

# CORONAVIRUS FOOD ASSISTANCE PROGRAM for Non-Specialty Crop 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 producers of non-specialty commodities, 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.

## Eligible Commodities

The following non-specialty crops are eligible for CFAP payments: malting barley, canola, corn, upland cotton, millet, oats, sorghum, soybeans, sunflowers, durum wheat, and hard red spring wheat.

Crops intended for grazing are not eligible. Producers will be paid based on inventory subject to price risk held as of January 15, 2020. A single payment will be made based on 50 percent of a producer's 2019 total production or the unpriced 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by 50 percent and then multiplied by the commodity's applicable payment rates.

## To apply, a producer must provide the following:

- total 2019 production for the commodity that suffered a five percent- or-greater loss
- total 2019 production that was not sold as of January 15, 2020



The chart below outlines CFAP eligibility for certain market contracts and only applies to non-specialty crops.

TYPE OF CONTRACT IN EXISTENCE ON JAN. 15, 2020	EXPLANATION
<b>CONTRACTS ELIGIBLE FOR CFAP</b>	
Basis Contract	Producer locks in a basis leaving the future price to be set later.
Basis Fixed Contract	
No Price Established	
Delayed Price	
Deferred Price Contract	Producer delivers commodity without setting a sales price.
<b>CONTRACTS INELIGIBLE FOR CFAP</b>	
Cash Contract	Producer receives a cash price for a commodity when sold.
Fixed Price Contract	
Forward Price Contract	Producer receives a cash price for a commodity based on a future delivery.
Cash Forward Contract	
Minimum Price Contract	Producer locks in the cash price and buys a call option to establish a minimum price. The net cash price will never be less than the original cash value minus the cost of the call option.
Option Contract	
Window Contract	
Hedge to Arrive	Producer locks in a futures price leaving the basis to be set later.
Futures Fixed Contract	
Futures Contract	

Payment per commodity = (Units x 50% x CARES rate) + (Units x 50% x CCC rate)

Units = Smaller of 1) 50 % of a producer's 2019 total production OR

2) 2019 unpriced inventory as of Jan. 15, 2020.

COMMODITY	UNIT OF MEASURE	CARES ACT PART 1 PAYMENT RATE	CCC PART 2 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

### 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, up to the payment limit, upon approval of the application. The remaining portion 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](https://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](https://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](https://farmers.gov/cfap).