

**FSA**  
**HANDBOOK**

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**Coronavirus Food Assistance Program 2**

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**For State and County Offices**

**SHORT REFERENCE**

**3-CFAP**

UNITED STATES DEPARTMENT OF AGRICULTURE  
Farm Service Agency  
Washington, DC 20250



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Farm Service Agency  
Washington, DC 20250

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**Coronavirus Food Assistance Program 2  
3-CFAP**

**Amendment 4**

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**Approved by:** Acting Deputy Administrator, Farm Programs



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 2 A has been amended to include updated regulatory language for CFAP 1 and CFAP 2.

Subparagraph 3 D has been amended to remove sending CFAP 2 contracts to AMS for review.

Subparagraphs 15 A, 35 A, 36 A and B, 51 D, and 52 A have been amended to include updated policy for contract producer eligibility and revenue reporting requirements.

Subparagraph 16 D has been added to include policy authorizing corporations, LLC's, LP's, trusts, and estates to seek an increase in the CFAP 2 payment limitation to either \$500,000 or \$750,000 because of the additional assistance announced in this amendment. County Offices will monitor payments to the legal entities and ensure that applicants reaching maximum payment limitation as result of the additional assistance are aware of the opportunity to seek an increase in payment limitation to either \$500,000 or \$750,000 by February 26, 2021.

Subparagraph 21 A has been amended to include turfgrass sod and additional assistance to eligible contract producers who produced broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs.

Subparagraphs 21 B, 50 C, 51 E, and 52 B have been amended to include an additional signup period for producers of pullets, turfgrass sod, and contract producers. The application period also allows for producers to amend their application to:

- include crop insurance indemnities, NAP, and WHIP+ payments received in crop year 2019 in their eligible sales
- notify FSA of their insurance status to potentially increase the payment yield of acre-based crops to 100 percent of the weighted 2019 ARC-CO benchmark yield.

Subparagraph 22 A has been amended to include updated policy on CFAP 2 payment calculations for sales commodities and additional policy for eligible contract producers.

## **Amendment Transmittal (Continued)**

### **A Reasons for Amendment (Continued)**

Subparagraph 51 B has been amended to include policy for reviewing reasonableness of AD-3117's for contract producers and sales commodities.

Subparagraph 52 C has been amended to clarify a new producer signature is not required if the only revision to AD-3117 is an addition of a COC Adjusted Weighted Insurance Approved Yield.

Paragraph 221 has been amended to:

- add pullets and turfgrass sod as eligible sales commodities
- clarify that the eligible sales commodity of pheasants includes chukars for "Other Livestock".

Paragraph 222 has been amended to:

- include crop insurance indemnities, NAP, and WHIP+ payments in sales certification
- add a clarification note for eligible sales.

Part 8 has been amended to provide that for price trigger crops, 100 percent of the weighted 2019 ARC-CO benchmark yield will be used to calculate benefits when a producer does not have a weighted 2020 APH-approved yield for a crop, and the producer notifies FSA that the producer meets 1 of the applicable exceptions outlined in this amendment.

Part 9 has been added for policy on CFAP 2 assistance for contract producers.

Exhibit 2 has been amended to include new and updated definitions.

Exhibit 20 has been amended to revise the instructions for AD-3117 to include:

- updated instructions for Part F (Sales Commodities) to include crop insurance indemnities, NAP, and WHIP+ payments
- new instructions for Part H (Contract Producer Revenue).

**Amendment Transmittal (Continued)**

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## Part 1 Basic Information

### 1 Overview

#### A Handbook Purpose

This handbook provides the following:

- State and County Offices with policy and procedures for administering CFAP 2
- specific eligibility and payment calculation provisions as applicable for designated commodities.

Provisions in this handbook **must not** be revised without prior approval from the National Office. Any requests or amendments must be sent to DAFP by e-mail to the PPB Mailbox according to 1-NAP (Rev. 2), paragraph 11. In the subject line, include State abbreviation, CFAP 2, and date. For example: NY/CFAP 2/06-01-2020.

The objective of CFAP 2 is to provide direct payments to producers who have been impacted by COVID-19 resulting in:

- actual losses for agricultural producers where prices and market supply chains have been impacted
- lost demand and short-term oversupply for the 2020 marketing year.

#### B Authority and Responsibility

SND has the authority and responsibility for the programs prescribed in this handbook.

#### C Sources of Authority

Following are the sources of authority for CFAP 2:

- the Coronavirus Aid, Relief, and Economic Stability Act (CARES Act, Pub. L. 116-136)
- CCC Charter Act (15 U.S.C. 714c(b), (d), and (e))
- 7 CFR Part 9.

## 1 Overview (Continued)

### D Related FSA Handbooks

Handbooks related to CFAP 2 include:

- 9-AO for investigating program violations
- 1-APP for appeals
- 32-AS for records management
- 1-CM for signature requirements, power of attorney, deceased individuals and dissolved entities, maintaining the name and address file, assignments and producer disqualification and debarment
- 3-CM for farm, tract, and crop data
- 11-CM for maintaining customer record
- 2-CP for acreage reporting
- 6-CP for HELC and WC provisions
- 7-CP for finality rule and equitable relief
- 1-FI for processing payments initiated
- 61-FI for prompt payment and interest penalties
- 62-FI for reporting data to IRS
- 63-FI for Assignment and Joint Payment System
- 64-FI for establishing and reporting receipts and receivables on NRRS
- 2-INFO for handling requests for information (FOIA)
- 3-PL (Rev. 2) for web-based subsidiary files for 2009 and subsequent years
- 5-PL for payment eligibility, payment limitation and AGI.

**1 Overview (Continued)**

**E Delegations of Authority and Approvals**

The authority to approve routine CFAP 2 applications prepared according to this handbook may be redelegated, in writing according to 16-AO, by COC to CED, except forms and documents in which CED has a monetary interest.

Follow this table for delegated authority for approval of CFAP 2 applications.

<b>IF the producer is...</b>	<b>THEN the approval authority is...</b>
a Federal or non-Federal, State or County Office employee	CED.
COC member	
DD	
SED	
STC member	
CED	
any producer in a recording county	COC.

**Notes:** Questionable cases may be referred to the next higher authority for determination.

Any employee serving as Acting CED is viewed as CED.

**F CFAP 2 Websites**

The following websites provide information used to administer CFAP 2.

<b>Website Content</b>	<b>Website Address</b>
CFAP 2 Application	<a href="https://intranet.fsa.usda.gov/fsa/applications.asp">https://intranet.fsa.usda.gov/fsa/applications.asp</a>
CFAP 2 Payment Rates	<a href="https://www.farmers.gov/CFAP 2">https://www.farmers.gov/CFAP 2</a>
FFAS Employee Forms/Publications Online Website	<a href="http://intranet.fsa.usda.gov/dam/ffasforms/forms.html">http://intranet.fsa.usda.gov/dam/ffasforms/forms.html</a>
Notices	<a href="http://www.fsa.usda.gov/notices">http://www.fsa.usda.gov/notices</a>
eAuthentication	<a href="https://www.eauth.usda.gov/mainPages/index.aspx">https://www.eauth.usda.gov/mainPages/index.aspx</a>
FSA Box	<a href="https://nrcs.account.box.com/login">https://nrcs.account.box.com/login</a>
CFAP 2 Training Materials and Payment Calculator	<a href="https://inside.fsa.usda.gov/program-areas/dafp/dap/CFAP 2/index">https://inside.fsa.usda.gov/program-areas/dafp/dap/CFAP 2/index</a>

**2 Administrative Provisions****A Applicability and Administration [7 CFR 9.1]**

- (a) **This part specifies the eligibility requirements and payment calculations for the \*--Coronavirus Food Assistance Program (CFAP). CFAP will provide payments with respect to commodities that have been significantly impacted by the effects of the COVID-19 outbreak. CFAP is being implemented through two rounds of payments, with the first round (CFAP 1) determined as specified in subpart B of this part, and the second round (CFAP 2) determined as specified in subpart C of this part. To be eligible for CFAP payments, participants must comply with all provisions under this subpart and the relevant particular subpart for CFAP 1 or CFAP 2. Payments will be made with respect to only commodities produced in the United States; commodities other than livestock that are imported into the United States may not be used to determine any payment made under this part. For livestock, “produced in the United States” means physically located in the United States: (1) For assistance under subpart B, (i) on January 15, 2020, and remaining in the United States until sold between January 15, 2020, and April 15, 2020; or (ii) On the applicable dates selected for livestock in inventory between April 16, 2020, and May 14, 2020; and (2) For assistance under subpart C, on the applicable date selected for livestock in inventory between April 16, 2020, and August 31, 2020.--\***
- (b) **The program is administered under the general supervision and direction of the Administrator, Farm Service Agency (FSA) with the assistance of the Agricultural Marketing Service (AMS).**
- (c) **The FSA State committee will take any action required by this part that an FSA county committee has not taken. The FSA State committee will also:**
- (1) Correct, or require an FSA county committee to correct, any action taken by such county FSA committee that is not in accordance with the regulations of this part; or**
  - (2) Require an FSA county committee to withhold taking any action that is not in accordance with this part.**
- (d) **No provision or delegation to an FSA State or county committee will preclude the FSA Administrator, the Deputy Administrator, or a designee or other such person, from determining any question arising under the programs of this part, or from reversing or modifying any determination made by an FSA State or county committee.**



## 2 Administrative Provisions (Continued)

### B Forms

Any document that collects data from a participant, regardless of whether the participant's signature is required:

- is subject to the Privacy Act and information collection procedures
- requires approval or clearance by the following applicable office:
  - DAFP
  - FPAC
  - OMB.

Forms, worksheets, applications, and other documents other than those provided in this handbook or issued by the National Office are not authorized for CFAP 2 and must not be used.

## 3 Responsibilities

### A STC Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 9, STC's must:

- direct the administration of CFAP 2
- ensure that State and County Offices follow CFAP 2 provisions
- thoroughly document all actions taken in the STC minutes
- handle appeals according to 1-APP
- require reviews be conducted by DD to ensure that County Offices comply with CFAP 2 provisions according to paragraph 5

**Note:** STC may establish additional reviews to ensure that CFAP 2 is administered according to these provisions.

- take any oversight actions necessary to ensure that IPIA provisions are met to prevent County Offices from issuing any improper payments
- STC may approve or disapprove any CFAP 2 application except those in which an STC member has a monetary interest
- comply with all CFAP 2 provisions.

### 3 Responsibilities (Continued)

#### B SED Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 9, SED's will:

- ensure that County Offices follow CFAP 2 provisions
- thoroughly document all actions taken in the STC minutes
- handle appeals according to 1-APP
- ensure that DD's or other designated employees conduct reviews according to paragraph 5

**Note:** SED may establish additional reviews to ensure that CFAP 2 is administered according to these provisions.

- ensure that all County Offices publicize CFAP 2 provisions
- immediately notify the National Office CFAP 2 Program Manager of software problems, incomplete or incorrect procedures, specific problems, or findings
- take any oversight actions necessary to ensure that IPIA provisions are met to prevent County Offices from issuing any improper payments
- STC may approve or disapprove any CFAP 2 application except forms or documents in which an STC member has a monetary interest
- comply with all CFAP 2 provisions.

### 3 Responsibilities (Continued)

#### C DD Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 9, DD's will:

- ensure that COC's and County Offices follow CFAP 2 provisions
- ensure that the CED's review of the first five CFAP 2 applications from each county are sufficiently thorough to confirm:
  - signatures are included
  - values on AD-3117 are correct in the software based on producer's certification
  - eligibility requirements are understood
  - payments are proper
- on the basis of the review documentation received, provide CED authority to enter COC (or delegated) actions in the software upon completing the first five CFAP 2 applications for any commodity (reviewed by CED) from each county

**Note:** If the initial documentation received contains evidence of misunderstood policy, provide clarification of that policy to the county employees until authorization to make payments is warranted.

- conduct reviews as determined by SED according to paragraph 5

**Note:** SED may establish additional reviews to ensure that CFAP 2 is administered according to these provisions.

- ensure that all County Offices publicize CFAP 2 provisions
- immediately notify the National Office CFAP 2 Program Manager through their State FSA Office specialist responsible for CFAP 2 of software problems, incomplete or incorrect procedures, specific problems, or findings
- take any oversight actions necessary to ensure that IPIA provisions are met to prevent County Offices from issuing any improper payments.

### 3 Responsibilities (Continued)

#### D COC Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 9, COC's will:

- fully comply with all CFAP 2 provisions
- ensure that CED directs the County Office to follow all CFAP 2 provisions
- review, approve, and disapprove CFAP 2 applications, and document in the COC minutes

**Note:** COC may redelegate authority to CED to review and approve routine CFAP 2 applications. Redlegation of authority must be documented in the COC minutes. All adverse actions must go to COC for review.

\* \* \*

- handle appeals according to 1-APP
- thoroughly document all actions taken in the COC minutes
- ensure that the County Office publicizes CFAP 2 provisions
- take any oversight actions necessary to ensure that IPIA provisions are met to prevent the County Office from issuing any improper payments.
- ensure that FSA assists persons by providing program information as it becomes available, using a variety of different methods.

**Notes:** Because of the limits of FSA resources, publication of program information may or may not be by direct mail or on an individual basis. FSA meets its publication responsibilities by making broad program announcements in press releases, print and electronic media, Federal Register documents, radio and television announcements, and through posting program information in USDA Service Centers.

### 3 Responsibilities (Continued)

#### D COC Responsibilities (Continued)

The reality of limited resources has increased the participant's responsibility for being aware of program provisions. FSA cannot be responsible for reaching out to every potential program participant with all program information. Participants must seek information on program details and not wait for FSA to individually contact them about program provisions. As resources permit, COC will ensure that program provisions are publicized and maintain a record of any and all publicity efforts, including postings in Service Centers.

The CFAP 2 Fact Sheet:

- may be used to provide general program information
- is available at <https://www.fsa.usda.gov/news-room/fact-sheets/index>.

#### E CED Responsibilities

Within the authorities and limitations in this handbook and 7 CFR Part 9, CED's will:

- fully comply with all CFAP 2 provisions
- ensure that all County Office employees fully comply with all CFAP 2 provisions
- review the first five CFAP 2 applications and eligibility documentation for completeness and accuracy and send to DD to obtain authority to enter COC action in the software

**Note:** COC action must be entered in the software immediately upon receipt of authority from DD.

- if so delegated, promptly review, approve routine CFAP 2 applications, and document in the COC minutes

**Notes:** All adverse actions **must** go to COC for review.

CED **may not** redelegate authority to review and approve routine CFAP 2 applications to any other County Office employees.

