



NATIONAL AFFAIRS

September 3, 2021

Pandemic Market Volatility Assistance Program and Coronavirus Food Assistance Program 2 Updates

United States Department of Agriculture (USDA) Secretary Tom Vilsack announced additional updates to the Coronavirus Food Assistance Program 2 (CFAP 2) specifically for contract producers of eligible livestock and poultry and producers of specialty crops and other sales-based commodities. USDA's Farm Service Agency (FSA) set an **October 12, 2021** deadline for all eligible producers to apply for or modify applications for CFAP 2. Farmers who were previously ineligible for the CFAP 2 can now apply as well.

Up to \$1 billion is available for payments to contract producers of eligible livestock and poultry for revenue losses from January 1, 2020, through December 27, 2020. Contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, ducks, geese, pheasants, and quail may be eligible for assistance. This update includes eligible breeding stock and eggs of all eligible poultry types produced under contract.

USDA is amending the CFAP 2 payment calculation for sales-based commodities as well, which are primarily comprised of by specialty crops, to allow producers to substitute 2018 sales for 2019 sales. A complete list of all eligible sales-based commodities can be found at [here](#). Along with specialty crops like fruits and vegetables, tobacco is also eligible for CFAP 2.

Tobacco payments are calculated using the producer's eligible sales during calendar year 2018 or 2019 plus crop insurance indemnities and Wildfire and Hurricane Indemnity Program Plus payments received for crop year 2018 or 2019, multiplied by the applicable payment rate. This may mean a higher payment for producers. For more information on tobacco payments please click [here](#).

The USDA also announced the Pandemic Market Volatility Assistance Program (PMVAP), which will provide nearly \$350 million to partially compensate dairy

producers who lost revenue because of market disruptions during the COVID-19 pandemic. The assistance is part of a larger package including permanent improvements to the Dairy Margin Coverage safety net program.

Under the PMVAP, payments will reimburse qualified dairy farmers for 80 percent of the revenue difference per month based on an annual production of up to 5 million pounds of milk marketed and on fluid milk sales from July through December 2020. The payment rate will vary by region based on the actual losses on pooled milk related to price volatility.

USDA will make payments through agreements with independent handlers and cooperatives. Handlers and cooperatives will distribute the monies on the same basis July through December 2020 payments were made to their dairy farmer suppliers and a formula set by USDA. USDA will distribute payments to participating handlers within 60 days of entering into an agreement. Once funding is provided, a handler will have 30 days to distribute monies to qualifying dairy farmers.

USDA will host an information webinar for eligible handlers and cooperatives who will need to indicate intentions to participate by **September 10, 2021**.

Additional Information

For additional updates from Kentucky Farm Bureau and resources related to COVID-19 you may visit: www.kyfb.com/federation/covid-19-resources/.

For additional information on PMVAP you may visit: <https://www.ams.usda.gov/services/pandemic-market-volatility-assistance-program>.

For additional information on CFAP 2 Updates you may visit: <https://www.farmers.gov/coronavirus/pandemic-assistance/cfap2>.