



Overview of the Coronavirus Food Assistance Program (CFPA)

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On Friday, April 17, 2020, the USDA announced a \$19 B legislation package consisting of direct payments to agricultural producers for actual losses across commodities in addition to the government purchase for certain commodities for donation to food banks and other feeding programs. This aid is formally called the Coronavirus Food Assistance Program (CFAP). This program is funded by the Coronavirus Aid, Relief, and Economic Security Act (CARES), the Families First Coronavirus Response Act (FFCRA), and the Commodity Credit Corporation (CCC). The CFAP will provide \$16 B in direct support to farmers and ranchers who experienced lost demand and oversupply, which led to actual losses impacted by the coronavirus pandemic. The CFAP also will provide \$3 B for food purchases.

CFAP will use the funding and authorities provided in the CARES Act and the CCC Charter Act to provide support to producers and livestock owners when prices and market supply chains have been impacted. CFAP will also assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply caused by COVID-19.

According to a USDA press release, the direct payments will be “based on actual losses for agricultural producers where prices and market supply chains have been impacted and will assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.”

The direct payment portion of this relief package will provide up to \$16 B in support and will be distributed per information provided in Table 1.

Table 1. Direct payment distribution for specific commodities/crops.

Commodity/Crop	Total Direct Payment Allocation from USDA
Cattle	\$5.1 B
Dairy	\$2.9 B
Hogs	\$1.6 B
Row Crops (corn, cotton, soybeans, etc.)	\$3.9 B
Specialty Crops	\$2.1 B
Other Crops	\$500 M
<i>Direct payment the livestock industry totals \$9.6 B (aggregate of cattle, dairy, and hog amounts).</i>	

For a commodity to qualify for a direct assistance payment, the commodity must have experienced at least a 5% price decline between January 2020 and April 2020. Determination of the single payment per producer will be based on the following calculations. (1) For price losses that occurred between January 1, 2020 and April 15, 2020; 85% of price loss during the aforementioned period will be covered. (2) For

expected losses from April 15, 2020 through the next two quarters of 2020; 30% of expected price loss will be covered.

Farmers and ranchers will receive direct support, drawn from two possible funding sources. The first source of funding is \$9.5 B in appropriated funding provided in the Coronavirus Aid, Relief, and Economic Stability (CARES) Act to compensate farmers for losses due to price declines that occurred between mid-January 2020, and mid-April 2020 and provides support for specialty crops for product that had been shipped from the farm between the same time period but subsequently spoiled due to loss of marketing channels. The second funding source uses the Commodity Credit Corporation (CCC) Charter Act to compensate producers for \$6.5 B in losses due to on-going market disruptions.

Non-specialty crops eligible for CFAP payments include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat. Producers will be paid based on inventory subject to price risk held as of January 15, 2020. A payment will be made based on 50% of a producer’s 2019 total production or the 2019 inventory as of January 15, 2020, whichever is smaller, multiplied by the commodity’s applicable payment rates.

Producers must provide the following information for CFAP: total 2019 production for the commodity that suffered a five percent-or-greater price decline, and total 2019 production that was not sold as of January 15, 2020.

Table 2. CFAP payment rates for non-specialty crops.

Commodity	Unit of Measure	CARES Act Payment Rate	CCC 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

Livestock eligible for CFAP include cattle, lambs, yearlings and hogs. The total payment will be calculated using the sum of the producer’s number of livestock sold between January 15 and April 15, 2020, multiplied by the payment rates per head, and the highest inventory number of livestock between April 16 and May 14, 2020, multiplied by the payment rate per head.

Producers must provide the following information for CFAP: total sales of eligible livestock, by species and class, between January 15, 2020, to April 15, 2020, of owned inventory as of January 15, 2020, including any offspring from that inventory; and highest inventory of eligible livestock, by species and class, between April 16, 2020, and May 14, 2020.

Table 3. Eligible livestock and payment rates for CFAP.

