

Direct Payments to Ag. Producers Coronavirus Food Assistance Program (CFAP)

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Two programs- One Payment

- CARES Act = \$9.5 Billion
 - CCC Charter Act = \$6.5 Billion
- } \$16 Billion

- CARES Act: to partially compensate producers for losses due to price declines that occurred between mid-January 2020 and mid-April, 2020
- CCC: to partially compensate producers for \$6.5 billion for on-going market disruptions and will assist with the transition to a more orderly marketing system as the COVID-19 pandemic wanes



Timing of Payments

Only 80% of the total calculated payment will be made at this time

A final payment will be issued at a later date determined by the Secretary to the extent that funds are available

Sign-up starts on May 26th, 2020 and ends August 28th, 2020



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Non-Specialty Crops



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Non-Specialty Crops

- Malting barley, canola, **corn**, upland cotton, millet, oats, **sorghum**, **soybeans**, sunflowers, durum wheat, and hard red spring wheat
- Loss was determined based on the decline in the weekly average futures price for January 13th -17th compared to the average for the week of April 6th-9th
 - If the loss was greater than 5%, then a payment was triggered



	Units	Average price, Jan 13-17	Average price, Apr 6-9 ²	Change in price	Percent change
		\$/unit	\$/unit	\$/unit	Percent
Corn	Bu	\$3.93	\$3.30	-\$0.63	-16
Soybeans	Bu	\$9.47	\$8.57	-\$0.90	-10
Hard Red Spring Wheat	Bu	\$5.64	\$5.28	-\$0.36	-6
Durum Wheat	Bu	\$5.83	\$5.46	-\$0.37	-6
Upland Cotton	Lb	\$0.72	\$0.54	-\$0.18	-25
Canola	Lb	\$0.17	\$0.15	-\$0.02	-12
Oats	Bu	\$3.04	\$2.74	-\$0.30	-10
Barley (malting)	Bu	\$4.27	\$3.60	-\$0.67	-16
Millet	Bu	\$6.19	\$5.57	-\$0.62	-10
Sorghum	Bu	\$3.73	\$3.14	-\$0.59	-16
Sunflowers	Lb	\$0.18	\$0.15	-\$0.03	-17

¹ Average prices are rounded to two decimal places.

² Futures exchanges were closed on April 10; trading the week of April 6 occurred on the four days from April 6-9.



50% of the calculated price decline 55% of the calculated price decline

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Barley (malting barley only)	bushel	\$0.34	\$0.37
Canola	pound	\$0.01	\$0.01
Corn	bushel	\$0.32	\$0.35
Upland Cotton	pound	\$0.09	\$0.10
Millet	bushel	\$0.31	\$0.34
Oats	bushel	\$0.15	\$0.17
Sorghum	bushel	\$0.30	\$0.32
Soybeans	bushel	\$0.45	\$0.50
Sunflowers	pound	\$0.02	\$0.02
Wheat, Durum	bushel	\$0.19	\$0.20
Wheat, Hard Red Spring	bushel	\$0.18	\$0.20



Non-Specialty Crops

- Producers will be paid based on **unpriced inventory as of Jan. 15th, 2020, not to exceed 50% of 2019 production**
- Unpriced inventory means any production that is not subject to an agreed-upon price in the future through a forward contract, agreement, or similar binding document.
- All production, sales, and inventory of eligible commodities and livestock must be subject to price risk as of January 15, 2020. Unpriced inventory or production subject to price risk means any production, sales, and inventory that is not subject to an agreed-upon price in the future through a forward contract, agreement, or similar binding document. The producer's eligible commodity and/or livestock must still be at risk of price fluctuations after January 15, 2020, to be eligible for payment.



