

# CORONAVIRUS FOOD ASSISTANCE PROGRAM 2



**USDA is providing critical support to our nation's farmers and ranchers through the Coronavirus Food Assistance Program (CFAP 2). CFAP 2 provides vital financial assistance to agricultural producers who continue to face market disruptions and associated costs because of COVID-19.**

## Overview

The Coronavirus Aid, Relief, and Economic Stability Act (CARES Act) and the Commodity Credit Corporation (CCC) Charter Act authorized the funds for the original CFAP. CCC funds will be used for CFAP 2, with the exception of tobacco, which will use remaining CARES Act funds.

FSA is accepting applications for CFAP 2 from **September 21, 2020, to December 11, 2020.**

## Who is Eligible?

Producers (persons or legal entities) of specified agricultural commodities who face continuing market disruptions and significant marketing costs are eligible for CFAP 2 payments.

**To be eligible for payments, a person or legal entity must either:**

- have an average adjusted gross income of less than \$900,000 for tax years 2016, 2017, and 2018; or
- derive at least 75 percent of their adjusted gross income from farming, ranching or forestry-related activities.

**Persons and legal entities also must:**

- commercially produce the eligible commodities;
- be in the business of farming at the time of application;
- comply with the provisions of the "Highly Erodible Land and Wetland Conservation" regulations, often called the conservation compliance provisions;
- if a foreign person, provides land, capital, and a substantial amount of active personal labor to the farming operation; and
- not have a controlled substance violation.

Contract growers who do not share in the price risk of production are ineligible.

## Eligible Commodities

CFAP 2 payments will be split into three categories of commodities:

1. Price trigger commodities;
2. Flat-rate crops; and
3. Sales commodities.

### Price Trigger Commodities

Price trigger commodities suffered a 5-percent-or-greater price decline in a comparison of the average price for the week of January 13-17, 2020, and the average price for the week of July 27-31, 2020.

Price trigger commodities include:

- Barley
- Corn
- Sorghum
- Soybeans
- Sunflowers
- Upland Cotton
- Wheat (all classes)
- Broilers
- Eggs
- Beef Cattle
- Dairy
- Hogs and Pigs
- Lambs and Sheep

### Flat-rate Crops

Flat-rate crops are crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change. Flat-rate crops include, but are not limited to:

- Alfalfa
- Amaranth Grain
- Buckwheat
- Canola
- Extra Long Staple Cotton
- Crambe (Colewort)
- Einkorn
- Emmer
- Flax
- Guar
- Hemp
- Indigo
- Industrial Rice
- Kenaf
- Millet
- Khorasan Wheat
- Mustard
- Oats
- Peanuts
- Quinoa
- Rapeseed
- Safflower
- Sesame
- Speltz
- Sugarcane
- Sugar Beets
- Sweet rice
- Teff
- Triticale
- Wild rice

### Sales Commodities

Sales commodities include:

- Fruits and Vegetables
- Aquaculture grown in a controlled environment;
- Nursery crops and floriculture;
- Other livestock (excluding breeding stock) not included under the price trigger category that were grown for food, fiber, fur, or feathers;
- Tobacco;
- Goat milk;
- Mink (including pelts);
- Mohair;
- Wool; and
- Other commodities.

For a list of all eligible commodities, visit [farmers.gov/cfap](https://farmers.gov/cfap).



### Ineligible Commodities

Hay, except alfalfa, and crops intended for grazing are ineligible for CFAP 2 and will not receive a CFAP 2 payment. Crops with intended uses of green manure and those left standing are also ineligible.

Ineligible commodities for CFAP 2 include, but are not limited to:

- Birdsfoot and Trefoil
- Clover
- Cover Crop
- Fallow
- Forage Sorghum
- Forage Soybeans
- Gardens (commercial and home)
- Grass
- Kochia (prostrata)
- Lespedeza
- Milkweed
- Mixed Forage
- Pelt (excluding mink)
- Perennial Peanuts
- Pollinators
- Sunn Hemp
- Seed of ineligible crops
- Vetch

### Payments

CCC funds will be used to partially compensate producers for on-going market disruptions and assist with the transition to a more orderly marketing system. CCC Charter Act funds cannot be used to provide assistance for tobacco; however, tobacco will be eligible for CFAP 2 using remaining funds authorized by the CARES Act.

### Price Trigger Crops

For barley, corn, sorghum, soybeans, sunflowers, upland cotton, and wheat (all classes), payments will be based on the eligible 2020 acres of the crop, as reported to FSA on form FSA-578, excluding prevented planting and experimental acres.

Payments for price trigger crops will be the greater of:

1. the eligible acres multiplied by a payment rate of \$15 per acre; or
2. the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, and then by the producer's weighted 2020 Actual Production History (APH) approved yield. If the APH is not available, 85 percent of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield for that crop will be used.

