

# USDA Pandemic Assistance for Producers



Robin Reid, Extension Farm Economist, K-State Department of Ag. Economics

Todd Barrows, Agriculture Program Specialist, Kansas Farm Service Agency

Charles Pettijohn, Acting State Executive Director, Kansas Farm Service Agency



## Recap of Pandemic-related farm payments

### Coronavirus Food Assistance Program:

CFAP 1: payments made May 26<sup>th</sup> – Sept 11<sup>th</sup>, 2020, (\$10 Billion, \$459 Million to KS)

CFAP 2: payments made Sept. 21<sup>st</sup> – Dec. 11<sup>th</sup>, 2020 (\$13.2 Billion, \$654 Million to KS)

CFAP Additional Assistance Rule: announced Jan. 19<sup>th</sup>, 2021 (\$2.3 Billion)

-Additional \$17/head for swine, eligibility for contract growers, etc.

-Was put on hold when administration changed

### Pandemic Assistance for Producers: (\$12 Billion)

Consolidated Appropriations Act 2021 (passed Dec. 2020) had already authorized some of these payments but were not announced until now



# Pandemic Assistance for Producers:

- Re-opening of CFAP 2 on April 5<sup>th</sup>, 2021 for at least 60 days to reach more small and socially disadvantaged producers, specialty crop and organic producers
- Additional “Top up” payments: \$1.1 Billion for cattle producers, \$4.5 billion for row crops
- New assistance for Renewable fuel processors, timber harvesters, support for the food supply chain, etc.
  - Other possibilities:
    - Euthanized livestock and poultry
    - Other possible expansion and corrections to CFAP that were not part of the recent announcement such as to support dairy or other livestock producers
    - Developing infrastructure to support donation and distribution of perishable commodities, including food donation and distribution through farm-to-school, restaurants or other community organizations
    - Many more: <https://www.usda.gov/media/press-releases/2021/03/24/after-identifying-gaps-previous-aid-usda-announces-pandemic>



# Row Crops



# Recap of Pandemic-related farm payments- Row Crops

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CFAP 1: Unpriced Crops held in inventory from 2019

CFAP 2:

- Planted acres in 2020 reported to FSA through annual acreage reporting process
  - FSA-578
- Price Trigger (over 5% decline Jan.-July 2020)
  - = National crop marketing percentage \* Crop Payment Rate \* Producers weighted 2020 APH
- Flat Rate (\$15/acre)



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## Eligible Crops

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### Price Trigger Crops:

Corn, Soybeans, Wheat, Upland Cotton, Barley, Grain Sorghum, Dual-Purpose Sorghum, Sunflowers

### Flat Rate Crops:

**Alfalfa**, amaranth grain, buckwheat, **canola**, Extra Long Staple (ELS) cotton, crambe (colewort), einkorn, emmer, flax, guar, hemp, indigo, industrial rice, kenaf, khorasan, millet, mustard, **oats**, peanuts, quinoa, rapeseed, rice, sweet rice, wild rice, rye, safflower, sesame, speltz, sugar beets, sugarcane, teff, and triticale

Not eligible: Forage soybeans, forage sorghum, hay (except alfalfa), crops intended for grazing, crops with intended uses of green manure and those left standing



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## New Payments-Row Crops

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- \$20/acre
- Based on eligible planted acres from CFAP 2
  - (2020 planted acres)
- Do not need to apply, will automatically be paid based on approved CFAP 2 application
- Payments will start hitting bank accounts April 10th



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## Livestock

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# Recap of Pandemic-related farm payments-Cattle

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## CFAP 1:

- Payment Rate based on class of cattle sold between Jan. 15<sup>th</sup> and April 15<sup>th</sup>, 2020
- \$33 per head for highest owned inventory between April 16<sup>th</sup> and May 14<sup>th</sup>, 2020
  - Included breeding stock!