**3 Responsibilities (Continued)**

**E CED Responsibilities (Continued)**

- issue any adverse determination letter according to 1-APP
- ensure that all program eligibility requirements have been met by producers before issuing any payment to ensure that IPIA provisions are met
- handle appeals according to 1-APP
- thoroughly document all actions taken in the COC minutes
- immediately notify SED, through DD, of software problems, incomplete or incorrect procedures, specific problems, or findings
- take any oversight actions necessary to ensure that IPIA provisions are met to prevent County Offices from issuing any improper payments
- ensure that FSA assists persons by providing program information as it becomes available, in a variety of different methods.

**F PT Responsibilities**

Within the authorities and limitations in this handbook and 7 CFR Part 9, PT's will:

- fully comply with all CFAP 2 provisions
- immediately notify CED of software problems, incomplete or incorrect procedures, or specific problems
- ensure that all program eligibility requirements have been met by producers before issuing any payment to ensure that IPIA provisions are met.

### 3 Responsibilities (Continued)

#### G Producer Responsibilities

The producer is responsible for being aware of program provisions and accurately reporting all required information as applicable on AD-3117.

Producers who are approved for participation in CFAP 2 are required to retain documentation in support of their application for 3 years after the date of approval.

Participants receiving CFAP 2 payments or any other person who furnishes such information to USDA must permit authorized representatives of USDA or GAO 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.

Programs administered by DAFP require accurate information from producers. Producers must understand that failure to provide complete and accurate information and records could result in any or all of the following:

- an application for CFAP 2 assistance being disapproved, COC adjusted, or approved but ineligible for payment
- the producer(s) being determined ineligible for FSA programs for the year or multiple years
- the producer(s) being liable under any civil or criminal fraud statute or any statute or provision of law.

## 4 Erroneous Information and Misrepresentation

### A Impact of Providing Erroneous Information and Misrepresentation

In the event that any application for a CFAP 2 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.

If USDA determines that the producer's application misrepresented either the total amount or producer's share of the crop, head of livestock, or production, or if the CFAP 2 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 2 payments made to the producer with interest from the date of disbursement.

If any corrections to the ownership interest in the crop are made and would result in a lower CFAP 2 payment, the producer must refund the difference with interest from date of disbursement.

Any required refunds must be resolved according to debt settlement regulations in 7 CFR Part 3.

### B Perjury

In either applying for or participating in CFAP 2, or both, the producer is subject to laws against perjury and any penalties and prosecution resulting therefrom, with these laws including but not limited to 18 U.S.C. 1621. If the 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 2, or both, then the producer is guilty of perjury and, except as otherwise provided by law, may be fined, imprisoned for not more than 5 years, or both, regardless of whether the producer makes such verbal or written declaration, certification, statement, or verification within or without the United States.

### C Joint and Several Liability

All persons and legal entities with a financial interest in an operation or in an application for payment determined to have been paid incorrectly are jointly and severally liable for any refund, including related charges, that is determined to be due CCC for any reason.



## 5 Internal Controls

### A DD Reviews

DD's or other employee(s) designated by SED will review 5 of the first 35 CFAP 2 applications filed in a Service Center, assigned by the internal control's software, to verify the following:

- a signed AD-3117 was filed by the person or authorized representative of a legal entity that includes the producer's self-certification of eligible commodities
- supporting eligibility documents have been filed that include:
  - a signed CCC-902 (or CCC-901 if applicable) by the person or authorized representative of a legal entity

**Note:** CCC-902 must be completed to provide name(s), address(es), TIN, and citizenship status has been provided for all persons and members, partners, or stockholders of a legal entity. Contributions of foreign persons must also be provided.

- a signed CCC-941 and CCC-942 (if applicable) for persons, legal entities, and all members, partners, or stockholders of the legal entity, except general partnerships and joint ventures
- AD-1026 is certified according to the agreement in AD-3117, Part A (items 8, 8A, 8B, and 9).

### 6-14 (Reserved)



## Part 2 CFAP 2 Policy and Procedures Provisions

### Section 1 CFAP 2 General Program Policies and Provisions

#### 15 Producer Eligibility

##### A Producer

**[7 CFR Part 9 Subpart C §9.201]** A producer is a person or legal entity who shares in the risk of producing a commodity. \* \* \* A person or legal entity who is not in the business of farming at the time of application is not considered a producer.

\* \* \*

\*--A contract producer is a producer who grows or produces an eligible commodity under contract on behalf of another person or entity. The contract producer does not have ownership in the commodity and is not entitled to a share from sales proceeds of the commodity.

**[7 CFR Part 9 Subpart C §9.202]** Producers, excluding contract producers, are eligible for payment for eligible price-triggered crops, flat rate crops, price-triggered livestock, eggs, broilers, dairy, and sales commodities if they meet all other requirements for eligibility.

Contract producers are eligible for payment if they:

- produced broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs under a contract in both the 2019 and 2020 calendar years and received revenue under such a contract during the period from January 1, 2020, through December 27, 2020
- had a loss in eligible revenue for the period from January 1, 2020, to December 17, 2020, as compared to the period from January 1, 2019, through December 27, 2019
- meet all other requirements for eligibility.

Contract producers must provide a copy of their contract and documentation to support the information provided on their application if requested by FSA.--\*

**15 Producer Eligibility (Continued)****A Producer (Continued)**

[7 CFR Part 9 Subpart A §9.3] To be eligible for a CFAP 2 payment, a person or legal entity must be 1 of following:

- citizen of the United States
- resident alien (possessing a Resident Alien Card (I-551))
- partnership of citizens of the United States
- corporation, LLC, or other organizational structure organized under State law
- Indian Tribe or Tribal organization, as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)
- foreign person or foreign entity who meets Foreign Person Rules as described in 5-PL.

**B Ineligible Producer**

The following persons or legal entities are **ineligible** for CFAP 2 payments:

- Federal, State, and local governments, including public schools as defined in 5-PL
- persons or legal entities who did not have a reported ownership interest in any of the eligible commodities, excluding contract producers
- persons and legal entities that have been suspended or debarred or otherwise excluded from participating in Federal programs (1-CM, paragraph 823)
- persons and legal entities that do not meet payment limitation, payment eligibility, AGI and HELC/WC requirements for CFAP 2.

## 16 Payment Limitation and Payment Eligibility Requirements

### A Payment Limitation

[7 CFR Part 9 Subpart A §9.7] The total amount of CFAP 2 payments that a person or legal entity (excluding general partnerships and joint ventures) may receive is \$250,000, except as provided in subparagraph B.

Payments to a program applicant that is a joint operation, including a general partnership or joint venture, cannot exceed \$250,000 per person or legal entity that comprise first level ownership of the general partnership or joint venture, unless the first level member is another joint operation.

### B Optional Increase in Limitation for Corporations, LLC's, LP's, Trusts, or Estates

[7 CFR Part 9 Subpart A §9.7] For CFAP 2 applicants that are a corporation, LLC, LP, trust, or estate, an authorized representative of the legal entity may seek an increase in the \$250,000 payment limitation based on the member's, stockholder's, partner's, beneficiary's, or heir's contribution of active personal labor or active personal management, or a combination thereof (as defined in 5-PL).

A contribution of at least 400 hours of active personal labor, active personal management, or a combination thereof must be provided by an individual person who is a member, stockholder, partner, beneficiary, or heir from any level of ownership in the organizational structure to qualify the legal entity for the optional increase in payment limitation.

**Note:** The sole-member of an embedded LLC or grantor of a revocable trust using an SSN may qualify the corporation, LLC, or LP for the optional increase in payment limitation.

The maximum limitation a corporation, LLC, LP, trust, or estate may receive is \$750,000.

The authorized representative of the legal entity must certify on AD-3117, Part H the name(s) of the entity members providing at least 400 hours of active personal labor, active personal management, or a combination thereof.

**Notes:** For embedded members who are a sole-member LLC or grantor of a revocable trust using an SSN, record the individual person's name contributing at least 400 hours of active personal labor, active personal management, or a combination thereof.

Spousal provisions as found in 5-PL do not apply.

16 Payment Limitation and Payment Eligibility Requirements (Continued)

**B Optional Increase in Limitation for Corporations, LLC’s, LP’s, Trusts, or Estates (Continued)**

Revocable trusts using an SSN may seek an increase in payment limitation if the trust provides evidence, to COC’s satisfaction, documenting there is more than 1 beneficiary of the trust, such as a husband and a wife. The evidence must document who the beneficiaries are before the start of signup for CFAP 2. Evidence may include, but is not limited to, a copy of the executed trust agreement.

The following table provides qualifying requirements for the optional increase in payment limitation.

<b>IF...</b>	<b>THEN the corporation’s, LLC’s, or LP’s payment limitation is...</b>
none of the members, stockholders, partners, beneficiaries, or heirs provide labor, management, or combination thereof	\$250,000.
1 person holding an ownership interest as a member, partner, stockholder, beneficiary, or heir in the organizational structure provides at least 400 hours of active personal labor or active personal management or combination thereof	\$250,000.
2 persons holding an ownership interest as a member, partner, stockholder, beneficiary, or heir in the organizational structure provides at least 400 hours of active personal labor or active personal management or combination thereof	\$500,000.
3 persons holding an ownership interest as a member, partner, stockholder, beneficiary, or heir in the organizational structure provides at least 400 hours of active personal labor or active personal management or combination thereof	\$750,000.

16 **Payment Limitation and Payment Eligibility Requirements (Continued)**

**C Examples**

The following examples illustrate qualifying requirements for corporations, LLC's, LP's, estates, and trusts necessary to recognize the increased payment limitation to either \$500,000 or \$750,000.

**Example 1:** Payment limitation for a single member corporation.

Entity/Members	Share	Current Pay Limit	Labor/Management Contribution	Payment Limitation Increased	Effective Payment Limitation
ABC Corporation		\$250,000		-0-	\$250,000
Individual A	100%		0 - <400 hours		\$250,000

**Example 2:** Payment limitation for a 2-member corporation (only 1 member provides 400+ hours of labor/management).

Entity/Members	Share	Current Pay Limit	Labor/Management Contribution	Payment Limitation Increased	Effective Payment Limitation
ABC Corporation		\$250,000		\$0	\$250,000
Individual A	50%		+400 hours		\$250,000
Individual B	50%		(0)		\$250,000

**Example 3:** Payment limitation for a 3-member corporation (only 2 members provide 400+ hours of labor/management).

Entity/Members	Share	Current Pay Limit	Labor/Management Contribution	Payment Limitation Increased	Effective Payment Limitation
ABC Corporation		\$250,000		+\$250,000	\$500,000
Individual A	33.33%		+400 hours		\$250,000
Individual B	33.34%		+400 hours		\$250,000
Individual C	33.33%		0 hours		\$250,000

16 Payment Limitation and Payment Eligibility Requirements (Continued)

C Examples (Continued)

**Example 4:** Payment limitation for a 2-member corporation with embedded entities as members.

Entity/Members	Share	Current Pay Limit	Labor/Management Contribution	Payment Limitation Increased	Effective Payment Limitation
AB Corporation		\$250,000		\$500,000	\$750,000
<b>Corporation A – 50%</b>					\$250,000
Corporation X	50%				
Joe 50%			+400 hours		\$250,000
John 50%			+400 hours		\$250,000
Corporation Y	50%				\$250,000
Bob 50%			-0-		\$250,000
Larry 50%			-0-		\$250,000
<b>Corporation B – 50%</b>	50%				\$250,000
Sam	50%		+400 hours		\$250,000
Pete	50%		-0-		\$250,000

**Example 5:** Payment limitation for an estate with 3 heirs each contributing 400+ hours labor or management.

Entity/Members	Share	Current Pay Limit	Labor/Management Contribution	Payment Limitation Increased	Effective Payment Limitation
AB Estate		\$250,000		\$500,000	\$750,000
Heir No. 1	33.33%		+400 hours		\$250,000
Heir No. 2	33.33%		+400 hours		\$250,000
Heir No. 3	33.34%		+400 hours		\$250,000



## 16 Payment Limitation and Payment Eligibility Requirements (Continued)

### \*--D Payment Limitation Increases Because of Authorization of Additional Program Benefits

Corporations, LLC's, LP's, trusts, and estates qualifying for additional assistance because of rule changes may seek an increase in the legal entity's payment limitation to either \$500,000 or \$750,000 according to this paragraph.

For producers who previously filed an application for assistance, an authorized representative of the legal entity may revise the previously filed CFAP application to provide names of 2 or 3 persons who are members of the legal entity that provided 400 or more hours of active personal labor, active personal management, or a combination thereof. The authorized representative must sign the revised application and COC must review and approve or disapprove the revised application as applicable.

For producers who now qualify for assistance for the first time, the producer will file a new application and provide names of 2 or 3 persons who are members of the legal entity that provided the requisite labor/management contributions.

The deadline for applicants to request an optional increase in limitation on a new or revised application is February 26, 2021.--\*

### E Attribution of Payments

[7 CFR Part 9 Subpart A §9.7] CFAP 2 payments to persons and legal entities that do not qualify for the increased payment limitation will be pay limited according to the rules for attribution in 7 CFR 1400.105.

CFAP 2 payments made directly or indirectly to a person or legal entity will be combined and limited to the per person or legal entity.

CFAP 2 payments to corporations, LLC's, LP's, trusts, and estates qualified for the increased payment limitation will be limited to the lesser of the increased limitation or the sum of the amount that each eligible member, stockholder, partner, heir, or beneficiary of the legal entity may receive, regardless of ownership share.

**Example 1:** ABC Corporation pay limit is increased to \$500,000 based on 2 members contributing labor or management. Member 1 (90 percent ownership share) maximum payment limitation is \$250,000. Member 2 (10 percent ownership share) maximum payment limitation is \$250,000. In this example, each eligible member may receive (directly or indirectly) up to \$250,000. The sum of payments the eligible members may receive is \$500,000 (\$250,000 + \$250,000), regardless of ownership share. Total payment to ABC Corporation would be \$500,000.

**Note:** Payments will be reduced to ABC Corporation if any member receives prior payments through another farming operation or is otherwise ineligible for CFAP benefits (i.e. AGI non-compliant).

**16 Payment Limitation and Payment Eligibility Requirements (Continued)****E Attribution of Payments (Continued)**

CFAP 2 payments to a legal entity wholly owned by an embedded legal entity will be limited to the lesser of the increased limitation or the sum of the amount that each eligible member, stockholder, partner, heir or beneficiary of the *first level embedded legal entity* may receive, regardless of ownership share.

**Example 2:** Corporation A pay limit is increased to \$500,000 based on 2 individual persons contributing labor or management. The first-level shareholder of Corporation A is wholly owned by YZ LLC. Shareholders of YZ LLC are Joe (90% ownership share) and Jon (10% ownership share). Joe and Jon are each pay limited at \$250,000. The pay limit is increased for Corporation A and YZ LLC to the sum of payments that both Joe and Jon may receive, which is \$500,000 (\$250,000 + \$250,000), regardless of ownership share.

