

## Navigating Direct CFAP Support for Ohio's Farmers and Ranchers

THE OHIO STATE UNIVERSITY  
COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

With Special Guest  
**Leonard Hubert, State Executive Director, Ohio Farm Service Agency**

1

## Navigating CFAP: Introductory Items

- Submit question by commenting on the Facebook Live broadcast. Alternatively, you can email them to [kolt@ohioagnet.com](mailto:kolt@ohioagnet.com). Questions will be posted at [farmoffice.osu.edu](http://farmoffice.osu.edu).
- Slides for this webinar are available at [farmoffice.osu.edu](http://farmoffice.osu.edu). Click events, calendar, then see below.
- Webinar will be archived at [farmoffice.osu.edu](http://farmoffice.osu.edu). Click on past events under the events tab at the top and then "Navigating CFAP Direct Support".

Special thanks to Ohio Ag Net for broadcasting today's webinar.

THE OHIO STATE UNIVERSITY COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

**CFAES**

2

To receive regular news and updates from the OSU Farm Office, subscribe at [farmoffice.osu.edu/blog](http://farmoffice.osu.edu/blog)

Reminder next Farm Office Live!  
May 28 @ 9:00 am -  
[go.osu.edu/farmofficelive](http://go.osu.edu/farmofficelive)

3

## The Impact of the Coronavirus Pandemic on Commodity Markets

**Ben Brown**  
Assistant Professor of Professional Practice in Agricultural Risk Management

**Dianne Shoemaker**  
Associate Professor, Field Specialist Dairy Production Economics

4

## Coronavirus Impact: Non-Specialty Crop Grains

### Ohio Cash Prices for Corn and Soybeans December 2, 2019- May 22, 2020

- Some changes in input costs. (Not a lot)
  - Debt service is cheaper.
  - Fuel costs
- Land and Cash Rent Prices- Holding (82% of Farms Assets held in land)
- Change in Market Year Average Prices
  - 2019: Corn -\$0.20, Soy -\$0.25
  - 2020: Corn -\$0.35, Soy -\$0.60
- Great concern around working capital.
  - \$19.90/acre loss in old crop revenue. Slightly higher ARC/PLC payments but no crop insurance.
  - \$53/acre loss in the 2020 contribution margin since January.
- 2018 & 2019 MFP Payments Helped
  - Has it changed the federal safety net? - Ad hoc income support?
  - 2<sup>nd</sup> Round of a similar Coronavirus Food Assistance Program?

THE OHIO STATE UNIVERSITY COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

**CFAES**

5

## Coronavirus Impact: Biofuels and Grains

### Weekly Demand of Finished Motor Fuel

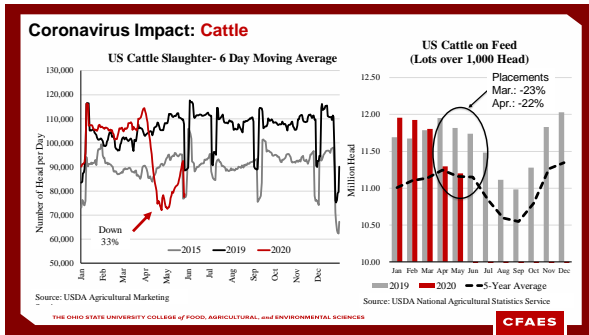
- Stay-at-Home orders reduced domestic driving roughly 48% in the month of April.
- Biofuel mandates are still percentage standards set off a volume requirement in the Renewable Volume Obligation. 11.56% in 2020.
- As a result Biofuel
  - Production fell 45%
  - Ending stocks grew 25%
- Impact on Grains
  - My estimates are a roughly 680 million-bushel reduction in corn used for ethanol.