## CFAP 2:

- Highest owned inventory Apr. 16<sup>th</sup> and Aug. 31<sup>st</sup>, 2020
- Excluded Breeding Stock
- Beef Cattle \$55 per head



# New Payments-Cattle

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	Additional CFAP 1 Payment
Feeder Cattle: less than 600 pounds	\$7.00
Feeder Cattle: 600 pounds or more	\$25.50
Slaughter Cattle: Fed Cattle	\$63.00
Slaughter Cattle: Mature Cattle	\$14.75
All Other Cattle	\$17.25



# Total Payments-Cattle

	CFAP 1 (Cattle sold Jan. 15- April 15 <sup>th</sup> )	CFAP 1 (Highest Inventory April 16 <sup>th</sup> - May 14 <sup>th</sup> )	Additional Payment (Highest Inventory April 16 <sup>th</sup> - May 14 <sup>th</sup> )
Feeder Cattle: less than 600 pounds	\$102	\$33	\$7.00
Feeder Cattle: 600 pounds or more	\$139	\$33	\$25.50
Slaughter Cattle: Fed Cattle	\$214	\$33	\$63.00
Slaughter Cattle: Mature Cattle	\$92	\$33	\$14.75
All Other Cattle	\$102	\$33	\$17.25

\*CFAP 2 also paid \$55 per head to highest inventory Apr. 16<sup>th</sup> and Aug. 31<sup>st</sup>, excluding breeding livestock



Cattle Common Name	Description	CFAP Category
Newborn Calf	Calves from birth to days old	Feeder Cattle: < 600 lbs
Calf	Calves still nursing the cow, animals that generally weigh less than 500 pounds	Feeder Cattle: < 600 lbs
Bucket Calf	Orphan or newborn calf normally purchased when they are 1 to 10 days old	Feeder Cattle: < 600 lbs
Heiferette	A female bovine animal that has not calved and weighs more than 500 pounds; OR a heifer placed on feed following the loss of a calf or an open heifer placed on feed following the breeding season	Feeder Cattle: < or > 600 lbs, as applicable
Steer	A castrated male bovine animal that generally weighs more than 500 pounds	Feeder Cattle: < or > 600 lbs, as applicable
Weaner or Weaned Calf	Animal between 105 and 355 days coming from cow-calf	Feeder Cattle: < or > 600 lbs, as applicable
Backgrounded Cattle	Steers and heifers that are fed a warm up or conditioning ration are normally fed to approximately 700 pounds, and then sold as feeders or shipped to another feedlot to be finished for the slaughter market	Feeder Cattle: < or > 600 lbs, as applicable
Stockers/Feeders/Feeder Calves	Young weaned steers or heifers, weighing approximately 400-800 pounds usually grazing on pasture and/or feed ration to prepare for shipment to feeders intended for slaughter or selected for replacement stock	Feeder Cattle: < or > 600 lbs, as applicable
Yearlings	Calves between 1 and 2 years of age	Feeder Cattle > 600 lbs
Open Heifer	Non-pregnant female bovine	Feeder Cattle: < or > 600 lbs, as applicable
Replacement Heifers	A heifer that has been selected to be bred and placed in the beef herd	All Other Cattle
Bred Heifers	A female bovine that is pregnant with her first calf	All Other Cattle
First Calf Heifers	A young female that has had only one calf	All Other Cattle
Bred Cows	A female bovine animal that has borne at least one calf	All Other Cattle
Open Cows - Retained in Herd	(Non-pregnant) cows at the end of the breeding season	All Other Cattle
Open Cows - Slaughter	(Non-pregnant) cows at the end of the breeding season	Slaughter Cattle: Mature
Cows-Culled (Beef and Dairy)	A cow that is removed from the main breeding herd or dairy production for one or more reasons (i.e., age, poor production, physical ailment, poor disposition, genetic selection, etc.) and is generally sold for slaughter and not destined to be a replacement	Slaughter Cattle: Mature
Herd Bulls-Culled (Beef and Dairy)	A mature (approximately 24 months of age or older) uncastrated, male bovine removed from the main breeding herd sold for slaughter and not destined to be replacement	Slaughter Cattle: Mature
Herd Bulls (Breeding-Beef only)	A mature (approximately 24 months of age or older) uncastrated, male bovine used for breeding purposes	All Other Cattle
Finished Cattle (1200 lbs or more)	Cattle that have reached the optimal weight and conditions ready for slaughter	Slaughter Cattle: Fed
Fat Steer/Heifer (1200 lbs or more)	Cattle that have reached the optimal weight and conditions ready for slaughter	Slaughter Cattle: Fed



