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USDA to Provide Pandemic Assistance to Livestock Producers for Animal Losses

Farm Service Agency Will Begin Taking Applications for Indemnity Program July 20

WASHINGTON, July 20, 2021— Livestock and poultry producers who suffered losses during the pandemic due to insufficient access to processing can apply for assistance for those losses and the cost of depopulation and disposal of the animals. The U.S. Department of Agriculture (USDA) Secretary Vilsack announced the Pandemic Livestock Indemnity Program (PLIP) in recorded remarks at the National Pork Industry Conference in Wisconsin Dells, WI. The announcement is part of USDA's Pandemic Assistance for Producers initiative. Livestock and poultry producers can apply for assistance through USDA's Farm Service Agency (FSA) July 20 through Sept. 17, 2021.

The Consolidated Appropriations Act, 2021, authorized payments to producers for losses of livestock or poultry depopulated from March 1, 2020 through December 26, 2020, due to insufficient processing access as a result of the pandemic. PLIP payments will be based on 80% of the fair market value of the livestock and poultry and for the cost of depopulation and disposal of the animal. Eligible livestock and poultry include swine, chickens and turkeys, but pork producers are expected to be the primary recipients of the assistance.
"Throughout the pandemic, we learned very quickly the importance and vulnerability of the supply chain to our food supply," said Agriculture Secretary Vilsack. "Many livestock producers had to make the unfortunate decision to depopulate their livestock inventory when there simply was no other option. This targeted assistance will help livestock and poultry producers that were among the hardest hit by the pandemic alleviate some financial burden from these losses."

Additional Assistance Planned

The previous administration proposed pandemic assistance using flat rates across the industry, which does not take into account the different levels of harm felt by different producers. Pork industry supported analysis projected that disruptions in processing capacity in the pork supply chain create a situation with small hog producers and especially those that sell on the spot market or negotiate prices, bear a disproportionate share of losses. USDA has examined the difference between the negotiated prices for hogs and the 5-year average and documented a significant drop during April through September of 2020 due to the pandemic. USDA has set aside up to $50 million in pandemic assistance funds to provide additional assistance for small hog producers that use the spot market or negotiate prices. Details on the additional targeted assistance are expected to be available this summer.

PLIP Program Details

Eligible livestock must have been depopulated from March 1, 2020 through December 26, 2020, due to insufficient processing access as a result of the pandemic. Livestock must have been physically located in the U.S. or a territory of the U.S. at the time of depopulation.
Eligible livestock owners include persons or legal entities who, as of the day the eligible livestock was depopulated, had legal ownership of the livestock. Packers, live poultry dealers and contract growers are not eligible for PLIP.
PLIP payments compensate participants for 80% of both the loss of the eligible livestock or poultry and for the cost of depopulation and disposal based on a single payment rate per head. PLIP payments will be calculated by multiplying the number of head of eligible livestock or poultry by the payment rate per head, and then subtracting the amount of any payments the eligible livestock or poultry owner has received for disposal of the livestock or poultry under the Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP) or a state program. The payments will also be reduced by any Coronavirus Food Assistance Program (CFAP 1 and 2) payments paid on the same inventory of swine that were depopulated.

There is no per person or legal entity payment limitation on PLIP payments. To be eligible for payments, a person or legal entity must have an average adjusted gross income (AGI) of less than $900,000 for tax years 2016, 2017 and 2018.

Applying for Assistance

Eligible livestock and poultry producers can apply for PLIP starting July 20, 2021, by completing the FSA-620, Pandemic Livestock Indemnity Program application, and submitting it to any FSA county office. Additional documentation may be required. Visit farmers.gov/plip for a copy of the Notice of Funding Availability and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find your local FSA office, visit farmers.gov/service-locator. Livestock and poultry producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

As USDA looks to long-term solutions to build back a better food system, the Department is committed to delivering financial assistance to farmers, ranchers, and agricultural producers and businesses who have been impacted by COVID-19 market disruptions. Since USDA rolled out the Pandemic Assistance initiative in March, the Department has announced over $7 billion in assistance to producers and agriculture entities. For more details, please visit www.farmers.gov/pandemic-assistance

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

USDA Announces Pandemic Assistance for Timber Harvesters and Haulers

Farm Service Agency Began Accepting Applications on July 22

WASHINGTON, July 29, 2021— The U.S. Department of Agriculture (USDA) is providing up to $200 million to provide relief to timber harvesting and timber hauling businesses that have experienced losses due to COVID-19 as part of USDA's Pandemic Assistance for Producers initiative. Loggers and truckers can apply for assistance through USDA's Farm Service Agency (FSA) July 22 through Oct. 15, 2021. The Pandemic Assistance for Timber Harvesters and Haulers program (PATHH) is administered by FSA in partnership with the U.S. Forest Service.

The Consolidated Appropriations Act, 2021, authorized this critical assistance for the timber industry. Timber harvesting and hauling businesses that have experienced a gross revenue loss of at least 10% during the period of Jan. 1 and Dec. 1, 2020, compared to the period of Jan. 1 and Dec. 1, 2019, are encouraged to apply.

"USDA's Pandemic Assistance for Producers initiative promised to get financial assistance to a broader set of producers and today's announcement delivers on that promise," said Secretary Vilsack. "On top of the existing challenges associated with natural disasters and trade, the pandemic caused a major disruption for loggers and timber haulers including lack of access to wood processing mills. This industry plays a critical role in our nation's economy and we are proud to support these hard-working loggers and truckers as they get back on track."

"Like many facets of the agriculture industry, the logging industry has experienced its share of financial hardships throughout the pandemic," said FSA Administrator Zach Ducheneaux. "We're happy to work with the U.S. Forest Service to develop this new program to provide critically needed support."