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
Cattle	Feeder Cattle: Less than 600 Pounds	Head	\$102.00	\$33.00
	Feeder Cattle: 600 Pounds or More	Head	\$139.00	\$33.00
	Slaughter Cattle: Fed Cattle	Head	\$214.00	\$33.00
	Slaughter Cattle: Mature Cattle	Head	\$92.00	\$33.00
	All Other Cattle	Head	\$102.00	\$33.00
Hogs and Pigs	Pigs: Less than 120 Pounds	Head	\$28.00	\$17.00
	Hogs: 120 Pounds or More	Head	\$18.00	\$17.00
Lambs and Yearlings	All Sheep Less than 2 Years Old	Head	\$33.00	\$7.00

For dairy, the total payment will be calculated based on a producer’s certification of milk production for the first quarter of calendar year 2020 multiplied by a national price decline during the same quarter. The second part of the payment is based a national adjustment to each producer’s production in the first quarter.

"For dairy, a single payment will be made based on a producer’s certification of milk production for the first quarter of calendar year 2020 multiplied by \$4.71 per hundred weight. The second part of the payment is based a national adjustment to each producer’s production in the first quarter multiplied by \$1.47 per hundred weight," USDA details.

It also notes, “Any dumped milk production during the months of January, February, and March 2020 is eligible for assistance. However, any milk production priced under a forward contract for any time during January, February, and/or March is ineligible.”

For eligible specialty crops, the total payment will be based on the volume of production sold between January 15 and April 15, 2020; the volume of production shipped, but unpaid; and the number of acres for which harvested production did not leave the farm or mature product destroyed or not harvested during that same time period, and which have not and will not be sold.

Specialty crops include, but are not limited to, almonds, beans, broccoli, sweet corn, lemons, iceberg lettuce, spinach, squash, strawberries and tomatoes. A full list of eligible crops can be found on www.farmers.gov/cfap . Additional crops may be deemed eligible at a later date.

Payments will be available for eligible specialty crops for which a producer has production not subject to an agreed-upon price through a forward contract, agreement, or similar binding document. Payment details for eligible specialty crops are as follows:

- Payments for crops that had a five percent-or-greater price decline in sales price between January 15, 2020, and April 15, 2020. Producers must maintain records, such as a bill of sale, documenting the price received for the crop.
- Payments for crop shipments that left the farm by April 15, 2020, and spoiled due to no market. Producers must obtain documentation, such as a letter from the buyer, explaining non-payment or other record validating non-payment. This applies to producers who have met contractual obligations in delivering the crop to the buyer, but have not been paid.
- Payments for crop shipments that did not leave the farm by April 15, 2020, (for example, were harvested but sitting in crates on the farm), or mature crops that were unharvested by that date (for example, were plowed under) due to lack of buyers, and which have not been and will not be sold.

When requested, producers must provide supporting documentation, which USDA’s Agricultural Marketing Service will use to substantiate claims on a case-by-case basis.

Table 4. Specialty crop payment rates for CFAP.

Commodity	CARES Act Payment Rate for Sales Losses (\$/lb)	CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel (\$/lb)	CCC Payment Rate (\$/lb)
Almonds	\$0.26	\$0.57	\$0.11
Apples	–	\$0.18	\$0.03
Artichokes	\$0.66	\$0.49	\$0.10
Asparagus	–	\$0.38	\$0.07
Avocados	–	\$0.14	\$0.03
Beans	\$0.17	\$0.16	\$0.03
Blueberries	–	\$0.62	\$0.12
Broccoli	\$0.62	\$0.49	\$0.10
Cabbage	\$0.04	\$0.07	\$0.01
Cantaloupe	–	\$0.10	\$0.02
Carrots	\$0.20	\$0.11	\$0.02

Commodity	CARES Act Payment Rate for Sales Losses (\$/lb)	CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel (\$/lb)	CCC Payment Rate (\$/lb)
Cauliflower	\$0.11	\$0.31	\$0.06
Celery	–	\$0.07	\$0.01
Corn, sweet	\$0.09	\$0.13	\$0.03
Cucumbers	\$0.13	\$0.15	\$0.03
Eggplant	\$0.07	\$0.15	\$0.03
Garlic	–	\$0.85	\$0.17
Grapefruit	–	\$0.11	\$0.02
Kiwifruit	–	\$0.32	\$0.06
Lemons	\$0.08	\$0.21	\$0.04
Lettuce, iceberg	\$0.20	\$0.15	\$0.03
Lettuce, romaine	\$0.07	\$0.12	\$0.02
Mushrooms	–	\$0.59	\$0.11
Onions, dry	\$0.01	\$0.05	\$0.01
Onions, green	–	\$0.30	\$0.06
Oranges	–	\$0.14	\$0.03
Papaya	–	\$0.32	\$0.06
Peaches	\$0.08	\$0.32	\$0.06
Pears	\$0.08	\$0.18	\$0.03
Pecans	\$0.28	\$0.93	\$0.18
Peppers, bell type	\$0.14	\$0.22	\$0.04
Peppers, other	\$0.15	\$0.22	\$0.04
Potatoes	–	\$0.04	\$0.01
Raspberries	–	\$1.45	\$0.28

