



Small Farms Examples for USDA’s Coronavirus Food Assistance Program 2

Sally Sheep Farmer

Sally is a small-scale sheep producer who raises sheep for wool and meat—selling her products locally at the farmer’s market, to local restaurants, and at craft fairs and festivals. She sells wool and value-added fiber products like yarn and pelts in addition to her meats.

Sally can apply for CFAP 2 for both her wool and non-breeding livestock.

Wool: When applying for CFAP2 Sally will use her 2019 calendar year sales records for wool sold off her farm or at fiber festivals (before any commission was taken). If she sold any yarn, she must first determine the value of the raw wool before any value-added processing occurred, and only include that raw commodity value in her total 2019 sales numbers reported on the CFAP 2 form. Since pelts are not eligible, she does not include that 2019 value on her CFAP 2 form. If she is later spot-checked, she would use her farm and fiber festival sales records as well as provide her methodology for determining the raw wool value of her value-added wool products to her local FSA office.

The numbers:

| | |
|----------------------------------|---------------------------|
| Sally’s wool sales: | 2019 calendar year sales: |
| 30 fleeces | \$2,870 |
| Yarn (pre-processing wool value) | \$750 |
| | Total 2019 sales: \$3,620 |

Wool producers are paid a percentage of their 2019 calendar year sales, as shown by [this payment table](#). Every applicant’s first \$49,999 in sales is paid at a 10.6% rate, and each subsequent segment of sales (see payment table) is paid a declining percentage rate.

Since Sally had less than \$50,000 of 2019 wool sales value, she will be paid 10.6% of her total 2019 sales. If she had made \$75,000, she would be paid 10.6% of her first \$49,999, and 9.9% of her remaining \$25,001.

Sally’s CFAP 2 payment for wool: $\$3,620 \times 10.6\% = 383.72$

Sheep: Sally will use her 2020 livestock inventory records to report the number of sheep in her flock that aren’t breeding stock on a date she chooses between April 16, 2020, and August 31, 2020. For example, if she had ewes, rams, and market lambs, she will only list the market lambs on her CFAP 2 application.



The numbers:

| | |
|----------------|--|
| Sally’s sheep: | Highest inventory on a date of her choosing between Apr 16-Aug 31, 2020: |
| Ewes and Rams | Not eligible—breeding stock |
| Rams | Not eligible—breeding stock |
| Market lambs | 50 |

CFAP 2 pays producers \$27 per head of sheep.

Sally’s CFAP 2 payment for sheep: $50 \times \$27 = \$1,350$

Sally’s total CFAP 2 payment for wool and sheep (one CFAP 2 application, no matter how many commodities): $\$383.72 + \$1,350.00 = \$ 1,733.72$

Happy Acres Farm

Happy Acres Farm is a diversified livestock farm that raises animals and takes them to the processor for butchering and retail packaging. Happy Acres Farm products include beef, pork, and chicken. Happy Acres Farm sells meat to local restaurants and at their local farmers market. Happy Acres Farm has breeding stock and a variety of market animals at different stages. They previously received a CFAP 1 payment and are now applying for CFAP 2. Even though Happy Acres sells retail cuts of meat, for CFAP 2, they are only reporting their livestock inventory for payment.

Beef cattle, hogs/pigs: Unlike CFAP 1, for CFAP 2 Happy Acres Farm will not be able to include their breeding stock as part of their reported beef cattle and hogs/pigs inventory. They will use their 2020 livestock inventory records to report the number of beef cattle and hogs/pigs that aren’t breeding stock on a date they choose between April 16, 2020, and August 31, 2020.

