The OSU Extension
FARM OFFICE
IS OPEN

Monday’s session will include updates on the CARES Act, CFAP, EIDL, unemployment compensation, ethanol and biofuels, ARC and PLC update, and other emerging legal and economic issues.

Come to us with your questions, concerns, and topics of interest. Each office hour will include a short update and lead into a question and answer time on additional topics of interest.

OSU Extension’s Farm Office Team
Ben Brown
Peggy Hall
David Marrison
Dianne Shoemaker
Julie Strawser
Barry Ward

April 27, 2020
8:00 to 9:30 p.m.
Pre-register or join at: go.osu.edu/farmofficelive
Farm Office Team
Update of The CARES ACT

Round II of the Paycheck Protection Program
Sole Proprietors – What Qualifies as Self Employment Income?
Managing your PPP Money: BMPs for Loan Forgiveness
Paycheck Protection Program and Health Care Enhancement Act

- Additional $310B allocated to Paycheck Protection Program (PPP)
- Small Business Administration (SBA) guidance clarifies farm eligibility
- Schedule F income (SE income) + employee wages
- Nothing to indicate PPP or EIDL loan receipt will disqualify farmer from CFAP
- Audit Concern?: Economic uncertainty AND Needed the funds in order to keep employees on the payroll and paid
- Partnerships & LLCs
PPP Loan Forgiveness

- Will require application and lender approval
- Forgives 8 week of total of: payroll, employee benefits, owner compensation replacement, mortgage interest, rent payments on leases and utility payments
  - But payroll must make up at least 75% of this total
  - Less salary and wage reductions during covered period that are not eliminated by June 30
  - Less EIDL advance, if any
Economic Injury Disaster Loan (EIDL) Update

Are Farms Now Eligible?
EIDL

- Eligibility now extended to agricultural enterprises with fewer than 500 employees
  - 30 year maturation, 3.75% interest
  - Can use for fixed debt, payroll, accounts payable, sick leave, increased material costs, rental or mortgage payments, other obligations due to revenue losses
  - But can’t duplicate PPP expenditures
- “Emergency advance” of $10,000 is not subject to repayment
  - But does reduce amount of PPP forgiveness
CFAP Update
CFAP Update

3 Billion in Purchase/Distribution
Initial Unemployment and Insured Unemployment Claims

<table>
<thead>
<tr>
<th>Initial Claims (SA)</th>
<th>Insured Unemployment (SA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week Mar.-14</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Week Mar.-21</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Week Mar.-28</td>
<td>6,000,000</td>
</tr>
<tr>
<td>Week Apr.-4</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Week Apr.-11</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Week Apr.-18</td>
<td>12,000,000</td>
</tr>
</tbody>
</table>

16 Billion in Direct Payments (Billion $)

- Cattle, $5.1
- Dairy, $2.9
- Hogs, $1.6
- Specialty Crops, $2.1
- Row Crops, $3.9
- Other, $0.5

Source: US Department of Labor
Source: Senator Hoeven, ND
What we know right now - April 27, 2020

$3 Billion in Food Purchases and Distribution

April 21, 2020- USDA Webinar with AMS Staff
1. Regional and local food distributors will be the “focal point” for this federal contract.
2. Food will be delivered to food banks and other non-profits 501(c)(3) in pre-approved individual boxes with a set goal of starting May 15.
3. Distributors with approved contracts are in charge of managing their relationships with customers, local producers and compliance with USDA-AMS.

Food Items fall within box categories:
Box 1: Fresh fruit and vegetable produce
Box 2: Variety of dairy products
Box 3: Pre-cooked chicken and pork products
Box 4: Any combination of 1-3
Box 5: Fresh fluid milk (can be in dairy products box)

$16 Billion in Direct Payments

Little to no specifics are known at this time.
1. It is expected that the FSA and AMS will administer this program.
2. It is unknown what records producers will need to supply.
3. It is also unknown when the program will start taking sign-up.

Key Target Dates:
April 24: Solicitation for distributor offers
May 1: Proposals from distributors due
May 8: Contracts to distributors awarded
May 15: Delivery of food boxes to begin
Ethanol & Biofuel Update
Update on US Ethanol and Impacts from COVID

Governors Ask Trump to Waive Biofuel Quotas Amid Pandemic
Bloomberg - 4/15/20

Ethanol Blog
Petroleum Interests Ask EPA to Conduct New 2020 RFS Rulemaking
DTN Commodity Blog - 4/21/20

In Another Hit for Farmers, Coronavirus Crushes Ethanol Market
Wall Street Journal - 4/26/20
Update on Unemployment Compensation
Expanded unemployment eligibility
https://unemploymenthelp.ohio.gov/expandedeligibility/

Coronavirus and Unemployment Insurance
Benefits: Expanded Eligibility Resource Hub

The new federal Pandemic Unemployment Assistance Program will provide benefits for many individuals ineligible for state unemployment benefits, including self-employed workers and 1099 tax filers.

