

Cotton and Wool Apparel (CAWA) Program FAQ

Frequently Asked Questions

Last Update: June 3, 2022

Will the webinar recording be available for those who may not have been able to listen to it live?

Yes. The webinar and slide presentation may be found at <https://www.fsa.usda.gov/programs-and-services/outreach-and-education/webinars/index>.

What is considered a reasonable timeframe for a business to restart operations?

Within 1 year.

If our SAM.gov is not in active status, will I have sufficient time to complete the renewal and still have enough time to apply for CAWA?

Yes.

Are there any tax implications or other considerations to keep in mind if applicants receive payments?

Any applicant that receives more than \$600 will receive a 1099. Other tax questions must be directed towards an accounting professional.

What is the anticipated timeframe from the end of signup to when payments will be processed?

All payments will be processed in July 2022 at the same time, regardless of the date the application was filed.

The application requires a certification of 15% loss, as well as gross sales and/or consumption. When will supporting documentation be required if the applicant is selected for spot check?

We anticipate spot checks will be completed shortly after the end of the application period. Please ensure documentation is available to support information on the application.

Why does the program use market share?

Commodity Credit Corporation is the funding source for this program, which is dependent on supporting and stabilizing domestic markets. As a result, this program has been developed not as an indemnity program, but in a manner that will help to ensure stability and support for the domestic markets.

If applicants have questions and need assistance, should they email the CAWA@usda.gov or who should they contact for help?

Email is the best method for submitting questions.

Do I need to submit supporting documentation with my application?

No. The only documentation that needs to be submitted with the application is if the signature is different than what was on the FAS Trust Fund Affidavit. Documentation may be submitted for the numbers used, however is not required until spot checks.

If you own fabric but contract to manufacturer apparel with another manufacturer, do you qualify to participate?

The applicant (or member of its controlled group) must own the facility.

Can an apparel company that sells both directly to customers and also manufactures for wholesale accounts use gross sales for both (i.e., direct sales and wholesale sales) so long as they do not double count the same item?

You may use both as long as the amount is only counted once.