Source: Energy Information Agency

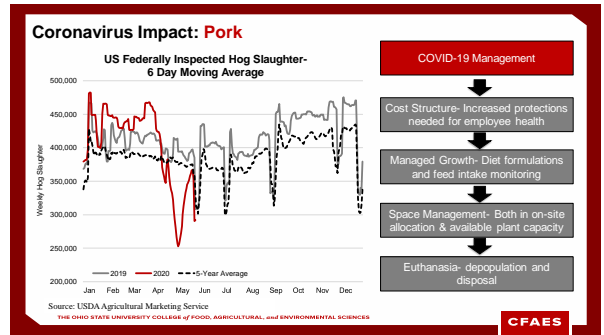
THE OHIO STATE UNIVERSITY COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

**CFAES**

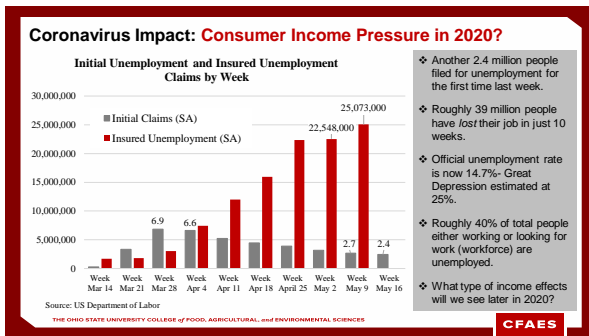
6



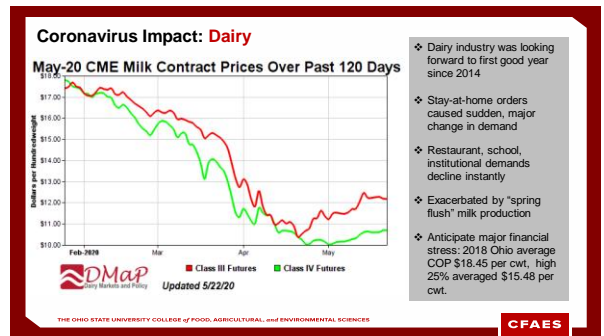
7



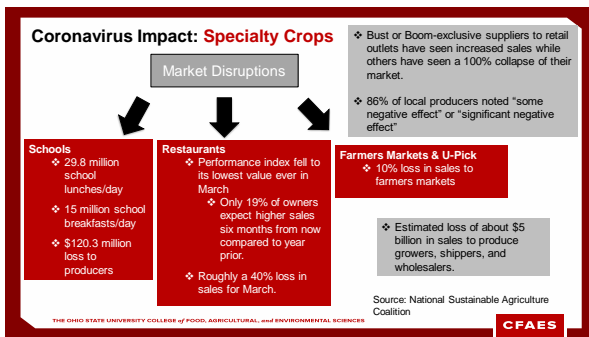
8



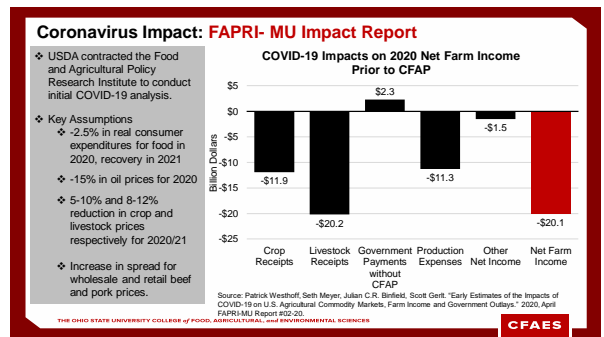
9



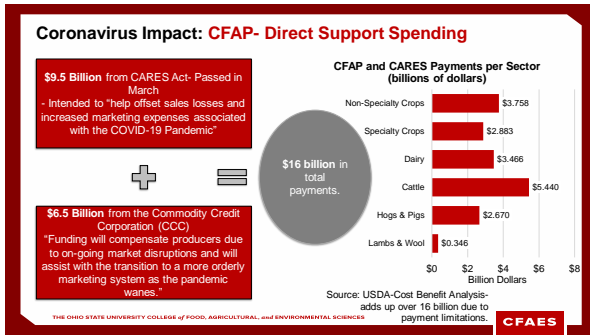
10



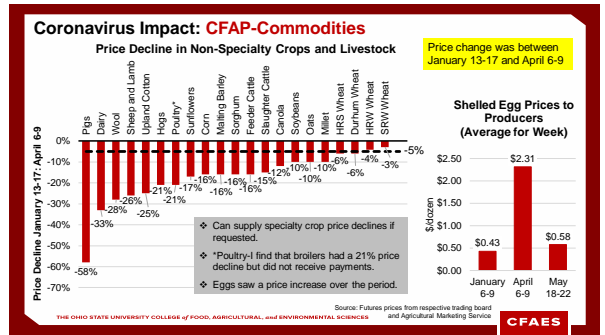
11



12



13



14

### Coronavirus Impact: CFAP Resources Available from OSU

Bi-weekly Farm Office Live! Webinars- go.osu.edu/farmofficelive

Farm Office News- Quick Facts

**CFAP**  
 Sign up for USDA-CFAP Direct Support to Begin May 26, 2020

**The CARES Act: Paycheck Protection Program, \$110B**

**Federal Support: WHP, DAP, and Eligibility**

**Shelled Eggs Disaster Loans**

**CFAES**

15

### Navigating Direct CFAP Support for Ohio's Farmers and Ranchers

With Special Guest  
**Leonard Hubert, State Executive Director, Ohio Farm Service Agency**

**USDA**  
 U.S. Department of Agriculture  
 Farm Service Agency

16

**USDA** United States Department of Agriculture

## Coronavirus Food Assistance Program (CFAP)

17

**USDA** United States Department of Agriculture

## CFAP Authority

**Statutory**

- The Coronavirus Aid, Relief, and Economic Stability Act (CARES Act), Pub. L. 116-136, and the CCC Charter Act authorize the Secretary to implement CFAP.

18



## Sign-up Period

**Sign-up period for CFAP**  
**May 26, 2020 – August 28, 2020**

19

19



## Who is Eligible?

### Producers:

- With ownership risk of identified commodities that suffered a 5% or greater national price loss as a result of the COVID-19 Pandemic or had substantial marketing costs of inventories
- Who produce or own one of the following commodities:
  - Milk
  - Non-Specialty Crops
  - Wool
  - Livestock
  - Specialty Crops

20

20



## New Term: Subject to Price Risk

Any production, sales, and/or inventory that is not subject to an agreed-upon price in the future through:

- Forward contract
- Agreement
- Similar binding document

*\*\*\*Applies to ALL eligible commodities\*\*\**

21

21



## Forms

### The following forms are applicable to CFAP:

- **AD-3114**, CFAP Application
- **CCC-902**, Farm Operating Plan for Payment Eligibility
- **CCC-901**, Member Information for Legal Entities, *if applicable*

