

COSHOCTON COUNTY AGRICULTURE & NATURAL RESOURCESMay 27, 2020 Issue

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Hello, Coshocton County! The planters are rolling! It is great to see a lot of folks making great progress on planting this week. Our August-like weather from this weekend really helped to dry things up. It is also wonderful to see all the "rows" popping up from earlier planted corn and soybeans.

Enrollment for the **Coronavirus Food Assistance Program** (CFAP) started yesterday. I have included my monthly ag column which was published in today's Beacon newspaper which talks about this program more in detail. I know many of our dairy and beef producers may have not participated in the federal farm program before. My advice to you: now you should strongly consider it.

A big kudos to our local Farm Service Agency staff for all the work they are doing with these federal programs. The FSA has developed a great Excel spreadsheet which is a nice tool to use to determine how CFAP can help your operation.

Best wishes for a continued week of good weather! Stay safe.

Sincerely,

David Marrison

Coshocton County OSU Extension ANR Educator



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Summer Weather Outlook

By: Jim Noel

Source: <https://agcrops.osu.edu/newsletter/corn-newsletter/2020-15/summer-weather-outlook-0>

Our attention now turns to the summer growing season and what is in store. Some things are different this summer.

- The ocean temperatures are cooling in the eastern equatorial Pacific Ocean while ocean temperatures are above normal in the Gulf of Mexico into parts of the Caribbean. In addition, Lake Erie water temperatures will trend from cooler to warmer than normal as we get late into the growing season.
- With recent rains, soil moisture has increased again in Ohio and remains above normal in much of the corn and soybean belt. The soils are not as wet as 2019 but with above normal soil moisture will come plenty of evapotranspiration. In 2019 for Ohio, soil moisture generally ranked in the top 1-5% wettest while currently we are in the top 5-15% wettest. https://www.cpc.ncep.noaa.gov/products/Soilmst_Monitoring/Figures/daily/curr.w.rank.daily.gif
- Research shows 30-50% of summer rains come from local evapotranspiration from crops, trees etc. Given the wet soil conditions overall, expect a wetter than normal first half of summer, but not like last summer. We are likely to see the typical summer thunderstorm complexes in June and July ride along the high moisture content boundary of the corn crop from the northern Plains to Ohio.
- Rainfall becomes more uncertain the second half of summer. Given the warm Gulf of Mexico and Caribbean it will likely favor increased storm activity down there. When that happens we often dry out some at least in late summer up here.
- The outlook for June-August calls for slightly above normal temperatures with rainfall going from (above normal) first half to (normal or below normal) second half of summer. The above normal temperatures are favored more on overnight low temperatures versus daytime high temperatures due to soil moisture.

The latest climate outlooks are available at: <https://www.cpc.ncep.noaa.gov/>

Farm Office Live Session Slated for Thursday, May 28 from 9:00 to 10:30 a.m.

OSU Extension is pleased to be offering the a "Farm Office Live" session on Thursday morning, May 28 from 9:00 to 10:30 a.m. Farmers, educators, and ag industry professionals are invited to log-on for the latest updates on the issues impact our farm economy.

The session will begin with the Farm Office Team answering questions asked over the ten days. Topics to be highlighted include: Updates on the CARES Act, Payroll Protection Program, Economic Injury Disaster Loan (EIDL), and Coronavirus Food Assistance Program (CFAP) Update

Plenty of time has been allotted for questions and answers from attendees. If you miss the on-line office hours, the session recording can be accessed at farmoffice.osu.edu the following day. Participants can pre-register or join in on Thursday morning at <https://go.osu.edu/farmofficelive>

Coshocton SWCD's 2020 Cover Crop Cost Share Program

Once again this year, Coshocton SWCD is coordinating a Cover Crop Cost Share program. A cover crop is an un-harvested crop grown as part of a planned rotation to provide conservation benefits to the soil. Cover crops slow erosion, improve soil organic matter, smother weeds, enhance nutrient and moisture availability, help control many pests, and reduce compaction. At the same time, they can help you increase yields, save on nitrogen costs, reduce trips across the field and also reap many additional agronomic benefits.