CFAP 2 payments to a legal entity will be tracked through 4 levels of ownership and will be reduced for members, partners, stockholders, heirs, or beneficiaries holding an ownership interest below the 4<sup>th</sup> level.

Rules for “common attribution” (such as minor children) do not apply to CFAP 2 payments.

**F Changes in Farming Operations to Add Persons (Including Spouses)**

Applicants seeking to add persons (including spouses) to a farming operation for CFAP 2; resulting in an increase in the number of persons to which payment limitation applies; must be legitimate, documented, and effective for the year that CFAP 2 benefits are being sought. For example, if the farming operation is requesting CFAP 2 benefits for 2019 crop corn, the addition of a person must be effective for the 2019 program year and all contracts, applications and eligibility forms must be corrected to reflect the change.

For legal entities, including general partnerships, the farming operation must provide the organizational documents to COC and the documents must evidence the person was legally added as a member, partner or stockholder to the legal entity.

For informal joint ventures, the new member must provide acceptable documentation to COC’s satisfaction and prove the member made “at-risk” contributions, commensurate with their claimed share of the farming operation. Documentation may include, but is not limited to signed loan notes and security agreements, proof of payment for capital, land, or equipment contributions, etc.

For farming operations seeking to qualify for the optional increase in payment limitation, COC must consider whether the new person being added to the farming operation made a contribution of 400+ hours of active personal labor or active personal management.

## 16 Payment Limitation and Payment Eligibility Requirements (Continued)

### F Changes in Farming Operations to Add Persons (Including Spouses) (Continued)

**Example 1:** An applicant is seeking CFAP 2 benefits for 2019 corn, requesting consideration to add a person (stockholder) to the corporate business structure and requesting the option increase in payment limitation applicable to corporations. The addition of the stockholder must be documented to have occurred before June 1, 2019 (following FSA's rules for attribution in 7 CFR Part 1400). Additionally, COC must consider whether the added stockholder made a 400+ hour contribution of labor or management for the increased payment limitation. In this situation, the farming operation must also correct its representations on all 2019 contracts, applications, acreage reports and eligibility document to reflect the change in the farming operation.

**Example 2:** An applicant is seeking CFAP 2 benefits for 2020 dairy and requesting consideration to recognize the farming operation as a husband and wife joint venture. COC must consider the couple's marital status for the time period CFAP 2 benefits are requested and whether the spouse made at-risk contributions to the farming operation commensurate with the claimed share of the farming operation for the year which CFAP 2 benefits are being sought. If the farming operation participated in DMC and received program benefits, the DMC contract must also be revised to recognize the addition of the spouse to the farming operation.

The addition of a person to a farming operation must be documented on CCC-902 and will apply to all programs in which the farming operation participates.

## 17 AGI

### A AGI Requirements

**[7 CFR Part 9 Subpart A §9.7]** Rules for AGI, as found in 5-PL, apply to CFAP 2 payments.

To be eligible for payment, a person or legal entity (including members, stockholders or partners of the legal entity) must have an average AGI for program year 2020 that does not exceed the \$900,000 limitation, unless, at least 75 percent of the person's or legal entity's average AGI is derived from farming, ranching or forestry operations. See 5-PL for defining income from farming, ranching, or forestry operations.

The 3 base years used to compute the average AGI and Farm AGI are 2016, 2017, and 2018.

CCC-941 must be completed by all CFAP 2 applicants.

Applicants exceeding the \$900,000 limitation may complete CCC-942 and obtain a certification from a licensed CPA or attorney verifying that 75 percent of AGI is derived from farming, ranching or forestry operations.

## 18 Other Eligibility Provisions

### A HELC/WC Compliance

Certification of conservation compliance (HELC/WC compliance), AD-1026, and provisions of 6-CP statutorily apply to CFAP 2. The producer applying for CFAP 2 agrees to conservation compliance provisions on AD-3117, Part A, items 8, 8A, 8B, and 9.

CFAP 2 applicants that have AD-1026 continuous certification with box 5B, agreeing to AD-3117, Part A, item 8A, do not have to file new AD-1026. CFAP 2 applicants filing AD-1026 for the first time can certify AD-1026 with box 5B if they meet those provisions. These producers do not have to establish farm records for which their certification of compliance applies (6-CP, subparagraph 641 D). A producer's certification of box 5B for CFAP 2 is a certification that the producer:

- does not participate in any USDA benefits subject to HELC and WC compliance except Federal Crop Insurance **or CFAP 2**
- only has interest in land devoted to agriculture that is exclusively used for perennial crops (excluding sugar cane), such as tree fruits, tree nuts, grapes, olives, native pasture, and perennial forage

**Note:** If the applicant produces alfalfa, the applicant must contact NRCS to determine whether this production qualifies as the production of a perennial crop.

- has not converted a wetland after **December 23, 1985**.

**Note:** The December 23, 1985, AD-3117 wetland **conversion** certification date is used as low risk assessment of conservation compliance violation to forego farm records establishment for producers that have perennial crops only. A wetland converted December 24, 1985, through November 28, 1990 (determination of CW) is not a conservation compliance violation (those acreages may incur a wetland planting violation but not a conversion violation).

**18 Other Eligibility Provisions (Continued)****A HELC/WC Compliance (Continued)**

Livestock, nursery, and aquaculture applicants that do not have any interest in agricultural land (such as cropland, pastureland, rangeland, or forestland) certify to compliance by checking box 5A of AD-1026 (discussed in AD-3117, Part A, item 8B), as they do with other USDA benefits subject to conservation compliance (farm records are not required; see 6-CP, subparagraph 641 D).

All other producers (discussed in AD-3117, Part A, item 8) that do not have continuous AD-1026 certification of compliance on file, must file a complete AD-1026 according to provisions in 6-CP (including certification of Part B HELC/WC compliance questions). 6-CP, subparagraph 641 D states these producers must establish farm records to which their certification of compliance applies before recording AD-1026 as “certified”. However, for CFAP 2, County Offices will record AD-1026 as “certified” when received. County Offices will keep these AD-1026’s in a “needs to establish farm records folder” if information is not readily available to establish them. The producers will be contacted to do so as workload and time allows. Certification of AD-1026, recorded in subsidiary is still required for the CFAP 2 payment to process.

**B Controlled Substance**

State or Federal controlled substances convictions for planting, cultivating, growing, producing, harvesting, storing, trafficking, and possession apply to CFAP 2. See 1-CM, paragraph 871.

## 19 Eligibility Form Requirements

### A Payment Limitation, Payment Eligibility, and AGI Forms

The automated CCC-902 will be completed according to 5-PL and 3-PL (Rev.2) by **all** CFAP 2 applicants to collect:

- names, addresses, and taxpayer identification numbers for the person or legal entity (and its members)
- member information for legal entities (including joint operations)
- citizenship status for the person or legal entity (and its members)
- contributions of foreign persons.

**Notes:** The manual CCC-902I (Parts A and B), CCC-902E (Parts A, B, and C), and CCC-901 (if applicable) may be used to collect the required information for CFAP 2. Information collected on manual forms **must** be loaded in Business File according to 3-PL (Rev. 2).

Applicants who are foreign persons or foreign entities as defined in 5-PL must complete CCC-902 to collect contributions of the foreign persons.

CCC-903 will be used to document COC payment limitation, producer eligibility, and foreign person eligibility determinations.

CCC-941 will be used to collect the certification of AGI for the CFAP 2 applicant.

CCC-942 will be used to collect farm AGI certifications from the CFAP 2 applicant and CPA or attorney, as applicable.

### B HELC/WC Eligibility Forms

CFAP 2 applicant and all affiliates will complete AD-1026 according to 6-CP.

## 20 Timeframe for Filing Eligibility Documents

### A Deadline for Filing Eligibility Documents

[7 CFR Part 9 Subpart A §9.4] CFAP 2 applicants **must** file all CFAP 2 eligibility documents within 60 calendar days from the date of signing a CFAP 2 application.

Failure to timely provide all eligibility forms may result in no payment or a reduced payment.

21 Eligible Commodities and Signup Period

A Eligible Commodities

CFAP 2 provides financial assistance to eligible producers with an ownership interest in the following eligible commodities that have been determined to have been impacted by the effects of the COVID-19 outbreak.

Commodity Category	Eligible Commodity																																
Dairy (See Part 4)	<ul style="list-style-type: none"> <li>• Dairy (milk)</li> </ul>																																
Eggs and Broilers (See Part 5)	<ul style="list-style-type: none"> <li>• Broilers</li> <li>• Shell Eggs</li> <li>• Dried Eggs</li> <li>• Liquid Eggs</li> <li>• Frozen Eggs</li> </ul>																																
Livestock (See Part 6)	<ul style="list-style-type: none"> <li>• Beef Cattle</li> <li>• Hogs and Pigs</li> <li>• Sheep and Lambs</li> </ul>																																
Sales Commodities (See Part 7)	<ul style="list-style-type: none"> <li>• Aquaculture grown in a controlled environment</li> <li>• Nursery crops and floriculture</li> <li>• Other livestock (excluding breeding stock) not included under the price trigger category that were grown for food, fiber, fur, or feathers</li> <li>• Other crops not included in the price trigger and flat-rate categories, including tobacco</li> <li>• Goat milk</li> <li>• Mink (including pelts)</li> <li>• Mohair</li> <li>• Wool</li> <li>•*--Turfgrass sod--*</li> <li>• Other commodities as determined by the Secretary.</li> </ul>																																
Acreage Based Crops (See Part 8)	<b>Price Trigger Crops</b>																																
	<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">• Barley</td> <td style="width: 33%;">• Sorghum, Dual Purpose</td> <td style="width: 33%;">• Upland Cotton</td> </tr> <tr> <td>• Corn</td> <td>• Soybeans</td> <td>• Wheat</td> </tr> <tr> <td>• Sorghum</td> <td>• Sunflowers</td> <td></td> </tr> </table>	• Barley	• Sorghum, Dual Purpose	• Upland Cotton	• Corn	• Soybeans	• Wheat	• Sorghum	• Sunflowers																								
	• Barley	• Sorghum, Dual Purpose	• Upland Cotton																														
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<b>Flat-Rate Crops</b>																																	
<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">• Alfalfa</td> <td style="width: 33%;">• Indigo</td> <td style="width: 33%;">• Rice, Sweet</td> </tr> <tr> <td>• Amaranth grain</td> <td>• Industrial Rice</td> <td>• Rice, Wild</td> </tr> <tr> <td>• Buckwheat</td> <td>• Kenaf</td> <td>• Rye</td> </tr> <tr> <td>• Canola</td> <td>• Khorasan</td> <td>• Safflower</td> </tr> <tr> <td>• Cotton, ELS</td> <td>• Millet</td> <td>• Sesame</td> </tr> <tr> <td>• Crambe (Colewort)</td> <td>• Mustard</td> <td>• Speltz</td> </tr> <tr> <td>• Einkorn</td> <td>• Oats</td> <td>• Sugar Beets</td> </tr> <tr> <td>• Emmer</td> <td>• Peanuts</td> <td>• Sugarcane</td> </tr> <tr> <td>• Flax</td> <td>• Quinoa</td> <td>• Teff</td> </tr> <tr> <td>• Guar</td> <td>• Rapeseed</td> <td>• Triticale</td> </tr> <tr> <td>• Hemp</td> <td>• Rice</td> <td></td> </tr> </table>	• Alfalfa	• Indigo	• Rice, Sweet	• Amaranth grain	• Industrial Rice	• Rice, Wild	• Buckwheat	• Kenaf	• Rye	• Canola	• Khorasan	• Safflower	• Cotton, ELS	• Millet	• Sesame	• Crambe (Colewort)	• Mustard	• Speltz	• Einkorn	• Oats	• Sugar Beets	• Emmer	• Peanuts	• Sugarcane	• Flax	• Quinoa	• Teff	• Guar	• Rapeseed	• Triticale	• Hemp	• Rice	
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• Flax	• Quinoa	• Teff																															
• Guar	• Rapeseed	• Triticale																															
• Hemp	• Rice																																

**21 Eligible Commodities and Signup Period (Continued)****A Eligible Commodities (Continued)**

\*--CFAP 2 provides financial assistance to eligible contract producers who produced broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs under a contract in both the 2019 and 2020 calendar years, received revenue under such a contract during the period from January 1, 2020, through December 27, 2020, and had a loss in eligible revenue for the period from January 1, 2020, through December 27, 2020, as compared to the period from January 1, 2019, through December 27, 2019. See Part 9.--\*

**B CFAP 2 Signup Period**

An eligible producer who had an ownership share interest and risk of production loss in 1 or more of the eligible CFAP 2 commodities can file a CFAP 2 application by submitting a completed AD-3117 to any USDA Service Center from **September 21, 2020, through** \*--**December 11, 2020**, for all eligible commodities other than pullets and turfgrass sod and contract producers. CFAP 2 applications for pullets, turfgrass sod, and contract producers must be submitted to any USDA Service Center by February 26, 2021. The recording county will be responsible for acting on AD-3117.

**Note:** The payment calculation for sales-based commodities has been amended to include the amount of crop insurance indemnities, NAP, and WHIP+ payments for crop year 2019, in addition to the amount of the producer's 2019 eligible sales. Producers of eligible sales-based commodities who received crop insurance indemnities, NAP, or WHIP+ payments for crop year **2019** may amend their CFAP 2 applications through February 26, 2021, to include those amounts.

AD-3117's submitted or postmarked after December 11, 2020, for all eligible commodities other than pullets, turfgrass sod, and contract producers or after February 26, 2021, for pullets, turfgrass sod, contract producers, and amended applications to include the amount of crop insurance indemnities, NAP, and WHIP+ payments for sales-based commodities will--\* be disapproved. See subparagraph 51 E.



22 CFAP 2 Payments and Payment Rates

A CFAP 2 Payments

The CFAP 2 payment is:

- available to eligible producers who had or still have an ownership interest in 1 or more of \*--the eligible commodities and eligible contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs--\*
- **not** subject to sequestration
- not subject to offset.

Generally, the payment will be issued as a single payment for each producer nationwide; however, subsequent payments may be issued as more data is received from each producer. See paragraph 52 on revising AD-3117's.

Payments will be determined according to the following table.

*** Category	Part 1 (CARES Act Funds)	Part 2 (CCC Funds)
Dairy (See Part 4)		For each eligible producer, a payment rate per pound of milk production including dumped milk for the months of April through August 2020, and estimated production from September through December 2020.
Broiler and Eggs (See Part 5)		For each eligible producer, a payment rate per head for broilers, per dozen for shell eggs, and per pound for dried, liquid, and frozen egg 2019 total production.