22

22



## Forms (continued)

### The following forms are applicable to CFAP:

- **CCC-941**, Average Adjusted Gross Income (AGI) Certification
- **CCC-942**, Certification of Income Farming, Ranching, and Forestry Operations", *optional*
- **AD-1026**, HELC & WC Certification

23

23



## CFAP Application

- **One application per producer**
- **Producer Certification**
  - Documentation is only required upon spot check or when requested by COC.
- **Completed application the (AD-3114 form) can be submitted to any FSA County Office.**
- All producer eligibility forms related to CFAP **MUST** be filed within 60-days from the date of signing the CFAP application.
- Failure to timely provide all eligibility forms will result in no payment or a reduced payment.

24

24

**USDA** United States Department of Agriculture **Payments**

Payments will be based on:

- Specific payment rates by commodity
- 80% of the calculated payment\*

\*Subsequent payment maybe issued at a later date determined by Secretary\*

25

25

**USDA** United States Department of Agriculture

**CFAP Payment Limitation and Payment Eligibility**



26

**USDA** United States Department of Agriculture **Eligible Producers**

To be **eligible** for a CFAP payment, a producer must have had a share in the eligible commodity on January 15, 2020; and/or April 16<sup>th</sup> through May 14<sup>th</sup>, 2020. In addition the producer must be a:

- Citizen or National of the United States
- Resident alien (possessing a Resident Alien Card (I-551)
- Partnership of citizens or nationals of the United States
- Corporation, Limited Liability Company, or other organizational structure organized under State law
- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304); or
- Foreign Person or Foreign Entity who meets Foreign Person Rules according to 5-PL

27

27

**USDA** United States Department of Agriculture **Ineligible Producers**

- Federal, State, and local governments, including public schools.
- Persons or legal entities who did not have a reported ownership interest in any of the eligible commodities on a specified date(s).
- Persons and legal entities suspended or debarred or otherwise excluded from participating in Federal programs.
- Persons and legal entities that do not meet payment limitation, payment eligibility, AGI and HELC/WC requirements for CFAP.