The deadline for applications is Wednesday, **July 8, 2020**. Completed applications will be ranked against others in the watershed. The cost share rate is \$12 per acre with a cap of 200 acres per applicant, and new producers signing up fields that have not been signed up previously will receive \$15 per acre if approved.

Also, NRCS standards have to be followed for seeding rate and seeding dates. New this year, soil test results **must** be supplied to SWCD staff for each field signed up to be eligible. Tests must be within the last 4 years and represent no more than 25 acres per test. Fields without soil tests will not be considered for ranking in 2020. Also new on the ranking application is nutrient application records which are worth 20 points. To earn these points, producers must supply the SWCD with current crop records (nutrients applied for the crop currently planted in the field) for each field with date applied, product or analysis, and rate. These changes are an effort by ODA to follow the H2Ohio program, that will hopefully be available in our area in the next couple of years, and SWCD staff will work with you to complete your application. Interested farmers should contact the Coshocton Soil & Water Conservation District at 740-622-8087 ext 4. Applications are also available on-line at www.coshoctonswcd.org

Limited Pesticide and Fertilizer Testing to Resume at ODA on June 2

By: Ohio Department of Agriculture

https://pested.osu.edu/sites/pested/files/imce/05.19.20%20Fertilizer%20Testing%20Resumes_pressrelease.pdf

The Ohio Department of Agriculture (ODA) will resume testing for pesticide and fertilizer applicators on Tuesday, June 2nd. Exam sessions will meet Ohio's current standards for both meeting size and social distancing. Exams will be held in the Bromfield Administration Building on ODA's campus in Reynoldsburg.

Testing sessions will initially be scheduled on Tuesdays, Wednesdays and Thursdays at 9 AM and 1 PM. Preregistration is required and can be accessed at: <https://agri.ohio.gov/wps/portal/gov/oda/divisions/plant-health/pesticides/exam-registration>

No walk-in test takers will be permitted. Masks and photo IDs are required; pencils and calculators will be provided. Due to the COVID-19 Pandemic, we ask that every person taking the exam do a self-check before entering ODA's campus. Please take your temperature at home to ensure you do not have a temperature. If you are feeling sick, please reschedule your exam. Please wear a mask and make sure it is covering your nose and mouth then entire time you are taking the exam. You can find additional information on how to slow the spread of COVID-19 at: <https://coronavirus.ohio.gov/wps/portal/gov/covid-19/home>

For additional information, please call the Pesticide & Fertilizer Regulation Section at 614-728-6987, option 1 or email pesticides@agri.ohio.gov.

CFAP Sign-Up Begins!

Farmers can now apply for USDA's **Coronavirus Food Assistance Program (CFAP)**, which provides direct payments to offset impacts from the coronavirus pandemic. Through CFAP, USDA is making available \$16 billion for vital financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19 and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities.

The application period for this program started on May 26 and will continue through August 28, 2020.

The screenshot shows a Microsoft Excel spreadsheet titled "CFAP Payment Calculator and AD-3114 Generator". The spreadsheet is organized into several sections. At the top, there are input fields for "Name", "Address", "City, State, Zip", and "County". Below these, there are sections for "Part 1: Dairy Production Information" and "Part 2: Non-Specialty Crop and Wool". Each section contains columns for "2019 Production", "2019 Production Not Sold (as of Jan 15, 2020)", "Estimated CARES Gross Payment before payment limits and other reductions", "Estimated CCC Gross Payment before payment limits and other reductions", and "Estimated Total CARES & CCC Gross Payment before payment limits and other reductions". The bottom of the spreadsheet shows a "Data Entry" tab and a "Ready" status bar.

[A CFAP Payment Calculator](#) is available to assist with the CFAP application process. This Excel workbook allows you to input information specific to your operation to determine estimated payments and populate the application form. Producers can download the CFAP application and other eligibility forms from farmers.gov/cfap.

To find the latest information on CFAP, visit farmers.gov/cfap

David's Beacon Article on CFAP

By: David L Marrison

For Publication on May 27, 2020- The Beacon

Hello Coshocton County! Over the past ten weeks, COVID-19 has caused a lot of discomfort for families, businesses, governmental agencies, and civic organizations. It seems as if the only certainty that we have is the fact there is no certainty in this pandemic. We are in uncharted territory and the game plan will continued to be written day by day.

