

AgriLife Extension assists Texans in production agriculture
Texas A&M AgriLife provides CARES Act training and outreach for agricultural producers affected by
COVID-19 pandemic
MAY 20, 2020

The [Texas A&M AgriLife Extension Service](#), in collaboration with the office of Texas Gov. Greg Abbott, will be providing educational outreach and training to help producers of agricultural commodities throughout the state understand and acquire federal assistance to help them recover financially from the COVID-19 pandemic.

Patrick J. Stover, Ph.D., vice chancellor of [Texas A&M AgriLife](#), dean of the [College of Agriculture and Life Sciences](#) and director of [Texas A&M AgriLife Research](#), College Station, said helping agricultural producers better understand the CARES stimulus package is necessary to help secure the future food supply.

“The COVID-19 pandemic has had a negative impact on the food production and supply and has had a profound and far-reaching effect on those front-line farmers we depend on to meet our needs for food and nutrition,” Stover said.

AgriLife Extension director Jeff Hyde, Ph.D., College Station, said his agency’s initial phase of the collaboration with the governor’s office used AgriLife Extension’s unique, statewide reach to educate local officials serving counties, municipalities, communities and schools about the federal relief package.

“Now in this second phase, we are providing outreach and training statewide for those agricultural producers we rely upon to provide us with the food and fiber we need every day,” he said. “We hope our efforts will help them obtain the federal funding for which they are eligible as quickly as possible.”

Training on CARES Act

The free training course, “[The CARES Act: Implications for Farmers and Ranchers](#),” can be found on AgriLife Extension’s online learning website, at agrilifelearn.tamu.edu

The training builds on a [recent report](#) by the [Agricultural and Food Policy Center, or AFPC](#), at Texas A&M University that summarizes the financial relief resources made available to agricultural producers at <https://www.afpc.tamu.edu/research/publications/files/699/RR-20-02.pdf>

The Coronavirus Aid, Relief, and Economic Security, or CARES Act, will be instrumental in helping Texans recover from the economic devastation caused by the pandemic. For agricultural producers, much of the assistance will be provided through the U.S. Department of Agriculture, which has just finalized the process of finalizing details of the Coronavirus Food Assistance Program, CFAP.

“The CARES Act provides a number of tools to help workers, families and small businesses, including farmers and ranchers,” explained Bart Fischer, co-director of the Agriculture and Food Policy Center and AgriLife Research economist. “Now that USDA has finalized the details of CFAP, we stand ready to help make sure Texas producers have the information they need to apply as quickly as possible.”

Continued outreach

AFPC recently [estimated](#) that production agriculture losses in Texas as a result of the COVID-19 pandemic could be from \$6-8 billion or more. The agricultural commodities identified as being most affected by the pandemic include weaned calves, stocker calves, feeder steers, sheep and goats, fruits and vegetables, and dairy products.

AgriLife Extension will continue to offer outreach and online trainings related to the CARES Act to help agricultural producers navigate the federal funding process so they may recover financially as quickly and effectively as possible. And AgriLife Extension agents and others will be available to assist producers with any questions related to the training and application process for federal funding. Hyde noted AgriLife Extension will collaborate with the Texas agriculture industry, commodity associations and other groups to help ensure agricultural producers are aware of the agency's trainings and of any other informational assistance available to them.



Texas A&M AgriLife, in collaboration with the office of Texas Gov. Greg Abbott, will provide training and educational outreach on the CARES Act as a way to help agricultural producers throughout the state. (Texas A&M AgriLife Extension Service photo)

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Agricultural and Food Policy Center
Texas A&M University

May 20, 2020

Overview of the Coronavirus Food Assistance Program (CFAP)



AFPC

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Overview of the Coronavirus Food Assistance Program (CFAP)

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Introduction

On January 20, 2020, the Centers for Disease Control and Prevention (CDC) confirmed the first case of novel coronavirus (COVID-19) in the United States. In response, Congress has passed three separate aid packages. The most recent response—H.R. 748, the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)*—included \$23.5 billion in additional funding for the U.S. Department of Agriculture (USDA) to respond to COVID-19.¹ The act included \$9.5 billion “to prevent, prepare for, and respond to coronavirus by providing support for agricultural producers impacted by coronavirus, including producers of specialty crops, producers that supply local food systems, including farmers markets, restaurants, and schools, and livestock producers, including dairy producers.” The act also replenished borrowing authority for the Commodity Credit Corporation (CCC) to the tune of \$14 billion relative to the June 2020 audit report. These authorities and others are outlined in a recent report by Fischer and Outlaw.²