22 CFAP 2 Payments and Payment Rates (Continued)

A CFAP 2 Payments (Continued)

*** Category	Part 1 (CARES Act Funds)	Part 2 (CCC Funds)
Livestock (See Part 6)		Payments will be based on the highest owned inventory of eligible livestock, excluding breeding stock, on a date selected by the eligible producer from April 16, 2020, through August 31, 2020.
Sales Commodities (See Part 7)	FOR TOBACCO ONLY - Payment calculations will use a sales-based approach based on 5 payment gradations associated with the producer’s 2019 sales of the commodity multiplied by the payment rate for that range.	Payment calculations for the sales commodities will use a sales-based approach based on 5 payment gradations associated with the producer’s 2019 sales, *--including crop insurance indemnities, NAP, and WHIP+ payments for crop year 2019,--* of the commodity multiplied by the payment rate for that range.
Acreage Based Crops (See Part 8)		For each eligible producer, payments will be based on the number of 2020 acres of either price-trigger or flat-rate crops.
*--Contract Producers (See Part 9)		<p>For eligible contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs, if eligible revenue received beginning January 1, 2020, and ending on December 27, 2020, decreased compared to eligible revenue for the period from January 1, 2019, through December 27, 2019, then payments will be equal to:</p> <ul style="list-style-type: none"> <li>• eligible revenue received from January 1, 2019, through December 27, 2019, minus eligible revenue received from January 1, 2020, through December 27, 2020, multiplied by</li> <li>• 80 percent.--*</li> </ul>

22 CFAP 2 Payments and Payment Rates (Continued)

**B CFAP 2 Payment Rates**

CFAP 2 payment rates are determined by CCC.

The payment rates are available at <http://farmers.gov/CFAP 2>. Payments rates are established according to the following table.

Commodity Category	Eligible Commodity	Unit of Measure	CARES Act Payment Rate	CCC Payment Rate
Dairy	Dairy (Milk)	LBS		\$0.012
Eggs and Broilers	Shell Eggs	DZ		\$0.05
	Liquid Eggs	LBS		\$0.04
	Frozen Eggs	LBS		*--\$0.05
	Dried Eggs	LBS		\$0.14--*
	Broilers	HD		\$1.01
Livestock (Excluding Breeding Stock)	Beef Cattle	HD		\$55.00
	Hogs and Pigs	HD		\$23.00
	Sheep	HD		\$27.00
Price-Trigger Crops <sup>1/</sup>	Barley	BU		\$0.34
	Corn	BU		\$0.23
	Cotton, Upland	LBS		\$0.04
	Sorghum	BU		\$0.31
	Soybean	BU		\$0.31
	Sunflowers	LBS		\$0.01
	Wheat (all classes)	BU		\$0.39
Flat-Rate Crops	<ul style="list-style-type: none"> <li>• alfalfa</li> <li>• amaranth grain</li> <li>• buckwheat</li> <li>• canola</li> <li>• cotton, ELS</li> <li>• crambe (colewort)</li> <li>• einkorn</li> <li>• emmer</li> <li>• flax</li> <li>• guar</li> <li>• hemp</li> <li>• indigo</li> <li>• industrial rice</li> <li>• kenaf</li> <li>• Khorasan</li> <li>• millet</li> <li>• mustard</li> <li>• oats</li> <li>• peanuts</li> <li>• quinoa</li> <li>• rapeseed</li> <li>• rice</li> <li>• rice, sweet</li> <li>• rice, wild</li> <li>• rye</li> <li>• safflower</li> <li>• sesame</li> <li>• speltz</li> <li>• sugar beets</li> <li>• sugarcane</li> <li>• triticale</li> </ul>	Acre		\$15.00

<sup>1/</sup> The payment for price-trigger crops is the greater of the payment calculated based on the per unit of measure or \$15 per acre. See paragraph 284 for the specific calculation.

**22 CFAP 2 Payments and Payment Rates (Continued)**

**B CFAP 2 Payment Rates (Continued)**

The following table provides payment rates for sales commodities.

<b>2019 Sales Range</b>	<b>Percent Payment Factor</b>
Up to \$49,999	10.6
\$50,000-\$99,999	9.9
\$100,000-\$499,999	9.7
\$500,000-\$999,999	9.0
All sales over \$1 million	8.8

**23-34 (Reserved)**

## Section 2 Eligibility Requirements

### 35 CFAP 2 Eligibility

#### \*--A General Eligibility for CFAP 2 Commodities and Contract Producers

Specific commodity and contract producer eligibility policy can be found in:--\*

- Part 4 for Dairy (Milk)
- Part 5 for Eggs and Broilers
- Part 6 for Livestock
- Part 7 for Sales Commodities
- Part 8 for Acreage-Based Crops
- \*--Part 9 for Contract Producers (broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs).

### 36 Production, Sales, Revenue, Inventory, and/or Acreage Reporting for CFAP 2 Eligible Commodities

#### A Reporting Requirements

The requirement to provide production, sales, revenue, inventory, and/or acreage certification on AD-3117 is based on each eligible producer's nationwide ownership interest in the commodity, regardless of where the commodity was grown or is stored or eligible contract producer's nationwide interest in designated commodities under contract.--\*

**Note:** Ownership interest does not mean interest as a landowner. In this context, ownership interest means as owners of the commodity with both control of and title to the commodity.

#### B Documentation

Producers must maintain documentation, as discussed in subparagraph 51 B, to support all \*--certifications of production, sales, revenue, inventory, and/or acreage.--\*

**37 Payment Eligibility Requirements**

**A Payment Eligibility**

To be considered eligible for CFAP 2 payment, in addition to submitting a completed AD-3117, persons or legal entities must have filed the following forms for the 2020 production year:

- AD-1026 according to 6-CP (see subparagraph 18 A for AD-1026)
- applicable CCC-902 according to 5-PL
- CCC-941 or CCC-942 for AGI certification according to 5-PL.

**Note:** 2016, 2017, and 2018 tax years are used to calculate AGI for 2020 CFAP 2. All required eligibility forms **must** be filed before an CFAP 2 payment can be issued.

**38-49 (Reserved)**

**Part 3 Application Processing and Review for Approval****Section 1 Application Processing****50 Applying for CFAP 2****A Application Submission**

Producers will submit 1 application for their entire operation nationwide. The application may include any or all eligible commodities and may be revised to add 2020 sales or production, when applicable.

A producer may submit an application using any of the following methods:

- in person, when available
- by mail
- electronically by:
  - FAX
  - e-mail with a scanned or photocopy of signed AD-3117 attached
  - other authorized method (provided by supplemental notice or other guidance) online at **www.farmers.gov**
  - online application.

**Note:** Submitting AD-3117 online requires an active Level 2 eAuthentication account. Individual producers can register for a Level 2 eAuthentication account at **www.eauth.usda.gov**. A fillable format of AD-3117 will also be available for applicants to sign and submit by 1 of the methods in this subparagraph.

**50 Applying for CFAP 2 (Continued)****B Signing and Certifying AD-3117**

By signing AD-3117, Part I, the individual is:

- applying for a CFAP 2 payment for the producer listed on Part B and if applicable, members listed in Part H of AD-3117
- certifying all the information provided on AD-3117 is true and correct
- agreeing to:
  - be in business of farming at the time of application, except dairy operations dissolving after enrolled in CFAP 2
  - provide all information that is necessary to verify that the information provided on AD-3117 is accurate
  - allow USDA representatives access to all documents and records, including those in the possession of a third-party such as a warehouse operator, processor or packer
  - comply with maximum payment limitation and adjusted gross income provisions applicable to CFAP 2 by the required forms
  - provide to USDA all information required for program participation within 60 calendar days from the date the producer signs this application
  - comply with the provisions of the Food Security Act of 1985 that protect highly erodible land and wetlands
- acknowledging that:
  - providing false certification to FSA is cause for disapproval of AD-3117 and is punishable by imprisonment, fines, and other penalties
  - a CFAP 2 payment will only be made with respect to a commodity produced in the United States and intended to be marketed for commercial production



**50 Applying for CFAP 2 (Continued)****C Signature Requirements**

A complete AD-3117, including the applicant's signature **must** be received no later than:

- \*--December 11, 2020, for applications of all eligible commodities other than pullets, turfgrass sod, and contract producers
- February 26, 2021, for applications for pullets, turfgrass sod, contract producers, and amended applications to include the amount of crop insurance indemnities, NAP, and WHIP+ payments for crop year 2019 for the sales-based commodities.--\*

See 1-CM for signature requirements.

**D Recording Receipt of AD-3117's and Accessing CFAP 2 Application**

Offices must make every effort to process the AD-3117 in the system and then have the producer sign the application. If the CFAP 2 system is not available, a manual AD-3117 must be completed.

**Note:** COC's are not to approve any AD-3117 until **after** AD-3117 has been loaded into the CFAP 2 system.

If a producer submits a signed manual AD-3117 to the County Office, enter the application in the system. County Office will date stamp AD-3117 upon receipt of AD-3117 signed in Part I by the producer.

If a producer submits an application to a County Office that is not the producer's recording County Office, the receiving County Office will date stamp the signed application and send a copy by e-mail or FAX to the recording County Office.

See Exhibit 20 for instructions on completing AD-3117.

51 **Reviewing and Acting on AD-3117's**

**A Redelegation of Authority for AD-3117's**

COC may redelegate authority to CED to approve routine AD-3117's; however, CED **cannot** further redelegate authority to PT.

All adverse actions must go to COC for review.

**Important:** Approved AD-3117's are subject to prompt pay interest; therefore, every effort must be made to complete the payment process as soon as possible for approved AD-3117's.

**B Reviewing AD-3117's for Reasonableness**

\*--Production, sales, revenue, inventories, and/or acreage, as applicable, will be a--\* self-certification by the producer and is subject to spot check. COC's may request additional documentation from a CFAP 2 applicant to support a producer's certification of eligible commodities. The following table provides a list of examples of supporting documentation.

**Note:** If a producer fails to submit additional documentation in response to a request to substantiate production, sales, and/or inventories, as applicable, of any eligible commodity on the application, COC will make the applicable COC adjustments on the application for the commodities and/or disapprove the application, as applicable.

<b>Commodity/ *--Category</b>	<b>Source of Supporting Documentation--*</b>
Dairy	<ul style="list-style-type: none"> <li>• milk marketing statements for the months of April, May, June, July, and August 2020</li> <li>• records documenting milk that was dumped during April, May, June, July, and August 2020</li> <li>• other records determined acceptable by COC.</li> </ul>
Eggs and Broilers	<ul style="list-style-type: none"> <li>• egg and broilers marketing statements for 2019</li> <li>• contracts</li> <li>• sales receipts</li> <li>• other records determined acceptable by COC.</li> </ul> <p><b>Note:</b> If the applicant was a new producer after December 31, 2019, provide 2020 documentation.</p>

51 Reviewing and Acting on AD-3117's (Continued)

B Reviewing AD-3117's for Reasonableness (Continued)

Commodity/ *--Category	Source of Supporting Documentation--*
Sales Commodities	<ul style="list-style-type: none"> <li>• schedule F</li> <li>• sales receipts</li> <li>• other sales documents indicating when a commodity was sold</li> <li>• ledgers of income</li> <li>• income statements of deposit slips</li> <li>• register tapes</li> <li>• invoices for custom harvesting</li> <li>• records to verify production costs</li> <li>• contemporaneous measurements</li> <li>• truck scale tickets</li> <li>• contemporaneous diaries – determined acceptable by COC</li> <li>•*--crop insurance, NAP, and WHIP+ records--*</li> <li>• other records determined acceptable by COC.</li> </ul> <p><b>Note:</b> If the applicant was a new producer after December 31, 2019, provide 2020 documentation.</p>
Livestock	<p>Documentation that verifies the number of head claimed as owned inventory, which includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• breeding records</li> <li>• feeding records</li> <li>• inventory records</li> <li>• rendering receipts</li> <li>• sales receipts</li> <li>• veterinary records</li> <li>• other records determined acceptable by COC.</li> </ul>
*--Contract Producers	<ul style="list-style-type: none"> <li>• 2019 and 2020 1099-MISC forms</li> </ul> <p><b>Note:</b> 1099-MISC forms document calendar year income. For CFAP 2, 2019 and 2020 revenue must be certified by the contract producer for a period beginning January 1 and ending on December 27 of each respective year. Revenue received between December 28 and December 31 in each calendar year must not be included.</p> <ul style="list-style-type: none"> <li>• contract grower agreements, ledgers of income, income or revenue statements, and reports issued by owners of eligible commodity</li> <li>• other records determined acceptable by COC.--*</li> </ul>

## 51 Reviewing and Acting on AD-3117's (Continued)

### C Acting on AD-3117's

The recording county's COC, or CED if delegated, will act on all completed and signed AD-3117's submitted. No action by COC is applicable to Part G, Specialty Crop Information.

**Important:** Payments cannot be authorized until DD has approved the CED's review of the first five AD-3117's according to subparagraph 3 C.

### D Approving AD-3117's

Before approving AD-3117's, COC or CED, if delegated, must ensure that:

- all program eligibility requirements are met
- the person or legal entity applying for CFAP 2 is determined to be according to subparagraph 15 A
- signature requirements are met according to 1-CM, signed AD-3117 in Part I
- \*--production, sales, revenue, and/or inventories as certified and, as applicable, are--\* reasonable
- AD-3117 was received or postmarked **by** the end of the signup period.

If all program eligibility requirements are met and COC or delegate has determined that the information on AD-3117 is reasonable and accurate, COC or delegate will approve AD-3117 and thoroughly document approval in the COC minutes.

**Notes:** Situations may occur when contract approval is not available in the software. Contract approval is also not allowed "on paper" during these times.

Completing eligibility forms (AD-1026, CCC-902, CCC-941, etc.) are not a condition of COC, or CED, approving AD-3117. However, these forms must be filed within 60 calendar days of the producer signing AD-3117. Failure to timely provide all eligibility forms may result in no payment or a reduced payment. County Offices must immediately update the Business File and Subsidiary record when the eligibility forms are filed.

51 **Reviewing and Acting on AD-3117's (Continued)****E COC Adjusting or Disapproving AD-3117's**

If it is determined that any of the information as certified on AD-3117 is not reasonable or is questionable, evidence may be requested from the participant according to subparagraph B. If evidence provided by the participant differs from the information certified, COC's do have authority to make adjustments. See subparagraph 3 G on producer responsibilities.

COC will disapprove AD-3117 if **any** of the following occur:

- program eligibility requirements are not met
- person or legal entity applying for CFAP 2 is determined to not to be an eligible producer according to subparagraph 15 B
- information on AD-3117 or supporting documentation provided by the participant is not accurate or reasonable
- evidence that applicant did not have a reported ownership share interest in the eligible commodity
- signature requirements were not met according to 1-CM, signed AD-3117 in Part I

**Note:** If AD-3117 was completed but never signed by the producer or someone on behalf of the producer, take **no** action on AD-3117. It is not considered filed unless it is signed.