Get Started Now

Latest News

We have set up a dedicated PUA Call Center to answer your questions about this new expanded eligibility program. Please call 888-664-0774.

Unemployment compensation benefits for eligible individuals under this program are available for no more than 39 weeks.

The PUA benefit amount will be similar to what traditional Ohioans eligible for unemployment can receive, plus $600 a week.

EXPANDED ELIGIBILITY LINKS

Ohio, just like every other state in the nation, recently received federal guidance and is working to build this program as quickly as possible. While you may experience delays as a result, please know that all benefits will be retroactive. Once the program is available, we will communicate details.
Expected Payments on ARC-PLC Programs
Ohio Corn Impacts

<table>
<thead>
<tr>
<th>Metric</th>
<th>Pre COVID</th>
<th>Post COVID</th>
<th>Change</th>
<th>Reference Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\text{Price per bushel}$</td>
<td>$3.90/bu.</td>
<td>$3.58/bu.</td>
<td>-$0.32, 8.2%</td>
<td>$3.70/bu.</td>
</tr>
<tr>
<td>Ohio Yield</td>
<td>164 bu./acre</td>
<td>164 bu./acre</td>
<td></td>
<td>$3.70/bu.</td>
</tr>
<tr>
<td>Change in Revenue</td>
<td>$52.48/acre</td>
<td>$52.48/acre</td>
<td></td>
<td>$3.70/bu.</td>
</tr>
</tbody>
</table>

1) Reported in FAPRI-MU 10-year baseline with Phase 1 Deal January 2020
2) Reported in FAPRI-MU COVID Impacts Report April 2020
3) Paid in October 2020, PLC payments based on individual FSA Farm Yield
Ohio Soybean Impacts

- Pre COVID\(^1\): $8.97
- Post COVID\(^2\): $8.57/bu.
- Change: -$0.40, 4.4%
- Reference Price: $8.40/bu.
- Ohio Yield: 49 bu./acre
- Change in Revenue: $19.60/acre

Payment Rates:
- Data Not Available
- No Expected Payment
- Between $1-$19
- Between $20-$39
- Greater than $40

1) Reported in FAPRI-MU 10-year baseline with Phase 1 Deal January 2020
2) Reported in FAPRI-MU COVID Impacts Report April 2020
3) Paid in October 2020, PLC payments based on individual FSA Farm Yield
### Estimated 2019 ARC-CO and PLC Wheat Payments - April 27, 2020

#### Ohio Wheat Impacts

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Pre COVID</strong>¹</td>
<td>$4.54/bu.</td>
</tr>
<tr>
<td><strong>Post COVID</strong>²</td>
<td>$4.50/bu.</td>
</tr>
<tr>
<td><strong>Change</strong></td>
<td>-$0.05, 0.9%</td>
</tr>
<tr>
<td><strong>Reference Price</strong></td>
<td>$5.50/bu.</td>
</tr>
<tr>
<td><strong>Ohio Yield</strong></td>
<td>56 bu./acre</td>
</tr>
<tr>
<td><strong>Change in Revenue</strong></td>
<td>$2.80/acre</td>
</tr>
</tbody>
</table>

#### Payment Rates

- Data Not Available
- No Expected Payment
- Between $1-$19
- Between $20-$39
- Greater than $40

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1) Reported in FAPRI-MU 10-year baseline with Phase 1 Deal January 2020
2) Reported in FAPRI-MU COVID Impacts Report April 2020
3) Paid in October 2020, PLC payments based on individual FSA Farm Yield
Questions?
For More Information

- Farm Office Website
  - https://farmoffice.osu.edu/
- AG Madness
  - http://go.osu.edu/agmadness
- KX COVID-19 Hub (Knowledge Exchange)
  - http://kx.osu.edu/covid-19
- OSU AG Crisis Website
  - http://go.osu.edu/agcrisis
- Ohio Dairy Industry Resources Center
  - https://dairy.osu.edu/
Contact Information

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- David Marrison
  - 740.622.2265 or marrison.2@osu.edu
- Julie Strawser
  - 614.292.2433 or strawser.35@osu.edu
The OSU Extension
FARM OFFICE
WILL BE OPEN AGAIN

Thursday, May 14, 2020
9:00 to 10:30 a.m.
Register at:
https://go.osu.edu/farmofficelive