On April 17, 2020, President Trump announced he was drawing on these authorities to create the Coronavirus Food Assistance Program (CFAP).³ According to the announcement, the \$19 billion package contained two primary components:

- **USDA Purchase and Distribution:** USDA committed to partnering with regional and local distributors to purchase \$3 billion in fresh produce, dairy, and meat, beginning with the procurement of an estimated \$100 million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products, and \$100 million per month in meat products.
- **Direct Support to Farmers and Ranchers:** USDA committed to providing \$16 billion in direct support to agricultural producers where prices and market supply chains have been impacted and to assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.

This report provides an update on both components of CFAP.

USDA PURCHASE AND DISTRIBUTION (\$3 BILLION)

Consistent with the announcement in April, USDA has partnered with regional and local distributors, whose workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase up to \$3 billion in fresh produce, dairy, and meat as part of its new Farmers to Families Food Box Program. USDA’s announced intent was to procure an estimated \$100 million per month for each of fresh fruits and vegetables, dairy products, and meat products.

On May 8, 2020, the Agricultural Marketing Service (AMS) announced that the program will purchase \$1.2 billion in eligible products, for delivery from May 15 to June 30, 2020, including \$461 million in fresh fruits and vegetables, \$317 million in a variety of dairy products, \$258 million in meat products, and \$175 million in a combination box of fresh produce, dairy or meat products. Suppliers will package these products into family-sized boxes, then transport them to non-profits serving Americans in need. AMS had also noted that it may elect to extend the period of performance of the contracts up to \$3 billion.⁴

¹ Congress also revisited the CARES Act, passing H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act, on April 23, 2020, providing additional funding for the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program, among other things.

² <https://afpc.tamu.edu/research/publications/files/697/BP-20-03.pdf>.

³ <https://www.usda.gov/media/press-releases/2020/04/17/usda-announces-coronavirus-food-assistance-program>.

⁴ <https://www.ams.usda.gov/selling-food-to-usda/farmers-to-families-food-box>.

DIRECT SUPPORT TO FARMERS AND RANCHERS (\$16 BILLION)

On May 19, 2020, USDA released CFAP details and announced that signup will run from May 26 to August 28, 2020. In providing direct support to farmers and ranchers, USDA is drawing on two separate authorities: \$9.5 billion from the CARES Act and \$6.5 billion from the Commodity Credit Corporation (CCC). Importantly, despite the fact that the CARES Act provided a \$14 billion replenishment for the CCC, USDA noted that the funding is not available until after June 2020. As a result, they are drawing on existing CCC funding to operate CFAP.

Payment Rates & Eligible Commodities

This dual authority leads to perhaps one of the more confusing features of CFAP: separate payment rates for each commodity based on the underlying authority. While we examine payment rates and provide examples for each commodity below, it is worth noting that payment rates are all largely derived in a similar fashion—estimating the price drop from the week of January 13-17, 2020, to the week of April 6-9, 2020.

Table I provides a list of eligible commodities. Any commodity that did not experience a price drop of more than five percent is ineligible for support under CFAP. According to 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. USDA also notes that “for all commodities except for hemp and tobacco, USDA may reconsider the excluded commodities if credible evidence is provided that supports a five percent price decline.”⁵

⁵ <https://www.farmers.gov/cfap>.

Table I. Commodities Eligible for CFAP

Livestock: cattle, hogs, and sheep (lambs and yearlings only)

Dairy

Wool

Non-specialty Crops: malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat

Specialty Crops

- **Fruits:** apples, avocados, blueberries, cantaloupe, grapefruit, kiwifruit, lemons, oranges, papaya, peaches, pears, raspberries, strawberries, tangerines, tomatoes, watermelons
- **Vegetables:** artichokes, asparagus, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, garlic, iceberg lettuce, romaine lettuce, dry onions, green onions, peppers, potatoes, rhubarb, spinach, squash, sweet potatoes, taro
- **Nuts:** almonds, pecans, walnuts
- **Other:** beans, mushrooms

USDA is also soliciting feedback via a Notice of Funding Availability (NOFA) on making additional crops eligible for CFAP.⁶ 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. USDA has noted that they are particularly interested in the obtaining information on nursery and aquaculture products.