COVID-19 has hit the agricultural industry pretty hard. Market prices for major commodities have fallen sharply since COVID-19 reached the United States back in early January. Milk and cattle prices have declined over 25 percent and corn and hog prices are down 19%. At one time during the pandemic, these prices had dropped over 40 percent. Early projections suggest total net farm income could be down 20% or more over in 2020.

There have been many efforts through federal and state legislation to offset the impact of COVID-19. The details for one such program targeted to help agricultural producers were released last week. This program called **Coronavirus Food Assistance Program (CFAP)** will provide \$19 billion dollars of financial assistance nationally for losses experienced as a result of the pandemic.

So what does this mean for our farmers here in Coshocton County? First, there is assistance for farmers who raise corn, soybeans, oats, cattle, sheep, hogs or produces milk. Additionally, producers raising certain vegetable and fruit specialty crops are also eligible. The program is designed to help soften the drastic loss of revenue received by farmers when crops and livestock were marketed from mid-January through mid-April. It also provides additional funding to help off-set on-going market disruptions.

Commodities that did not suffer a five percent-or-greater price decline from mid-January 2020 to mid-April 2020 are not eligible for CFAP. Specifically, this includes sheep more than two years old, eggs/layers, soft red and hard red winter wheat, alfalfa, and forage crops.

Second, farmers do not have to previously participated in the federal farm program to take part in CFAP. I know many of our dairy and beef producers may have not participated in the federal farm program. My advice to you: now you should strongly consider it. If you know a local producer, make sure to clip this article out and give it to them.

As examples on the help that will be offered, an eligible dairy producer will receive \$4.71 per hundred weight of milk for their milk production from the first quarter of the year plus an additional national adjustment payment. Farmers with corn and soybeans in storage may be eligible for two payment rates together averaging 33.5 cents per bushel for corn and 47.5 cents per bushel for soybeans if they had inventory subject to price risk held as of January 15, 2020.

For cattle marketed from January 15 to April 15, producers are eligible for a one time payment ranging from \$92 to \$214 per head. Livestock producers are also eligible for an additional payment of \$33 per head for cattle on the farm between April 16 and May 14. Our hog and sheep producers are also eligible for payments for the same time periods as well.

Eligible producers can sign up for CFAP from May 26 through August 28, 2020. This program is administered by the Farm Service Agency (FSA) office and the local Coshocton FSA can be reached at 740-622-8087 for sign-up details. The FSA has also released a really nice CFAP spreadsheet for farmers to complete from the comfort of their home farm office.

I cannot express how fortunate we are to have such a wonderful Farm Service Agency office staff here in Coshocton County. They have a lot on their plates juggling all the federal farm programs. They are truly amazing.

Complete details about the CFAP program can be found at the FSA's website at: <https://www.farmers.gov/cfap>. Our OSU Extension Farm Office team has also authored a bulletin discussing the CFAP program more in depth. It was released last week and can be found at: <https://go.osu.edu/CFAP-2020>.

I can also mail or email you a copy as well. Just drop me an email at marrison.2@osu.edu or call me at the Coshocton County Extension office at 740-622-2265.

In closing, I would like to share with you quote from Walt Disney who stated "All the adversity I've had in my life, all my troubles and obstacles, have strengthened me... You may not realize it when it happens, but a kick in the teeth may be the best thing in the world for you." Have a good and safe day!

