

## USDA's Second Coronavirus Food Assistance Program (CFAP 2)

On Sept. 18, 2020, [USDA announced](#) the availability of \$13.21 billion for direct payments to farmers intended to help offset "market disruptions, low farm-level prices, and significant marketing costs."

The funding comes from the Commodity Credit Corporation, via the early replenishment authorized by the CARES Act, except for up to \$100 million for tobacco assistance, which comes from unspent CARES Act Office of the Secretary funds.

Producers will file applications with their local Farm Service Agency (FSA) and may call 877-508-8364 for additional assistance. The agency is accepting CFAP applications from Sept. 21, 2020 through December 11, 2020. Producers do not need to have participated in the first CFAP program to be eligible.

One hundred percent of payments will be delivered after successful application. The payments will not be separated into parts like the first CFAP.

### ➤ Eligibility

- A person or legal entity is eligible if they meet the commodity loss requirements of the program and have an average adjusted gross income of less than \$900,000 for tax years 2016, 2017, and 2018.
- If 75 percent of their adjusted gross income comes from farming, ranching, or forestry, the AGI limit of \$900,000 does not apply.
- To be eligible, applicants must also comply with the provisions of the "Highly Erodible Land and Wetland Conservation" regulations.

### ➤ Payment Limits

- A person or legal entity may receive up to \$250,000 across payments for all eligible commodities.
- Special rules apply for entities organized as limited partnerships, corporations, trusts, or limited liability companies. These entities may receive \$250,000 for each shareholder who contributes at least 400 hours to the business, up to a maximum of three shareholders and \$750,000.
- CFAP 2 has separate payment limits from the original CFAP program.

### ➤ Price Trigger Commodities

- Crops (barley, corn, sorghum, soybeans, sunflowers, upland cotton, all classes of wheat)
  - Payments are based on 2020 planted acres.
  - Payments equal the larger of 1) eligible acres multiplied by a payment rate of \$15 per acre; or 2) the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, multiplied by the producer's weighted 2020 Actual Production History (APH) approved yield.
- Livestock (beef cattle, lamb, sheep, hogs)
  - Payment equals an operation's inventory on hand at any date between April 16, 2020 and Aug. 31, 2020, multiplied by a per head payment rate.
  - Excludes breeding animals, including dairy cull cows.
- Poultry (broilers, eggs)
  - Payment equals 75% of an operation's 2019 production multiplied by a payment rate.

- Milk
  - Payment equals actual product from April 1, 2020 through Aug. 31, 2020, plus forecast production from Sept. 1, 2020 through Dec. 31, 2020, multiplied by \$1.20/cwt.
- **Flat-Rate Crops** – Alfalfa, amaranth grain, buckwheat, canola, Extra Long Staple (ELS) cotton, crambe (colewort), einkorn, emmer, flax, guar, hemp, indigo, industrial rice, kenaf, khorasan, millet, mustard, oats, peanuts, quinoa, rapeseed, rice, sweet rice, wild rice, rye, safflower, sesame, speltz, sugar beets, sugarcane, teff, and triticale.
  - Eligible for a flat \$15/acre payment on 2020 planted acres.
- **Sales Commodities** – Specialty crops including fruit, vegetable, horticulture, and tree nut commodities; honey, maple sap, floriculture, nursery crops, alpacas, bison, buffalo, beefalo, deer, ducks, elk, emus, geese, goats, goat milk, guinea pigs, llamas, mink, mink pelts, mohair, ostrich, pheasants, quail, rabbits, reindeer, turkey, aquaculture, cactus, Christmas trees, tobacco, and wool.
  - Payments will equal the amount of a producer’s eligible 2019 sales multiplied by graduated payment rates that run between 8.8% to 10.6% of 2019 revenue, depending on applicable 2019 sales.
  - Payments for beginning farmers with no sales in 2019 will be based on their 2020 sales.
  - Farmers will receive payments based on the farmgate value of eligible commodities sold, not on any value-added components such as processing and packaging or products purchased for resale.
- **Ineligible Commodities** – USDA will not provide payments for:
  - Hay, except alfalfa, and crops intended for grazing.
  - All equine, animals raised for breeding stock, companion or comfort animals, pets, and animals raised for hunting or game purposes.
  - Birdsfoot and trefoil, clover, cover crop, fallow, forage soybeans, forage sorghum, gardens (commercial and home), grass, kochia (prostrata), lespedeza, milkweed, mixed forage, pelts (excluding mink), perennial peanuts, pollinators, sunn hemp, vetch, and seed of ineligible crops.
- **Links**
  - [General Information](#)
  - [Full List of Eligible Commodities](#)
  - [CFAP 2 Rule](#)
  - [CFAP 2 Cost Benefit Analysis](#)
  - [CFAP 2 Frequently Asked Questions](#)
  - [Dairy](#)
  - [Aquaculture](#)
  - [Livestock](#)
  - [Broilers and Eggs](#)
  - [Specialty Livestock \(Sales Commodities\)](#)
  - [Specialty Crops](#) (Fruits, vegetables, nuts, maple sap, and honey)
  - [Floriculture and Nursery](#)
  - [Row Crops](#)
  - [Wool](#)
  - [Tobacco](#)