Payment Limits & Income Tests

CFAP payments are limited to \$250,000 per person or legal entity. The rule is silent on spousal doubling, but sources indicate that USDA intends to include it. CFAP includes an entirely new feature that applies to certain participants that are corporations, limited liability companies, and limited partnerships. These corporate entities are eligible for up to \$750,000 (if at least three shareholders meet certain labor or management contribution requirements).

Other than a general partnership and joint venture, a person or legal entity is ineligible for CFAP if their AGI is greater than \$900,000 unless 75 percent or more of the AGI is derived from farming, ranching, or forestry-related activities. For general partnerships and joint ventures, the provision is applied to each member of the entity.

While USDA has been under an enormous amount of pressure to increase the payment limits, they remain largely unchanged from the initial announcement. USDA initially indicated that payments would be limited to \$125,000 per commodity and \$250,000 per person or legal entity. It appears USDA simply eliminated the per-commodity limit, leaving the overall limit of \$250,000 unchanged. For many producers, the payment limit will be a critical factor. For example, we estimate that a dairy with just over 600 cows will hit the payment limit. For context, nearly two-thirds of the nation's dairy cows are on operations with 600 or more cows. The same logic applies to larger crop and livestock farms as well.

Payment Reductions

To ensure adequate funding, USDA is initially paying only 80 percent of the CFAP payment for eligible producers. Once the initial payment is made, if the \$16 billion in available funding has not yet been exhausted, the remaining 20 percent (or a prorated amount, if needed) will automatically be provided at a later date.

Payment Calculations and Examples by Commodity

Generally speaking, CFAP provides assistance to producers for losses incurred on production that was at risk and marketed or held in inventory. In many cases, payments are based on "unpriced" inventory which is "any production that is not subject to an agreed-upon price in the future through a forward contract, agreement, or similar binding document." Production and inventory amounts are generally self-certified, and producers must be able to provide supporting documentation if requested by the Farm Service Agency (FSA). According to the final rule, "examples of supporting documentation include evidence provided by the producer that is used to substantiate the amount of production or inventory reported, including copies of receipts, ledgers of income, income statements of deposit slips, veterinarian records, register tapes, invoices for custom harvesting, and records to verify production costs, contemporaneous measurements, truck scale tickets, or contemporaneous diaries that are determined acceptable by USDA." While there is some commonality across commodities, subtle nuances can have a significant impact on payments as noted in the summary that follows.

⁶ <https://www.farmers.gov/sites/default/files/documents/CFAP%20NOFA.pdf>.

Livestock

A single CFAP payment will be made to livestock producers, but it is based on the sum of two distinct components:

- (1) a payment for livestock marketed between January 15, 2020, and April 15, 2020, and
- (2) a payment for the highest inventory of unpriced livestock between April 16, 2020, and May 14, 2020.

In both cases, the number of head are multiplied by the relevant payment rate in Table 2.

Table 2. Payment Rates for Livestock.

Commodity	Unit	CARES Act Payment Rate (\$/unit)	CCC Payment Rate (\$/unit)
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

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

Cattle

As noted in Table 2, cattle are categorized into five groups, roughly corresponding to different cattle types. The payment rates for animals sold between January 15 and April 15, 2020, are based on the type of cattle sold. For example, producers of feeders weighing less than 600 pounds that were sold are eligible for a payment of \$102/head sold. Producers of feeder cattle weighing more than 600 pounds but less than 1,400 pounds are eligible for a payment of \$139/head sold. Producers of slaughter cattle-fed cattle (e.g. cattle weighing in excess of 1,400 pounds intended for slaughter) are eligible for a payment of \$214/head sold. Producers of slaughter cattle-mature cattle (e.g. cull bulls and cows) are eligible for a payment of \$92/head sold. Producers of all other types of cattle (excluding beefalo, bison, and animals owned for dairy production) that were sold between January 15 and April 15, 2020, are eligible for a payment of \$102/head sold. Producers will receive a \$33/head payment for unpriced cattle inventory (again, excluding beefalo, bison, and animals owned for dairy production) between April 16 and May 14, 2020.