The numbers:

| Happy Acres Livestock: | Highest inventory on a date of their choosing between Apr 16-Aug 31, 2020: | CFAP 2 Payment rate |
|------------------------|--|---------------------|
| Beef cattle: Cows | Not eligible—breeding stock | |
| Beef cattle: Bulls | Not eligible—breeding stock | |



| | | |
|-------------------------------|-----------------------------|------|
| Beef cattle: Weaned calves | 5 | \$55 |
| Beef cattle: Steers | 6 | \$55 |
| Hogs: Sows | Not eligible—breeding stock | |
| Hogs: Boars | Not eligible—breeding stock | |
| Hogs: Feeder pigs | 40 | \$23 |

Happy Acres' CFAP 2 payment for beef cattle and hogs/pigs: $(11 \times \$55) + (40 \times \$23) = \$1,525$

Chicken: Broilers are now eligible for CFAP 2 and are paid by the head. Eligible broiler producers will use their production records to report their 2019 broiler production on their CFAP 2 application.

The numbers:

| | |
|---------------------------|------------------|
| Happy Acres Livestock: | 2019 production: |
| Broilers | 600 |

CFAP 2 pays \$1.01 per bird for 75% of a producer's 2019 broiler production.

Happy Acres' CFAP 2 payment for broilers: $(600 \times 75\%) \times \$1.01 = \$454.50$

Happy Acres' total CFAP 2 payment for beef, hogs/pigs, and broilers (one CFAP 2 application, no matter how many commodities): \$1,979.50

Best Egg Farm

Best Egg Farm has a contract with Eager Egg Products. Best Egg Farm produces free range eggs and sells all their eggs to Eager Eggs through their contract. They have a guarantee that Eager Egg Products will purchase all their eggs, but the price fluctuates. Best Egg Farm owns all their chickens, the land, the poultry barns, and infrastructure for the business. Because they only have a contract to sell eggs, without a fixed price, Best Egg Farm meets the CFAP 2 requirements for applicants to have both ownership and risk in the commodity.

When applying for CFAP 2, Best Egg will use their 2019 production records to report the dozens of shell eggs they produced. If they sell liquid, dried, or frozen eggs, they would report their 2019 production by pounds instead.



The numbers:

| | |
|---------------------------|--------------------|
| Best Egg's egg commodity: | 2019 Production: |
| Shell eggs | 490,000 dozen eggs |

CFAP 2 pays \$0.05 per dozen eggs for 75% of a producer's shell egg production.

Best Egg's total CFAP 2 payment for shell eggs: $(490,000 \times 75\%) \times \$0.05 = \$18,375$

Good Buy Acres

Maryanne and Wanda grow assorted vegetables, eggs, and salad greens at Good Buy Acres. They have a CSA, sell to restaurants, and sell at several farmers markets.

They can apply for CFAP 2 for their vegetables, greens, and eggs.

Vegetables and greens: Maryanne and Wanda will confirm that all their crops are eligible for CFAP 2. They will use their sales records to report their 2019 calendar year sales for their crops sold at farmers markets and to restaurants.

The numbers:

| | |
|----------------------|--|
| Good Buy crops: | 2019 calendar year sales: |
| Vegetable and greens | \$211,363 (this amount does not have to be broken out by crop) |

Specialty crop producers (except for indigo producers) are paid a percentage of their 2019 calendar year sales, as shown by [this payment table](#). Every applicant's first \$49,999 in sales is paid at a 10.6% rate, and each subsequent segment of sales (see payment table) is paid a declining percentage rate. Good Buy Acres will be paid 10.6% of their first \$49,999 in sales, 9.9% of their next \$49,999 in sales, and 9.7% of their final \$111,365 in vegetables and greens sales.

The farm's CFAP 2 payment for vegetables and greens: $(\$49,999 \times 10.6\%) + (\$49,999 \times 9.9\%) + (\$111,365 \times 9.7\%) = \$21,052.20$

Eggs: Good Buy Acres will use their 2019 production records to report the dozens of shell eggs they produced.



The numbers:

| | |
|-------------------------|------------------|
| Good Buy egg commodity: | 2019 Production: |
| Shell eggs | 320 dozen eggs |

CFAP 2 pays \$0.05 per dozen eggs for 75% of a producer's shell egg production.

Good Buy Acres CFAP 2 payment for shell eggs: $(320 \times 75\%) \times \$0.05 = \$12$

The farm's total CFAP 2 payment for vegetables, greens, and eggs (one CFAP 2 application, no matter how many commodities): \$21,064.20