

CORONAVIRUS FOOD ASSISTANCE PROGRAM for Wool Producers

USDA is providing critical support to our nation's farmers and ranchers through the Coronavirus Food Assistance Program (CFAP). CFAP provides vital financial assistance to producers of agricultural commodities with financial assistance that gives them the ability to absorb sales declines and increased marketing costs associated with the COVID-19 pandemic.

Overview

The Coronavirus Aid, Relief, and Economic Stability Act (CARES Act) and the Commodity Credit Corporation (CCC) Charter Act authorized the funds for the CFAP.

USDA's Farm Service Agency (FSA) and Agricultural Marketing Service (AMS) administer the program.

FSA is accepting applications for CFAP from **May 26, 2020, to August 28, 2020.**

Who is Eligible?

CFAP payments are eligible to wool producers who have suffered a five percent or greater price decline over a specified time as a result of the COVID-19 pandemic, and who face increased marketing costs for inventories.

CFAP payments for wool are based on the inventory subject to price risk held on January 15, 2020. A single payment will be made based on 50 percent of a producer's 2019 total production or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by 50 percent and then multiplied by the commodity's applicable payment rates.

Producers must provide the following:

- total 2019 production of wool
- total 2019 production that was not sold as of January 15, 2020



Unpriced inventory or the production subject to 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.

The following table lists wool payment rates for CFAP.

COMMODITY	UNIT OF MEASURE	CARES ACT PART 1 PAYMENT RATE*	CCC PART 2 PAYMENT RATE*
Wool (graded, clean basis)	pound	\$0.34	\$0.37
Wool (non-graded, greasy basis)	pound	\$0.36	\$0.39

**Applied against 50% of unpriced inventory as of January 15, 2020, not to exceed 50 percent of 2019 total production.*

Payment Limitations

CFAP payments are subject to a per person and legal entity payment limitation of \$250,000. This limitation applies to the total amount of CFAP payments made with respect to all eligible commodities.

Unlike other FSA programs, special payment limitation rules are applied to participants that are corporations, limited liability companies, and limited partnerships (corporate entities). These corporate entities may receive up to \$750,000 based upon the number of shareholders (not to exceed three shareholders) who are contributing at least 400 hours of active person management or personal active labor.

For a corporate entity:

- With one such shareholder, the payment limit for the entity is \$250,000;
- With two such shareholders, the payment limit for the entity is \$500,000 if at least two members contribute at least 400 hours of active personal labor or active personal management, or combination thereof, with respect to the operation of the corporate entity; and
- With three such shareholders, the limit is \$750,000 if at least three members contribute at least 400 hours of active personal labor or active personal management, or combination thereof, with respect to the operation of the corporate entity.

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.

How to Apply

FSA staff at your local USDA Service Center will work with producers to file applications. Applications may be submitted via mail, fax, hand delivery, or via electronic means. Please call your office prior to sending applications electronically.

The CFAP application and associated forms are available online at farmers.gov/cfap.

More Information

This fact sheet is for informational purposes only; other restrictions may apply. For more information about the CFAP program, visit farmers.gov/cfap or contact your local FSA office. Additionally, producers in search of one-on-one support with the CFAP application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

To find your local FSA office, visit farmers.gov/cfap.