Expect Higher Solvency Rates on Farms in 2020

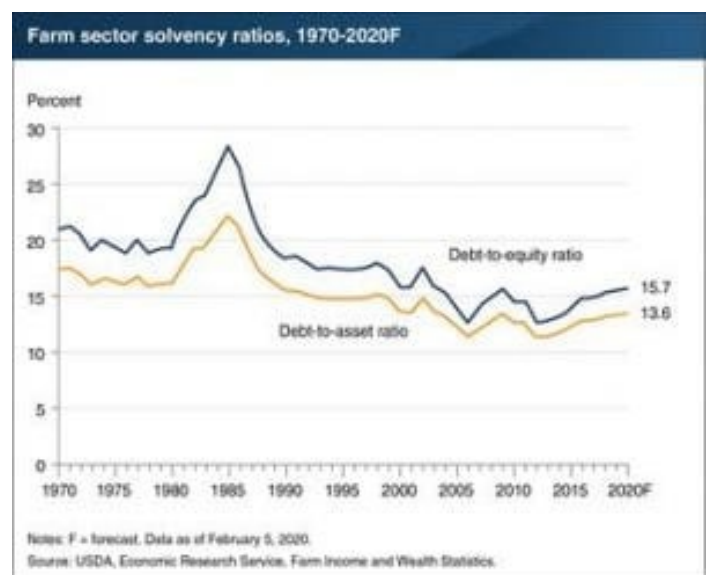
by: Chris Zoller, Extension Educator, ANR, Tuscarawas County

Source: <https://u.osu.edu/ohioagmanager/2020/05/18/expect-higher-solvency-rates-on-farms-in-2020/>

The United States Department of Agriculture Economic Research Service (USDA-ERS) collects and summarizes an incredible amount of data about farm financial conditions. This article will discuss solvency and solvency ratios of U.S. farms.

Solvency is a measure of the ability of a farm to satisfy its debt obligations when due and is measured using the debt-to-equity ratio and debt-to-asset ratios. These ratios help determine whether, if your farm were sold, all debts would be paid.

The U.S. farm sector debt-to-equity (D/E) and debt-to-asset (D/A) ratios are expected to continue increasing. In 2020, ERS forecasts a debt-to-equity ratio of 15.7 percent, and a debt-to-asset ratio of 13.6 percent (Chart 1). These higher ratios indicate that more of the farm sector's assets are financed by credit or debt relative to owner equity (D/E) and relative to total farm assets (D/A). While not as high as the ratios experienced during the 1980s, the concern is that these ratios are rising. The impact of this year's shelter-in-place restrictions due to COVID-19, and associated



supply chain issues are not reflected in this ERS data.

Getting Started

The first step in determining the ratios for your farm is to complete an annual balance sheet. The balance sheet lists all your assets and liabilities. Subtracting total farm liabilities from total farm assets results in the equity (net worth) of your farm business. See OSU Extension Fact Sheet ANR-64

(<https://ohioline.osu.edu/factsheet/anr-64>) for a detailed explanation of completing a balance sheet.

Calculating the Ratios

Debt to asset ratio – compares the amount of debt a farm has relative to total assets owned by the farm and is calculated by dividing total farm debt by total farm assets to arrive at a percentage. For example, a debt to asset ratio of 40 percent means that for every \$1 in assets, the farm has 40 cents of debt. The Farm Financial Standards have identified the following general ranges:

- Less than 30% is strong
- Between 30% and 60% is cautious
- More than 60% indicates vulnerability

However, for many farms, a D/A ratio higher than 40% can be unmanageable if the farm business is not profitable on a long-term basis.

Debt to equity ratio – is simply total farm debt divided by total farm equity (net worth) and compares how much of a farm is owned by the lender vs. the owner. The higher the number, the less likely creditors are willing to lend money. The desired number is less than 0.43 (43%). Anything over 1.5 indicates the farm is highly leveraged.

Example Farm

Mitchell Family Farms completed their annual balance sheet on January 1, 2020. The balance sheet lists the value of total farm assets at \$2,475,000 and total farm liabilities of \$600,000. Net worth/equity (assets – liabilities) equals \$1,875,000.

To calculate the debt to asset ratio for Mitchell Family Farms, divide \$600,000 (total farm debt) by \$2,475,000 (total farm assets). This equals 24%, which is within the “strong” category identified by the Farm Financial Standards Council.

The debt to equity ratio is calculated by dividing \$600,000 (total farm debt) by \$1,875,000 (net worth or equity). The debt to equity ratio for Mitchell Family Farms is 32%. The is within the desired ratio of 43% suggested by the Farm Financial Standards Council.

Based solely on these two measures, Mitchell Family Farms is in a desirable financial position. However, it is important to evaluate more ratios to determine the overall financial health of the farm business.