Example Payment-Corn

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Corn	bushel	\$0.32	\$0.35

A producer had 10,000 bushels of unpriced corn in the elevator on Jan. 15th, 2020

$$\begin{array}{l} 5,000 \text{ bushels} \times \$0.32 = \$1,600 \\ 5,000 \text{ bushels} \times \$0.35 = \$1,750 \end{array} \left. \vphantom{\begin{array}{l} 5,000 \text{ bushels} \times \$0.32 = \$1,600 \\ 5,000 \text{ bushels} \times \$0.35 = \$1,750 \end{array}} \right\} \$3,350$$

You can also think of it as adding the payment rates together ($\$0.32 + \$0.35 = \$0.67$) and paying on 50% of your inventory on Jan. 15th



Example Payment-Soybeans

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Soybeans	bushel	\$0.45	\$0.50

A producer had 10,000 bushels of unpriced soybeans in the elevator on Jan. 15th, 2020

$$\begin{array}{l} 5,000 \text{ bushels} \times \$0.45 = \$2,250 \\ 5,000 \text{ bushels} \times \$0.50 = \$2,500 \end{array} \left. \vphantom{\begin{array}{l} 5,000 \text{ bushels} \times \$0.45 = \$2,250 \\ 5,000 \text{ bushels} \times \$0.50 = \$2,500 \end{array}} \right\} \$4,750$$

You can also think of it as adding the payment rates together ($\$0.45 + \$0.50 = \$0.95$) and paying on 50% of your inventory on Jan. 15th



Specialty Crops



Specialty Crops

- Category 1: For crops sold between Jan. 15th and April 15th, 2020 that experienced a 5% or greater price decline
- Category 2: For crops harvested and shipped, but subsequently spoiled due to loss of marketing channels between Jan. 15th and April 15, 2020 and no payment was received
- Category 3: For specialty crops that did not leave the farm or mature crops that remained unharvested as of April 15th, 2020 due to lack of buyers which have not been and will not be sold

List of specialty crops here and what category they are eligible for:
<https://www.farmers.gov/cfap/specialty>



Commodity	CARES Act Payment Rate for Sales Losses (\$/lb)	CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel (\$/lb)	CCC Payment Rate (\$/lb)
Almonds	\$0.26	\$0.57	\$0.11
Apples	--	\$0.18	\$0.03
Artichokes	\$0.66	\$0.49	\$0.10
Asparagus	--	\$0.38	\$0.07
Avocados	--	\$0.14	\$0.03
Beans	\$0.17	\$0.16	\$0.03
Blueberries	--	\$0.62	\$0.12
Broccoli	\$0.62	\$0.49	\$0.10
Cabbage	\$0.04	\$0.07	\$0.01
Cantaloupe	--	\$0.10	\$0.02
Carrots	\$0.2	\$0.11	\$0.02
Cauliflower	\$0.11	\$0.31	\$0.06
Celery	--	\$0.07	\$0.01
Corn, sweet	\$0.09	\$0.13	\$0.03
Cucumbers	\$0.13	\$0.15	\$0.03
Eggplant	\$0.07	\$0.15	\$0.03
Garlic	--	\$0.85	\$0.17
Grapefruit	--	\$0.11	\$0.02
Kiwifruit	--	\$0.32	\$0.06
Lemons	\$0.08	\$0.21	\$0.04
Lettuce, iceberg	\$0.20	\$0.15	\$0.03
Lettuce, romaine	\$0.07	\$0.12	\$0.02
Mushrooms	--	\$0.59	\$0.11
Onions, dry	\$0.01	\$0.05	\$0.01
Onions green	--	\$0.30	\$0.06

Commodity	CARES Act Payment Rate for Sales Losses (\$/lb)	CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel (\$/lb)	CCC Payment Rate (\$/lb)
Oranges	--	\$0.14	\$0.03
Papaya	--	\$0.32	\$0.06
Peaches	\$0.08	\$0.32	\$0.06
Pears	\$0.08	\$0.18	\$0.03
Pecans	\$0.28	\$0.93	\$0.18
Peppers, bell type	\$0.14	\$0.22	\$0.04
Peppers, other	\$0.15	\$0.22	\$0.04
Potatoes	--	\$0.04	\$0.01
Raspberries	--	\$1.45	\$0.28
Rhubarb	\$0.15	\$1.03	\$0.20
Spinach	\$0.37	\$0.37	\$0.07
Squash	\$0.72	\$0.39	\$0.08
Strawberries	\$0.84	\$0.72	\$0.14
Sweet potatoes	--	\$0.18	\$0.04
Tangerines	--	\$0.22	\$0.04
Taro	--	\$0.23	\$0.05
Tomatoes	\$0.64	\$0.38	\$0.07
Walnuts	--	\$0.45	\$0.09
Watermelons	--	\$0.02	--



