

Coronavirus Food Assistance Program 2 for Livestock, Poultry Contract Producers and Specialty Crop Growers

Toolkit for Stakeholders

The U.S. Department of Agriculture (USDA) is updating the <u>Coronavirus Food</u> <u>Assistance Program 2 (CFAP 2)</u> for contract producers of eligible livestock and poultry and producers of specialty crops and other sales-based commodities. CFAP 2, which assists producers who faced market disruptions in 2020 due to COVID-19, is part of USDA's broader <u>Pandemic Assistance for Producers initiative</u>.

Additionally, USDA's Farm Service Agency (FSA) has set an Oct. 12, 2021 deadline for all eligible producers to apply for or modify applications for CFAP 2.

We need your help. We want to ensure eligible producers are aware of this program and the available resources to apply, including how to contact the FSA office at their local USDA Service Center and FSA's call center. This toolkit is meant for partners and stakeholder groups to use and share information in their networks. It includes:

- Key messages
- Newsletter article
- Social media posts
- <u>Poster</u>

Answers to frequently asked questions can be found at farmers.gov/cfap/faq.

Please contact us at <u>fpac.bc.press@usda.gov</u> with any additional questions.



Key Messages

- The Coronavirus Food Assistance Program 2 (CFAP 2) rule has been revised related to assistance for producers of sales-based commodities and contract producers.
- It also announces Oct. 12, 2021 as the deadline for CFAP 2 applications, adds grass seed as an eligible sales-based commodity, and other administrative provisions related to equitable relief and refunds.
- The Oct. 12th deadline applies to all producers applying for CFAP 2, including producers of sales-based commodities and contract producers who submit new applications or revise previously filed applications due to these changes.

Contract Producers

- As directed by the Consolidated Appropriations Act, 2021, USDA will provide up to \$1 billion to make payments to contract producers of eligible livestock and poultry to up to 80% of their revenue losses from Jan. 1, 2020, through Dec. 27, 2020.
- Assistance will be available for contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, as well as contract producers of ducks, geese, pheasants, and quail, and includes contract producers of eggs of all eligible poultry types. Contract producers of breeding stock of eligible livestock and poultry are eligible for CFAP 2.
- Under the CFAP Additional Assistance regulations, payments for contract producers would be based on a comparison of eligible revenue for the periods of Jan. 1, 2019, through Dec. 27, 2019, and Jan. 1, 2020, through Dec. 27, 2020. Contract producers can now elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of during that date range in 2019, if more representative.
 - This change is intended to provide flexibility and make the program more equitable for contract producers who had reduced revenue in 2019 compared to a normal year for their operation.
- The payment calculation for contract producers under CFAP Additional Assistance was equal to the eligible revenue received from Jan. 1, 2019, through Dec. 27, 2019, minus the eligible revenue received from Jan. 1, 2020, through Dec. 27, 2020, multiplied by 80%.
- FSA may adjust a contract producer's eligible revenue based on information certified by the contract producer on supplemental form AD-3117B if a contract



producer did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019, or if the contract producer increased their operation size in 2020.

- Assistance is also now available to producers who were not in operation in 2018 or 2019, who would have been previously ineligible. Assistance for these producers is based on their 2020 eligible revenue and the average revenue loss level, which will be determined by USDA for a geographic area based on the best available data.
- Payments to contract producers may be factored if total calculated payments exceed the available funding.

Sales-based Commodities

- USDA is amending the CFAP 2 payment calculation for sales-based commodities to allow producers to substitute 2018 sales for 2019 sales.
- Previously, payments for producers of sale-based commodities were based only on 2019 sales; however, losses in 2019 could reduce a producer's CFAP 2 payment.
- CFAP 2 uses a producer's 2019 sales as an approximation of the amount of what the producer would have expected to market in 2020, which could not be determined for most producers at the time of application.
- The final rule published on Jan. 19, 2021, allowed applicants to also include crop insurance indemnities and 2019 crop year payments under the Noninsured Crop Disaster Assistance Program (NAP) and Wildfires and Hurricanes Indemnity Program Plus (WHIP+) in addition to the amount of the producer's 2019 sales, as required by the Consolidated Appropriations Act.
- That change was intended to more accurately represent what a producer would have expected to have marketed in 2020 by taking into account commodities that would have been available for marketing in 2019 if not for certain losses; however, crop insurance indemnities and NAP and WHIP+ program payments for a crop loss would not be equal to the full amount a producer would have received for marketing the commodity if not for the loss.
- Giving producers the option to substitute 2018 sales (including 2018 crop insurance indemnities and 2018 crop year NAP and WHIP+ payments) for 2019 sales provides additional flexibility to producers who had reduced sales in 2019.
- Grass seed has also been added as an eligible sales-based commodity for CFAP 2.