28

28

**USDA** United States Department of Agriculture **Payment Limitation**

**Payment Factor**

The initial CFAP payment will be factored at 80% of the calculated payment and will be applied after applying payment limitation.

- The maximum amount a person or legal entity may receive is \$200,000.
- For Corporations, LLC's and LP's qualifying for the optional increase in limitation may receive a maximum of \$400,000 or \$600,000 respectively.

\* Subsequent payments maybe issued at a later date as determined by Secretary. \*

29

29

**USDA** United States Department of Agriculture **Payment Attribution**

- CFAP payments to persons and legal entities will be limited according to the rules for attribution.
- CFAP payments made directly or indirectly to a person or legal entity will be combined and limited to the per person or legal entity.

30

30



## Conservation Compliance for CFAP

- Applies for crop year 2020.
- Continuous certification with form AD-1026. This form ensures compliance with highly erodible land conservation and wetland conservation.
- For CFAP additional certification in Part A producer agreement of form AD-3114 (7, 7A, 7B, and 8).

31

31



## Dairy (Production)



32



## Eligible Dairy Operation

**Dairy operations who produce milk for the following months are eligible for CFAP:**

- January 2020
- February 2020
- March 2020

**Note:** Dairy operations that dissolve during the months of January, February, and March 2020 are eligible for pounds of milk production during any month they produced milk.

33

33



## Eligible Milk Production

**CFAP Eligible Milk Production is:**

- Milk produced for the months of January, February, and March of 2020
- Any dumped milk during the months of January, February, and March
- Milk production subject to price risk for the months of January, February, and March
- Dairy production covered under the Dairy Margin Coverage (DMC) program, Dairy Revenue Protection (Dairy RP), and other dairy revenue insurance maintains eligibility for CFAP.

34

34



## Information Used for Certification

**Producers will use the following information to self-certify January, February and March 2020 milk production:**

- Milk marketing statements for the months of January, February, and March.
- Records of dumped milk not listed on the marketing statements for the months of January, February and March.
- Milk production not subject to price risk (example- forward contract) identifying milk production not eligible for CFAP Dairy.

**\*\*\*REMINDER - Documents are not required to be provided at signup because the application is self-certification \*\*\***

35

35



## Joint Venture Dairy Operation

- Members of dairy operations operating as a joint venture without a tax identification number (TIN) will separately apply for CFAP.
- Producers will apply using their applicable pounds of monthly milk production per producer depending on their share of the dairy operation.

36

36

**USDA** United States Department of Agriculture  
**CFAP Dairy Payment Calculation**

CFAP payments for eligible milk production will be the sum of results of the following two calculations:

- **Part 1 (CARES Act)** – January, February, and March 2020 milk production total in pounds multiplied by \$0.0471
- **Part 2 (CCC)** – January, February, and March 2020 milk production total in pounds multiplied by 1.014, and by \$0.0147

37

37

**USDA** United States Department of Agriculture

What are the Eligible Commodities?



38

**USDA** United States Department of Agriculture  
**Eligible Commodities**

- Malting Barley
- Canola
- Corn
- Upland Cotton
- Millet
- Oats
- Sorghum
- Soybeans
- Sunflowers
- Durum Wheat
- Hard Red Spring Wheat
- Wool

**Note:** Crops intended for grazing are ineligible for CFAP.

39

39

**USDA** United States Department of Agriculture

How were Eligible Commodities Determined?



40

**USDA** United States Department of Agriculture  
**Determining Commodities**

5% decline in futures prices between weeks of:

- January 13-17, 2020, and
- April 6-9, 2020

41

41

**USDA** United States Department of Agriculture  
**Determining Commodities**

USDA will consider additional commodities to be eligible for CFAP by collecting information on potentially eligible commodities.