"We've heard from loggers and truckers whose livelihoods were significantly impacted this past year by the COVID-19 pandemic, and we are pleased that USDA can help alleviate some of the financial burden," said Forest Service Chief Vicki Christiansen. "I encourage those logging and log-hauling businesses hardest hit by the pandemic to learn more about the assistance offered through this new program."

Program Details

To be eligible for payments, individuals or legal entities must be a timber harvesting or timber hauling business where 50% or more of its gross revenue is derived from one or more of the following:

- Cutting timber.
- Transporting timber.
- Processing of wood on-site on the forest land (chipping, grinding, converting to biochar, cutting to smaller lengths, etc.).

Payments will be based on the applicant's gross revenue received from Jan. 1, 2019, through Dec. 1, 2019, minus gross revenue received from Jan. 1, 2020, through Dec. 1, 2020, multiplied by 80%. FSA will issue an initial payment equal to the lesser of the calculated payment amount or $2,000 as applications are approved. A second payment will be made after the signup period has ended based upon remaining PATHH funds.

The maximum amount that a person or legal entity may receive directly is $125,000.

Applying for Assistance

Loggers and truckers can apply for PATHH by completing form FSA-1118, Pandemic Assistance for Timber Harvesters and Haulers Program application, and certifying to their gross revenue for 2019 and 2020 on the application. Additional documentation may be required. Visit farmers.gov/pathh for more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery, or via electronic means. To find a local FSA office, loggers and truckers can visit farmers.gov/service-locator. They can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

As USDA looks to long-term solutions to build back a better food system, the Department is committed to delivering financial assistance to farmers, ranchers, and agricultural producers and businesses who have been impacted by COVID-19 market disruptions. Since USDA rolled out the Pandemic Assistance for Producers initiative in March, the Department has announced over $7 billion in assistance to producers and agriculture entities. For more details, please visit www.farmers.gov/pandemic-assistance.

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Dairy Situation and Outlook, July 22, 2021

By Bob Cropp, Professor Emeritus, University of Wisconsin Extension- Madison

With a higher level of milk production, the production of dairy products has been relatively high. The latest dairy product report showed that compared to a year in ago in May the production of cheddar cheese was 8.7% higher with total cheese production up 5.0% and butter up 7.6%. However, improved domestic sales along with exports has tightened cheese stocks. June 30th American cheese stocks were 2% lower than May 31st and just 2% higher than a year ago. June 30th total cheese stocks were also 2% lower than May 31st and just 1% higher than a year ago. June 30th butter stocks grew just 1% from May 31st and were 14% higher than a year ago.

Milk production remains at a level to put downward pressure on milk prices. However, the level of milk production has improved. While May milk production for the U.S. was estimated to be 4.7% higher than a year ago June's production was up 2.9%. These increases need to be compared to a year ago when May milk production was down 0.5% from the previous year and June was up just 0.8%. Milk cow numbers had been increasing since July of 2020, but cow number declined slightly in June by 1,000 head. Cow numbers were still 153,000 higher than a year a year ago for a 1.3% increase. Milk per cow returned to a more normal trend being 1.3% higher.

Compared to June a year ago South Dakota had the highest increase in milk production being up 14.7%. Following was Indiana up 8.3% and Texas up 7.6%. Increases in some other key dairy states were California 3.1%, Wisconsin 2.8%, Minnesota 3.2%, Michigan 4.0%, New York 3.1% and New Mexico 4.3%. Just five states had decreases in milk production: Arizona, Florida, Pennsylvania, Virginia and Washington.

July milk prices will end up lower. Dairy product prices have weakened during the month. During the month the price of barrel cheese was as high as $1.6475 per pound but has fallen to $1.3725. The price of 40-pouind blocks has ranged from $1.5225 to $1.7375 per pound and is now $1.5425. Butter has ranged from $1.6750 per pound to $1.74 and is now $1.6950. Nonfat dry milk has ranged from $1.225 per pound to $1.2675 and is now $1.245. Dry why has ranged from $0.4875 per pound to now $0.5375. As a result, the July Class III will be near $16.65 down from $17.20 in June and $18.96 in May. The July Class IV will be near $15.95 down from $16.35 in June.

As things return to more normal with restaurants more fully open, students return to the classroom, conferences return, fans are back in the stands for sports and etc. domestic demand for dairy products will continue to improve. And dairy exports continue to do well as prices remain very competitive to Oceania and Western Europe. But, improved domestic demand and higher dairy exports will not be enough to hold milk prices higher unless milk production slows down even more. Dairy exports grew last year and continue above year ago level. May was the second highest month for dairy exports shipped in a single month. The volume in milk solids equivalent was up by 13 percent. Nonfat dry milk/skim milk powder exports were up 11.5%, the most ever shipped in a single month. Whey product exports were up 28%. Butterfat exports were up 152.7%. Cheese exports were 12.7% lower but a year ago cheese exports were strong as importers took advantage of U.S. cheese prices that were as low as $1.00 per pound in April.

Milk prices for the reminder of the year are still uncertain. It will take more slowdown in milk production, improved domestic sales, and continued strong dairy exports for relatively high milk prices. USDA is forecasting this year's milk production on a daily basis to end up 2.5% higher than last year with 1.2% more milk cows and 1.3% more milk per cow. Milk production at this level will keep downward pressure on milk prices. As of now Class III could be in the $16's for July through September. As milk production reaches its seasonal low late summer, things return more to normal and with the anticipation of seasonal high demand for butter and cheese thanksgiving through Christmas cheese prices should strengthen pushing the Class III to the $17's October through December. Current Class III futures show a similar pattern with the $16's July through September and the $17's October through December. USDA is forecasting even lower milk prices with Class III averaging just $16.80 for the year.

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