

Coronavirus Food Assistance Program (CFAP)



CFAP provides direct assistance to agricultural producers impacted by the effects of the COVID-19 outbreak.

Two Funding Sources:

- **CARES Act provides**
 - \$ 9.5 Billion
- **CCC Charter Act provides**
 - \$ 6.5 billion

Sign-up Period

Sign-up period for CFAP
May 26, 2020 – August 28, 2020

Sign-up Period

Information available at:

www.farmers.gov/CFAP

or

CFAP Call Center

877-508-8364

Eligible Producers

To be eligible for a CFAP payment, a producer must have had a share in the eligible commodity on January 15, 2020; and/or April 16th through May 14th, 2020. In addition the producer must be a:

- Citizen or National of the United States
- Resident alien (possessing a Resident Alien Card (I-551))
- Partnership of citizens or nationals of the United States
- Corporation, Limited Liability Company, or other organizational structure organized under State law
- Foreign Person or Foreign Entity who meets Foreign Person Rules according to 5-PL

Payment Limitation

Payment Factor

The initial CFAP payment will be factored at 80% of the calculated payment and will be applied after applying payment limitation.

The maximum amount a person or legal entity may receive is \$200,000. For Corporations, LLC's and LP's qualifying for the optional increase in limitation may receive a maximum of \$400,000 or \$600,000 respectively.

Subsequent payments maybe issued at a later date as determined by Secretary.

Payments are not subject to sequestration.

CFAP

Payment Limitation

- **CFAP payments to persons and legal entities will be limited according to the *rules for attribution* at 7-CFR §1400.105.**
- **CFAP payments made directly or indirectly to a person or legal entity will be combined and limited to the per person or legal entity.**
- **CFAP payments to a legal entity will be tracked through 4 levels of ownership and will be reduced for members, partners or stockholders holding an ownership interest below the 4th level.**

General Information



Who is Eligible?

Producers:

- **with ownership risk of identified commodities that suffered a 5% or greater national price loss as a result of the COVID-19 Pandemic or had substantial marketing costs of inventories**
- **Who produce or own one of the following commodities:**
 - Milk
 - Non-Specialty Crops
 - Wool
 - Livestock
 - Specialty Crops

New Term: Subject to Price Risk

Any production, sales, and/or inventory that is not subject to an agreed-upon price in the future through:

- **Forward contract**
- **Agreement**
- **Similar binding document**

AD-3114 CFAP Application

- **One application per producer**
- **Producer Certification**
 - Documentation is only required upon spot check or when requested by COC. Retain records for 3 years.
- **Completed AD-3114 can be submitted to any USDA Service Center**

Dairy (Production)



Eligible Dairy Operation

Dairy operations who produce milk for the following months are eligible for CFAP:

- **January 2020**
- **February 2020**
- **March 2020**

Note: Dairy operations that dissolve during the months of January, February, and March 2020 are eligible for pounds of milk production during any month they produced milk.

Eligible Milk Production

CFAP Eligible Milk Production is:

- Milk produced for the months of January, February, and March of 2020
- Any dumped milk during the months of January, February, and March
- Dairy production covered under the Dairy Margin Coverage (DMC) program, Dairy Revenue Protection (Dairy RP), and other dairy revenue insurance maintains eligibility for CFAP.

Producers will use the following information to self-certify January, February and March 2020 milk production:

- Milk marketing statements for the months of January, February, and March
- Records of dumped milk not listed on the marketing statements for the months of January, February and March

*****REMINDER - Documents are not required to be provided at signup because the application is self-certification. Must retain records for 3 years. *****

Joint Venture Dairy Operation

- **Members of dairy operations operating as a joint venture without a tax identification number (TIN) will separately apply for CFAP.**
- **Producers will apply using their applicable pounds of monthly milk production per producer depending on their share of the dairy operation.**

CFAP Dairy Payment Calculation

CFAP payments for eligible milk production will be the sum of results of the following two calculations:

- **Part 1 (CARES Act)** – January, February, and March 2020 milk production total in pounds multiplied by \$0.0471
- **Part 2 (CCC)** – January, February, and March 2020 milk production total in pounds multiplied by 1.014, and by \$0.0147



Non-Specialty Crops & Wool



What are the Eligible Commodities?



Eligible Commodities

- **Malting Barley**
- **Canola**
- **Corn**
- **Upland Cotton**
- **Millet**
- **Oats**
- **Sorghum**

- **Soybeans**
- **Sunflowers**
- **Durum Wheat**
- **Hard Red Spring Wheat**
- **Wool**

Note: Crops intended for grazing are ineligible for CFAP

How were Eligible Commodities Determined?



Determining Commodities

5% decline in futures prices between weeks of:

- **January 13-17, 2020, and**
- **April 6-9, 2020**

What does the Producer Have to Furnish?