Newsletter Article

USDA Updates Pandemic Assistance for Livestock, Poultry Contract Producers and Specialty Crop Growers

USDA Sets Oct. 12 Deadline for CFAP 2

The U.S. Department of Agriculture (USDA) is updating the Coronavirus Food Assistance Program 2 (CFAP 2) for contract producers of eligible livestock and poultry and producers of specialty crops and other sales-based commodities. CFAP 2, which assists producers who faced market disruptions in 2020 due to COVID-19, is part of USDA's broader Pandemic Assistance for Producers initiative. Additionally, USDA's Farm Service Agency (FSA) has set an Oct. 12 deadline for all eligible producers to apply for or modify applications for CFAP 2.

Assistance for Contract Producers

The Consolidated Appropriations Act, 2021, provides up to \$1 billion for payments to contract producers of eligible livestock and poultry for revenue losses from Jan. 1, 2020, through Dec. 27, 2020. Contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs and pigs, ducks, geese, pheasants and quail may be eligible for assistance. This update includes eligible breeding stock and eggs of all eligible poultry types produced under contract.

Payments for contract producers were to be based on a comparison of eligible revenue for the periods of Jan. 1, 2019, through Dec. 27, 2019, and Jan. 1, 2020, through Dec. 27, 2020. Today's changes mean contract producers can now elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of that date range in 2019 if it is more representative. This change is intended to provide flexibility and make the program more equitable for contract producers who had reduced revenue in 2019 compared to a normal production year. The difference in revenue is then multiplied by 80% to determine a final payment. Payments to contract producers may be factored if total calculated payments exceed the available funding and will be made after the application period closes.

Additional flexibilities have been added to account for increases to operation size in 2020 and situations where a contract producer did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019. Assistance is also available to new contract producers who began their farming operation in 2020.



Updates for Sales-Based Commodities

USDA is amending the CFAP 2 payment calculation for sales-based commodities, which are primarily comprised of by specialty crops, to allow producers to substitute 2018 sales for 2019 sales. Previously, payments for producers of sales-based commodities were based only on 2019 sales, with 2019 used as an approximation of the amount the producer would have expected to market in 2020. Giving producers the option to substitute 2018 sales for this approximation, including 2018 crop insurance indemnities and 2018 crop year Noninsured Disaster Assistance Program (NAP) and Wildfire and Hurricane Indemnity Program Plus (WHIP+) payments, provides additional flexibility to producers of sales-based commodities who had reduced sales in 2019.

Grass seed has also been added as an eligible sales commodity for CFAP 2. A complete list of all eligible sales-based commodities can be found at <u>farmers.gov/cfap2/commodities</u>. Producers of sales-based commodities can modify existing applications.

Applying for Assistance

Newly eligible producers who need to submit a CFAP 2 application or producers who need to modify an existing one can do so by contacting their local FSA office. Producers can find their local FSA office by visiting <u>farmers.gov/service-locator</u>. Producers can also obtain one-on-one support with applications by calling 877-508-8364. All new and modified CFAP 2 applications are due by the Oct. 12 deadline.



Sample Posts for Facebook and Twitter

Below are social media posts for use on Facebook, Twitter, and other platforms. Be sure to tag us on Twitter: @FarmersGov and @usdaFSA.

For Use Before Oct. 12

- .@USDA announced updates to CFAP 2 for contract producers of certain livestock and poultry and also specialty crop growers. Signup closes Oct. 12. Learn more: <u>Farmers.gov/cfap</u> [+ graphic option below]
- Attention contract producers of livestock & poultry: @USDA announced updates to CFAP 2 for contract producers & announced a signup closing date of Oct. 12. Learn more: Farmers.gov/cfap [+ graphic option below]
- Are you a specialty crop grower? New CFAP 2 updates from @USDA may impact your operation. Learn more and sign up before Oct. 12. <u>Farmers.gov/cfap</u> [+ graphic option below]





United States Department of Agriculture





ARE YOU A CONTRACT PRODUCER IMPACTED BY THE PANDEMIC?

USDA's Farm Service Agency may be able to help.

Contract producers of broilers, pullets, layers, chicken eggs, turkeys, and hogs and pigs may be eligible for USDA's Coronavirus Food Assistance Program 2 (CFAP 2). Ducks, geese, pheasants, and quail produced under contract are also eligible commodities, as well as breeding stock of eligible livestock and eggs of all eligible poultry types.

Visit **farmers.gov/cfap** to learn more about program eligibility and how to apply. Contact your **local FSA office** or our **call center at 877-508-8364** for one-on-one application support.



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