

Coronavirus Food Assistance Program

MU Agricultural Business
and Policy Extension



Overview

- The Coronavirus Food Assistance Program (CFAP) provides direct relief to producers due to COVID-19
- Up to \$16 billion in total funding from various federal sources (CARES Act, CCC, etc.)
- Eligible commodities must have either:
 - Suffered a five percent-or-greater price decline
 - Experienced market supply chain disruptions due to COVID-19 and face additional significant marketing costs
- *This is our current understanding of the CFAP program and is subject to change depending on FSA implementation*



Missouri Eligible Commodities

- **Livestock:** cattle, dairy, hogs, lambs and yearlings
- **Non-specialty crops:** corn, upland cotton, millet, oats, sorghum, soybeans, sunflowers, wool
- **Specialty crops:** apples, asparagus, beans, blueberries, broccoli, cabbage, cantaloupe, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, garlic, romaine lettuce, mushrooms, dry onions, green onions, peaches, pears, pecans, bell type peppers, other peppers, potatoes, raspberries, rhubarb, spinach, squash, strawberries, sweet potatoes, tomatoes, walnuts, and watermelons

Ineligible commodities

include: sheep more than 2 years old, eggs/layers, soft red winter wheat, hard red winter wheat, white wheat, rice, flax, rye, peanuts, feed barley, Extra Long Staple (ELS) cotton, alfalfa, forage crops, hemp and tobacco.

CFAP Eligibility and Limits

Eligibility

- A person or legal entity must have an average adjusted gross income of less than **\$900,000 for tax years 2016, 2017, and 2018**
- However, if **75 percent** of their adjusted gross income comes from farming, ranching, or forestry, the AGI limit of \$900,000 does not apply

Payment limitations

- Per person/legal entity limit: \$250,000
- Per corporate entity (corps, LLC, LP)
 - One shareholder: \$250,000
 - Two shareholders: \$500,000
 - Three or more shareholders: \$750,000



Payment Structure

- Producers will receive **80 percent** of their maximum total payment upon approval of the application.
- The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date if funds remain available.



Livestock Payments

Two components (can do both):

- CARES Act: Number of livestock sold x payment rate/head (*Jan. 15 to April 15, 2020*)
- CCC: Highest inventory of livestock x payment rate/head (*April 16 and May 14, 2020*)

Livestock	Eligible Livestock	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Cattle*	Feeder Cattle: Less than 600 Pounds	Head	\$102.00	\$33.00
	Feeder Cattle: 600 Pounds or More	Head	\$139.00	\$33.00
	Slaughter Cattle: Fed Cattle	Head	\$214.00	\$33.00
	Slaughter Cattle: Mature Cattle	Head	\$92.00	\$33.00
	All Other Cattle	Head	\$102.00	\$33.00
Hogs and Pigs	Pigs: Less than 120 Pounds	Head	\$28.00	\$17.00
	Hogs: 120 Pounds or More	Head	\$18.00	\$17.00
Lambs and Yearlings	All Sheep Less than 2 Years Old	Head	\$33.00	\$7.00

* Cattle definition does not include breeding dairy cattle; does include bull calves and cull cows

Beef Operation Example

Livestock Sold

(between Jan. 15 and Apr. 15)

Type	Number of Head Sold	CARES Rate	Total
Feeder Cattle: < 600 Pounds	40 head	\$102/head	\$4,080
Slaughter Cattle: Mature Cattle	5 head	\$92/head	\$460
Total			\$4,540

**Total
payment due
of \$9,490**

Highest Livestock Inventory

(between April 16 and May 14, 2020)

Type	Number of Head	CCC Rate	Total
Beef Cows	100 head	\$33/head	\$3,300
Feeder Calves: < 600 Pounds	50 head	\$33/head	\$1,650
Total			\$4,950



Dairy Payments Example

- **Milk production for the first quarter 2020 (Jan, Feb and March) multiplied by:**
 - \$4.71 per hundred weight (CARES Act Payment Rate)
 - \$1.47 per hundred weight (CCC Payment Rate: a 1.014 national adjustment to each producers production will be made, effectively making total CARES & CCC payment = \$6.20)
 - Not limited by participation in Dairy Margin Coverage (DMC) or Dairy Revenue Protection (Dairy RP)



Missouri 150-cow Dairy Example

Month	Milk Production	Total Payment
January	2,250 cwt.	\$13,950
February	2,500 cwt.	\$15,500
March	2,000 cwt.	\$12,400
Total	6,750 cwt.	\$41,850

Non-Specialty Crop Payments

- Payment will be made based on **50 percent** of a producer's 2019 total production or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied 50 percent of the commodity's applicable payment

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Barley (malting barley only)	bushel	\$0.34	\$0.37
Canola	pound	\$0.01	\$0.01
Corn	bushel	\$0.32	\$0.35
Upland Cotton	pound	\$0.09	\$0.10
Millet	bushel	\$0.31	\$0.34
Oats	bushel	\$0.15	\$0.17
Sorghum	bushel	\$0.30	\$0.32
Soybeans	bushel	\$0.45	\$0.50
Sunflowers	pound	\$0.02	\$0.02
Wheat, Durum	bushel	\$0.19	\$0.20
Wheat, Hard Red Spring	bushel	\$0.18	\$0.20

Crops intended for **grazing** are not eligible



Non-Specialty Crop Example

Missouri Crop Farm (500 acres corn, 500 acres soybean)

Crop	50 percent of 2019 production (bushels)	Jan. 15 inventory (bushels)	Rate per bushel	Total
Corn	41,250	49,500	\$0.335	\$13,819
Soybeans	12,500	10,000	\$0.475	\$4,750
			Total	\$18,569

Remember: Use the lower number of bushels (50% of 2019 production or actual Jan. 15 inventory) to calculate the payment

Specialty Crops Payments

- Five percent-or-greater price decline in sales price between January 15, 2020, and April 15, 2020
- Crop shipments that left the farm by April 15, 2020, and spoiled due to no market
- Crop shipments that did not leave the farm by April 15, 2020
 - Were harvested but sitting in crates on the farm
 - Mature crops that were unharvested by that date



Specialty Crops

Sales losses

- Producers must maintain records, such as a bill of sale, documenting the price received for the crop.