Next Steps

After completing a balance sheet and making calculations, refer to the Farm Financial Standards Council benchmarks to compare your numbers with industry accepted standards. If the ratios are acceptable, continue managing to maintain the numbers and benchmark using these standards <https://ffsc.org/wp-content/uploads/2012/06/FarmFinancialGuidelinesRatios1.pdf>

If your ratios need improvement, focus on those that are in most need of change. Here are a few recommendations:

- Consult with your lender or Extension professional to analyze and discuss your ratios
- Contact the Ohio State University Extension Farm Business Analysis and Benchmarking Program for a complete analysis of your farm finances (<https://farmprofitability.osu.edu/>)
- Develop a plan to address shortcomings

- Have written goals
- Monitor progress
- Summary
- Financial management in agriculture is more critical today than it has been in many years. Devote time to your farm finances and reach out to professionals who are available to help you be successful.

References

- Farm Financial Guidelines and Ratios, Farm Financial Standards Council, <https://ffsc.org/wp-content/uploads/2012/06/FarmFinancialGuidelinesRatios1.pdf>
- Ratios and Measurements in Farm Finances, University of Minnesota, <https://extension.umn.edu/farm-finance/ratios-and-measurements#solvency-796061>
- The Basics of a Farm Balance Sheet, Ohio State University Extension Fact Sheet ANR-64, <https://ohioline.osu.edu/factsheet/anr-64>
- USDA-ERS, Forecast for Higher Solvency Ratios in 2020 Indicates that More of the Farm Sector's Assets are Financed by Credit or Debt, <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=98316>

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

Ben Brown, Peggy Kirk Hall, David Marrison, Dianne Shoemaker and Barry Ward
 The Ohio State University

Since the enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020 and the announcement of the Coronavirus Food Assistance Program (CFAP) on April 17, 2020, producers in Ohio and across the country have been anxiously awaiting additional details on how the Coronavirus Food Assistance Program (CFAP) will provide financial assistance for losses experienced as a result of lost demand, short-term oversupply and shipping pattern disruptions caused by COVID-19. The additional details on CFAP eligibility, payment limitations, payment rates, and enrollment timeline arrived on May 19, 2020, when the USDA issued its Final Rule for CFAP. We explain the Final Rule in this issue of *News from the Farm Office*.

Background

CFAP will utilize \$9.5 billion of funding provided from the CARES Act and \$6.5 billion from the Commodity Credit Corporation (CCC) to provide \$19 billion in total support to agricultural producers through two elements: \$16 billion in *Direct Support to Farmers and Ranchers* and \$3 billion in the *USDA Purchase and Distribution Program*. The Purchase and Distribution Program is already underway.

Until May 19, little was known about the *Direct Support to Farmers and Ranchers Program*. Early in May, Senate Agricultural Appropriations Chairman John Hoeven (SD) released to reporters the anticipated payment breakdowns per commodity at \$5.1 billion for cattle, \$2.9 billion for dairy, \$1.6 billion for hogs, \$3.9 billion for row crops, \$2.1 billion for specialty crops and \$0.5 billion for other crops. These breakdowns in funding **have not been confirmed** by USDA nor were they mentioned in USDA's press conference and press release on May 19, 2020. The remainder of this article focuses on what we do know about the *Direct Support to Farmers and Ranchers Program* portion in CFAP based upon the USDA's Final Rule.

Eligibility Requirements

Eligible producers are defined as any person or legal entity that shared in the risk of producing the crop or is entitled to share in the revenue from marketing on January 15, 2020 or April 16, 2020 through May 14, 2020. An eligible producer must also be a U.S. citizen or resident alien.



Photo Source: United States Department of Agriculture

Eligible non-specialty crops and wool include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, hard red spring wheat, and wool. Notable for Ohio producers is the absence of soft red winter wheat.

Eligible specialty crops include apples, avocados, blueberries, cantaloupe, grapefruit, kiwifruit, lemons, oranges, papaya, peaches, pears, raspberries, strawberries, tangerines, tomatoes, and watermelons, artichokes, asparagus, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, garlic, iceberg lettuce, romaine lettuce, dry onions, green onions, peppers, rhubarb, spinach, squash, sweet potatoes, taro, almonds, pecans, walnuts, beans, and mushrooms. Additional crops may be added later, specifically aquaculture and nursery crops including cut flowers. The Agricultural Marketing Service will assist the Farm Service Agency with respect to matters dealing with producers of specialty crops.

