## Summer 2020

## **Coronavirus Programs and What They Mean for Livestock Producers** Brenda Boetel, UW-River Falls Professor and Department Chair of Agricultural Economics & Agricultural Marketing Specialist, UW-Extension

## **Livestock Payments**

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 "<u>unpriced</u>" 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 or 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."

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

- A payment for livestock marketed between January 15, 2020 and April 15, 2020, and
- 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 show in Table I.

| Table 1: Livestock Payment Rates    |      |  |                                  |
|-------------------------------------|------|--|----------------------------------|
| Commodity                           | Unit | CARES Act<br>Payment Rate<br>(\$/unit) | CCC Payment<br>Rate<br>(\$/unit) |
| Feeder cattle: less than 600 pounds | Head | \$102.00                               | \$33.00                          |
| Feeder cattle: 600 pounds or more   | Head | \$139.00                               | \$33.00                          |
| Slaughter cattle: fed cattle        | Head | \$214.00                               | \$33.00                          |
| Slaughter cattle: mature cattle     | Head | \$92.00                                | \$33.00                          |
| All other cattle                    | Head | \$102.00                               | \$33.00                          |
| Pigs: less than 120 pounds          | Head | \$28.00                                | \$17.00                          |
| Hogs: 120 pounds or more            | Head | \$18.00                                | \$17.00                          |
| All sheep less than 2 years old     | Head | \$33.00                                | \$7.00                           |

Source: Coronavirus Food Assistance Program Final Rule

https://www.farmers.gov/sites/default/files/documents/CFAP%20FRM.pdf

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 (e.g. commercially raised or maintained bovine animals not meeting the definition of another category and 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.