Commodity	CARES Act Payment Rate for Sales Losses (\$/lb)	CARES Act Payment Rate for Product that left the farm but spoiled due to loss of marketing channel (\$/lb)	CCC Payment Rate (\$/lb)
Rhubarb	\$0.15	\$1.03	\$0.20
Spinach	\$0.37	\$0.37	\$0.07
Squash	\$0.72	\$0.39	\$0.08
Strawberries	\$0.84	\$0.72	\$0.14
Sweet potatoes	–	\$0.18	\$0.04
Tangerines	–	\$0.22	\$0.04
Taro	–	\$0.23	\$0.05
Tomatoes	\$0.64	\$0.38	\$0.07
Walnuts	–	\$0.45	\$0.09
Watermelons	–	\$0.02	–

CFAP is available to producers (crops, livestock, dairy, and specialty crops) regardless of size and market outlet, if they suffered an eligible loss. For producers receiving assistance through the U.S. Small Business Administration’s Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL); eligibility is not impacted for CFAP participation.

Producers can apply for assistance beginning on May 26, 2020. Additional information and application forms can be found at www.farmers.gov/cfap. Producers of all eligible commodities will apply through their local FSA office. Documentation to support the producer’s application and certification may be requested. FSA has streamlined the signup process to not require an acreage report at the time of application and a USDA farm number may not be immediately needed. Applications will be accepted through Aug. 28, 2020.

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.

Producers should contact their USDA FSA service center to schedule an appointment. The local FSA staff will work with producers (via phone) to compile the necessary producer-specific information. In addition to the application form, FSA will assist in producers in completing portions of the following forms.

Table 5. Additional USDA FSA forms needed for CFAP application.

Form	Title/Description*
CCC-901	Member Identification
CCC-902	Farm Operating Plan
CCC-941	Average Adjusted Gross Income (AGI) Certification And Consent To Disclosure Of Tax Information
CCC-942	Certification Of Income From Farming, Ranching And Forestry Operations
AD-1026	Highly Erodible Land Conservation (HELC) And Wetland Conservation (WC) Certification
AD-2047	Customer Data Worksheet Request For Business Partner Record Change
SF-3881	Ach Vendor/Miscellaneous Payment Enrollment Form
<i>*existing USDA FSA customers will likely already have these forms completed</i>	

There is a payment limitation of \$250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies or limited partnerships may qualify for additional payment limits where members actively provide personal labor or personal management for the farming operation. Producers will also have to certify they meet the Adjusted Gross Income limitation of \$900,000 unless at least 75% or more of their income is derived from farming, ranching or forestry-related activities.

Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions. Participation in other farm programs such as Agriculture Risk Coverage, Price Loss Coverage, Dairy Margin Coverage, and Dairy Revenue Protection is complementary to CFAP and will not lower a recipient's CFAP payments.

The commodity purchase component of this relief package will provide a total of \$3 B in purchases in the form of \$100 M per month in fresh fruit and vegetable purchases, \$100 M per month in the purchase of dairy products, and \$100 M per month in the purchase of meat products.

On top of these targeted programs USDA will utilize other available funding sources to purchase and distribute food to those in need. USDA has up to an additional \$873.3 million available in Section 32 funding to purchase a variety of agricultural products for distribution to food banks. The use of these funds will be determined by industry requests, USDA agricultural market analysis, and food bank needs.

“Additional eligible commodities, such as aquaculture (e.g. crawfish) and nursery crops (including cut flowers) will be announced in a subsequently announced Notice of Funding Availability (NOFA) issued by FSA on behalf of the Secretary; any additional commodities would also need to meet the eligibility requirements in this rule.”



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