

USDA Announces Details of Coronavirus Food Assistance Program

Today, the U.S. Department of Agriculture (USDA) announced details of its Coronavirus Food Assistance Program (CFAP). The CFAP's goal is to support producers of meat, dairy and produce as well as a food assistance program for local food banks. The CFAP is split into two main parts. First the USDA will provide \$16 billion in direct support payments based on actual losses for agricultural producers where prices and market supply chains have been impacted and will assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19. Second, \$3 billion is allocated through USDA's [Farmers to Families Food Box](#) program to assist local and regional distributors to purchase fresh produce, dairy, and meat. This will be done in monthly increments of \$100 million for each of these three broad categories of food products.

A. Commodities Affected

Eligible commodities include:

- **Non-specialty Crops:** malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat
- **Wool**
- **Livestock:** cattle, hogs, and sheep (lambs and yearlings only)
- **Dairy**
- **Specialty Crops**
 - **Fruits:** apples, avocados, blueberries, cantaloupe, grapefruit, kiwifruit, lemons, oranges, papaya, peaches, pears, raspberries, strawberries, tangerines, tomatoes, watermelons
 - **Vegetables:** artichokes, asparagus, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, garlic, iceberg lettuce, romaine lettuce, dry onions, green onions, peppers, potatoes, rhubarb, spinach, squash, sweet potatoes, taro
 - **Nuts:** almonds, pecans, walnuts
 - **Other:** beans, mushrooms

USDA will consider additional crops to be eligible for CFAP by collecting information on potentially eligible crops.

Ineligible Commodities include:

Commodities that did not suffer a five percent-or-greater price decline from mid-January 2020 to mid-April 2020 are not eligible for CFAP. Specifically, this includes sheep more than two years old, eggs/layers, soft red winter wheat, hard red winter wheat, white wheat, rice, flax, rye, peanuts, feed barley, Extra Long Staple (ELS) cotton, alfalfa, forage crops, hemp, and tobacco. However, for all commodities except for hemp and tobacco, USDA may reconsider the excluded commodities if credible evidence is provided that supports a five percent price decline.

B. 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% 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.

Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Barley (malting barley only)	bushel	\$0.34	\$0.37
Canola	pound	\$0.01	\$0.01
Corn	bushel	\$0.32	\$0.35
Upland Cotton	pound	\$0.09	\$0.10
Millet	bushel	\$0.31	\$0.34
Oats	bushel	\$0.15	\$0.17
Sorghum	bushel	\$0.30	\$0.32
Soybeans	bushel	\$0.45	\$0.50
Sunflowers	pound	\$0.02	\$0.02
Wheat, Durum	bushel	\$0.19	\$0.20
Wheat, Hard Red Spring	bushel	\$0.18	\$0.20

C. Livestock

Livestock eligible for CFAP include cattle, lambs, yearlings 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.

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Cattle	Feeder Cattle: Less than 600 Pounds	Head	\$102.00	\$33.00
	Feeder Cattle: 600 Pounds or More	Head	\$139.00	\$33.00
	Slaughter Cattle: Fed Cattle	Head	\$214.00	\$33.00
	Slaughter Cattle: Mature Cattle	Head	\$92.00	\$33.00
	All Other Cattle	Head	\$102.00	\$33.00
Hogs and Pigs	Pigs: Less than 120 Pounds	Head	\$28.00	\$17.00
	Hogs: 120 Pounds or More	Head	\$18.00	\$17.00
Lambs and Yearlings	All Sheep Less than 2 Years Old	Head	\$33.00	\$7.00

D. 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 a national adjustment to each producer's production in the first quarter.

"For dairy, a single payment will be made based on a producer's certification of milk production for the first quarter of calendar year 2020 multiplied by \$4.71 per hundred weight. The second part of the payment is based a national adjustment to each producer's production in the first quarter multiplied by \$1.47 per hundred weight," USDA details.

It also notes, "Any dumped milk production during the months of January, February, and March 2020 is eligible for assistance. However, any milk production priced under a forward contract for any time during January, February, and/or March is ineligible."

E. 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. As noted above, additional crops may be deemed eligible at a later date.

F. Eligibility

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% 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.

G. Applying for Assistance

Producers can apply for assistance beginning on May 26, 2020. Additional information and application forms can be found in the link below. Producers of all eligible commodities will apply through their local FSA office. Documentation to support the producer's application and certification may be requested. FSA has streamlined the signup process to not require an acreage report at the time of application and a USDA farm number may not be immediately needed. Applications will be accepted through August 28, 2020.

H. 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.

USDA Service Centers are open for business by phone appointment only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service, or any other Service Center agency are required to call their Service Center to schedule a phone appointment.

See the details here: [Coronavirus Food Assistance Program](#)

Contact Us

Reach out to Fraser Stryker's business attorneys for more information. We are here to help:



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