Livestock



Cattle

	Units ¹	Average Price, Jan. 13-17	Average Price, Apr 6-10	Change in price	Percent change
		\$/head	\$/head	\$/head	Percent
Slaughter Cattle: Fed Cattle	\$/head	\$1,736	\$1,469	-\$267	-15
Slaughter Cattle: Mature Cattle	\$/head	\$744	\$630	-\$114	-15
Feeder Cattle (< 600 lbs.)	\$/head	\$812	\$685	-\$127	-16
Feeder Cattle (> 600 lbs.)	\$/head	\$1,107	\$934	-\$173	-16

¹ Prices are converted from cwt to head. The conversion factors are—Fed cattle: 1,400 pounds; Mature cattle: 1,200 pounds, at 50% value of Fed cattle; Feeder cattle (< 600 pounds): 550 pounds; and Feeder cattle (> 600 pounds): 750 pounds.

Source: USDA AMS data.



Cattle

Cattle sold between Jan. 15th and April 15th, 2020
Unpriced highest cattle inventory between April 16th and May 14th, 2020

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Cattle	Feeder Cattle: Less than 600 Pounds	Head	\$102.00	\$33.00
	Feeder Cattle: 600 Pounds or More	Head	\$139.00	\$33.00
	Slaughter Cattle: Fed Cattle	Head	\$214.00	\$33.00
	Slaughter Cattle: Mature Cattle	Head	\$92.00	\$33.00
	All Other Cattle	Head	\$102.00	\$33.00



Hogs and Pigs

Hogs and Pigs sold between Jan. 15th and April 15th, 2020 Unpriced highest hog and pig inventory between April 16th and May 14th, 2020

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Hogs and Pigs	Pigs: Less than 120 Pounds	Head	\$28.00	\$17.00
	Hogs: 120 Pounds or More	Head	\$18.00	\$17.00



Lambs and Yearlings

Lambs and Yearlings sold between Jan. 15th and April 15th, 2020 Unpriced highest lambs and yearling inventory between April 16th and May 14th, 2020

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Lambs and Yearlings	All Sheep Less than 2 Years Old	Head	\$33.00	\$7.00

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Wool (graded, clean basis)	pound	\$0.71	\$0.78
Wool (non-graded, greasy basis)	pound	\$0.36	\$0.39



Dairy



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Dairy

- Milk from first quarter production (January, February, March) will be multiplied by \$4.71 per cwt for the CARES Act payment
 - Includes any dumped milk
- Anticipated production for the second quarter will be calculated as 1.014 times first quarter production, and be paid \$1.47 per cwt for the CCC payment



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CFAP Eligibility

- “Producer” refers to a person or legal entity who shares in the risk of producing a crop or livestock and who is entitled to a share in the crop or livestock available for marketing.
- Ineligible for payment if average of the adjusted gross incomes for the 2016, 2017 and 2018 tax years, is more than \$900,000 unless at least 75 percent of that person’s or legal entity’s average AGI is derived from farming, ranching, or forestry-related activities
- Must comply with Highly Erodible Land and Wetland Conservation regulations



Payment Limitations

- **Total CFAP payment may not exceed \$250,000 for ALL commodities combined**
- The total amount of CFAP payments a direct payment corporation, limited liability corporation, or a limited partnership may receive is \$500,000 if two different individual owners of the legal entity each provided at least 400 hours of active personal labor or active personal management or combination thereof with respect to the production of 2019 commodities
 - \$750,000 if three different individual owners of the legal entity each provided at least 400 hours



How to apply

www.farmers.gov/cfap

Will have online payment calculator starting May 26th

You can print out needed forms and have them ready for FSA

- [CCC-901](#) – Identifies members of a farm or ranch that is a legal entity.
- [CCC-941](#) - Reports your average adjusted gross income for programs where income restrictions apply.
- [CCC-942](#) – If applicable, this certification reports income from farming, ranching, and forestry, for those exceeding the adjusted gross income limitation.
- [AD-1026](#) – Ensures compliance with highly erodible land conservation and wetland conservation.
- [AD-2047](#) – Provides basic customer contact information.
- [SF-3881](#) – Collects your banking information to allow USDA to make payments to you via direct deposit.
- [CCC-902](#) – Farm Operating Plan, if not already on file. Need names, addresses, TIN's, citizenship status, contributions to the farming operation for foreign persons



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Questions?

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Find your local FSA Office:
<https://www.farmers.gov/service-center-locator>



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