Spoiled due to market channel

- Producers must obtain documentation, such as a letter from the buyer, explaining non-payment or other record validating non-payment. This applies to producers who have met contractual obligations in delivering the crop to the buyer, but have not been paid.

Commodity	CARES Act Payment Rate for Sales Losses (\$/lb)	CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel (\$/lb)	CCC Payment Rate (\$/lb)
Almonds	\$0.26	\$0.57	\$0.11
Apples	–	\$0.18	\$0.03
Artichokes	\$0.66	\$0.49	\$0.10
Asparagus	–	\$0.38	\$0.07
Beans	\$0.17	\$0.16	\$0.03
Blueberries	–	\$0.62	\$0.12
Broccoli	\$0.62	\$0.49	\$0.10
Cabbage	\$0.04	\$0.07	\$0.01
Cantaloupe	–	\$0.10	\$0.02
Carrots	\$0.20	\$0.11	\$0.02
Cauliflower	\$0.11	\$0.31	\$0.06
Celery	–	\$0.07	\$0.01
Corn, sweet	\$0.09	\$0.13	\$0.03
Cucumbers	\$0.13	\$0.15	\$0.03
Eggplant	\$0.07	\$0.15	\$0.03
Garlic	–	\$0.85	\$0.17
Lettuce, iceberg	\$0.20	\$0.15	\$0.03
Lettuce, romaine	\$0.07	\$0.12	\$0.02
Mushrooms	–	\$0.59	\$0.11
Onions, dry	\$0.01	\$0.05	\$0.01
Onions, green	–	\$0.30	\$0.06
Peaches	\$0.08	\$0.32	\$0.06
Pears	\$0.08	\$0.18	\$0.03
Pecans	\$0.28	\$0.93	\$0.18
Peppers, bell type	\$0.14	\$0.22	\$0.04
Peppers, other	\$0.15	\$0.22	\$0.04
Potatoes	–	\$0.04	\$0.01
Raspberries	–	\$1.45	\$0.28
Rhubarb	\$0.15	\$1.03	\$0.20
Spinach	\$0.37	\$0.37	\$0.07
Squash	\$0.72	\$0.39	\$0.08
Strawberries	\$0.84	\$0.72	\$0.14
Sweet potatoes	–	\$0.18	\$0.04
Taro	–	\$0.23	\$0.05
Tomatoes	\$0.64	\$0.38	\$0.07
Walnuts	–	\$0.45	\$0.09
Watermelons	–	\$0.02	–

How to Prepare

- Name and address
- Personal information, including your Tax Identification Number
- Farm operating structure
- Adjusted Gross Income compliance certification to ensure eligibility
- Direct deposit to enable payment processing

If you are an existing customer, this information is likely on file at your local USDA Service Center.

CCC-901 – Identifies members of a farm or ranch that is a legal entity.

CCC-941 – Reports your average adjusted gross income for programs where income restrictions apply.

CCC-942 – If applicable, this certification reports income from farming, ranching, and forestry, for those exceeding the adjusted gross income limitation.

AD-1026 – Ensures compliance with highly erodible land conservation and wetland conservation.

AD-2047 – Provides basic customer contact information.

SF-3881 – Collects your banking information to allow USDA to make payments to you via direct deposit

Self-Certification Program

- Producers will need sales, inventory and other records to complete CFAP application
- But this documentation **DOES NOT** need to be submitted with the application
- Producers are encouraged to retain documentation for spot checks/audits



Sign up

- Program sign up begins May 26, 2020 and ends August 28, 2020
- Apply at USDA Farm Service Agency (FSA) Service Centers.
 - Appointments by phone only
 - Applications may be submitted via mail, fax, hand delivery, or via electronic means.
 - Call your office prior to sending applications electronically
 - Once signup begins, applicants will be able to download the **application tool and forms** at farmers.gov/CFAP

[CFAP Payment Calculator Video](#)

CORONAVIRUS Food Assistance Program

Applications Start Soon

USDA will soon take applications for the Coronavirus Food Assistance Program (CFAP), and agricultural producers will apply through USDA's Farm Service Agency (FSA). For more information, visit farmers.gov/CFAP

HOW TO PREPARE NOW

You can start gathering information on your farm's recent sales and inventory, as well as completing eligibility forms at farmers.gov/CFAP

Some of the info you'll need includes:

- Tax Identification Number
- Farming operating structure
- Adjusted Gross Income

If you have worked with FSA previously, much of this information is likely on file.



HOW TO APPLY ONCE SIGNUP BEGINS

1. Call your FSA county office to make an appointment. You can find your local Service Center at farmers.gov/CFAP

2. FSA will work with you via phone, email, fax, mail, or online tools to receive and complete your application.



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For more information,
<http://farmers.gov/CFAP>