

Coronavirus Food Assistance Program

Overview for Farmers and Ranchers



Starting May 26, USDA's Farm Service Agency is accepting applications for direct payments to agricultural producers affected by the COVID-19 pandemic. This \$16 billion in aid is limited to specific products and types of loss; this primer is intended to help producers begin to determine if the program may help address their needs. This is not legal advice: each farm operation is different and producers should make their own application determinations using USDA guidelines.

AM I ELIGIBLE TO APPLY?

Producers must have produced a commodity that had a price drop of at least 5 percent as a result of the pandemic AND share in the risk of producing eligible crops or livestock AND be: a U.S. Citizen; Resident Alien; Foreign Person providing land, capital, and active personal labor in the farming operation; an Indian Tribe or Tribal Organization; or a specifically eligible Business/Partnership structure (e.g. LLC) AND meet specific Adjusted Gross Income limits AND comply with conservation compliance provisions (or be exempt) AND not have certain controlled substance violations.¹

DID I EXPERIENCE AN ELIGIBLE LOSS?

You'll need to produce one or more of the following products, subject to price risk:²

AND you'll need the following records:

I am experiencing other COVID-19 related costs (e.g. increased safety equipment, labor, or infrastructure needs):

Unfortunately, CFAP is not designed to directly account for these expenses, but funds received may be used to pay for these needs.

What if the Commodities I Produce are Not Eligible?

USDA may accept documentation and add additional crops through its open rulemaking period.⁴

Dairy

Certification of your milk production for January, February, and March 2020.

Livestock (cattle, hogs, sheep)

Your total sales of eligible livestock from January 15 to April 15, 2020, your owned inventory as of January 15, including any offspring from that inventory, and your highest inventory of eligible livestock between April 16 and May 14, 2020.

Non-specialty crops³ or wool

2019 production records and a record of what remained unsold as of January 15, 2020.

Specialty crops: fruits, vegetables, mushrooms, beans, or nuts

Documentation of: 1) crops sold with a price decline, 2) shipped crops that went unpaid, or 3) unshipped or unharvested crops (e.g. acreage plowed under). Eligible losses vary by crop and only certain crops are included. Details: <https://www.farmers.gov/cfap/specialty>

WHAT PAYMENT MAY I EXPECT?

If you are an eligible entity, AND you produce an eligible product, AND you have the required records, THEN you may be eligible for payment.

What if I receive price premiums for my products?

Payments will not reflect a producer's actual market price. Formulas are based on wholesale commodity prices and do not account for higher prices a producer might receive for organic certification, direct to consumer sales, value-added products (e.g. cheese), or production methods (e.g. grassfed beef).

Payments will be based on USDA-determined rates multiplied by volume or inventory of eligible products. Payments will be calculated by commodity-specific formulas meant to account for price/marketing impacts, not by a producer's individual costs. For example: if you had 20,000 lbs of apples sold in March for which you were unpaid due to COVID-19, you would be eligible for 20,000 lbs x \$0.18/lb = \$3,600. Producers will receive 80% of their payment upon approval, with the remainder paid later if funds remain available.

How to estimate your payment: Enter your production records into USDA's calculator to estimate your potential payment to help determine if you should apply: <https://www.farmers.gov/cfap>

HOW CAN I GET STARTED?

Where Can I Get Help?

USDA Farm Service Agency hotline: 877-508-8364

NSAC: <https://bit.ly/cfap101>

Farm Aid hotline: 1-800-FARM-AID

Farmers' Legal Action Group guide: <http://www.flaginc.org>

Join us in speaking up for more inclusive, equitable, effective aid for producers: <https://bit.ly/cfap101>

1. Review eligibility and documentation criteria; use payment calculator to estimate your payment.
2. Questions? Call FSA's hotline or your local FSA office. If you may apply, schedule an appointment with FSA ASAP; delays are expected. Office locator: www.farmers.gov/service-center-locator
3. Complete all forms and begin compiling necessary records.¹
4. Work directly with your local FSA office to submit your application.

Footnotes

1. Eligibility details, a payment estimate calculator, and necessary application forms can all be found at: <https://www.farmers.gov/cfap>
2. Price risk means any production, sales, and inventory that is not subject to an agreed-upon price in the future through a forward contract, agreement, or similar binding document.
3. Malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat.
4. Instructions on submitting ineligible crop information: <https://bit.ly/cfapNOFAcrops>