For example, consider an operation with 100 cow/calf pairs (including 100 unweaned, 250-pound calves). Assume that the previous year's 100 weaned calves were retained and have been grazing on wheat pasture. Further assume that the 100 weaned calves were sold on April 13, 2020, weighing approximately 800 pounds.

The total CFAP payment for the operation would be:

- Weaned Calves: 100 head x \$139/head = \$13,900
- Cows: 100 head x \$33/head = \$3,300
- Unweaned Calves: 100 head x \$33/head = \$3,300
- Total: \$20,500 (NOTE: as flagged above, a producer will initially be limited to 80 percent of this amount.)

Instead, assume that the weaned calves were sold a week later on April 20, 2020. In that case, total CFAP payments for this operation would be cut in half, as noted below:

- Weaned Calves: 100 head x \$33/head = \$3,300
- Cows: 100 head x \$33/head = \$3,300
- Unweaned Calves: 100 head x \$33/head = \$3,300
- Total: \$9,900

Cattle Concerns

As noted in the example above, a producer who sold cattle weighing at least 600 pounds on or before April 15, 2020, will receive \$139/head—at least 4 times the amount that a producer who marketed after April 15, 2020, will receive (\$33/head). Limited funding is the most likely explanation for the April 15 threshold, knowing that USDA said it was unable to tap into the \$14 billion replenishment for CFAP.

Beyond concerns with the April 15, 2020, threshold, there are also concerns with the treatment of cattle being sold from a feedlot to a packer after a feedlot finishing period. “Slaughter cattle—fed cattle” are defined in the final rule as “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.” In other words, to be eligible, the fed cattle must weigh over 1,400 pounds (live weight) or 800 pounds (dressed weight).

One problem immediately arises: weights differ between fed steers and fed heifers, with steers normally outweighing heifers. Weights also differ regionally across the major cattle feeding areas of the country. Cattle typically are heavier in Northern feeding regions than in Southern feeding regions. Fed cattle prices and weights are reported by AMS for five cattle feeding regions: TX-OK, KS, CO, NE, and IA-MN. Weekly live weights for fed steers and heifers are contained in Table 3. At no time in 2020 have weekly fed steer and heifer weights in the TX-OK region exceeded the CFAP payment threshold of 1,400 pounds. Steers in NE and IA-MN have exceeded the payment threshold every week in 2020. No fed heifers were reported sold on a live basis; all reported sales were reported dressed.

While weights differ by region, prices occur in a national market. Each fed cattle region faced falling cattle prices due to COVID-19. Based on the final rule, it appears that many fed cattle in the Texas region will not qualify for “slaughter cattle-fed cattle” payments to cover COVID-19 losses. It is likely this outcome will be reviewed and may be adjusted.

Hogs & Pigs

As was the case with cattle, payments for hogs and pigs change based on the weight of the animal as noted in Table 2. Pigs are considered any animal weighing less than 120 pounds at sale. Producers of pigs sold between January 15 and April 15, 2020, are eligible for a payment of \$28/head sold. Hogs are considered any animal weighing 120 pounds or more at sale. Producers of hogs sold between January 15 and April 15 are eligible for a payment of \$18/head sold. Producers of all hogs and pigs are eligible for a payment of \$17/head on unpriced hog and pig inventory between April 16 and May 14, 2020.

Sheep

Producers of all sheep less than two years old that were sold between January 15 and April 15, 2020, are eligible for a \$33/head payment. Producers of all sheep less than two years old are eligible for a payment of \$7/head on unpriced lamb and yearling inventory between April 16 and May 14, 2020.

Table 3. Average Live Fed Cattle Weights, by Region.

