as part of any future TAA for Farmers program funding, USDA require spouses applying for assistance to submit documentation on how they contribute to producing a commodity, take steps to help ensure the program's financial assistance is used for the intended purpose, and broaden its program evaluation approach. USDA generally agreed with the recommendations.

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TRADE ADJUSTMENT ASSISTANCE

USDA Has Enhanced Technical Assistance for Farmers and Fishermen, but Steps Are Needed to Better Evaluate Program Effectiveness

What GAO Found

The U.S. Department of Agriculture (USDA) certified relatively few commodities under its Trade Adjustment Assistance (TAA) for Farmers program, as reauthorized by the Trade and Globalization Adjustment Assistance Act of 2009, but provided assistance to most individual farmers and fishermen who produced certified commodities and applied for assistance. Specifically, USDA certified 5 of the 18 commodities for which it received petitions. As of April 2012, USDA approved 9,852, or about 90 percent, of the applicants who produced a certified commodity to participate in the program. In addition, out of the \$202.5 million in appropriations for the reauthorized program, USDA paid nearly \$50 million in financial assistance to help producers implement long-term business plans in order to become more competitive. GAO identified two issues regarding USDA's process for approving applications from spouses of producers and providing financial assistance:

- USDA determined that producers' spouses also shared in the risk of producing a commodity and could thus separately apply for assistance as individual producers. However, unlike other producers, spouses did not need to submit documentation showing how they contributed to and shared in the risk of production. USDA officials said they disapproved applications if spouses voluntarily disclosed that they did not contribute to producing a commodity but they likely approved applications from other spouses who similarly did not contribute. As a result, USDA did not have assurance that it targeted assistance to individuals who shared in the risk of production.
- USDA made financial assistance payments without requiring producers to show that the assistance would be used for the intended purpose. Under the 2009 legislation, payments for completion of approved long-term business plans are to be used to implement the plans, but approval of plans was not contingent on producers documenting how payments would be used. USDA officials said they received feedback that led them to believe that some producers used payments for unrelated expenses, such as housing costs.

USDA's approach to evaluating the TAA for Farmers program relies on performance measures and a series of surveys administered to producers. This approach provides USDA with data on producers' completion of program requirements and perceptions of effectiveness, but the approach has several limitations that hinder USDA's ability to fully determine the extent to which the program as a whole is effective. In particular, the performance measures do not measure outcomes, such as the percentage of producers who are able to remain in business. Leading practices indicate that outcome-oriented goals and quantifiable performance measures are important tools to determine if a program is achieving intended results. In addition, the time frame for administering the surveys is too short to gather producers' perceptions of long-term effectiveness. Moreover, the surveys provide little information on producer perceptions of the program's financial assistance, and USDA has not corroborated survey results by collecting data to help determine whether improvements in producers' conditions are due to the program or some external factor. It can be difficult to isolate the causal impact of programs from other influences on outcomes, but the use of multiple sources of data can help overcome this challenge.