Eligible livestock include cattle, sheep (yearlings and lambs only), and hogs. Dairy milk is eligible but has a separate payment calculation.

To be eligible, commodities had to experience a 5% or greater drop in their corresponding futures prices between the weeks of January 13-27 and April 6-9, 2020. For non-specialty crops and livestock, the decline in price was calculated by using the average of futures prices or cash prices if futures prices were not available. For specialty crops, the price decline was calculated using the same periods and reported prices by the Agricultural Marketing Service.



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Payment Limitations

CFAP payments are subject to a per person or per legal entity payment limitation of \$250,000. This is an increase from normal USDA payment limitations of \$125,000. This limit is the sum of all eligible commodity payments paid to a person or entity. The total payment amount of CFAP payments attributed to one individual will be determined by taking into account the individual's direct and indirect ownership interest of all the entities participating in CFAP funding. Unlike other FSA administered programs, special payment limitations will be applied to participants that are corporations, LLCs, and limited partnerships classified as corporate entities. In these cases, the entity can only receive funds for up to three shareholders who are contributing at least 400 hours of management or active personal labor to the business. The rate is \$250,000 per person with a maximum of \$750,000 per entity.

A person or legal entity other than a joint venture or general partnership is ineligible for payments if the average Adjusted Gross Income (AGI) for the 2016, 2017 and 2018 tax years is more than \$900,000 unless at least 75% of that person's AGI is derived from farming, ranching or forestry related activities.

Timeline and Application

Eligible producers can start signing up for assistance at their local Farm Service Agency office on **Tuesday, May 26, 2020**. Currently due to COVID-19 restrictions, FSA Service Centers are open for business by phone appointment only. The FSA has streamlined the sign-up process and will be working with producers via phone and using e-mail, fax, mail, and online tools to accept applications. Producers can find the local FSA Service Center contact information by visiting this link: <https://offices.sc.egov.usda.gov/locator/app>. Sign up concludes at close of business on **August 28, 2020**.

Required forms at time of sign up include:

- A farm operating plan.
- CCC-901: name, address, Tax ID, citizen status.
- CCC-941: reports average gross income.
- CCC-942: certifies income source, if applicable.
- AD-1026: highly erodible land and wetland certification.
- AD-2047: provides basic customer contact information.
- SF-3881: collects bank information for direct deposit.

Producers who have previously participated in FSA programs will have most of these forms on record at their local FSA office. However, the forms are also available on USDA's website at <https://forms.sc.egov.usda.gov/eForms>.

The USDA may also require documentation of ability to harvest, transport, or market the crop in a quantity determined based on the producer's approved yield, expected production

or inventory of livestock, and the applicant's ownership or risk in the commodity.

Producers who are approved for participation in CFAP funding **must retain** documentation in support of their application for **three years** after the date of approval.

Payments and Payment Rates

Since funding sources include both the CARES Act and the Commodity Credit Corporation with two stated objectives, payment rates are split in three parts for specialty crops and two parts for non-specialty crops and livestock. The CFAP portion is intended to provide producers with financial assistance to "help offset sales losses and increased marketing expenses associated with the COVID-19 pandemic." Commodity Credit Corporation funding is used to provide partial compensation for the "purchases of materials and facilities required in connection with the production and marketing of agricultural commodities and the disposal of surplus commodities from normal marketing channels that may be currently unavailable." This support is to assist producers with losses, but not intended to cover total losses.

As applications are approved, 80% of the payment will be released with the remaining 20% held and paid at a later date if adequate funds remain. For all commodities listed below, the CFAP and CCC rates mentioned are appended in Tables 1 and 2. We explain the formulas and provide examples for each commodity below.

Payments for non-specialty crops and wool

The formula to calculate non-specialty crops and wool has two parts:

- Part 1: The **lesser** of either 50% of 2019 production or the unpriced inventory on hand as of January 15, 2020 multiplied by 50% and the CFAP per unit rate per commodity.
- Part 2: The **lesser** of either 50% of 2019 production or the unpriced inventory as of January 15, 2020 multiplied by 50% and the CCC per unit rate per commodity.