	TX	TX	NE	NE	IA/MN	IA/MN
	Steers	Heifers	Steers	Heifers	Steers	Heifers
01/12/20	1376	1217	1550	1358	1514	NA
01/19/20	1344	1211	1486	1380	1511	NA
01/26/20	1292	1220	1491	1379	1519	NA
02/02/20	1345	1210	1507	1377	1522	NA
02/09/20	1342	1166	1490	1352	1506	NA
02/16/20	1369	1238	1521	1349	1523	NA
02/23/20	1324	1228	1516	1371	1501	NA
03/01/20	1318	1212	1471	1363	1502	NA
03/08/20	1340	1200	1497	1369	1510	NA
03/15/20	1325	1210	1478	1348	1497	NA
03/22/20	1339	1198	1509	1375	1495	NA
03/29/20	1344	1201	1490	1364	1517	NA
04/05/20	1357	1220	1573	1310	1476	NA
04/12/20	1393	1204	1573	1300	1525	NA
04/19/20	1346	1312	1644	1380	1536	NA
04/26/20	1333	1252	1518	1359	1445	NA
05/03/20	1396	1207	1546	1390	1465	NA
05/10/20	1335	1272	1510	1418	1497	NA
05/17/20	1362	1205	1470	1329	1506	NA
Average	1346	1220	1518	1362	1503	NA
6 Week Avg	1361	1242	1544	1363	1496	NA

Source: USDA, AMS. Compiled by the Livestock Marketing Information Center.

Dairy

According to the final rule, dairy producers are eligible to receive \$4.71/cwt on milk produced in the first quarter of 2020. For the second quarter, they are eligible to receive \$1.47/cwt on 101.4 percent of milk produced in the first quarter of 2020. Effectively, this means that dairy producers are eligible to receive \$6.20/cwt on all milk produced in the first quarter of 2020 (= \$4.71/cwt + [1.014 x \$1.47/cwt]).

For example, assume a dairy with 500 cows produces 20.25 cwt/cow/month. Over the first quarter, the dairy would produce 30,375 cwt of milk. In this example, the dairy would be eligible for \$188,325 (= \$6.20/cwt x 30,375 cwt).

While the assistance will be welcome news, as noted above, the payment limits will be a significant factor on many dairy operations. Over half of the dairy production in the United States is on farms with more than 1,000 cows. A 1,000-cow dairy (with 60,750 cwt in production during the first quarter of 2020) that is subjected to a single payment limit would see their effective support reduced from \$6.20/cwt to \$4.12/cwt (= \$250,000 / 60,750)—a reduction of 34 percent. A 2,500-cow dairy would see their effective support reduced from \$6.20/cwt to \$1.65/cwt (= \$250,000 / 151,875)—a reduction of 73 percent.

CFAP payments for wool are calculated largely the same way as non-specialty crops below. Payments are based on unpriced inventory that is harvested but held in inventory as of January 15, 2020, not to exceed 50 percent of 2019 total production. Half of that eligible inventory is paid the “CARES Act Payment Rate” in Table 4 and the other half is paid the “CCC Payment Rate.”

Table 4. Payment Rates for Wool.

Commodity	Unit	CARES Act Payment Rate (\$/unit)	CCC Payment Rate (\$/unit)
Wool (graded, clean basis)	lb	\$0.71	\$0.78
Wool (non-graded, greasy basis)	lb	\$0.36	\$0.39

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

Non-Specialty Crops

CFAP payments for non-specialty crops are based on unpriced inventory that is harvested but held in inventory as of January 15, 2020, not to exceed 50 percent of 2019 total production. Half of that eligible inventory is paid the “CARES Act Payment Rate” in Table 5 and the other half is paid the “CCC Payment Rate.” Because the rates are weighted equally in the payment formula, a producer can simply multiply the eligible inventory by the “Average Payment Rate” in Table 5 to determine their CFAP payment.

For example, assume a farmer produced 80,000 bushels of corn in 2019 and was still holding 50,000 bushels in inventory as of January 15, 2020. Further assume that the inventory was unpriced. In this case, payments would be limited to 40,000 bushels (50 percent of 80,000 bushels) and would be paid \$0.335/bu for a total CFAP payment of \$13,400.

There has been a lot of concern about inventory held in marketing pools and how that will be treated. While the rule does not explicitly address the situation, sources indicate that coops will provide their members

Table 5. Payment Rates for Non-Specialty Crops.

