



NATIONAL AFFAIRS

May 19, 2020

Coronavirus Food Assistance Program: Applications Accepted Beginning May 26

On Tuesday, May 19, 2020, the United States Department of Agriculture (USDA) announced the final details of the Coronavirus Food Assistance Program (CFAP), and that applications for direct assistance through the program will be accepted beginning Tuesday, May 26, 2020. CFAP will provide up to \$16 billion in direct financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19, and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities. Below are additional details about the program and application process. All details about CFAP may be found at <https://www.farmers.gov/cfap>.

Applying for Assistance

Producers can apply for assistance beginning on May 26, 2020, and applications will be accepted through August 28, 2020. Those eligible will apply through their local FSA office. Additional information and application forms can be found [here](#).

Eligibility

Livestock

Livestock eligible for CFAP include cattle, lambs, and hogs. The total payment will be calculated using the sum of the producer's number of livestock sold between January 15 and April 15, 2020, multiplied by the payment rates per head, and the highest inventory number of livestock between April 16 and May 14, 2020, multiplied by the payment rate per head.

Dairy

For dairy, the total payment will be calculated based on a producer's certification of milk production for the first quarter of calendar year 2020 multiplied by a

national price decline during the same quarter. The second part of the payment is based on a national adjustment to each producer's production in the first quarter.

Specialty Crops

For eligible specialty crops, the total payment will be based on: the volume of production sold between January 15 and April 15, 2020; the volume of production shipped, but unpaid; and the number of acres for which harvested production did not leave the farm or mature product destroyed or not harvested during that same time period, and which have not and will not be sold. Specialty crops include, but are not limited to, almonds, beans, broccoli, sweet corn, lemons, iceberg lettuce, spinach, squash, strawberries and tomatoes. A full list of eligible crops can be found [here](#). Additional crops may be deemed eligible at a later date.

Non-Specialty Crops and Wool

Non-specialty crops eligible for CFAP payments include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat. Wool is also eligible. Producers will be paid based on inventory subject to price risk held as of January 15, 2020. A 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 by the commodity's applicable payment rates.

Payment Limitations

There is a payment limitation of \$250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies, or limited partnerships may qualify for additional payment limits where members actively provide personal labor or personal management for the farming operation. Producers will also have to certify they meet the Adjusted Gross Income limitation of \$900,000 unless at least 75 percent or more of their income is derived from farming, ranching, or forestry-related activities. Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions.

Payment Structure

To ensure the availability of funding throughout the application period, 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 as funds remain available. You may review the rule governing this program and commodity payment rates used for CFAP [here](#).

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/>.