The January 15, 2020 inventory is calculated by adding current inventory plus sales records between January 15 and the date of enrollment. Other forms of acceptable documentation include ledgers of income, income statements of deposit slips, register tapes, invoices for custom harvesting, records to verify custom harvesting, records to verify production costs, truck scale tickets, or contemporaneous diaries that are determined acceptable by USDA. It is uncertain at this time how held futures contracts of commodities on January 15 will be treated. This is the case for producers who sell their entire crop at

(Payments and Payment Rates, continued)

harvest then buy futures contracts to capture market rallies. The grain producer has market risk, but no language was included for these producers.

Non-specialty crop and wool formula

$$\begin{aligned} & (50\% * (\text{Lesser of 50\% 2019 production or inventory 1/15/20}) \\ & \quad * \text{CFAP Rate}) \\ & + \\ & (50\% * (\text{Lesser of 50\% 2019 production or inventory 1/15/20}) \\ & \quad * \text{CCC Rate}) = \text{Payment} \end{aligned}$$

Non-specialty crop and wool example

Scenario: 40,000 bushels of unpriced corn on hand 1/15/2020 representing 40% of 2019 production.

$$\begin{aligned} & (40,000 \text{ bu.} * 50\% * \$0.32/\text{bu.}) = \$6,400 \\ & + \\ & (40,000 \text{ bu.} * 50\% * \$0.35) = \$7,000 \\ & \text{equals} \end{aligned}$$

Total Payment of \$13,400 (80% will be paid up front)

Payments for livestock

For livestock, the payment is the sum of two parts:

- Part 1: Livestock sales (number of head) between January 15, 2020 and April 15, 2020 multiplied by the corresponding animal species CFAP payment rate per head.
- Part 2: The highest amount of livestock inventory (number of head) on any day between April 16, 2020 and May 14, 2020 multiplied by the corresponding species CCC payment rate per head.

Separate payment rates exist for cattle and hogs of different size and age classifications: slaughter cattle-mature cattle, slaughter cattle-fed cattle, feeder cattle less than 600 pounds, feeder cattle 600 pounds or more; all other cattle, pigs (less than 120 pounds) and hogs.

Livestock formula

$$\begin{aligned} & (\text{Animals (head) sold 1/15/20-4/15/20} * \text{CARES Rate}) \\ & \text{plus} \\ & (\text{Head of unpriced animals 4/16/20-5/14/20} * \text{CCC Rate}) = \\ & \text{Payment} \end{aligned}$$

Livestock example

Scenario: 50 head of feeder cattle more than 600 pounds sold 3/20/20 and 100 head of other cattle 5/1/20.

$$\begin{aligned} & (50 * \$139) = \$6,950 \\ & + \\ & (100 * \$33) = \$3,300 \\ & \text{equals} \end{aligned}$$

Total Payment of \$10,250 (80% will be paid up front)

Payments for dairy

Dairy payments also have a two part formula:

- Part 1 is based on the producer's certified milk production during the first quarter of 2020 (January through March). The CARES rate represents 80% of the USDA calculated first quarter price decline.
- Part 2 multiplies first quarter production by 1.014 (adjusting for increased second quarter production) and the CCC payment rate representing 25% of the calculated price decline.

Dairy formula

$$\begin{aligned} & (\text{1st quarter production} * \text{CARES Rate}) \\ & + \\ & (\text{1st quarter production} * 1.014 * \text{CCC Rate}) = \text{Payment} \end{aligned}$$

Dairy example

Scenario: 1st quarter milk production of 600,000 (6,000 cwt)

$$\begin{aligned} & (6,000 * \$4.71) = \$28,260 \\ & + \\ & (6,000 * 1.014 * \$1.47) = \$8,943.48 \\ & \text{equals} \end{aligned}$$

Total Payment of \$37,203.48 (80% will be paid up front)

Payments for specialty crops

Specialty crop producers will receive a payment based on the sum of three parts:

- Part 1: Total sales multiplied by the CARES Act rate for sales lost, production that was shipped but unpaid.
- Part 2: Production multiplied by CARES Act rate for product that left the farm but spoiled due to loss of marketing channel, and unharvested production that was wasted due to lack of market access.
- Part 3: Unharvested production multiplied by the CCC payment rate.