Producers of commodities not included on the original CFAP list who believe they've suffered a five percent-or-greater price decline between January and April 2020, and who face additional marketing costs due to COVID-19, may submit comments to provide information about additional commodities.

42

42

**USDA** United States Department of Agriculture **Determining Commodities**

Comments may be submitted through either of the following methods by June 22, 2020:

**Federal Rulemaking Portal** – Go to [regulations.gov](https://www.regulations.gov) and search for [Docket ID FSA-2020-0004](#). Follow the instructions for submitting comments.

**Mail** – Director, SND, FSA, US Department of Agriculture, 1400 Independence Avenue SW, Stop 0522, Washington, DC 20250-0522.

43

43

**USDA** United States Department of Agriculture **Non-Specialty Crops & Wool Payments**



44

**USDA** United States Department of Agriculture **Payment Rates**

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Malting Barley	BU	\$0.34	\$0.37
Canola	LB	\$0.01	\$0.01
Corn	BU	\$0.32	\$0.35
Upland Cotton	LB	\$0.09	\$0.10
Millet	BU	\$0.31	\$0.34
Oats	BU	\$0.15	\$0.17

45

45

**USDA** United States Department of Agriculture **Payment Rates (Continued)**

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Sorghum	BU	\$0.30	\$0.32
Soybeans	BU	\$0.45	\$0.50
Sunflowers	LB	\$0.02	\$0.02
Durum Wheat	BU	\$0.19	\$0.20
HRS Wheat	BU	\$0.18	\$0.20
Wool (graded, clean basis)	LB	\$0.71	\$0.78
Wool (non-graded, greasy basis)	LB	\$0.36	\$0.39

46

46

**USDA** United States Department of Agriculture **Payment Formula**

**CARES Act Payment Formula:**

"2019 Total Production Not Sold (as of January 15, 2020)" (not to exceed 50% of "2019 Total Production")

50% of above number multiplied by CARES Act rate.

47

47

**USDA** United States Department of Agriculture **Payment Formula**

**CCC Charter Act Payment Formula:**

"2019 Total Production Not Sold (as of January 15, 2020)" (not to exceed 50% of "2019 Total Production")

50% of above number multiplied by CCC rate.

48

48



**USDA** United States Department of Agriculture **Payment Formula**

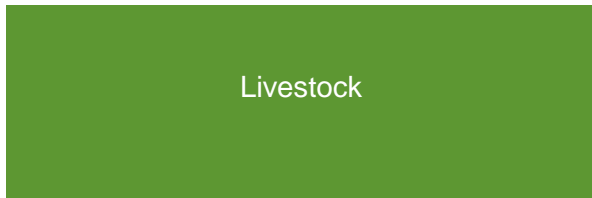
**Total Payment**

Sum of  
CARES Act and  
CCC Charter Act payment

49

49

**USDA** United States Department of Agriculture **Livestock**



50

**USDA** United States Department of Agriculture **Eligible Producer**

An eligible producer is 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 or would have shared had the crop or livestock been produced and marketed.

51

51

**USDA** United States Department of Agriculture **Eligible Producer**

A contract grower who does not own the livestock, will be considered a producer if the contract allows the grower to have risk in the livestock.

Livestock owners and contract growers who are at risk and have a share of the livestock available for marketing or would have a share had the livestock been marketed are eligible livestock producers.

52

52

**USDA** United States Department of Agriculture **CFAP Eligibility for Livestock**

- Livestock that realized a 5-percent-or-greater national market price decline between the average for the week of January 13-17, 2020 relative to the average for the week of April 6-10, 2020, have been determined eligible for CFAP.
- National payment rates have been determined based on those price declines.

53

53

**USDA** United States Department of Agriculture **Eligible Livestock**

Livestock Category	Eligible Livestock
Cattle	• Feeder Cattle: Less Than 600 Pounds
	• Feeder Cattle: 600 Pounds or More
	• Slaughter Cattle: Fed Cattle
	• Slaughter Cattle: Mature Cattle
Hogs and Pigs	• All Other Cattle
	• Pigs: Less Than 120 Pounds
Lams and Yearlings	• Hogs: 120 Pounds or More
	• All Sheep Less Than 2 Years Old

54

54



## Definitions

- **Feeder cattle less than 600 pounds** means cattle weighing less than 600 pounds.
- **Feeder cattle 600 pounds or more** means cattle weighing more than 600 pounds but less than slaughter cattle-fed cattle as defined.
- **Slaughter cattle - fed cattle** means cattle with an average weight in excess of 1,400 pounds which yield average carcass weights in excess of 800 pounds and are intended for slaughter.