- \*--AD-3117 was submitted or postmarked **after** December 11, 2020, for applications for all eligible commodities other than pullets and turfgrass sod and contract producers or February 26, 2021, for applications for pullets, turfgrass sod, contract producers, and amended applications to include the amount of crop insurance indemnities, NAP, and WHIP+ payments received for crop year 2019 for the sales-based commodities.--\*

If COC disapproves AD-3117 for any reasons listed, or adjusts AD-3117 for any reason, then COC must take the following actions:

- adjust or disapprove AD-3117 as applicable
- notify the participant of the adjustment or disapproval
- provide participant applicable appeal rights according to 1-APP
- thoroughly document reasons for the adjustment of disapproval in the COC minutes.

## 52 Revised AD-3117's and Signature Requirements

### A Revised AD-3117's

AD-3117's can be revised after filing and after AD-3117 was approved and paid before the end of the signup period. The reasons for revision can vary. Some reasons may include:

- \*--production, sales, revenue, or inventory reported was incorrect or entered in error
- additional production, sales, revenue, or inventory was not reported on original--\* application.

For any revision to an approved and paid AD-3117, thoroughly document the reason for the revision in the COC minutes and provide the producer a copy of the revised AD-3117.

### B Revisions That Require New Producer Signatures and Approval

Any revision to a previously approved and paid AD-3117 that would increase the calculated payment amount requires a new producer signature and new approval date entered.

- \*--The payment calculation for sales-based commodities has been amended to include the amount of crop insurance indemnities, NAP, and WHIP+ payments received for crop year 2019 for the sales-based commodities in addition to the amount of the producer's 2019 eligible sales. Producers of eligible sales-based commodities who received crop insurance indemnities, NAP, and WHIP+ payments in 2019 may amend their CFAP 2 approved applications through February 26, 2021, to include those amounts. A new producer signature on AD-3117 is required.--\*

### C Revisions That Do Not Require New Producer Signature

A revision that adversely affects an application does not require a new producer signature. Notify the participant in writing of the revision, provide participant applicable appeal rights according to 1-APP, and thoroughly document reason for the revision in the COC minutes.

If a revision results in less payment acres, CED will issue a reduced payment letter along with a copy of the revised AD-3117.

- \*--A new producer signature is not required on AD-3117 if revisions or updates are required in item 25, "COC Adjusted Weighted Insurance Approved Yield", according to paragraph 262.--\*

Any revised AD-3117 must have a new approval entered.

## 53-64 (Reserved)

**Section 2 General Payment Provisions for CFAP 2****65 General Payment Provisions****A Introduction**

The CFAP 2 payment process is an automated process that determines:

- whether the producer is eligible to receive payment
- the payment amount that can be sent to NPS for disbursement
- the overpayment amount that will be updated to the Pending Overpayment Report.

**B Frequency of Payment Processing**

CFAP 2 payments are processed nightly for the following:

- applications for which an approval is updated in the software during the workday
- changes made to the application or eligibility flags that could affect the producer's payment or overpayment amount determination.

**C Obtaining FSA-325 for Deceased, Disappeared, or Incompetent Producers**

Follow 1-CM provisions for persons who have died, disappeared, or been declared incompetent.

**D Administrative Offset**

CFAP 2 payments are **not** subject to administrative offset.

**65 General Payment Provisions (Continued)****E Assignments and Joint Payments**

A producer entitled to an CFAP 2 payment may assign the payment according to 63-FI. CFAP 2 payments and may be assigned, provided CCC-36 is submitted by the applicant or made to a joint payee, provided CCC-37 is submitted by the applicant before payment is made. County Offices will follow 63-FI to process assignments and joint payment authorizations.

**F Bankruptcy**

Bankruptcy status does **not** exclude a producer from requesting CFAP 2 benefits.

**Important:** Contact the OGC Regional Attorney for guidance on issuing CFAP 2 payments on all bankruptcy cases.

**G Payments Less Than \$1**

CFAP 2 payment process will issue all payments.

**H Payment Due Date**

Follow the provisions of 61-FI for issuing interest payments.

**I Sequestering CFAP 2 Payments**

CFAP 2 payments are **not** subject to sequestration.

**J General Payment Policy**

See 9-CM, Part 2 for general payment policy for the following:

- eligible ID types and business types
- payment eligibility
- payment limitation and attribution of payments
- joint operations and entities
- general provisions for overpayments.



**66 Payment Limitation Provisions****A Payment Eligibility and Limitation Information for CFAP 2 Payments**

CFAP 2 has its own per person or legal entity payment limitation separate from other programs. The per person or legal entity payment limitation for CFAP 2 is provided in subparagraphs 16 A and B and will be attributed through direct attribution.

As each payment is processed, the available payment limitation for the person or legal entity will be reduced until:

- all CFAP 2 payments are issued for the person or legal entity
- the maximum payment limitation has been attributed to a person or legal entity.

**67 CFAP 2 Subsidiary Eligibility****A Introduction**

The payment process reads the web-based eligibility system for the 2020 year to determine whether a producer or member of a joint operation is eligible to be paid. If the producer or member is ineligible to be paid, the payment will not be issued or will be reduced, and the producer or member will be listed on the Nonpayment Report with the applicable message.

**B Subsidiary Eligibility**

If a producer has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition as provided in subparagraph C will be printed on the Nonpayment Report.

67 CFAP 2 Subsidiary Eligibility (Continued)

**B Subsidiary Eligibility (Continued)**

The following table provides eligibility provisions that apply to CFAP 2 payments.

Eligibility Determination/Certification	Value	Eligible for CFAP 2 Payment	Exceptions
AD-1026	Certified	Yes	
	Not Filed	No	
	Good Faith Determination	Yes	
	COC Exemption	Yes	
	Awaiting Affiliate Certification	No	
	Affiliate Violation	No	
Conservation Compliance – Farm/Tract Eligibility	In Compliance	Yes	<u>1/</u> A partial compliance value of Yes” will result in an additional determination for the farm.
	Partial Compliance	Yes <u>1/</u>	
	In Violation	No	
	No Association	Yes	
	Past Violation	No	
	Reinstated	Yes	
AGI - \$900,000 Limitation  <b>Note:</b> See 5-PL for additional information about AGI determinations.	Not Filed	No	<u>2/</u> If an IRS determination has:  <ul style="list-style-type: none"> <li>• <b>not</b> been returned, then the payment process will use the producer certification value</li> <li>• been returned, then the payment process will use the IRS returned value.</li> </ul> <u>3/</u> If the IRS value is <b>not</b> processed, then the payment process will use the producer certification value.
	Filed CCC-941	Yes <u>2/</u>	
	Exempt	Yes	
	Not Met - Producer	No	
	Not Processed	<u>3/</u>	
	Compliant - Producer	Yes	
	Compliant - Less than 3 years	Yes	
	Not Compliant	No	
	Failed Verification	No	

67 CFAP 2 Subsidiary Eligibility (Continued)

**B Subsidiary Eligibility (Continued)**

<b>Eligibility Determination/Certification</b>	<b>Value</b>	<b>Eligible for CFAP 2 Payment</b>	<b>Exceptions</b>
Adjusted Gross Income – 75% Farm AGI Rule	Yes	Yes	
	No	No	
Foreign Person Determination	Yes or Not Applicable	Yes	
	No or Pending	No	
Controlled Substance	No Violation	Yes	
	Growing	No	
	Trafficking	No	
	Possession	No	

**C Eligibility Conditions Priority**

If a person or legal entity has multiple invalid subsidiary eligibility conditions, only the highest priority ineligible condition will be printed on the Nonpayment Report and Pending Overpayment Reports. The following table provides the priority of conditions.

<b>Priority</b>	<b>Eligibility Provision</b>
1	Conservation Compliance
2	Controlled Substance
3	AD-1026

## 68 CFAP 2 Payments

**A Supporting Files for Integrated Payment Processing**

The CFAP 2 payment process is a web-based integrated process that uses a wide range of information and other program determinations and values to determine whether a payment should be issued, including the amount of gross payment, reductions, and the net payment amount. For payments to be calculated correctly, all supporting files must be updated correctly, including **all** of the following.

<b>Type of Information</b>	<b>How Information Is Used for Payment Processing</b>	<b>Source</b>
AD-3117 data	The information from AD-3117 is used to complete the Gross Payment Report for approved commodities which determines the CFAP 2 Dairy, CFAP 2 Eggs and/or Broilers, CFAP 2-Livestock, CFAP 2 Sales Commodities and/or CFAP 2 Acreage-Based Crops gross payment amount for the producer.	Application System
Payment Eligibility Information	Used to determine whether the producer (individual, entity, and/or member of a general partnership or joint operation) is eligible for payment for which AD-3117 was filed.	Web-Based Eligibility System
General Name and Address Information	Used to determine the producer's business type, citizenship status, and general name and address information.	Business Partner/ SCIMS
Entity and Joint Operation Information	Used to determine the following for which AD-3117 was filed: <ul style="list-style-type: none"> <li>• entities</li> <li>• general partnerships</li> <li>• joint ventures.</li> </ul>	Business File
Available Payment Limitation	Used to determine payment limitation availability.	Payment Limitation System
Financial Related Information	<ul style="list-style-type: none"> <li>• Calculated payment information is provided to NPS.</li> <li>• Determined overpayment amount may be provided to NRRS.</li> </ul>	NPS or NRRS

68 CFAP 2 Payments (Continued)

**B Prerequisites for Payment**

The following table details the actions that **must** be performed or verified as having been completed to properly issue payments. COC, CED, or designee will ensure that the actions are completed.

Step	Action
1	AD-3117 has been approved and the approval date has been recorded in the system.
2	AD-1026 is on file for the applicable year for those seeking payment and the eligibility information is recorded in the web-based eligibility system. See 6-CP and 3-PL (Rev. 2).
3	CCC-902 is on file and a determination made, as is applicable according to 5-PL for the applicable year for persons and legal entities.
4	CCC-941, and CCC-942 if applicable, is on file for the applicable year for persons and legal entities and the certification information is recorded in the web-based eligibility system. See 5-PL and 3-PL (Rev. 2).
5	All other eligibility determinations have been updated according to the determinations made by COC for persons and legal entities. See 5-PL.
6	Joint operation and entity ownership structure information is updated in Business File for the applicable year. See 3-PL (Rev. 2).
7	Assignments and joint payees have been updated in NPS if CCC-36, CCC-37, or both were filed for CFAP 2. See 63-FI.
8	SF-3881 has been received and recorded in financial applications, or a hardship waiver is on file. See 1-FI.

**69 CFAP 2 Payment Reports**

**A Displaying or Printing CFAP 2 Payment Reports**

CFAP 2 Payment Reports are available to provide information about each payment or nonpayment. Most of the payment reports have information that is common between program areas. Information about these reports is in 9-CM. The CFAP 2 Payment History Report – Detail has program-specific data so information for this report is in this handbook.

CFAP 2 Payment Report information is available according to the following.

<b>Report Name</b>	<b>Type of Data</b>	<b>Reference</b>
Submitted Payments Report	Live	9-CM, paragraph 63
Submitted Overpayments Report	Live	9-CM, paragraph 64
Pending Overpayment Report	Live	9-CM, paragraph 65
<b>Note:</b> The Pending Overpayment Report is accessed through the Pending Overpayment Summary Report according to 9-CM, paragraph 64.5.		
Nonpayment/Reduction Report	Live	9-CM, paragraph 66
Insufficient Funds Report	Live	9-CM, paragraph 67
Payments Computed to Zero Report	Live	9-CM, paragraph 68
Payment History Report – Summary	Report Database	9-CM, paragraph 69
Payment History Report – Detail	Report Database	9-CM, paragraph 70

**Note:** See 9-CM for complete instructions on accessing the Common Payment Report System.

**70 Recording CFAP 2 Payments**

**A Recording Payments**

Recording State and county for the producer is to complete the CFAP 2 payment.

**Note:** The recording State and county for a producer is identified in the Subsidiary Eligibility System.

**71-84 (Reserved)**

**Part 4 Dairy****Section 1 Basic Information****85 Overview****A Introduction**

CFAP 2 provides financial assistance to dairy operations because of marketing channel disruption from the coronavirus pandemic for 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarters of calendar year 2020. To compensate dairy operations for losses, CFAP 2 will use the actual milk production from April 1 to August 31, 2020, and will use the daily average of those months to estimate the milk production for September 1, 2020, to December 31, 2020, as the basis to determine payments.

**B General Information**

For dairy producers, payments using funding from CCC will be determined by the addition of producer's actual milk production from April 1, 2020, to August 31, 2020, and the estimated milk production for September 1, 2020, to December 31, 2020. The total of actual and estimated milk production will be multiplied by \$0.012 per pound.

**86-95 (Reserved)**





**Section 2 General Program Policies and Provisions****96 CFAP 2 Dairy Eligibility****A Eligible Dairy Operations**

Dairy operations who commercially market milk from bovine in the United States at the time of enrollment are eligible for CFAP 2.

**Note:** Dairy operations that are no longer producing milk before enrollment are **not** eligible for CFAP 2.

**B Eligible Milk Production**

CFAP 2 actual milk production is:

- milk commercially marketed for the months of April, May, June, July, and August 2020
- dumped milk during the same months not recorded on marketing statements.

CFAP 2 estimated milk production is:

- milk expected to be commercially marketed for the months of September, October, November, and December 2020
- determined by the daily average of CFAP 2 actual milk production multiplied by the number of commercially, marketing days in September through December 2020.

**Note:** CFAP 2 eligibility is not affected because of participation in Dairy Margin Coverage, Dairy Revenue Protection, Livestock Gross Margin, and other dairy revenue insurance programs.

**C Dissolved Dairy Operations**

CFAP 2 requires dairy operations to be producing milk at time of enrollment. Consequently, County Offices will recommend production information not be entered for previously dissolved dairy operations.

If a previously dissolved dairy operation production information is entered on AD-3117 and Part C, Dairy is the only enrollment section completed, COC will disapprove the CFAP 2 application.

**96 CFAP 2 Dairy Eligibility (Continued)****C Dissolved Dairy Operations (Continued)**

If a previously dissolved dairy operation production information is entered on AD-3117 and other parts of the CFAP application are completed, COC will adjust the pounds in COC Adjusted Total Production in item 8 to zero.

Dairy operations that dissolve after enrollment in CFAP 2 are eligible for a prorated payment based on their applicable pounds of April 1, 2020, through August 31, 2020, milk production and estimated milk production according to the number of days producing milk after September 1, 2020.

Dissolved dairy operations are required to report on AD-3117 the date the dairy operation stopped commercially, marketed milk in item 10A.

**Note:** Dairy operations that dissolve after enrolling in CFAP 2 and have reported the dissolution date will be required to refund any unearned payment according to the days the operation was producing milk during September through December.

