

Reasons Some Livestock Producers Did Not Participate in CFAP

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As this article reaches readers, the Coronavirus Food Assistance Program (CFAP) signup period will most likely be near its end, already ended, or will have been extended by USDA in order to provide more time for participation. CFAP funds were made available to producers in many agricultural industries so long as producers completed the necessary paperwork and qualified for the program. A large portion of CFAP funding was expected to be dispersed to livestock producers who suffered loss of value to their livestock when cattle prices declined due to the coronavirus pandemic. However, there has been significant concern by several leaders in Tennessee about what is perceived to be a poor signup percentage for cattle producers in Tennessee.

As a livestock economist and a cattle producer, I share some of the concern these leaders in Tennessee have regarding program participation. As a first thought, it is difficult to understand why someone would not take advantage of a direct payment that only requires completing a few pages of paperwork. Economists tend to think that people are motivated by incentives and make decisions based on maximizing profits, but fear is a good example of another type of motivating factor. Given that program participation is not at 100 percent, one can only prognosticate on why cattle producers did not participate in CFAP. Here are some of my thoughts on why cattle producers did not participate.

Oblivious Oscar: Oblivious Oscar is the cattle producer who does not watch television, read popular press articles, or stay up to date on what is going on in the industry. CFAP was a highly publicized program. The details and process of completing the application were on local and national news outlets including television and newspapers. These same details were in numerous popular press outlets related to beef cattle. Additionally, many producer groups and governmental agencies sent emails specific to CFAP to make cattle producers aware of the direct payments offered through CFAP. It is highly unlikely there are many Oblivious Oscars out there.

Medical Mike: Medical Mike, also known as Surgeon Sally, represents that group of people who have extremely high paying jobs that get paid by the job or have a high hourly rate they charge to their customers. For instance, Surgeon Sally may see more value in performing a 30-minute surgery that will pay her \$3,000 instead of completing the paperwork that would result in a \$33 per head payment on her 30 cows. This example may still not make sense to most readers because Sally is due a \$990 check through CFAP. However, Surgeon Sally does not make her living with cattle, and thus, she does not focus as much of her time on that industry. She has the cattle because she enjoys working with the cattle and enjoys the land. She is not looking to lose money so she can write off a bunch of expenses to reduce her tax burden, but she also does not have to make a lot of money with the cattle to sustain her lifestyle.

No Government Neil: No Government Neil is the producer who does not want the government to have any of his information. He is the same guy who throws away all of the USDA surveys and then calls them to tell them he does not owe them anything. No Government Neil does not want government interference in how he operates so he also does not participate in any of their programs, because the government may come along and start telling him how to run his operation. I think there are more of this type of producer than we think. There are several people who may not be as staunch as No Government Neil, but they may have some similar thoughts.

Prideful Pamela: Prideful Pamela is the producer who wants to be able to say she did it all herself without any help. Prideful Pamela has always done it herself without help from the government and she is going to continue doing it that way. There are likely a lot of cattle producers who fall into this category. The cattle industry has rarely received direct payments, and many producers do not want to start now.

There are likely several more reasons people did not participate in CFAP, and most of them are feasible reasons just like the ones listed in this article. The hope is that everyone was at least aware of the program. If folks did not participate because they were not aware, then that is a failure on my part. However, I think most people who chose not to participate had another reason. We are all motivated by different things and there is nothing wrong with that. I tend to prefer more money to less, but if obtaining that money compromises my morals or ideology then I am foregoing the payment.