55

55



## Definitions

- **Slaughter cattle - mature cattle** means culled cattle raised or maintained for breeding purposes, but which were removed from inventory and are intended for slaughter.
- **Cattle raised or maintained for breeding** purposes means animals commercially raised or maintained for use as either a sire or dam for the production of livestock offspring or lactation.
- **All other cattle** mean commercially raised or maintained bovine animals not meeting the definition of another category of cattle in this rule excluding beefcattle, bison, and animals used for dairy production or intended for dairy production.

56

56



## Definitions

- **Pigs** means any swine weighing less than 120 pounds.
- **Hogs** means any swine 120 pounds or more.
- **Lambs and yearlings** mean all sheep less than 2 years old.

57

57



## General Livestock Eligibility

### Eligible Livestock:

- Livestock owned on Jan. 15 and sold between Jan. 15 and April 15, 2020
- Offspring born from that Jan. 15 inventory
- Livestock inventory owned between April 16 and May 14, 2020
- Livestock that are no longer used for dairy production and have entered the beef cattle market

NOTE: All sales and inventory of livestock must be subject to price risk as of January 15, 2020.

58

58



## Ineligible Livestock

### Ineligible Livestock:

- Livestock used for dairy production or intended for dairy production
- Livestock purchased after Jan. 15, 2020 and sold on or before April 15, 2020
- Livestock subject to an agreed upon price in the future through a forward contract, agreement, or similar binding document as of Jan. 15, 2020

59

59



## Dairy Cattle Eligibility for CFAP

- Dairy cattle that are no longer used for dairy production and have entered the beef cattle market are eligible for CFAP, for example:
  - Dairy cull cows – "Slaughter Cattle – Mature Cattle"
  - Dairy calves – Feeder Calves < > 600 pounds
- Dairy cattle used for dairy production or intended for dairy production are not eligible for CFAP-Livestock, however milk production from this livestock is eligible for CFAP-Dairy.

60

60

**USDA** United States Department of Agriculture **Producer Reporting Requirements**

The information required from producers to participate in CFAP will be a self-certification by the producer or authorized representative.

61

**USDA** United States Department of Agriculture **Producer Reporting Requirements**

The following sales and inventory information is required from livestock producers, as applicable:

- Owned inventory of eligible livestock as of Jan. 15 and any offspring from that inventory, that were subject to price risk and sold between Jan. 15 and April 15, 2020
  - Item No. 21 on the AD-3114 form
- Highest owned inventory of eligible livestock that were subject to price risk between April 16 and May 14, 2020
  - Item No. 22 on the AD-3114 form

62

**USDA** United States Department of Agriculture **Livestock Payment Calculation**

CFAP payment for eligible livestock will be the sum of the results of the following two calculations:

Part 1 (CARES Act Funds) Payment	Part 2 (CCC Funds) Payment
Payment is calculated by multiplying the number of livestock sold between January 15 and April 15, 2020, by the payment rate per head.	Payment is calculated by multiplying the highest livestock inventory between April 16 and May 14, 2020, by the payment rate per head.
<b>Note:</b> Livestock must have been owned by the producer on January 15, 2020. Any offspring born from that same inventory are eligible.	