**D Joint Venture Dairy Operations**

Dairy operations that operate as a joint venture without a TIN and applying for CFAP 2 will require the members of the operation to apply as individuals for their applicable milk production determined by their ownership level. In working with joint venture dairy operations, County Offices will provide guidance and direction to ensure that AD-3117 is completed correctly.

**E Seasonal Dairy Operations**

Dairy operations that operate seasonally are eligible for CFAP 2 according to subparagraph B.

Seasonal dairy operations that stop producing milk after enrollment in CFAP 2 are eligible for a prorated payment based on their applicable pounds of April 1, 2020, through August 31, 2020, milk production and estimated milk production according to the number of days producing milk after September 1, 2020.

Seasonal dairy operations are required to report on AD-3117 the date the dairy operation stopped commercially, marketed milk in item 10A.

**Note:** Seasonal dairy operations that stop producing milk after enrolling in CFAP 2 and have reported the production stop date will be required to refund any unearned payment according to the days the operation was producing milk in September through December.

## 96 CFAP 2 Dairy Eligibility (Continued)

**\*--F New or Succeeding Dairy Operations Starting Milk Production Between April 1, 2020, through August 31, 2020**

A dairy operation that is new or succeeding to another dairy operation and starts producing milk on a date between April 1 and August 31, 2020, is eligible to participate in CFAP. However, the CFAP software cannot equitably calculate the estimated milk production for September through December because the dairy operation did not market milk for the entire 5-month period used as a basis for the estimation.

A new or succeeding dairy operation will enroll for CFAP by recording the day the dairy operation started milk production on AD-3117A in addition to completing AD-3117.

FSA will take the following actions:

- calculate the COC Adjusted Total Pounds by using the Worksheet Calculator
- complete AD-3117 by recording in Item 8 the COC Adjusted Total Pounds calculated by the Worksheet.

**Note:** The Worksheet Calculator can be accessed on the CFAP Intranet site at:  
[https://inside.fsa.usda.gov/program-areas/dafp/special-programs/cfap/index.--\\*](https://inside.fsa.usda.gov/program-areas/dafp/special-programs/cfap/index.--*)



97 Reporting Dairy Production

A Requirement

\*--A dairy operation will certify its actual milk production for the months of April, May, June, July, and August 2020.

The following documents are recommended to assist producers in providing accurate information:

- milk marketing statements for the months of April, May, June, July, and August 2020
- records of dumped milk not listed on milk marketing statements for the same months.

\*--Note: These documents are not required at signup because the application requires only a certification. The documents can be requested by FSA later or at any time.--\*

B AD-3117, Part C

Following is an example of AD-3117, Part C, Dairy Production.

Note: Each dairy operation must report the total of actual milk production in pounds for the months of April, May, June, July, and August in item 7. See Exhibit 20 for further AD-3117 instructions.

PART C – DAIRY PRODUCTION		COC USE ONLY	
6. Unit of Measure	7. Total Production <i>(April 1, 2020 – August 31, 2020)</i>	8. COC Adjusted Total Production <i>(April 1, 2020 – August 31, 2020)</i>	9. Estimated Total Production <i>(Sept. 1, 2020 – Dec. 31, 2020)</i>
LBS			
10A. If you are no longer producing milk, what is the last date milk was produced? <i>(MM/DD/YYYY):</i>		COC USE ONLY	
NOTE: If you cease producing milk before Dec.31, 2020, you are required to notify the FSA County office of the date you stopped producing milk or commercially marketing milk in the case of a seasonal dairy.		10B. COC Adjusted Last Date Milk was Produced	

C Processing AD-3117 for Dissolved and Seasonal Dairy Operations

\*--CFAP 2 software can process an application for a dissolved and seasonal dairy operation. County Offices will use AD-3117, which requires the date a dairy operation stopped producing milk for a dissolved or seasonal dairy operation. The software will determine eligible payments for dissolutions occurring from September 1, 2020, through December 31, 2020. A dissolved and seasonal dairy operation will be paid under CCC--\* funding according to the number of days producing milk after September 1, 2020.

In the CFAP 2 software, County Offices will enter the date the dairy operation stopped producing milk in item 10A, which is the dissolution date.

Note: The system will not accept a future date. COC will have the capability to adjust the dairy operation dissolution date if necessary.

## 97 Reporting Dairy Production (Continued)

**\*--D Processing AD-3117A for New or Succeeding Dairy Operations Starting Milk Production Between April through August 2020**

A dairy operation that is new and succeeding to another operation and starting milk production between April 1, 2020, through August 31, 2020, will complete AD-3117A.

County Office staff will complete the following based on the information provided on AD-3117A:

- Worksheet Calculator
- Item 8 on AD-3117 based on the COC Adjusted Total Production from Worksheet Calculator.

**Note:** The actual milk production as submitted by the dairy operation is to be entered in Item 7 in addition to the COC Adjusted Total Production in Item 8.

**Example:** On July 1, 2020, Old McDonald retired from dairy farming and his son Sam McDonald succeeded to the dairy operation. Sam visits FSA to sign-up for CFAP 2 and is informed that he is only eligible for his pounds of milk production produced starting July 1, 2020, through August 31, 2020.

To process Sam's CFAP 2 application, the County Office will complete AD-3117 and AD-3117A which records the date Sam started to commercially market milk and his pounds of milk production which in his case is for July through August 2020.

Sam McDonald milk production: July - 75,000 pounds  
 August - 75,000 pounds  
 Total - 150,000 pounds

In the Worksheet Calculator, the County Office will enter July 1, 2020, as the start date and 150,000 pounds as actual production. The Worksheet will calculate the COC Adjusted Total Milk Production for Sam as 247,672 pounds. When the 247,672 pounds is entered on AD-3117 and in the system, the software will equitably calculate the estimated milk production from September through December for Sam McDonald.

The County Office will enter 247,672 in Item 8 COC Adjusted Total Production on AD-3117 in addition to 150,000 pounds in Item 7.--\*

97 Reporting Dairy Production (Continued)

\*--E AD-3117A, Part A and Part B

Following is an example of AD-3117A, Part A and Part B.

**Note:** Each dairy operation must complete Items 3, 4, 5, 6, and 7. See Exhibit 21 for further instructions.

PART A DAIRY OPERATION INFORMATION			
3. Dairy Operation Name and Address			
4. Is this a new or succeeding dairy operation that started commercially, marketing milk after April 1, 2020 and before August 31, 2020?			<input type="checkbox"/> YES <input type="checkbox"/> NO
5. What are the pounds of actual milk production for the months of April 1, 2020 through August 31, 2020?			
6. What date did the dairy operation start producing milk?			
PART B DAIRY OPERATION'S CFAP MILK PRODUCTION MODIFICATION AND CERTIFICATION			
7A. Dairy Operation Name	7B. Signature of Producer (By)	7C. Title/Relationship of the Individual Signing in the Representative Capacity	7D. Date (MM-DD-YYYY)

--\*

98-110 (Reserved)





Section 3 Payments

111 Dairy Payment Components

A Payment Rates

CFAP dairy payments are funded by CCC and determined from actual (April through August) milk production and estimated (September through December) milk production in total multiplied by \$0.012 per pound.

B CFAP Dairy Payment Calculation

CFAP payment for eligible dairy will be the sum of the results of the following 2 calculations.

2020 Actual Milk Production	2020 Estimated Milk Production
<p>For each eligible producer, payment is calculated by multiplying the actual pounds of milk production provided by producer for the months April through August 2020 multiplied by \$0.012.</p> <p><b>Note: Dairy operations must be commercially, marketing milk at the time of application to be eligible for actual milk production payment.</b></p>	<p>For each eligible producer, estimated production is first calculated by determining a daily average for actual April through August milk production (pounds of actual production divided by 153 calendar days in April through August) and multiplying by 122 (days of milk production for September through December 2020) and the payment calculated by multiplying by \$0.012.</p>

**111 Dairy Payment Components (Continued)****C CFAP Dairy Application and Payment Examples****Example 1 – Easy Dairy LLC**

Easy Dairy LLC is a 100-cow family dairy farm and is interested in applying for CFAP 2. Easy Dairy LLC completes AD-3117 online using the total of monthly production from their milk marketing statements for April, May, June, July, and August 2020. In this example, Easy Dairy LLC did not dump any milk during this time. Once the actual monthly milk production is added to AD-3117, and signed by the producer, the application is complete for CFAP.

Milk production is as follows:

- April - 160,000 pounds
- May - 170,000 pounds
- June - 180,000 pounds
- July - 155,000 pounds
- August - 160,000 pounds.

**825,000 actual pounds**

**The estimated milk production is calculated:**

**825,000 pounds divided by 153 (number of days in April through August) = 5,392 average pounds per day.**

**5,392 multiplied by 122 (number of days in September through December) = 657,824 estimated pounds.**

**Total Pounds Calculation**

**Actual pounds - 825,000**  
**Estimated Pounds - 657,824**  
**Total Pounds - 1,482,824**

The payment calculation is as follows:

1,482,824 pounds multiplied by \$0.012

**Easy Dairy LLC Total Payment - \$17,793.88**

## 111 Dairy Payment Components (Continued)

## C CFAP Dairy Application and Payment Examples (Continued)

**Example 2 – McDonald Family Dairy Farm Joint Venture**

McDonald Family Dairy Farm Joint Venture is a 250-cow dairy operation, that operates without a TIN, with Old McDonald owning 90 percent and Sam McDonald owning 10 percent of the dairy operation.

For McDonald Family Dairy Farm Joint Venture to sign up for CFAP 2, Old McDonald and Sam McDonald must determine their eligible pounds of milk production for April, May, June, July, and August, based on their ownership share and **individually** apply on separate AD-3117's.

McDonald Family Dairy Farm Joint Venture did not dump any milk.

Milk production is as follows:

- April - 425,000 pounds
- May - 430,000 pounds
- June - 450,000 pounds
- July - 424,000 pounds
- August - 425,000 pounds.

**2,154,000 actual pounds**

**The estimated milk production is calculated:**

**2,154,000 pounds divided by 153 (number of days in April through August) =  
14,078 average pounds per day.**

**14,078 multiplied by 122 (number of days in September through December) =  
1,717,5164 estimated pounds.**

**Total Pounds Calculation**

**Actual pounds - 2,154,000**  
**Estimated Pounds - 1,717,516**  
**Total Pounds - 3,871,516**

111 Dairy Payment Components (Continued)

C CFAP Dairy Application and Payment Examples (Continued)

**Example 2 – McDonald Family Dairy Farm Joint Venture**

Eligible pounds for joint venture members are as follows:

- Old McDonald – 3,871,516 x 90 percent = 3,484,364 lbs.
- Sam McDonald – 3,871,516 x 10 percent = 387,152 lbs.

The payment calculation is as follows:

- Old McDonald’s Payment Calculation:

$$3,484,364 \text{ lbs.} \times \$0.012 = \$41,812.37$$

**Old McDonald’s Total Payment - \$41,812.37**

- Sam McDonald’s Payment Calculation:

$$387,152 \text{ lbs.} \times \$0.012 = \$4,645.82$$

**Sam McDonald’s Total Payment - \$4,645.82**

111 Dairy Payment Components (Continued)

C CFAP Dairy Application and Payment Examples (Continued)

**Example 3 - Sky's the Limit Dairy**

Sky's the Limit Dairy is a large dairy operation with an annual milk production of approximately 100 million pounds.

Milk production is as follows:

- April - 8,150,000 pounds
- May - 8,250,000 pounds
- June - 8,300,000 pounds
- July - 8,100,000 pounds
- August - 8,150,000 pounds.

**Total – 40,950,000 pounds**

**The estimated milk production is calculated:**

**40,950,000 pounds divided by 153 (number of days in April through August) = 267,647 average pounds per day.**

**267,647 multiplied by 122 (number of days in September through December) = 32,652,934 estimated pounds.**

**Total Pounds Calculation**

**Actual pounds - 40,950,000**  
**Estimated Pounds - 32,652,934**  
**Total Pounds - 73,602,934**

The payment calculation is as follows:

73,602,934 pounds x \$0.012 = \$883,235.21

**Sky's the Limit Total Payment - \$883,235.21**

**Note:** The \$250,000 payment limit applies; however, Sky's the Limit Dairy may earn up to \$750,000 of limit if 3 persons holding an ownership interest in the organizational structure provides at least 400 hours of active personal labor, active personal management, or a combination thereof according to subparagraph 16 B.

112-124 (Reserved)



**Part 5 Eggs and Broilers****Section 1 Basic Information****125 Overview****A Introduction**

CFAP 2 provides financial assistance to eligible egg and broiler producers who face market disruptions, low prices, and significant marketing costs associated with the COVID-19 pandemic. Egg and broiler producers have experienced 5 percent or greater price declines in comparison of the average prices for the week of January 13-17, 2020, and the average prices for the week of July 27-31, 2020. To compensate egg and broiler producers for losses, CFAP 2 will use the eligible broiler and egg (shell, dried, frozen, and/or liquid) 2019 production, as the basis to determine payments.

**B General Information**

CFAP 2 payments will be made to eligible producers of broilers and shell, dried, liquid, and frozen eggs using national payment rates that have been determined based on relative price declines. Payments will be determined by multiplying the eligible producer's 2019 commodity-specific production by 75 percent by the eligible commodity's national payment rate in the table in subparagraph 22 B.

**126-135 (Reserved)**





## Section 2 General Program Policies and Provisions

### 136 Producer, Egg, and Broiler Eligibility

#### A Eligible Egg and Broiler Producers

An eligible producer is a person or legal entity sharing in the risk of producing a commodity. \*--The term does not include contract growers. For CFAP 2, “contract grower” is a person or legal entity who grows or produces an eligible commodity or livestock under contract for someone else. The contract grower’s income is dependent upon the successful production of a crop or livestock or offspring from livestock. The contract grower does not have ownership in the commodity or livestock and is not entitled to a share from sales proceeds of the commodity or livestock. A person or legal entity who is not in the business of farming at the time of application is not considered an eligible producer.

A person or legal entity who commercially markets broilers and shell, dried, frozen, or liquid eggs from chickens in the United States is eligible for CFAP 2.

COC must determine if the person or legal entity meets the definition of eligible producer based on documents showing entitlement to share and risk.--\*

\* \* \*

#### B Eligible Egg and Broiler Production

CFAP 2 eligible egg production is shell, dried, frozen, and/or liquid eggs produced for the calendar year of 2019.

\* \* \*

CFAP 2 eligible broiler production is broilers, which includes any chicken that has been commercially produced for meat purposes that has left the farm for slaughter, and not used for laying or breeding purposes for the calendar year of 2019.

\*--A new egg or broiler producer who began farming in 2020 and did not have any--\* production in 2019, will use their actual 2020 broiler and/or egg production.

