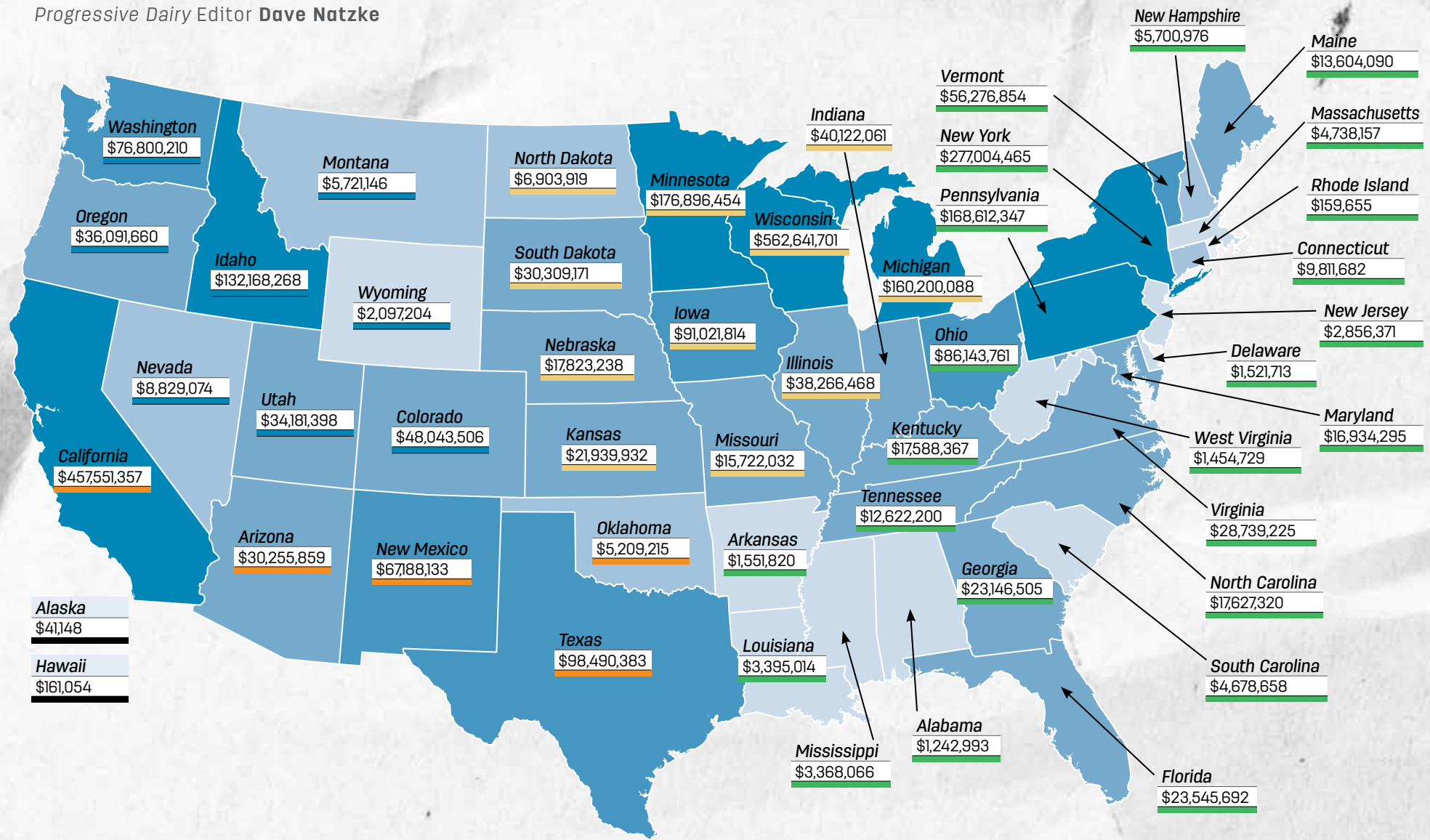


# InFOCUS

## A state-by-state look at CFAP payments

Progressive Dairy Editor Dave Natzke



Dairy producers received nearly \$2.96 billion in direct financial assistance payments through two installments of the USDA Coronavirus Food Assistance Program (CFAP) in 2020. Created to provide agricultural producers with financial assistance to absorb some of the market disruptions associated with the COVID-19 pandemic, the National Milk Producers Federation (NMPF) estimated the impact of direct payments to dairy farmers under two rounds of Coronavirus

Food Assistance program were equivalent to about \$2.47 per hundredweight (cwt) on all milk marketed in 2020.

