

Coronavirus Food Assistance Program Short Summary Report.

Francisco Abello
 Assistant Prof. & Ext. Specialist
 Texas A&M AgriLife Extension Service

USDA announced the details of direct assistance to farmers and ranchers through the Coronavirus Food Assistance Program (CFAP) last Tuesday, May 19, 2020. The following is a short summary of the implications of this programs and what farmers should expect to get pay by acre or head in District 3 given the recent publication from the Agricultural and Food Policy Center, “Overview of the Coronavirus Food Assistance Program (CFAP)”. For more detailed information please referred to the AFPC publication at <https://www.afpc.tamu.edu/research/publications/files/699/RR-20-02.pdf>.

According to the USDA, the following commodities are specifically excluded: sheep more than two years old, eggs/layers, soft red winter wheat, hard red winter wheat, white wheat, rice, flax, rye, peanuts, feed barley, Extra Long Staple (ELS) cotton, alfalfa, forage crops, hemp, and tobacco. Moreover, CFAP payments are limited to \$250,000 per person or legal entity (B. Fischer, J. Outlaw, D. Anderson, and J. Benavidez).

CROPS

Hard red winter wheat, which is mostly produced in District 3, was excluded by USDA given that the price decline due to COVID-19 was less than five percent. Producers of dryland cotton, irrigated cotton and sorghum in our District could be eligible for CFAP payments.

Estimated payments for crop producers are based on the producer’s unpriced inventory held by January 15th, 2020, which cannot be higher than 50% of their total 2019 production. This unpriced inventory should not have an agreed-upon price in the future such as forward contract, agreement or similar bidding document. So far, CFAP only aids 2019 crops. (<https://www.farmers.gov/cfap>)

The CFAP payment rate is determined by 50% of the CARES Act Payment Rate and 50% of the CCC Payment Rate. This average Payment rate can be found in Table 1 for Sorghum and Upland Cotton.

Table 1

Commodity	CARES Act Payment Rate	CCC Payment Rate	Average Payment Rate
Sorghum (\$/bu)	0.30	0.32	0.310
Upland Cotton (\$/Lb)	0.09	0.1	0.095

Source: Coronavirus Food Assistance Program Final Rule

(<https://www.farmers.gov/sites/default/files/documents/CFAP%20Final%20Rule.pdf>)

Table 2 shows the calculated estimated payments per acre for dryland cotton, irrigated cotton, and sorghum depending on the percentage of the farmer’s crop that was sold before January 15th. These different scenarios estimate the payment amount that farmers could expect per acre given a certain yield. The actual payment will depend on their real production, and real percentage of the crop that was sold before January 15, 2020.

Table 2.

Scenario 1: Sold 90% Before Jan 15th, 2020			
Crop	Yield/Acre	% sold before Jan 15th	Est. Payment (\$/acre)
Sorghum (bu/acre)	45	90%	1.4
Dryland Cotton (Lb/Acre)	450	90%	4.3
Irrigated Cotton (Lb/Acre)	900	90%	8.6
Scenario 2: Sold 75% Before Jan 15th, 2020			
Crop	Yield/Acre	% sold before Jan 15th	Est. Payment (\$/acre)
Sorghum (bu/acre)	45	75%	3.5
Dryland Cotton (Lb/Acre)	450	75%	10.7
Irrigated Cotton (Lb/Acre)	900	75%	21.4
Scenario 3: Sold 25% Before Jan 15th, 2020			
Crop	Yield/Acre	% sold before Jan 15th	Est. Payment (\$/acre)
Sorghum (bu/acre)	45	25%	7.0
Dryland Cotton (Lb/Acre)	450	25%	21.4
Irrigated Cotton (Lb/Acre)	900	25%	42.8

LIVESTOCK

The following payments will be made:

- 1- For the total number of the producer's livestock heads sold between January 15 and April 15, 2020, multiplied by the CARES Act Payment Rate column on Table 3.
- 2- For the highest inventory number of livestock between April 16 and May 14, 2020, multiplied by the CCC Payment Rate column on Table 3.

Table 3.

Livestock	Cares Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Feeder Cattle <600 Lb	102	33
Feeder Cattle >600 Lb	139	33
Slaughter Cattle: Fed Cattle > 1400 Lb	214	33
Slaughter Cattle: Mature Cattle (Cull Bulls, Cull Cows)	92	33
All Other Cattle	102	33
Lambs	33	7
Yearlings	33	7

Source: Coronavirus Food Assistance Program Final Rule

(<https://www.farmers.gov/sites/default/files/documents/CFAP%20Final%20Rule.pdf>)

The difference between selling before or after April 15th to calculate the payment is extremely important. This difference could be up to 6.5 times less for Fed cattle above 1400 Lbs, or 4,2 times less for those stockers of 800 Lbs that were on a wheat pasture. Similarly, the difference on the payment selling the lambs of the yearlings after April 15th is of 4.7 times less. All breeding cows, heifers, and non-weaned calves that are part of the herd after April 15th will received a payment of 33 \$/head.