**137 Producer Reporting Requirements for Egg and Broiler Production****A Requirements for Reporting Egg Production**

Egg producers will self-certify to their dried, liquid, and/or frozen egg production, in pounds, and for shell eggs in dozens, for the 2019 calendar year.

If the producer sells frozen and/or liquid eggs still in the shell, the following formula can be used to convert to pounds:

$$\text{Number of pounds} = \text{Number of cases (30 dozen eggs in a case)} \times 48 \text{ pounds} \times .83$$

If the producer provides eggs in dozens instead of cases, use the following formula:

$$\text{Number of pounds} = \text{Number of dozen eggs} \times 1.6 \text{ pounds} \times .83$$

**Notes:** The standard weight for a case of 30 dozen eggs is 48 pounds and 83 percent of the shell egg is liquid egg.

If the yolks and whites are separated and produced as different egg types, e.g. yolks are frozen and the whites are liquid, the following percentages should be applied in the formula in this subparagraph instead of 83 percent, for either white or yolk:

- percent of the shell egg that is white = 57.6 percent
- percent of the shell egg that is yolk = 25.4 percent.

Additionally, a conversion can be used to convert pounds of liquid/frozen eggs to pounds of dried eggs.

$$1 \text{ pound of dried eggs} = 2.25 \text{ pounds of liquid/frozen eggs}$$

New producers will report their actual 2020 production in pounds or dozens.

**B Requirements for Reporting Broiler Production**

The information required from producers to apply for CFAP 2 will be a self-certification by the producer or authorized representative. Eligible broiler producers must self-certify their commercially produced broiler production, in number of head marketed for slaughter for the **2019** calendar year.

**Note:** For broiler operations that have multiple owners, each individual producer or entity must ensure that the self-certification only represents their individual share of eligible broilers. AD-3117 does not include a data entry for a share percentage.

New producers that began broiler production in 2020 will report their actual 2020 production to date, at the time of application, in total number of head produced and marketed for slaughter.

**137 Producer Reporting Requirements for Egg and Broiler Production (Continued)**

**C AD-3117, Part D**

Following is an example of AD-3117, Part D, Eggs/Broiler Production Information.

Eligible egg and broiler operations must report the following:

- 2019 total production by head for broilers
- 2019 total production by pound for dried eggs
- 2019 total production by pound for frozen eggs
- 2019 total production by pound for liquid eggs
- 2019 total production by dozen for shell eggs.

PART D – EGGS/BROILERS PRODUCTION			COC USE ONLY
11. Commodity	12. Unit of Measure	13. 2019 Total Production	14. COC Adjusted 2019 Total Production
BROILERS	HEAD		
DRIED EGGS	LBS		
FROZEN EGGS	LBS		
LIQUID EGGS	LBS		
SHELL EGGS	DOZEN		

**Note:** See subparagraphs A and B for new 2020 broiler and egg producers with no 2019 production.

**D COC Adjustments on AD-3117**

COC’s have the authority to adjust the “Adjusted 2019 Total Production” in AD-3117, item 14:

- if the production is determined to be unreasonable or inaccurate
- to reflect the actual production based on submitted documentation, when determined necessary.

**Note:** See subparagraph 51 E for COC adjustments.

**138-147 (Reserved)**



**Section 3 Payments****148 Broiler and Egg Payment Calculation****A Payment Rate and Calculation for Broilers**

A payment for broilers will be equal to 75 percent of the producer's total 2019 broiler production multiplied by a payment rate of \$1.01 per bird (head).

An eligible broiler producer who began farming in 2020 and had no production in 2019 will use the same payment calculation, except the payment will be based on 75 percent of the producer's actual 2020 broiler production as of the date the producer submits an application for payment.

**B Payment Rate and Calculation for Shell Eggs**

A payment for shell eggs will be equal to 75 percent of the producer's 2019 shell egg production multiplied by a payment rate of \$0.05 per dozen.

Payments for shell egg producers who began farming in 2020 and had no production in 2019 will be calculated using the same payment calculation, except the payment will be based on the producer's actual 2020 shell egg production as of the date the producer submits an application for payment.

**C Payment Rate and Calculation for Dried Eggs**

A payment for dried eggs will be equal to 75 percent of the producer's 2019 dried egg production multiplied by a payment rate of \$0.14 per pound.

Payments for dried egg producers who began farming in 2020 and had no production in 2019 will be calculated using the same payment calculation, except the payment will be based on the producer's actual 2020 dried egg production as of the date the producer submits an application for payment.

**D Payment Rate and Calculation for Frozen Eggs**

A payment for frozen eggs will be equal to 75 percent of the producer's 2019 frozen egg production multiplied by a payment rate of \$0.05 per pound.

Payments for frozen egg producers who began farming in 2020 and had no production in 2019 will be calculated using the same payment calculation, except the payment will be based on the producer's actual 2020 frozen egg production as of the date the producer submits an application for payment.

**148 Broiler and Egg Payment Calculation (Continued)****E Payment Rate and Calculation for Liquid Eggs**

A payment for liquid eggs will be equal to 75 percent of the producer's 2019 liquid egg production multiplied by a payment rate of \$0.04 per pound.

Payments for liquid egg producers who began farming in 2020 and had no production in 2019 will be calculated using the same payment calculation, except the payment will be based on the producer's actual 2020 liquid egg production as of the date the producer submits an application for payment.

**149 CFAP 2 Broiler and Egg Payment Calculation Examples****A Egg and Broiler Application and Payment Examples****Example 1 – EZ2 Eggs LLC**

EZ2 Eggs LLC is a shell egg operation with around 1 million layers and is interested in applying for CFAP. EZ2 Eggs LLC completes AD-3117 using 2019 production. EZ2 Eggs LLC started its operation in mid-April of 2019, because EZ2 Eggs LLC operated in 2019 it is not considered a new producer and will be paid according to its 2019 production. Once the production is added to AD-3117, and signed by the producer, the application is complete for CFAP.

Egg production is as follows:

2019 Egg Production = 17,332,390 dozen

The payment calculation is as follows:

17,332,390 dozen times 75 percent times \$0.05

**EZ2 Eggs LLC Total Payment - \$649,964.63**

**Note:** The \$250,000 payment limit applies; however, EZ2 Eggs LLC may earn up to \$750,000 if 3 persons holding an ownership interest in the organizational structure provide at least 400 hours of active personal labor, active personal management, or a combination thereof according to subparagraph 16 B.

**149 CFAP 2 Broiler and Egg Payment Calculation Examples (Continued)****A Egg and Broiler Application and Payment Examples (Continued)****Example 2 – Breaker Eggs Inc.**

Breaker Eggs Inc. is a small breaker egg operation that sells its eggs to be broken by a processor into liquid eggs. Breaker Eggs Inc. produced 162,222 cases of eggs in 2019 and sent them to a processor to be broken.

Egg production is as follows:

- 2019 Egg Production = 162,222 cases
- 162,222 cases times 48 pounds times 83 percent = 6,462,924.48 pounds.

The payment calculation is as follows:

6,462,924.48 pounds times 75 percent times \$0.04

**Breaker Eggs Inc. Total Payment - \$193,887.73**

**Example 3 – Chicken USA LLC**

Chicken USA LLC is a small independent broiler operation that grows and markets broilers to a processor affiliated with a small restaurant chain. Chicken USA produced 125,300 birds for slaughter in 2019.

Chicken USA certified their 2019 broiler production as 125,300 head.

The CFAP 2 gross payment calculation for Chicken USA is as follows:

125,300 head times 75 percent times \$1.01

**Chicken USA LLC Total Gross CFAP 2 Payment - \$94,915**

**150-164 (Reserved)**





**Part 6 Livestock****Section 1 Basic Information****165 Overview****A Purpose**

CFAP 2 provides financial assistance to eligible livestock producers who face continuing market disruptions, low prices, and significant marketing costs associated with the COVID-19 pandemic. Producers of eligible livestock commodities that have suffered a 5 percent or greater price decline over a specified time period because of COVID-19 and face additional significant marketing costs for current inventories may be eligible for compensation.

This part is dedicated to livestock that have been determined eligible based on market price declines, specifically in beef cattle, hogs and pigs, and sheep, excluding breeding stock, that occurred between mid-January 2020, and late-July 2020.

**B General Information**

Livestock that realized a 5-percent-or-greater market price decline between the average for the week of January 13-17, 2020, relative to the average for the week of July 27-31, 2020, have been determined eligible for CFAP 2. National payment rates have been determined based on those price declines. For eligible livestock, payments using CCC funds are based on an eligible producer's highest owned inventory of eligible livestock (excluding breeding stock) on a date selected by the eligible producer from April 16, 2020, through August 31, 2020, multiplied by the national payment rate per head.

**166-175 (Reserved)**



**Section 2 General Program Policies and Provisions****176 Producer and Livestock Eligibility****A Eligible Livestock Producers**

An eligible producer is a person or legal entity who shares in the risk of producing a commodity. The term does not include contract growers. For CFAP 2, “contract grower” is a person or legal entity who grows or produces an eligible commodity or livestock under contract for someone else. The contract grower’s income is dependent upon the successful production of a crop or livestock or offspring from livestock. The contract grower does not have ownership in the commodity or livestock and is not entitled to a share from sales proceeds of the commodity or livestock. A person or legal entity who is not in the business of farming at the time of application is not considered an eligible producer.\*

**B Eligible Livestock**

Commodities designated as eligible for payments under CFAP 2 are agricultural commodities produced in the United States and intended to be marketed for commercial production.

Eligible livestock based on market price declines for CFAP 2 are:

- beef cattle
- hogs/pigs
- sheep.

Ineligible livestock are:

- breeding stock, as defined in Exhibit 2, including breeding livestock removed from the livestock breeding operation (culls)\*
- livestock produced by contract growers
- livestock not meeting the definition of eligible commodity for CFAP.

**177 Inventory Reporting Requirements for Livestock****A Producer Reporting Requirements**

The information required from producers to apply for CFAP 2 will be a **self-certification** by the producer or authorized representative. Livestock producers must self-certify the highest owned inventory on a date selected by the eligible producer from April 16, 2020, through August 31, 2020.

**Note:** For livestock operations that have multiple owners, each individual producer or entity must ensure that the self-certification only represents their individual share of eligible livestock. AD-3117 does not include a data entry for a share percentage.

**Example:** DJB Cattle Co. (DJB) and River Cattle Co. (River) own livestock together. DJB has 50 percent ownership and River has 50 percent ownership of 75 market hogs on a date from April 16, 2020, through August 31, 2020. DJB and River will each have a separate CFAP 2 application. DJB and River agree how the number of animals will be reported to represent each of their livestock interest on each CFAP 2 application, since 75 “Hogs/Pigs” cannot be split equally and only whole numbers can be entered in AD-3117, Part E, item 16. DJB agrees to certify their highest owned inventory of “Hogs/Pigs” is 37 head and River agrees to certify their highest owned inventory “Hogs/Pigs” is 38 head.

If supporting documentation is requested by COC to verify the information specified on the application, the producer must provide records that substantiate the reported information. Examples of supporting documentation the producer could provide to use as evidence for verification purposes of reported livestock inventory includes, but not limited to, copies of livestock purchase receipts, veterinarian records, records to verify livestock production costs, or contemporaneous diaries that are determined acceptable by COC. See paragraph 4 for erroneous information and misrepresentation.

177 Inventory Reporting Requirements for Livestock (Continued)

**B AD-3117, Part E**

AD-3117, Part E is the designated section for data entry for livestock (excluding breeding stock) information. The following is an example of AD-3117, Part E.

PART E – LIVESTOCK INVENTORY (Excluding Breeding Stock)		COC USE ONLY
15. Livestock	16. Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)	17. COC Adjusted Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)
<b>CATTLE</b>		
<b>HOGS/PIGS</b>		
<b>SHEEP</b>		

**Note:** AD-3117 has been pre-filled with the eligible livestock commodities (“Cattle”, “Hogs/Pigs”, and “Sheep”) that have been determined eligible based on a 5 percent or greater market price decline.

**C COC Adjustments on AD-3117**

COC’s have the authority to adjust the “Adjusted Inventory” in AD-3117, item 16:

- if the quantity is determined to be unreasonable or inaccurate
- to reflect the actual inventory based upon submitted documentation.

**Note:** See subparagraph 51 E for COC adjustments.

178-187 (Reserved)



## Section 3 Payments

## 188 CFAP 2 Livestock Payment Computations

## A Livestock Payment Rates

CFAP 2 payment rates for eligible livestock are determined by the Secretary and are listed in the following table.

<b>Eligible Livestock (Excluding Breeding Stock)</b>	<b>Unit of Measure</b>	<b>CFAP 2 Payment Rate</b>
Cattle	Head	\$55.00
Hogs and Pigs	Head	\$23.00
Sheep	Head	\$27.00

**Note:** CFAP 2 payment rates were determined taking into consideration the CCC-funded payment rates established for CFAP.

## B Livestock Payment Calculation

CFAP 2 payment for eligible livestock will be result of the following calculation:

For each eligible producer, payment is calculated by multiplying the highest owned inventory of eligible livestock (excluding breeding stock) on a date selected by the producer from April 16, 2020, to August 31, 2020, by the CFAP 2 payment rate per head.

188 CFAP 2 Livestock Payment Computations (Continued)

C Livestock Application and Payment Examples

Example 1 – Cow Calf Operation

Producer DJB Cattle Co (DJB) is a cow/calf operation that had owned livestock inventory on a date from April 16, 2020, and August 31, 2020, of 480 head of cow/calf pairs, 18 herd bulls, and 75 replacement heifers. Breeding stock, as defined as cows and bulls for cattle, are ineligible for CFAP 2. For CFAP 2 purposes, DJB certified that their highest owned cattle inventory (excluding breeding stock) on a date from April 16, 2020, and August 31, 2020, was 555 head of cattle (480 calves and 75 replacement heifers).

AD-3117, Part E would be completed as follows.

PART E – LIVESTOCK INVENTORY (Excluding Breeding Stock)		COC USE ONLY
15. Livestock	16. Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)	17. COC Adjusted Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)
CATTLE	555	480 calves + 75 replacement heifers = 555 head
HOGS/PIGS		
SHEEP		

If all eligibility requirements are met, the estimated gross CFAP 2 payment calculation, before reductions, payment factors, as applicable, would be the following.

Livestock (Excluding Breeding Stock)	Unit of Measure	CFAP 2 PAYMENT CALCULATION		
		Highest Owned Inventory April 16 - August 31, 2020	CFAP 2 Payment Rate	Estimated Calculated Pmt
CATTLE	Head	555	\$ 55.00	\$ 30,525
HOGS/PIGS	Head	0	\$ 23.00	\$ -
SHEEP	Head	0	\$ 27.00	\$ -
<b>Total Estimated Gross CFAP 2 Payment Before Any Reductions (PL, etc.)</b>				<b>\$ 30,525</b>



188 CFAP 2 Livestock Payment Computations (Continued)

C Livestock Application and Payment Examples (Continued)

Example 2 – Feedlot Operation

Producer 5R Feeders is a cattle feeder operation that had owned livestock inventory on a date from April 16, 2020, and August 31, 2020, of 3,500 head of feeder calves, 500 head of fat cattle, and 10 head of horses. For CFAP 2 purposes, 5R certified that their highest owned cattle inventory on a date from April 16, 2020, and August 31, 2020, was 4,000 head of cattle.