Specialty crop formula

$$\begin{aligned} & \text{Part 1} * \text{CARES Payment (Table 1, Column 2)} \\ & \text{plus} \\ & \text{Part 2} * \text{CARES Payment (Table 1, Column 3)} \\ & \text{plus} \\ & \text{Part 3} * \text{CCC Payment (Table 1, Column 4)} \end{aligned}$$

Specialty crop example

Scenario: A producer sold 1,000 lbs. of tomatoes on 3/1/20, had 200 lbs. shipped but unpaid, and had 4,000 lbs. rot in the hoop house.

$$\begin{aligned} & (1,000 \text{ lbs.} * \$0.64) = \$640 \\ & + \\ & (200 \text{ lbs.} * \$0.38) = \$76 \\ & + \\ & (4,000 \text{ lbs.} * \$0.07) = \$280 \\ & \text{equals} \end{aligned}$$

Total Payment of \$996 (80% will be paid up front)

Conclusion

Starting Tuesday, May 26, 2020, producers can contact their local FSA office and begin to sign up for CFAP funding authorized under the CARES Act and the Commodity Credit Corporation. Producers who are new to FSA programs will need to fill out paperwork and verify their ownership share or risk exposure, adjusted gross income, wetland and erodible land compliance and their contact information. Producers who participate in Farm Bill programs like Agricultural Risk Coverage, Price Loss Coverage or Dairy Margin Coverage will already have these forms on file. While the payment rates per commodity are the same for all producers, these payments are based on actual losses experienced earlier this year and as a result require certification of inventories, sales, or sometimes both. While many forms of verification exist, sales tickets, certified inventory statements or insurance records appear the easiest to obtain.

We await additional details about this program. This bulletin serves as the authors' interpretations of the Final Rule released by USDA, and FSA interpretation may be different.

OSU Extension and Ohio FSA will conduct a webinar in the upcoming days to outline program materials and answer questions. For information about the webinar and additional information on CFAP, please visit farmoffice.osu.edu. Information provided on the program by USDA along with a webinar for new FSA program participants is available at farmers.gov/CFAP.

References

"Coronavirus Food Assistance Program." *Coronavirus Food Assistance Program Farmers.gov: Resources for Farmers and Producers*, www.farmers.gov/cfap.

7 CFR Part 9, Coronavirus Food Assistance Program, Final Rule, available at www.farmers.gov/cfap.

Appendix 1

Table 1. Payment rates for specialty crops			
Commodity	CARES Act Payment Rates for Sales Losses (\$/lb.) Column 2	CARES Act Payment Rate for Product that left the farm, but spoiled due to loss of marketing channel (\$/lb.) Column 3	CCC Payment Rate (\$/lb.) Column 4
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
Onion, dry	\$0.01	\$0.05	\$0.01
Onions, green	--	\$0.30	\$0.06
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	\$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	--

Table 2: Payment rates for non-specialty crops, dairy, and livestock			
Commodity	Unit	CARES Act Payment Rate (\$/unit)	CCC Payment Rate (\$/unit)
Barley (malting)	bushel	\$0.34	\$0.37
Canola	pound	\$0.01	\$0.01
Corn	bushel	\$0.32	\$0.35
Durum Wheat	bushel	\$0.19	\$0.20
Hard Red Spring Wheat	bushel	\$0.18	\$0.20
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
Upland Cotton	pound	\$0.09	\$0.10
Dairy	hundredweight	\$4.71	\$1.47
Slaughter Cattle-Mature cattle	head	\$92	\$33
Slaughter Cattle-Fed cattle	head	\$214	\$33
Feeder cattle less than 600 pounds	head	\$102	\$33
Feeder cattle 600 pounds or more	head	\$139	\$33
All other cattle	head	\$102	\$33
Pigs	head	\$28	\$17
Hogs	head	\$18	\$17
Lambs and Yearlings	head	\$33	\$7
Wool (graded, clean basis)	pound	\$0.71	\$0.78
Wool (non-graded, greasy basis)	pound	\$0.36	\$0.39