

**August 2018**

## **Market Facilitation Program (MFP)**

### **Overview**

The Market Facilitation Program (MFP) provides direct payments to help corn, cotton, sorghum, soybean, wheat, dairy, and hog producers who have been directly impacted by illegal retaliatory tariffs, resulting in the loss of traditional exports. The MFP is established under the statutory authority of the Commodity Credit Corporation (CCC) Charter Act and is under the administration of the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA). The Charter Act authorizes CCC to assist in the expansion of domestic markets or development of new and additional markets and uses.

Producers may apply for MFP beginning **September 4, 2018 through January 15, 2019**.

### **Payments**

A payment will be issued on the first 50 percent of the producer's total production of the commodity. On or about December 3, 2018, CCC will announce a second payment rate, if applicable, that will apply to the remaining 50 percent of the producer's production.

An MFP payment, based on at either the initial or second payment rate, will be made after a producer harvests 100 percent of the crop and certifies the amount of production.

The initial MFP rates are as follows:

- Cotton \$0.06 per pound
- Corn \$0.01 per bushel
- Dairy \$0.12 per cwt.
- Hogs \$8.00 per head (number of head as of August 1, 2018)
- Sorghum \$0.86 per bushel
- Soybeans \$1.65 per bushel
- Wheat \$0.14 per bushel

### **Calculation**

The MFP payment equals 2018 total production of the producer times 50 percent times the MFP rate. For example, a producer who harvested 100,000 bushels of wheat would receive an initial MFP payment totaling \$7,000 (100,000 bushels times 50 percent times \$0.14 per bushel). A second payment, if available, may be issued using a different MFP rate.

### **Crops**

If requested, a producer must provide supporting documentation as determined by CCC for the amount of production. The documentation must be verifiable or reliable records that substantiate the reported amounts. Examples of reliable production records include evidence provided by the participant that is used to substantiate the amount of production reported when verifiable records are not

available, including copies of receipts, ledgers of income, income statements of deposit slips, register tapes, invoices for custom harvesting, and records to verify production costs, contemporaneous measurements, truck scale tickets, or contemporaneous diaries that are determined acceptable by the FSA county committee.

Producers requesting a MFP payment must have a crop acreage report on file with FSA for MFP crop commodities.

To be eligible for a MFP payment, each corn, upland cotton, sorghum, soybean, and wheat producer is required to be a person or legal entity who was actively engaged in farming in 2018.

### **Dairy and Hog Production**

The payment for dairy production is based on the historical production reported for the Margin Protection Program for Dairy (MPP-Dairy). For existing dairy operations, the production history is established using the highest annual milk production marketed during the full calendar years of 2011, 2012, and 2013. Dairy operations are also required to have been in operation on June 1, 2018.

Payment for hog operations will be based on the total number of head of live hogs on August 1, 2018. Production records for hogs may include, but are not limited to, breeding records, inventory records, sales receipts, rendering receipts, or veterinary records.

### **Limitations**

MFP payments are capped per person or legal entity as follows:

- A combined \$125,000 for eligible crop commodities
- A combined \$125,000 for dairy production and hogs.

MFP payments do not count against other 2014 Farm Bill payment limitations.

### **Eligibility**

A producer must be in compliance with highly erodible land conservation and wetland conservation provisions, commonly referred to as the conservation compliance provisions. Other eligibility requirements also apply

A producer's average adjusted gross income may not exceed \$900,000.

### **Where to File the Application**

MFP applications are available online at [www.farmers.gov/MFP](http://www.farmers.gov/MFP). Applications can be completed at a local FSA office or submitted electronically either by scanning, emailing, or faxing.

### **For More Information**

This fact sheet is provided for informational purposes; other restrictions may apply. For more information about the MFP program, visit [www.farmers.gov/MFP](http://www.farmers.gov/MFP) or contact your local FSA office. To find your local FSA office, visit [www.farmers.gov](http://www.farmers.gov).

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