63

**USDA** United States Department of Agriculture **Livestock Payment Rates**

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	\$33
	Feeder Cattle: 600 Pounds or More	Head	\$139	\$33
	Slaughter Cattle: Fed Cattle	Head	\$214	\$33
	Slaughter Cattle: Mature Cattle	Head	\$ 92	\$33
	All Other Cattle	Head	\$102	\$33
Hogs & Pigs	Pigs: Less Than 120 Pounds	Head	\$ 28	\$17
	Hogs: 120 Pounds or More	Head	\$ 18	\$17
Lambs & Yearlings	All Sheep Less Than 2 Years Old	Head	\$ 33	\$ 7

64

**USDA** United States Department of Agriculture



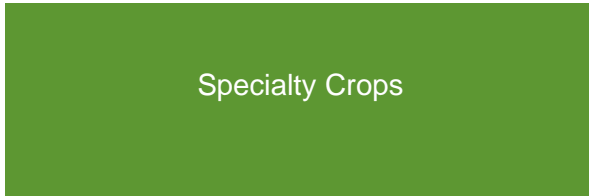
Value Loss Crops

65

**USDA** United States Department of Agriculture **Eligible Value Loss Crops**

- None at this time
- Will be determined after responses are received to a Notice of Funding Availability (NOFA)
- Anticipated to be species of:
  - Aquaculture
  - Floriculture

66



## Specialty Crops



67



## Responsibility

- FSA accepts producer certification for each category without COC action required
- AMS will provide a contact for questions
- AMS will complete spot-checks after payments are issued

68

68



## How to Apply

Producers should apply through their County Farm Service Agency office.

While USDA Service Centers are open for business by phone appointment only, FSA is working with our agricultural producers by phone and using email and online tools to process applications.

- Please call your FSA county office to schedule an appointment. Visit our website at: [www.fsa.usda.gov/oh](http://www.fsa.usda.gov/oh) and select the "County Offices" tab beneath "Related Topics" section to locate the FSA County office contact information.
- Applications can be submitted electronically either by scanning, emailing, or faxing. Please call your office prior to sending applications electronically.
- Visit <https://www.farmers.gov/cfap> to download an electronic application and for additional information.

69

69



## Working with FSA for the First Time

Producers will need to gather their farm's recent sales and inventory. Our [FSA COF staff](#) will work with producers to apply for the program.

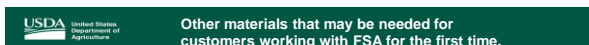
Our staff will ask for the following information:

- Name and address
- Personal information, including your Tax Identification Number
- Farm operating structure
- Adjusted Gross Income compliance certification to ensure eligibility
- Direct deposit to enable payment processing.

A CFAP Call Center is available for producers who would like additional one-on-one support with the CFAP application process. Please call **877-508-8364** to speak directly with a USDA employee ready to offer assistance.

70

70

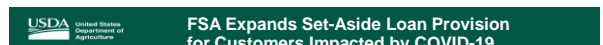


## Other materials that may be needed for customers working with FSA for the first time.

- In addition to the application form, our staff will work with you to complete portions of the CCC-902 – Farm Operating Plan – if necessary. Additionally, the following forms are needed for CFAP; if you are an existing customer, this information is likely on file at your FSA County Office.
- **CCC-901** – Identifies members of a farm that is a legal entity. Member information will be completed by legal entities and joint operations to collect the following:
  - member names, addresses, and Tax Identification Numbers
  - citizenship status
- **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.

71

71



## FSA Expands Set-Aside Loan Provision for Customers Impacted by COVID-19

- FSA has broadened the use of the Disaster Set-Aside (DSA) loan provision, normally used in the wake of natural disasters, to allow farmers with FSA farm loans who are affected by **COVID-19**, and are determined eligible, to have their next payment set aside.
- FSA direct loan borrowers will receive a letter with the details of the expanded DSA authorities, which includes the possible set-aside of annual operating loans, as well as explanations of the additional loan servicing options that are available.
- To discuss or request a loan payment Set-Aside, FSA borrowers should call or email their farm loan staff at their FSA county office.
- Customers participating in FSA's guaranteed loan programs are encouraged to contact their lender.

72

72



73

73

We want to recognize our Agricultural Community Partners



74

**Thank you for attending!**

To receive regular news and updates from the OSU Farm Office, subscribe at [farmoffice.osu.edu/blog](http://farmoffice.osu.edu/blog)

Reminder next Farm Office Live!  
May 28 @ 9:00 am- [go.osu.edu/farmofficelive](http://go.osu.edu/farmofficelive)

**CFAES**

75