

# Need to know: CFAP sign-up for dairy farmers

June 2, 2020

Through the Coronavirus Food Assistance Program (CFAP), the federal government is making \$16 billion available for direct financial assistance for farmers.



This key information should help when completing application forms. This was assembled by the Dairy Business Association and Edge Dairy Farmer Cooperative.



## DAIRY PRICE LOSSES

**Eligibility:** Milk production in January, February, and/or March 2020, including any disposed of milk during that period and milk production covered under forward contracts, Dairy Margin Coverage, Dairy Revenue Protection and Livestock Gross Margin.

**Calculations:** Based on certification of milk production for the first quarter. A single payment of about \$6.20 per hundredweight comprised of these calculations:

- First quarter milk production multiplied by \$4.71 per hundredweight.
- First quarter milk production times a national adjustment factor of 1.014 and multiplied by \$1.47 per hundredweight to account for second quarter losses.

## LIVESTOCK

**Cull cattle:** Treated as *Slaughter Cattle: Mature Cattle*. The number of head sold between Jan. 15 and April 15 should be entered into application column 21. Eligible for \$92 per head. For the inventory payment, the highest number of head sold as cull cows on any one day between April 16 and May 14 should be entered in application column 22. Eligible for \$33 per head.

**Dairy bull calves:** One of two *Feeder Cattle* categories:

- *Feeder Cattle: Less than 600 pounds* for \$102 per head sold between Jan. 15 and April 15. For the inventory payment, the highest number of head sold on any one day between April 16 and May 14 should be entered in application column 22. This is eligible for \$33 per head.
- *Feeder Cattle: Equal to or more than 600 pounds* for \$139 per head sold between Jan. 15 and April 15. For the inventory payment, the highest number of head sold on any one day between April 16 and May 14 should be entered in application column 22. Eligible for \$33 per head.

Heifers sold and intended for milk production are not eligible.

## GRAIN AS HAY OR SILAGE

Stored hay or silage is eligible under the non-specialty crop section if the grain is covered. Notable grains include **corn, oats, wheat, barley, grain sorghum and soybeans**. High-moisture corn is eligible. Your FSA office will have the formula to convert the number of bushels to the State Committee (STC) established maximum moisture levels.

Farmers will need to certify 2019 production and inventory on hand as of Jan. 15 for each commodity to be entered into the corresponding application columns.

**Silage:** In addition to any dry grain farmers could claim, silage stored as feed is eligible under the non-specialty crop section. Silage production must be converted from tons of silage to bushels of grain by multiplying the tonnage amount by the applicable conversion factor.

- For example, because the unit of measure for grain is in bushels, multiply the number of silage tons by 7.94 for corn silage or 4.08 for oatlage.

**Hay:** Farmers will also be able to claim eligible commodities stored as hay. Hay production must be converted to bushels by multiplying the tonnage amount by the applicable conversion factor.

- A common Midwest example would be oats seeded as a nurse crop. Multiply the number of tons of hayed oats on hand by 11.66 to determine the number of eligible bushels.

Farms should document records used in converting hay or silage tons should they be audited.

A single payment will be made based on 50% of a farm's inventory on hand on Jan. 15 (not to exceed 50% of 2019 total production) multiplied by 50% and then multiplied by the commodity's specific applicable rate (i.e. corn is about 67 cents per bushel).

## PAYMENTS

**Limits:** \$250,000 per person or legal entity. The cap applies to the total amount of payments for all eligible commodities. If a legal entity has more than one member/partner, the entity may qualify for up to three times the \$250,000 payment cap. Adjusted gross income limitations also apply.

**Prorated:** 80% will be paid up front and the remainder at a later date if funds remain available.

## APPLYING

- Application period runs through Aug. 28.
- Fill out the [application form, AD-3114](#), along with the other necessary forms: CCC-901, CCC-941, CCC-942 (if applicable), AD-1026, AD-2047, and SF-3881. All may be found at [www.farmers.gov/cfap](http://www.farmers.gov/cfap).
- Sign-up is done through your local Farm Service Agency office. FSA offices will only take phone appointments at this time, so do not send information without first contacting the office.
- A call center is available for one-on-one assistance with the process. Call 877-508-8364.