

CORONAVIRUS FOOD ASSISTANCE PROGRAM (CFAP)

NCBA Frequently Asked Questions

Updated 5/19/20

Eligibility

Q: Who is eligible to participate in the Coronavirus Food Assistance Program (CFAP)?

A: The Coronavirus Food Assistance Program, or CFAP, is available to an individual or legal entity who shares in the risk of producing a crop or livestock and who either: a) is entitled to a share in the crop or livestock available for marketing, or b) would have shared had the crop or livestock been marketed. Processing entities are ineligible.ⁱ

Q: Are producers who don't participate in any other USDA programs eligible to apply for CFAP?

A: Yes. Participation in other USDA programs is not a prerequisite.ⁱⁱ

Q: Is there an Adjusted Gross Income (AGI) limit to participate in CFAP?

A: Yes. A person or legal entity is ineligible for CFAP payments if the person's or legal entity's Adjusted Gross Income (AGI), using the average AGI for the 2016, 2017, and 2018 tax years, is more than \$900,000 unless at least 75 percent of the person's or legal entity's average AGI is derived from farming, ranching, or forestry-related activities. If at least 75 percent of the person's or legal entity's average AGI is derived from farming, ranching, or forestry-related activities, the person or legal entity is subject to the payment limits discussed above.ⁱⁱⁱ

Q: Do the Farm Bill's conservation compliance requirements apply to CFAP?

A: Yes. Producers participating in CFAP must be in compliance with the highly erodible land conservation and wetland conservation provisions at 7 CFR Part 12. Producers must agree, by certifying on Form AD-1026, that they will not produce an agricultural commodity on highly erodible land without a conservation system, plant an agricultural commodity on a converted wetland or convert a wetland to make possible the production of an agricultural commodity.^{iv}

Application Process

Q: When can cattle producers apply?

A: USDA will begin accepting CFAP applications on May 26, 2020 and will accept applications through August 28, 2020.^v

Q: How can eligible livestock producers apply for CFAP?

A: Once signup begins on May 26, applicants will be able to download the application tool and forms at farmers.gov/CFAP. Applications may be submitted via mail, fax, hand delivery, or via electronic means. Producers should contact their local service center for more information.^{vi}

Q: What documents do producers need to submit with the CFAP application?

A: To complete the CFAP application, producers will need sales, inventory and other records. However, since CFAP is a self-certification program, this documentation will not need to be submitted with the application. Because applicants are subject to spot check and will be required to provide documentation, producers should retain the documentation used to complete the application. If a producer willfully makes and represents as true any verbal or written declaration, certification, statement, or verification that the producer knows or believes not to be true, in the course of either applying for or participating in CFAP, or both, the producer will be subject to prosecution under Federal criminal and civil fraud statutes. Additional information on supporting documentation is available below.^{vii}

Q: When will producers receive CFAP payments and how will these payments be structured?

A: Payments to eligible producers are expected to be made once applications are processed. USDA will make an initial payment of 80 percent of an eligible participant's calculated CFAP payment. A final payment (the remaining 20%) will be issued on a date determined by the Secretary, to the extent such funds are available.^{viii}

- By issuing initial payments, FSA can quickly serve those that immediately apply for assistance while ensuring that CFAP payments do not exceed the \$16 billion funding limit. This ensures that funds are distributed equitably among all eligible producers. If funds remain available after the initial payment to eligible applicants, USDA will disburse the remainder of available funding not to exceed the \$16 billion funding limit and funds may be prorated if necessary.^{ix}



Payment Calculations

Q: How are CFAP payments for cattle producers calculated?

A (part 1): CFAP payments for cattle producers will be made on the sum total of two different calculations. Using the \$9.5 billion provided in the CARES Act, part 1 of the payment will be made on actual losses incurred between January 15 and April 15, 2020. This calculation is determined by multiplying one of the below payment rates by the volume of sales (on a per-head basis) occurring between January 15 and April 15, 2020.^x

Commodity	Definition	Part 1 Payment Rate
Slaughter Cattle: Fed Cattle	<i>Cattle with an average weight in excess of 1,400 pounds which yield average carcass weights in excess of 800 pounds and are intended for slaughter*</i>	\$214.00
Slaughter Cattle: Mature Cattle	<i>Culled cattle raised or maintained for breeding purposes, but which were removed from inventory and are intended for slaughter</i>	\$92.00
Feeder Cattle (< 600 lbs.)	<i>Cattle weighing less than 600 pounds</i>	\$102.00
Feeder Cattle (≥ 600 lbs.)	<i>Cattle weighing more than 600 pounds but less than the weight of slaughter cattle-fed cattle</i>	\$139.00
All other cattle	<i>Commercially raised bovine animals, excluding beefalo, bison, and animals used for dairy production or intended for dairy production</i>	\$102.00

**There is concern with this definition and it is being addressed by USDA. More details as they become available.*

A (part 2): Part 2 of cattle producer CFAP payments will be funded through the Commodity Credit Corporation (CCC). The CCC payment is a single rate of \$33 per-head for all beef inventory and is based on projected costs that are likely to be incurred by cattle producers for marketing their 2020 inventory due to unexpected surplus and disrupted markets. This payment is calculated by multiplying the \$33 payment rate per head by the highest inventory number between April 16 and May 14, 2020. This payment rate includes newborn calves.^{xi}

Q: Do CFAP cattle payments include culled dairy cattle?