PAYMENT RATES FOR PRICE TRIGGER CROPS			
COMMODITY	UNIT OF MEASURE	CROP MARKETING PERCENTAGE (%)	PAYMENT RATE (\$/UNIT)
Barley	bushels	63	\$0.54
Corn	bushels	40	\$0.58
Cotton, Upland	pounds	46	\$0.08
Sorghum	bushels	55	\$0.56
Soybeans	bushels	54	\$0.58
Sunflowers	pounds	44	\$0.02
Wheat (All Classes)	bushels	73	\$0.54

### Broilers and Eggs

For broilers, payments will be equal to 75 percent of the producer's 2019 broiler production multiplied by the payment rate of \$1.01 per bird (head).

Payments for eggs will be equal to 75 percent of the producer's 2019 egg production multiplied by the CCC payment rate.

PAYMENT RATES FOR PRICE TRIGGER CROPS		
COMMODITY	UNIT OF MEASURE	PAYMENT RATE (\$/UNIT)
Shell Eggs	dozen	0.05
Liquid Eggs	pounds	0.04
Dried Eggs	pounds	0.14
Frozen Eggs	pounds	0.05

### Dairy

Dairy (cow's milk) payments will be equal to the sum of the following:

- The producer's total actual milk production from April 1, 2020, to August 31, 2020, multiplied by the payment rate of \$1.20 per hundredweight; and

- The producer's estimated milk production from September 1, 2020, to December 31, 2020, multiplied by a payment rate of \$1.20 per hundredweight. FSA will estimate this production based on the producer's daily average production from April 1 to August 31, 2020, multiplied by the number of days the dairy operation commercially markets milk from September 1, 2020, through December 31, 2020.

Dairy operations applying for CFAP 2 must be in the business of producing and commercially marketing milk at the time of application. Dairy operations that dissolve or have dissolved on or after September 1, 2020, are eligible for a prorated payment for the number of days the dairy operation commercially markets milk from September 1, 2020, through December 31, 2020.

### Price-Trigger Livestock

For price-triggered livestock, payments are based on a fixed number of head, which is defined as the lower of:

- the highest maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the eligible producer from April 16, 2020, through August 31, 2020; or
- the maximum number of livestock per type established by USDA.

PAYMENT RATES FOR PRICE-TRIGGER LIVESTOCK		
COMMODITY	UNIT OF MEASURE	PAYMENT RATE (\$/UNIT)
Beef Cattle	head	\$55
Hogs and Pigs	head	\$23
Lambs and Sheep	head	\$27

### Flat-Rate Crops

For flat-rate crops, payments will be calculated by multiplying the producer's share of reported or determined 2020 planted acres of the crop, excluding prevented planted and experimental acres, by \$15 per acre.

## Sales Commodities

For sales commodities, payments will be calculated using a sales-based approach based on five payment gradations associated with the producer's 2019 sales of the commodity.

PAYMENT RATES FOR SALES COMMODITIES	
2019 SALES RANGE	PERCENT PAYMENT FACTOR
Up to \$49,999	10.6
\$50,000-\$99,999	9.9
\$100,000-\$499,999	9.7
\$500,000-\$999,999	9.0
All sales over \$1 million	8.8

**Example:** A producer's 2019 sales of eligible commodities totaled \$75,000. The payment is calculated as (\$49,999 times 10.6%) plus (\$25,001 times 9.9%) equals a total payment of \$7,775.

## New Producers in 2020

Payments cannot be calculated using the methods described above for producers of broilers, eggs, and sales commodities who began farming in 2020 and had no 2019 production or sales.

Payments for such producers will be based on the producer's actual 2020 production or sales as of the date the producer submits an application for payment.

## Payment Limitation

CFAP 2 payments are subject to a per person and legal entity payment limitation of \$250,000. This limitation applies to the total amount of CFAP 2 payments for all eligible commodities.

Unlike other FSA programs, special payment limitation rules apply to participants that are corporations, limited liability companies, limited partnerships (corporate entities), trusts, and estates. These legal entities may receive up to \$750,000 based upon the number of members (not to exceed three members) who each contribute at least 400 hours of active personal labor or active personal management.



## For a legal entity:

- With one such member, the payment limit for the entity is \$250,000;
- With two such members, the payment limit for the entity is \$500,000 if at least two members contribute at least 400 hours of active personal labor or active personal management, or combination thereof, with respect to the operation of the corporate entity; and
- With three such members, the limit is \$750,000 if at least three members contribute at least 400 hours of active personal labor or active personal management, or combination thereof, with respect to the operation of the corporate entity.

CFAP 2 payment limitation is separate from the CFAP 1 payment limitation.

## Where to File the Application

FSA staff at your local USDA Service Center will work with producers to file applications. Applications may be submitted via mail, fax, hand delivery, or via electronic means. Please call your office prior to sending applications electronically.

The CFAP 2 application and associated forms are available online at [farmers.gov/cfap](https://farmers.gov/cfap).

## Who to Call for Help

Additionally, producers interested in one-on-one support with the CFAP 2 application can call our call center at **877-508-8364** to speak directly with a USDA employee ready to offer assistance.

## More Information

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