## New Payments-Cattle

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Do not need to apply

*\*Except entities that request to qualify for an increased payment limitation can modify their CFAP 1 application for this purpose only*

Will automatically be paid based on your approved CFAP 1 application

- Only producers who previously applied for CFAP 1 are eligible for this additional payment

Should show up in your bank account starting April 10th



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## Hogs/Pigs and Contract Growers

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- Originally had a \$17/head “top up” payment to be paid on highest inventory April 16<sup>th</sup>-May 14<sup>th</sup>, 2020 claimed in CFAP 1
- Contract Growers would get paid 80% of the loss in revenue of 2020 compared to 2019

*Additional CFAP 1 payments for swine producers and payments for contract growers under CFAP Additional Assistance are currently on hold and are likely to require modifications to the regulation as part of a broader evaluation. FSA will continue to accept applications from interested contract growers during this evaluation period.*



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# CFAP 2- Specialty Crops/Livestock and Everything else!

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## “Sales Commodities”

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- Fruits, Vegetables, Horticulture, Tree Nuts, Honey, etc.
  - <https://www.farmers.gov/cfap/specialty>
- Floriculture, Nursery, Cactus, Christmas trees, **Turfgrass**
- Goat milk, Wool, Aquaculture, Tobacco
- Specialty Livestock consists of animals commercially raised for food, fur, fiber, or feathers, and includes: alpacas, bison, buffalo, beefalo, yak, deer, ducks, elk, emus, geese, goats, guinea pigs, llamas, mink (including pelts), mohair, ostrich, pheasants, chucker, quail, rabbits, reindeer, turkey, **pullets**
  - Excludes all equine, breeding stock, companion or comfort animals, pets, and animals raised for hunting or game purposes.





## Specialty crops/livestock/etc.

2019 Sales Range	Percent Payment Factor for the Producer's 2019 Sales of Eligible Commodities Falling in the Range
\$0 to \$49,999	10.6%
\$50,000 to \$99,999	9.9%
\$100,000 to \$499,999	9.7%
\$500,000 to \$999,999	9.0%
Sales over \$1 million	8.8%

Example: A producer's 2019 sales of eligible commodities totaled \$75,000. The payment is calculated as (\$49,999 times 10.6%) plus (\$25,001 times 9.9%) equals a total payment of \$7,775.



## Specialty crops/livestock/etc.

- Producers will self certify to their 2019 eligible sales (including crop insurance payments, NAP and WHIP+ payments)
- Payments for producers who began farming in 2020 and had no sales in 2019 will be based on the producer's actual 2020 sales as of producer's application date.
- *Eligible sales* include only sales of raw commodities grown by the producer. Any portion of sales derived from adding value to the commodity, such as processing and packaging, and from sales of products purchased for resale must not be included in the amount of sales.



# Payment Limitations

- **Each CFAP payment has a \$250,000 limit for ALL commodities combined**
  - **Additional livestock payments will count towards CFAP 1 since the top-up payment uses livestock inventory claimed on CFAP 1**
  - **Additional \$20/acre row crop top-up payment will count towards CFAP 2**
- The total amount of CFAP payments a direct payment corporation, limited liability corporation, limited partnership, trust or estate 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 2020 commodities
  - \$750,000 if three different individual owners of the legal entity each provided at least 400 hours



# Applying for CFAP 2

[www.farmers.gov/CFAP](http://www.farmers.gov/CFAP)

USDA's Farm Service Agency will offer multiple options for producers to apply for CFAP 2 when signup opens on April 5, 2021. Those include:

Apply Online +	Manually Complete Application Forms +	Fill Application with Payment Calculator +	USDA Service Center Completes Application +
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# Questions?



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