Commodity	Unit	CARES Act Payment Rate (\$/unit)	CCC Payment Rate (\$/unit)	Average Payment Rate (\$/unit)
Barley (malting)	bu	\$0.34	\$0.37	\$0.355
Canola	lb	\$0.01	\$0.01	\$0.010
Corn	bu	\$0.32	\$0.35	\$0.335
Durum wheat	bu	\$0.19	\$0.20	\$0.195
Hard red spring wheat	bu	\$0.18	\$0.20	\$0.190
Millet	bu	\$0.31	\$0.34	\$0.325
Oats	bu	\$0.15	\$0.17	\$0.160
Sorghum	bu	\$0.30	\$0.32	\$0.310
Soybeans	bu	\$0.45	\$0.50	\$0.475
Sunflowers	lb	\$0.02	\$0.02	\$0.020
Upland cotton	lb	\$0.09	\$0.10	\$0.095

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

with the percent of the pool not priced and the producer will apply that percent to their 2019 production that was marketed with the coop.

Specialty Crops

Payment rates for specialty crops are listed in Table 6. Payments are based on the following three scenarios. In each case, the affected inventory is multiplied by the relevant payment rate.

- For specialty crops sold between January 15 and April 15, 2020, the quantity sold is multiplied by the “CARES Act Payment Rate for Sales Losses” in Table 6.
- For specialty crops harvested and shipped but subsequently spoiled due to loss of marketing channels between January 15 and April 15, 2020, the harvested and shipped quantity that spoiled is multiplied by the “CARES Act Payment Rate for Product that Left the Farm but Spoiled Due to Loss of Marketing Channel” in Table 6.
- For unpriced specialty crop shipments that did not leave the farm between January 15 and April 15, 2020—including mature crops that remained unharvested—the total quantity is multiplied by the “CCC Payment Rate” in Table 6.

Ongoing Concerns

While CFAP provides a significant amount of aid—\$16 billion in total—there are a number of losses not covered. As noted in a recent report by the Agricultural and Food Policy Center (AFPC), losses to Texas agriculture alone could exceed \$8 billion.⁷ As Congress continues to debate the next steps, following are a few ongoing items of concern:

- **2020 Row Crops:** With respect to row crops, CFAP only provides assistance for crops held in inventory as of January 15, 2020. In other words, it provides no assistance for the 2020 crop year. The AFPC report referenced above begins to examine some of the potential losses facing row crop producers in the 2020 crop year.
- **Livestock:** While livestock producers in general and cattle producers in particular are the biggest recipients of assistance from CFAP, the estimated support for cattle is still significantly less than half of the damages estimated by industry. Some of the disparities noted earlier in this report will undoubtedly lead to calls for additional aid for livestock. Further, while animals in inventory from April 16 to May 14, 2020, will be eligible for a CFAP payment, there likely will be additional calls to provide additional assistance to producers who had to depopulate animals in response to COVID-19. Finally, farmers who grow chickens for integrated poultry companies do not own the chickens, but are paid based on pounds produced. To cut production, companies reduce the number of birds delivered to producers, change pounds per bird, or increase out times. As a result, significant losses will accrue to contract growers.
- **Others in the Supply Chain:** Finally, CFAP provides no direct benefits to anyone in the supply chain post farm-gate. For example, it’s been widely reported that ethanol producers are under tremendous strain. In the case of cotton, the merchandising supply chain has incurred significant carrying charges, logistical costs, and market disruptions associated with delayed and cancelled sales and shipments and increased stocks.

⁷ <https://afpc.tamu.edu/research/publications/files/698/RR-20-01.pdf>

Table 6. Payment Rates for Specialty Crops (including, but not limited to, the listed commodities).

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
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	--

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

Next Steps

As noted above, the CARES Act provided \$14 billion in replenishment for the CCC. That funding will become available after June. It remains to be seen if and how USDA will tap into that funding. If letters from Capitol Hill are any indication, there will be a sustained push for USDA to use the replenishment to help row crop producers during the 2020 crop year.

Discussions on a Phase 4 (or CARES Act 2.0) package are already underway. The U.S. House of Representatives has already passed its version—H.R. 6800, the *Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act)*—on Friday, May 15, 2020. While the bill passed on a near party-line vote, it now moves to the Senate where negotiations are already underway.

Conclusion

The Coronavirus Food Assistance Program (CFAP) provides much-needed aid for producers who have been significantly affected by COVID-19. Given the scope of the challenges facing the agricultural industry, more assistance will undoubtedly be needed as the impact of the pandemic continues to unfold. As always, the information provided in this report is based on our review of available information, but eligibility for CFAP will ultimately be determined by USDA.

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