### CFAP 1

The application period for dairy payments under CFAP 1 was May 26 - Sept. 11, 2020. Payments were equal to about \$6.02 per cwt on milk produced and marketed in the first quarter of 2020, as well as any milk dumped during that period.

Technically, there was one CFAP

1 payment. However, the payment came from two sources and at different rates.

**1** The *Coronavirus Aid, Relief and Economic Security (CARES) Act*. Payment was based on a producer's certification of milk production for the first quarter of 2020 multiplied by \$4.71 per cwt.

**2** The *Commodity Credit Corporation (CCC) fund*, which compensated producers for marketing

channel and demand disruptions for the second quarter of 2020. To account for seasonal growth in milk production, payments were based on a producer's first quarter 2020 milk production, multiplied by 1.014. A payment rate of \$1.47 per cwt was applied to that milk volume.

In addition, to ensure the availability of funding throughout the application period, producers received 80% of their maximum total payment upon approval of the application,

# \$2.47 per cwt

Estimated impact of CFAP 1 and CFAP 2 payments on all milk marketed in 2020

with the remaining 20% portion of the payment paid at a later date. CFAP 1 payments to all agricultural producers totaled \$10.54 billion. Dairy's portion was about \$1.79 billion, or about 17% of the total. Payments were made to about 25,100 producers.

### CFAP 2

CFAP 2 payments covered milk production from both dairy cows and dairy goats. CFAP 2 applications were accepted from Sept. 21 - Dec. 11, 2020.

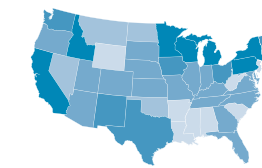
Payments for cow milk were equal to the sum of the following:

- 1 The producer's total actual milk production from April 1 - Aug. 31, 2020, multiplied by the payment \$1.20 per cwt
- 2 The producer's estimated milk production from Sept. 1 - Dec. 31, 2020, based on the daily average production from April 1 - Aug. 31, 2020, multiplied by 122, multiplied by a payment rate of \$1.20 per cwt

Dairy operations applying for CFAP 2 must have been producing and commercially marketing milk at the time of application. Dairy operations that dissolved after enrollment in CFAP 2 were eligible for a prorated payment for the number of days the dairy operation commercially marketed milk from Sept. 1 - Dec. 31, 2020. Dairy operations that dissolved prior to CFAP 2 enrollment were ineligible for payments. (Dairy goat producers were eligible for payments based on 2019 sales.)

As of Dec. 21, 2020, CFAP 2 payments to all agricultural producers totaled \$12.83 billion. Dairy's portion was about \$1.16 billion, or about 9% of the total. Payments were made to about 23,355 producers.

In addition to dairy, CFAP payments covered a wide range of other commodities, including livestock, non-specialty and specialty crops. Total payments under CFAP 1 and CFAP 2 were estimated at about \$23.37 billion. Payments were subject to a per-person and legal entity limitations. Recipients must also have been in compliance with USDA soil and water conservation requirements.