Producer Input (continued)

- **Producer's share of 2019 Total Production**
- **Producer's share of 2019 Production Not Sold as of January 15, 2020 – must be subject to Price Risk**
- **Unpriced inventory (or production subject to price risk) means any production that is not subject to an agreed-upon price in the future through a forward contract, agreement, or similar binding document.**
- **Production appraised from failed acres is ineligible for CFAP.**

Non-Specialty Crops & Wool Payments



Payment Rates

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Malting Barley	BU	\$0.34	\$0.37
Canola	LB	\$0.01	\$0.01
Corn	BU	\$0.32	\$0.35
Upland Cotton	LB	\$0.09	\$0.10
Millet	BU	\$0.31	\$0.34
Oats	BU	\$0.15	\$0.17

Payment Rates (Continued)

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Sorghum	BU	\$0.30	\$0.32
Soybeans	BU	\$0.45	\$0.50
Sunflowers	LB	\$0.02	\$0.02
Durum Wheat	BU	\$0.19	\$0.20
HRS Wheat	BU	\$0.18	\$0.20
Wool (graded, clean basis)	LB	\$0.71	\$0.78
Wool (non-graded, greasy basis)	LB	\$0.36	\$0.39

Payment Formula

CARES Act Payment Formula:

“2019 Total Production Not Sold (as of January 15, 2020)” (not to exceed 50% of “2019 Total Production”)

50% of above number multiplied by CARES Act rate.

Payment Formula

CCC Charter Act Payment Formula:

“2019 Total Production Not Sold (as of January 15, 2020)” (not to exceed 50% of “2019 Total Production”)

50% of above number multiplied by CCC rate.

Payment Formula

Total Payment

**Sum of
CARES Act and
CCC Charter Act payment**

Payment Example

AD-3114 – Part D

13. Commodity	14. Unit of Measure	15. 2019 Total Production	16. 2019 Production Not Sold (as of Jan 15, 2020)
Soybeans	Bushel	6500.00	1500.00

Payment Example (continued)

Element	Instruction	Data
2019 Production Not Sold (as of Jan 15, 2020)	Taken from Item 16 – AD-3114	1,500.00 bushels
2019 Total Production multiplied by 50%	Taken from Item 15 – AD-3114	3,250.00 bushels
Eligible Production	Smaller of 1,500.00 or 3,250.00	1,500.00 bushels
CARE Act Payment	(50% multiplied by 1,500.00) multiplied by CARE Act Payment Rate (750.00 multiplied by \$0.45)	\$337.50
CCC Funds Payment	(50% multiplied by 1,500.00) multiplied by CCC Payment Rate (750.00 multiplied by \$0.50)	\$375.00
Gross CFAP Payment for Non-specialty/Wool		\$712.50

Livestock



Eligible Producer

[7 CFR 9.3] defines an eligible producer as a person or legal entity who shares in the risk of producing a crop or livestock and who is entitled to a share in the crop or livestock available for marketing or would have shared had the crop or livestock been produced and marketed.

Eligible Producer

[7 CFR 9.3] A contract grower who does not own the livestock, will be considered a producer if the contract allows the grower to have risk in the livestock.

Livestock owners and contract growers who are at risk and have a share of the livestock available for marketing or would have a share had the livestock been marketed are eligible livestock producers.

CFAP Eligibility for Livestock

- **Livestock that realized a 5-percent-or-greater national market price decline between the average for the week of January 13-17, 2020 relative to the average for the week of April 6-10, 2020, have been determined eligible for CFAP.**
- **National payment rates have been determined based on those price declines.**

Eligible Livestock

Livestock Category	Eligible Livestock
Cattle	• Feeder Cattle: Less Than 600 Pounds
	• Feeder Cattle: 600 Pounds or More
	• Slaughter Cattle: Fed Cattle
	• Slaughter Cattle: Mature Cattle
	• All Other Cattle
Hogs and Pigs	• Pigs: Less Than 120 Pounds
	• Hogs: 120 Pounds or More
Lambs and Yearlings	• All Sheep Less Than 2 Years Old

Definitions

- **Feeder cattle less than 600 pounds** means cattle weighing less than 600 pounds.
- **Feeder cattle 600 pounds or more** means cattle weighing more than 600 pounds but less than slaughter cattle-fed cattle as defined.

Definitions

- **Slaughter cattle—fed cattle** means cattle with an average weight in excess of 1,400 pounds which yield average carcass weights in excess of 800 pounds and are intended for slaughter.

NOTE: This definition in [7 CFR 9.2] was established based on NASS cattle slaughter data. The "1400 pounds" referenced in the definition used an average weight of 1200 to 1600 pound slaughter weight. The livestock category "Slaughter Cattle: Fed Cattle is to provide assistance to eligible livestock producers who have sales and/or inventory of "finished" cattle weighing 1200 to 1600 pounds, reaching an optimal combination of weight, muscle, and fat and ready for slaughter.

