

CORONAVIRUS FOOD ASSISTANCE PROGRAM



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 losses 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?

Eligible producers (person or legal entity) of specified agricultural commodities who have suffered a five percent-or-greater price decline as a result of the COVID-19 pandemic, and who face substantial marketing costs for inventories are eligible for CFAP payments. These specified commodities include certain specialty crops, non-specialty crops, wool, dairy, and livestock.

For a list of eligible commodities and payment criteria, visit farmers.gov/cfap.

USDA may reconsider excluded commodities if credible evidence is provided. More information about request for consideration of additional commodities can be found at farmers.gov/cfap.

Producers may have some commodities that are currently eligible for CFAP while others are not. Producers are encouraged to apply for CFAP now for their eligible commodities. If a commodity is added to the program, producers will have an opportunity to amend their application.

To be eligible for payments, a person or legal entity must either:

- have an average adjusted gross income of less than \$900,000 for tax years 2016, 2017, and 2018; or
- derive at least 75 percent of their adjusted gross income from farming, ranching, or forestry.

Persons and legal entities also must:

- comply with the provisions of the "Highly Erodible Land and Wetland Conservation" regulations, often called the conservation compliance provisions;
- if a foreign person, provides land, capital, and a substantial amount of active personal labor to the farming operation; and
- not have a controlled substance violation.

Payment Limitation

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 for all eligible commodities.

Unlike other FSA programs, special payment limitation rules apply 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 personal labor or active personal management.

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.



Where to File the Application

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.

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