	CFAP 1		CFAP 2		Total CFAP Payments	
	Payments	Applicants	Payments	Applicants		
<b>OVER \$100 MILLION</b>						
1	Wisconsin	\$343,452,611	6,168	\$219,189,090	5,940	\$562,641,701
2	California	\$278,424,901	1,021	\$179,126,456	847	\$457,551,357
3	New York	\$166,673,107	2,659	\$110,331,358	2,507	\$277,004,465
4	Minnesota	\$109,913,316	2,545	\$66,983,138	2,417	\$176,896,454
5	Pennsylvania	\$106,565,476	2,755	\$62,046,871	2,605	\$168,612,347
6	Michigan	\$94,728,164	919	\$65,471,924	883	\$160,200,088
7	Idaho	\$75,604,739	323	\$56,563,529	305	\$132,168,268
8	Texas	\$55,633,188	309	\$42,857,195	296	\$98,490,383
9	Iowa	\$56,336,634	1,029	\$34,685,180	960	\$91,021,814
10	Ohio	\$53,413,901	1,014	\$32,729,860	956	\$86,143,761
11	Washington	\$50,581,407	285	\$26,218,803	213	\$76,800,210
12	New Mexico	\$37,090,992	103	\$30,097,141	97	\$67,188,133
13	Vermont	\$35,794,447	568	\$20,482,407	509	\$56,276,854
14	Colorado	\$27,312,272	94	\$20,731,234	87	\$48,043,506
15	Indiana	\$23,816,363	383	\$16,305,698	371	\$40,122,061
16	Illinois	\$24,489,898	545	\$13,776,570	536	\$38,266,468
17	Oregon	\$22,177,781	165	\$13,913,879	147	\$36,091,660
18	Utah	\$20,065,958	146	\$14,115,440	142	\$34,181,398
19	South Dakota	\$16,684,535	174	\$13,624,636	167	\$30,309,171
20	Arizona	\$16,823,610	48	\$13,432,249	47	\$30,255,859
21	Virginia	\$18,435,370	284	\$10,303,855	267	\$28,739,225
22	Florida	\$13,890,316	58	\$9,655,376	54	\$23,545,692
23	Georgia	\$14,269,538	118	\$8,876,967	111	\$23,146,505
24	Kansas	\$13,426,244	215	\$8,513,688	194	\$21,939,932
25	Nebraska	\$10,682,741	140	\$7,140,497	133	\$17,823,238
26	North Carolina	\$10,982,229	118	\$6,645,091	108	\$17,627,320
27	Kentucky	\$11,091,455	287	\$6,496,912	272	\$17,588,367
28	Maryland	\$10,880,747	218	\$6,053,548	208	\$16,934,295
29	Missouri	\$9,966,338	461	\$5,755,694	438	\$15,722,032
30	Maine	\$8,637,722	691	\$4,966,368	174	\$13,604,090
31	Tennessee	\$7,923,261	170	\$4,698,939	155	\$12,622,200
32	Connecticut	\$6,020,344	77	\$3,791,338	74	\$9,811,682
33	Nevada	\$4,970,125	15	\$3,858,949	14	\$8,829,074
34	North Dakota	\$4,490,847	74	\$2,413,072	71	\$6,903,919
35	Montana	\$3,660,842	48	\$2,060,304	41	\$5,721,146
36	New Hampshire	\$3,674,546	86	\$2,026,430	91	\$5,700,976
37	Oklahoma	\$3,299,035	96	\$1,910,180	93	\$5,209,215
38	Massachusetts	\$3,100,525	103	\$1,637,632	97	\$4,738,157
39	South Carolina	\$3,144,830	36	\$1,533,828	32	\$4,678,658
40	Louisiana	\$2,318,010	91	\$1,077,004	82	\$3,395,014
41	Mississippi	\$2,222,733	56	\$1,145,333	53	\$3,368,066
42	New Jersey	\$2,086,114	36	\$770,257	36	\$2,856,371
43	Wyoming	\$1,121,802	9	\$975,402	9	\$2,097,204
44	Arkansas	\$1,014,595	40	\$537,225	41	\$1,551,820
45	Delaware	\$970,109	13	\$551,604	13	\$1,521,713
46	West Virginia	\$964,814	43	\$489,915	272	\$1,454,729
47	Alabama	\$837,445	24	\$405,548	21	\$1,242,993
48	Hawaii	\$160,251	2	\$803	1	\$161,054
49	Rhode Island	\$103,317	7	\$56,338	5	\$159,655
50	Alaska	\$31,075	1	\$10,073	1	\$41,148
<b>TOTAL</b>		<b>\$1,789,960,620</b>	<b>24,870</b>	<b>\$1,157,040,828</b>	<b>23,193</b>	<b>\$2,947,001,448</b>

# More than \$5 billion

Total economic impact of federal dairy support in 2020 related to CFAP, Dairy Margin Coverage indemnity payments, dairy product purchases through Farmers to Families Food Box, Section 32 and other nutrition assistance purchases. The total does not include funding through U.S. Small Business Administration programs (Paycheck Protection Program and Economic Injury Disaster Loans).

Source: National Milk Producers Federation