A: No.^{xii}

Q: Are there payment limitations?

A: Yes. The total CFAP payment that an individual may receive directly or through attribution of payments is \$250,000. Payments made to a joint venture or a general partnership are limited to the aggregated amount of payments that individual or legal entity members of the joint venture or general partnership may otherwise receive. The total amount of CFAP payments made to a corporation, limited liability corporation, or a limited partnership is \$250,000 except:

- The corporation, limited liability corporation, or limited partnership may receive \$500,000 if two different individual owners of the legal entity each provided at least 400 hours of active personal labor or active personal management or combination thereof with respect to the production of 2019 commodities.^{xiii}
- The corporation, limited liability corporation, or a limited partnership may receive \$750,000 if three different individual owners of the legal entity each provided at least 400 hours of active personal labor or active personal management or combination thereof with respect to the production of 2019 commodities.^{xiv}

Additional Information

Q: Are CFAP funds a loan that must be repaid? Is there a fee to apply?

A: No. CFAP is not a loan program and there is no cost to apply.^{xv}

Q: What supporting documentation should producers utilize to determine livestock inventory?

A: CFAP payments on livestock inventory will be based on inventory records. Examples of supporting documentation that can be provided by the producer as evidence to substantiate the amount of production or inventory reported includes copies of receipts, ledgers of income, income statements of deposit slips, veterinarian records, register tapes, invoices for custom harvesting, and records to verify production costs, contemporaneous measurements, truck scale tickets, or contemporaneous diaries that are determined acceptable by USDA.^{xvi}



Q: Will a producer that fails to provide the necessary supporting documentation still receive a CFAP payment?

A: No. If any supporting documentation or form is required in order to process the CFAP application and that documentation or form is not submitted to FSA within 60 days of the producer's signature date on the application, the CFAP application that had been submitted will not be processed and will not be acted on by USDA.^{xvii}

Q: Will payment limit/eligibility forms be required?

A: Yes. Failure to submit the following payment limitation and payment eligibility forms from the date of submission may result in no payment or a reduced payment: 1) a farm operating plan for an individual or legal entity; 2) Form CCC-901 Member Information for Legal Entities (if applicable); 3) An average adjusted gross income statement for the 2020 program year for the person or legal entity, including the legal entity's members, partners, or shareholders, as provided in part 1400 of this title; form CCC-941 Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information; 4) CCC-942 Certification of Income From Farming, Ranching and Forestry Operations (optional); and 5) A highly erodible land conservation (sometimes referred to elsewhere as HELC) and wetland conservation certification as provided in part 12 of this chapter (form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification for CFAP applicant and applicable affiliates).^{xviii}

Q: Is eligibility subject to verification?

A: Yes. Producers who are approved for participation in CFAP are required to retain documentation in support of their application for 3 years after the date of approval. CFAP participants will be required to permit authorized representatives of USDA or the Government Accountability Office, during regular business hours, to enter the agricultural operation and to inspect, examine, and to allow representatives to make copies of books, records or other items for the purpose of confirming the accuracy of the information provided by the participant.^{xix}

Q: Are producers liable for payment rate calculation errors?

A: Yes. In the event that any application for a CFAP payment resulted from erroneous information reported by the producer, the payment will be recalculated, and the producer must refund any excess payment to USDA. If the error was the producer's error, the refund must include interest to be calculated from the date of the disbursement to the producer. Further, if USDA determines that the producer's application misrepresented either the total amount or producer's share of livestock inventory, or if the CFAP payment would exceed the payment as calculated based on the correct amount of production and share, the application will be disapproved and the participant must refund to USDA all CFAP payments made to the producer with interest from the date of disbursement.^{xx}

Q: Are animals that have been depopulated because of the impact of COVID-19 on processing facilities included in CFAP?

A: Assistance to livestock producers has two components – animals sold between January 15, 2020 to April 15, 2020 and livestock inventory subject to price risk on a date of the producers choosing between April 16, 2020, to May 14, 2020. Animals that are a part of a producer's inventory on the date he/she chooses are eligible for a CFAP payment.^{xxi}

Q: How much is USDA spending to directly support producers negatively impacted by COVID-19?

A: CFAP will provide \$16 billion in direct support 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 disruptions for the 2020 marketing year caused by COVID-19. Commodity specific rates and a payment calculator can be found at farmers.gov/cfap.^{xxii}

Q: The impacts of COVID-19 on agriculture producers are significant. What if USDA runs out of funding?

A: 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. NCBA will be working with allies on Capitol Hill to ensure additional funding is made available to ensure equitable disaster assistance is available for all producer segments of the cattle industry.^{xxiii}

ⁱ <https://www.farmers.gov/sites/default/files/documents/CFAP%20Final%20Rule.pdf> - Page 4

ⁱⁱ <https://www.farmers.gov/sites/default/files/documents/CFAP%20Final%20Rule.pdf> - Page 3

ⁱⁱⁱ HYPERLINK

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