



# NATIONAL AFFAIRS

April 20, 2020

## Coronavirus Food Assistance Program

On Friday, April 17, 2020, the United States Department of Agriculture (USDA) announced the creation of the Coronavirus Food Assistance Program (CFAP) which will provide \$19 billion to assist farmers in response to the negative impacts of the coronavirus (COVID-19) pandemic on commodity prices and food supply chains. Below is an overview of the program. Farm Bureau will share additional details as they become available.

### Overview of CFAP

#### Direct Support to Farmers

The program will provide \$16 billion in direct support to farmers based on actual losses where prices and market supply chains have been impacted. The USDA is working to expedite the rulemaking process to formally create the program and anticipates sign-ups for the program will begin in early May. Please note that the below details are subject to change as the federal rulemaking process moves forward.

#### Payments

It is currently reported that farmers will receive a single payment based on two calculations:

- First, for price losses that occurred between January 1-April 15, 2020, farmers will be compensated for 85% of loss during that period; and
- Second, for price losses expected from April 15, 2020, through the next two quarters, farmers will be compensated 30% of expected losses during that period.

The payment limit will be \$125,000 per commodity with an overall limit of \$250,000 per individual or entity. Qualifying commodities must have experienced a 5% price decrease between January and April.

### **Commodities**

It is currently reported that the \$16 billion will be allocated amongst commodities as follows:

- \$9.6 billion for the livestock industry
  - o With \$5.1 billion for cattle
  - o With \$2.9 billion for dairy
  - o With \$1.6 billion for hogs
- \$3.9 billion for row crops
- \$2.1 billion for specialty crops
- \$500 million for other crops

### **USDA Purchase and Distribution**

USDA will partner with regional and local distributors, whose workforce has been significantly impacted by the closure of restaurants, hotels, and other food service entities, to purchase \$3 billion in fresh produce, dairy, and meat. The department will begin purchasing approximately \$100 million per month of fresh fruits and vegetables, \$100 million per month of dairy products, and \$100 million per month in meat products. Distributors and wholesalers will then provide pre-approved boxes of these products to food banks, community and faith-based organizations, and other non-profits.

USDA will host a webinar on Tuesday, April 21, 2020, at 2 p.m. EDT, to provide an overview of the purchasing program and instructions for submitting offers to participate.

Interested parties may register for the webinar at the following:

[https://www.zoomgov.com/webinar/register/WN\\_hDiBdM\\_aSYmWps0RiO-UAg](https://www.zoomgov.com/webinar/register/WN_hDiBdM_aSYmWps0RiO-UAg).

Questions about the program may be submitted to the following:

[USDAFoodBoxDistributionProgram@usda.gov](mailto:USDAFoodBoxDistributionProgram@usda.gov).

For more information about the USDA's actions in response to COVID-19 you may visit: <https://www.usda.gov/coronavirus> or <https://www.kyfb.com/federation/covid-19-resources/>.