Definitions

- **Slaughter cattle—mature cattle** means culled cattle raised or maintained for breeding purposes, but which were removed from inventory and are intended for slaughter.
- **All other cattle** mean commercially raised or maintained bovine animals not meeting the definition of another category of cattle in this rule excluding beefalo, bison, and animals used for dairy production or intended for dairy production.

Definitions

- **Pigs** means any swine weighing less than 120 pounds.
- **Hogs** means any swine 120 pounds or more.
- **Lambs and yearlings** mean all sheep less than 2 years old.

General Livestock Eligibility

Eligible Livestock:

- Livestock owned on Jan. 15 and sold between Jan. 15 and April 15, 2020
- Offspring born from that Jan. 15 inventory
- Livestock inventory owned between April 16 and May 14, 2020
- Livestock that are no longer used for dairy production and have entered the beef cattle market

NOTE: All sales and inventory of livestock must be subject to price risk as of January 15, 2020.

Ineligible Livestock

Ineligible Livestock:

- Livestock used for dairy production or intended for dairy production
- Livestock purchased after Jan. 15, 2020 and sold on or before April 15, 2020
- Livestock subject to an agreed upon price in the future through a forward contract, agreement, or similar binding document as of Jan. 15, 2020

Dairy Cattle Eligibility for CFAP

- Dairy cattle that are no longer used for dairy production and have entered the beef cattle market are eligible for CFAP, for example:
 - Dairy cull cows – “Slaughter Cattle – Mature Cattle”
 - Dairy calves – Feeder Calves < > 600 pounds
- Dairy cattle used for dairy production or intended for dairy production are not eligible for CFAP-Livestock, however milk production from this livestock is eligible for CFAP-Dairy.

The information required from producers to participate in CFAP will be a self-certification by the producer or authorized representative. Records must be maintained for 3 years.

The following sales and inventory information is required from livestock producers, as applicable:

- Owned inventory of eligible livestock as of Jan. 15 and any offspring from that inventory, that were subject to price risk and sold between Jan. 15 and April 15, 2020
- Highest owned inventory of eligible livestock that were subject to price risk between April 16 and May 14, 2020

Livestock Payment Calculation

CFAP payment for eligible livestock will be the sum of the results of the following two calculations:

Part 1 (CARES Act Funds) Payment	Part 2 (CCC Funds) Payment
<p>Payment is calculated by multiplying the number of livestock sold between January 15 and April 15, 2020, by the payment rate per head.</p> <p>Note: Livestock must have been owned by the producer on January 15, 2020. Any offspring born from that same inventory are eligible.</p>	<p>Payment is calculated by multiplying the highest livestock inventory between April 16 and May 14, 2020, by the payment rate per head.</p>

Livestock Payment Rates

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Cattle	Feeder Cattle: Less Than 600 Pounds	Head	\$102	\$33
	Feeder Cattle: 600 Pounds or More	Head	\$139	\$33
	Slaughter Cattle: Fed Cattle	Head	\$214	\$33
	Slaughter Cattle: Mature Cattle	Head	\$ 92	\$33
	All Other Cattle	Head	\$102	\$33
Hogs & Pigs	Pigs: Less Than 120 Pounds	Head	\$ 28	\$17
	Hogs: 120 Pounds or More	Head	\$ 18	\$17
Lambs & Yearlings	All Sheep Less Than 2 Years Old	Head	\$ 33	\$ 7

CFAP Application Example

If all eligibility requirements are met, the estimated gross CFAP payment calculation, before reductions, would be the following:

		Part 1 (CARES Act) Payment			Part 2 (CCC) Payment		
		Sales Jan 15 - April 15	Payment Rate	Calculated Pmt	Highest Inventory April 16 - May 14	Payment Rate	Calculated Pmt
Livestock	Unit of Measure						
Feeder Cattle: Less Than 600 Pounds	Head	7	\$102.00	\$ 714	480	\$ 33.00	\$ 15,840
Slaughter Cattle: Mature Cattle	Head	10	\$ 92.00	\$ 920		\$ 33.00	\$ -
All Other Cattle	Head		\$102.00	\$ -	573	\$ 33.00	\$ 18,909
		Total CARES Act Part 1 Payment		\$ 1,634	Total CCC Part 2 Payment		\$ 34,749
Total Estimated Gross CFAP Payment Before Any Reductions (PL, etc.) \$ 36,383							

IMPORTANT

- All producer eligibility forms related to CFAP **MUST** be filed within 60-days from the date of signing the CFAP application.
- Failure to timely provide all eligibility forms will result in no payment or a reduced payment.

Sign-up Period

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or

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