

# CORONAVIRUS FOOD ASSISTANCE PROGRAM 2

On September 18, 2020, U.S. Secretary of Agriculture Sonny Perdue announced an additional \$14 billion dollars for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Signup for **CFAP 2** began on September 21 and will run through December 11, 2020. The U.S. Department of Agriculture (USDA) will use funds being made available from the Commodity Credit Corporation (CCC) Charter Act and CARES Act to support row crops, livestock, specialty crops, dairy, aquaculture and many additional commodities. CFAP 2 payments will be made for three categories of commodities: Price Trigger Commodities, Flat-rate Crops and Sales Commodities.

## What does this mean for almond growers?

All specialty crops are included in CFAP 2 under the **Sales Commodities** category. Unlike CFAP 1 payments, under CFAP 2 payment calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales. **Payments must have been received within 2019.** Producers who applied for CFAP 1 are eligible to file for CFAP 2 as well.

## CFAP 2 Payments for Sales Commodities

Payments for fruits, vegetables, horticulture, tree nuts, honey, and maple sap will be based on the producer's 2019 sales of eligible commodities in a declining block format using the following payment factors, and will be equal to:

- The amount of the producer's eligible sales, and **payments received**, in calendar year 2019, are multiplied by the payment rate for that range.

2019 Sales Range	Percent Payment Factor for the Producer's 2019 Sales of Eligible Commodities Falling in the Range
\$0 to \$49,999	10.6%
\$50,000 to \$99,999	9.9%
\$100,000 to \$499,999	9.7%
\$500,000 to \$999,999	9.0%
Sales over \$1 million	8.8%

Payments for fruit, vegetable, horticulture, tree nut, honey, and maple sap producers who began farming in 2020 and had no sales in 2019 will be based on the producer's actual 2020 sales as of the producer's application date.

Eligible sales only include sales of raw commodities grown by the producer. The portion of sales derived from adding value to the commodity, such as processing and packaging, and from sales of products purchased for resale, is not included in the payment calculation.

Example: A producer's 2019 sales of eligible commodities totaled \$75,000. The payment is calculated as (\$49,999 times 10.6%) plus (\$25,001 times 9.9%) equals a total payment of \$7,775.

Additional examples of CFAP 2 sales commodity calculations for five hypothetical specialty commodity producers can be found on page 22 of the Cost-Benefit Analysis published under CFAP 2 Resources on [farmers.gov/cfap](https://farmers.gov/cfap). We recommend referencing these examples to calculate your estimated CFAP 2 payments for fruits, vegetables, horticulture, tree nuts, maple sap, and honey.

## Which almond growers are eligible?

There is a payment limitation of \$250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies, limited partnerships may qualify for additional payment limits when members actively provide personal labor or personal management for the farming operation. This special payment limitation provision has been **expanded to include trusts and estates** for both CFAP 1 and 2.

Producers will also have to certify they meet the Adjusted Gross Income limitation of \$900,000 unless at least 75 percent 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.

## What is needed to file an Application?

Farm Service Agency (FSA) staff at local USDA Service Centers will work with producers to file CFAP 2 applications. All USDA Service Centers will be working with producers by email, phone and using online tools. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

**Please do not send any personal information to USDA without first initiating contact through a phone call.**

The CFAP2 application (AD-3117) and payment calculator are available online to assist with the CFAP2 application process. The payment calculator is an Excel workbook that allows you to input information specific to your operation to determine estimated payments and populate the application form. NOTE: Microsoft Excel is required to use this workbook. Producers may either print applications and work with their local service center to file for CFAP2 or producers may file for CFAP2 entirely online through the CFAP2 application portal.

You may also need to complete portions of the CCC-902-Farm Operating Plan. Additionally, the following forms will be needed for CFAP. For existing customers, this information is likely on file with your local FSA Service Center. Program forms, the application portal and more information can be found at [farmers.gov/cfap](https://farmers.gov/cfap).

- **CCC-901** – Identifies members of a farm or ranch that is a legal entity. Member information will be completed by legal entities and joint operations to collect the following:
  - member names, addresses, and Tax Identification Numbers
  - citizenship status
- **CCC-941** – Reports your average adjusted gross income for programs where income restrictions apply.
- **CCC-942** – If applicable, this certification reports income from farming, ranching and forestry for those exceeding the adjusted gross income limitation.
- **AD-1026** – Ensures a conservation plan is in place before lands with highly erodible soils are farmed, identified wetland areas are protected, and conservation compliance provisions are met.
- **AD-2047** – Provides basic customer contact information.
- **SF-3881** – Collects your banking information to allow USDA to make payments to you via direct deposit.

*Applications will be accepted beginning September 21, 2020 through December 11, 2020.*

## FREQUENTLY ASKED QUESTIONS

*Answers to these Frequently Asked Questions have been reviewed by the Farm Service Agency (FSA). New information will be added as it becomes available. Do not hesitate to contact your local FSA office, to apply for funds!*

### **What are handlers supposed to provide to growers? 2019 sales information or 2019 payments?**

Handlers should provide payment information. Payments received between January 1 and December 31, 2019.

### **Would the calendar year sales for the grower be line 2/3 income they report on their 2019 Schedule F?**

Yes, as long as the Schedule F does not include ineligible commodities or ineligible sales.

### **Please clarify if it is actual payments received versus “contracted/committed” as required in CFAP 1?**

It is actual monies/payments received. “Contracted/committed” is irrelevant for CFAP 2.

### **If a grower has other specialty crops (walnuts, cherries, raisins, etc.) do they total all those payments/incomes together to complete the Part F of the form?**

The CFAP applicant will total all eligible “Sales Commodities” and enter in the applicable line item category in Part F of the AD-3117.

### **In CFAP 1 everything was reported separately.**

CFAP 1 had different payment rates for each crop. Under CFAP 2, all “Sales Commodities” are paid at the same rate based on sales of eligible commodities.

### **What documentation would be required if a grower is audited on the program?**

Whatever documentation the grower has to prove money received for eligible sales. Taxes, handler statements, etc., may be used. There is no definitive specific piece of documentation. It is up to the applicant to provide documentation to prove their sales.

### **How is a grower who has money deducted from their handler payment to cover processing fees (like huller) handled regarding income?**

To be determined – this is pending clarification.

### **How are grower monies deferred for this year to be paid in later years handled, if at all?**

Money not received January 1 through December 31, 2019 is ineligible.

### **How long will it take for payments to be issued to applicants?**

Once all necessary documents are received, payment should be rather quick. Payments should be received within a week or two.

## Contacting your Local FSA Office

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