**Note:** Horses (equine) are not eligible livestock for CFAP 2.

AD-3117, Part E would be completed as follows.

PART E – LIVESTOCK INVENTORY (Excluding Breeding Stock)		COC USE ONLY
15. Livestock	16. Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)	17. COC Adjusted Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)
<b>CATTLE</b>	4000	
<b>HOGS/PIGS</b>		
<b>SHEEP</b>		

If all eligibility requirements are met, the estimated gross CFAP 2 payment calculation, before reductions, if applicable, would be the following.

Livestock (Excluding Breeding Stock)	Unit of Measure	CFAP 2 PAYMENT CALCULATION		
		Highest Owned Inventory April 16 - August 31, 2020	CFAP 2 Payment Rate	Estimated Calculated Pmt
<b>CATTLE</b>	<b>Head</b>	4000	\$ 55.00	\$ 220,000
<b>HOGS/PIGS</b>	<b>Head</b>	0	\$ 23.00	\$ -
<b>SHEEP</b>	<b>Head</b>	0	\$ 27.00	\$ -
<b>Total Estimated Gross CFAP 2 Payment Before Any Reductions (PL, etc.)</b>				<b>\$ 220,000</b>

188 CFAP 2 Livestock Payment Computations (Continued)

C Livestock Application and Payment Examples (Continued)

Example 3 – Diversified Livestock Operation

Producer Cooper Floyd is a diversified livestock operator. Floyd had owned livestock inventory on a date from April 16, 2020, and August 31, 2020, of:

- 10 dairy cows (ineligible livestock)
- 45 beef cows (ineligible livestock)
- 40 beef calves
- 2 bulls (ineligible livestock)
- 20 ewes (ineligible livestock)
- 40 lambs
- 2 rams (ineligible livestock)
- 25 sows (ineligible livestock)
- 1 boar (ineligible livestock)
- 20 market pigs
- 2 horses (ineligible livestock).

Floyd certified that for CFAP 2 purposes, his highest owned inventories on a date from April 16, 2020, and August 31, 2020, were:

- 40 head of cattle
- 20 head of hogs/pigs
- 40 head of sheep.

AD-3117, Part E would be completed as follows.

PART E – LIVESTOCK INVENTORY (Excluding Breeding Stock)		COC USE ONLY
15. Livestock	16. Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)	17. COC Adjusted Inventory (Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)
<b>CATTLE</b>	40	
<b>HOGS/PIGS</b>	20	
<b>SHEEP</b>	40	

188 CFAP 2 Livestock Payment Computations (Continued)

C Livestock Application and Payment Examples (Continued)

If all eligibility requirements are met, the estimated gross CFAP 2 payment calculation, before reductions, if applicable, would be the following.

Livestock (Excluding Breeding Stock)	Unit of Measure	CFAP 2 PAYMENT CALCULATION		
		Highest Owned Inventory April 16 - August 31, 2020	CFAP 2 Payment Rate	Estimated Calculated Pmt
CATTLE	Head	40	\$ 55.00	\$ 2,200
HOGS/PIGS	Head	20	\$ 23.00	\$ 460
SHEEP	Head	40	\$ 27.00	\$ 1,080
Total Estimated <b>Gross</b> CFAP 2 Payment Before Any Reductions (PL, etc.)				<b>\$ 3,740</b>

189-210 (Reserved)



**Part 7 Sales Commodities**

**Section 1 Basic Information**

**211 Overview**

**A Purpose**

CFAP 2 will provide producers of eligible 2020 sales commodities who face continuing market disruptions, low farm-level prices, and significant marketing costs with financial assistance to provide the ability to absorb increased marketing costs associated with the COVID-19 outbreak.

These additional significant marketing costs are associated with:

- declines in demand
- surplus production
- disruptions to shipping patterns
- the orderly marketing of commodities.

**B General Information**

CFAP 2 payments will be issued using CCC funds for:

- aquaculture, including mollusks
- crops not identified as price-trigger or flat-rate
- nursery and/or floriculture crops
- specifically defined miscellaneous crops
- specifically identified livestock, not including breeding stock.

CFAP 2 payments for tobacco will be issued using CARES Act funds.

**212-220 (Reserved)**



## Section 2 General Program Policies and Provisions

## 221 General Sales Commodities Eligibility

## A Eligible Commodities

Eligible commodities include commercially produced:

- aquaculture, including mollusks
- specialty crops:
  - all CFAP 1 specialty crops as discussed in 1-CFAP, Part 8
  - crops identified by AMS as specialty crops

**Note:** A list of AMS specialty crops can be found at <https://www.ams.usda.gov/sites/default/files/media/USDASpecialtyCropDefinition.pdf>.

- nursery crops and floriculture
- other livestock commercially raised for food, fiber, fur, or feathers including:
  - alpacas
  - bison, buffalo, beefalo
  - deer
  - ducks
  - elk
  - emus
  - geese
  - goats
  - guinea pigs
  - llamas
  - ostrich
  - \*--pheasants (includes chukars)
  - pullets--\*
  - quail
  - rabbits
  - reindeer
  - turkeys
  - water buffalo
  - yak

\*--Note: This includes by-products of the eligible “other livestock” live animals, such as fleece, milk, eggs (excluding eggs to be hatched for breeding stock), etc.--\*

**221 General Sales Commodities Eligibility (Continued)****A Eligible Commodities (Continued)**

- miscellaneous commodities including:
  - goat milk
  - mink, including pelts
  - mohair
  - Christmas trees
  - wool
  - \*--turfgrass sod--\*
  - \* \* \*
  - tobacco.

**B Ineligible Commodities**

\*--All breeding stock (including eggs from “other livestock” to be hatched for breeding stock), equine, companion or comfort animals/pets, commodities produced by ineligible producers,--\* livestock raised for hunting or game purposes, bees, amphibians, and reptiles are ineligible for CFAP 2.

**222 Sales Certification****A Requirement**

A producer of eligible 2020 sales commodities must certify their 2019 sales for those commodities. The 2019 sales must be reasonable. If COC believes the sales are not reasonable, COC can require documentation to substantiate information entered on the application before approving it.

Eligible sales include:

- sales of raw commodities grown by the producer, as delivered to the first buying point, warehouse, packer, etc.

**Note:** For “Other Livestock” this is the value of the live animal at the point of harvest.

- \*--by-products from the live animal “Other Livestock”, in their original form--\*
- commodities purchased for resale only if there is a change in characteristic due to the time held (for example, purchased a 2-inch plant and sold it as an 18-inch plant after 4 months)
- \*--crop insurance indemnities, NAP, and WHIP+ payments for crop year 2019 for eligible sales-based commodities.--\*



## 222 General Sales Commodities Eligibility (Continued)

**A Requirement (Continued)**

Eligible sales do not include any portion of sales derived from adding value to or marketing of the commodity, such as sorting, processing, packaging, or costs for any other activity necessary for a consumer-ready sale that occurs off the farm.

**Example 1:** Joe grows fruit and sells it through a sorting and processing operation on his farm, which serves other local fruit growers as well. Joe harvests the fruit, packing it in large crates to transport to the processing facility. The value of sales Joe would enter on the CFAP 2 application would include the value captured by harvesting the fruit and loading it in crates on the farm. The value would be reduced for the value added to the fruit at the processing facility, such as grading, re-packaging, brokering fees, transportation to market hubs, etc.

**Example 2:** Sally breeds and grows buffalo for direct marketing of the meat and by-products to online customers. Sally's sales records show several income streams from various products she sells including buffalo meat, hides, and shoulder mounts. The sales value Sally would enter on the CFAP 2 application would be the value of the live animal "delivered" to the point of harvest, whether on or off farm. After delivery there is value added by processing the animal into the various products sold. Sales of the by products such as meat, hides, and shoulder mounts should not be included, only the value of the live animal.

**Example 3:** Charlie raises a herd of alpacas and sells primarily alpaca fleece. Charlie would enter the value of 2019 raw sales of alpaca fiber on the CFAP 2 application, not the yarn. The sales of alpacas could also be included if they were not breeding stock.

**Example 4:** Sam raises cucumbers and sells raw cucumbers and cucumber pickles at a local farmer's market directly to customers. The 2019 sales would be the value of raw cucumbers sold at the market plus the raw value of the cucumber pickles. Sam would use the quantity of cucumbers processed into pickles and the price of raw cucumbers sold at the market to calculate the raw value of the cucumber pickles.

**Example 5:** Doug raises almonds that he sells through a tree nut pool. The nuts are hulled, processed, and sold by the pool up to 18 months after harvest. Doug would use the proportion of pooled sales associated to his production that is received by the pool in the 2019 calendar year, adjusted to reasonable historic raw value of the nut. This value does not include the value added from hulling and processing.

**Example 6:** Shawn grows grapes and owns a winery to process grapes into wine. Shawn also buys grapes from other growers. For the CFAP 2 application Shawn should determine the value for his raw grapes at a price comparable to what was paid by the winery for similar quality, raw grapes. The sales of the value-added product, wine, would not be included on the CFAP 2 application.

## 222 General Sales Commodities Eligibility (Continued)

**A Requirement (Continued)**

**Notes:** COC may require documentation to support sales.

\*--Expenses such as bin charges and transportation costs may be included in eligible sales only if these types of expenses are broken out and can be distinguished. If expenses are recorded as a single line item, they cannot be included in the eligible sales without additional information to support the specific amounts.--\*

Research shows a conversion factor of 37.44 percent to convert maple syrup sales to maple sap sales; therefore, producers may use a factor of 37.44 percent if they do not know the operation's conversion factor.

**Example:** Producer A sold 100 gallons of syrup and received \$2,500 in calendar year 2019. To get the raw value of sap that was used to produce the syrup, the conversion factor of .3744 will be used.  $\$2,500 * .3744 = \$936$ ; therefore, Producer A will certify to a total of \$936 for their 2020 Sales Commodities.

**B New Producers**

A producer who began farming an eligible sales commodity in 2020 and had no 2019 sales will certify their actual 2020 sales, at the time of application, in lieu of 2019 sales. The producer's actual 2020 sales must be reasonable. If COC does not believe the sales entered are reasonable, COC may require any documentation it deems necessary to determine if the sales are reasonable.

**Notes:** If a producer began farming an eligible sales commodity in 2019 and had no sales due to the immaturity of the commodity, the producer can self-certify to their actual 2020 sales.

\*--Actual 2020 sales are without inclusion of crop insurance indemnities, NAP, or WHIP+ payments.--\*

Eligible sales include only sales of raw commodities grown by the producer. Any portion of sales derived from adding value to or marketing of the commodity, such as sorting, processing, packaging, or costs for any other activity necessary for a consumer-ready sale that occurs off the farm must not be included in the amount of sales.

**Note:** COC may require documentation to support sales.

**Example 1:** Producer A grew 100 acres of blueberries as an individual with 100 percent share in 2019 with total sales of \$250,000. In 2020, Producer A's spouse, Producer B, began farming as a new producer, Producer A and Producer B grew 100 acres of blueberries and now share 50/50 with total sales of \$200,000. Producer A will certify to their 2019 total sales of \$250,000 and Producer B will certify to \$100,000, their 50 percent share of the 2020 sales.

222 Sales Certification (Continued)

**B New Producers (Continued)**

**Example 2:** Producer C grew 120 acres of watermelons in 2018, but did not plant anything in 2019. In 2020, Producer C grew 120 acres of watermelons and had total sales of \$320,000. Because Producer C farmed before 2020, their 2019 sales will be \$0.

**Example 3:** Producer D historically raised and sold turkeys commercially, with no other agricultural activity. In 2020, Producer D grew 50 acres of pumpkins. Producer D will certify 2019 sales for the turkeys as the applicable sales for 2019.

**C AD-3117, Part F**

Following is an example of AD-3117, Part F, Sales Commodities Information.

PART F – SALES COMMODITIES		COC USE ONLY
18. Commodity	19. 2019 Total Commodity Sales	20. COC Adjusted 2019 Total Commodity Sales
AQUACULTURE	■	■
CROPS	■	■
NURSERY/FLORICULTURE CROPS	■	■
MISCELLANEOUS	■	■
OTHER LIVESTOCK (Excluding Breeding Stock)	■	■
TOBACCO		

**D COC Adjustments**

COC may adjust the “Total 2019 Sales”:

- if the 2019 total commodity sales are determined to be unreasonable or inaccurate
- to reflect the actual 2019 total commodity sales based on documentation, when deemed necessary by COC
- to reflect the actual 2020 total commodity sales for new producers based on documentation, when deemed necessary by COC.

223-234 (Reserved)



**Section 3 Payments**

**235 Sales Commodities Payment Components**

**A Basis for Payment**

Producers are paid based on five payment gradations associated with their 2019 sales.

The sales range and payment factor in the following table will be used to calculate payments.

<b>2019 Sales Range</b>	<b>Payment Factor</b>
Up to \$49,999	10.6%
\$50,000-\$99,999	9.9%
\$100,000-\$499,999	9.7%
\$500,000-\$999,999	9.0%
All sales over \$1 million	8.8%

The calculation is made for all commodities for which the payment is based on CCC funds and a separate calculation is made for tobacco.

**B Payment Calculation**

Payments for sales commodities will be equal to the sum of the result of the amount of the producer’s eligible 2019 sales (AD-3117, item 19) within each specified range multiplied by the payment rate for that range from the table in subparagraph A.

**Payment Calculation Examples:**

<b>Farmer</b>	<b>2019 Sales</b>	<b>Portion of Total Payment Falling Into Each Sales Range</b>					<b>Total Gross Payment</b>
		<b>&lt;\$50,000 in Sales (10.6%)</b>	<b>\$50,000 to \$99,999 in Sales (9.9%)</b>	<b>100,000 to \$499,999 in Sales (9.7%)</b>	<b>\$500,000 to \$999,999 in Sales (9.0%)</b>	<b>&gt; \$1 mil in Sales (8.8%)</b>	
	A	B	C	D	E	F	G
Farmer 1	\$8,265	\$876					\$876
Farmer 2	\$66,187	\$5,300	\$1,603				\$6,903
Farmer 3	\$220,737	\$5,300	\$4,950	\$16,712			\$21,962
Farmer 4	\$686,650	\$5,300	\$4,950	\$38,800	\$16,798		\$65,848
Farmer 5	\$3,978,421	\$5,300	\$4,950	\$38,800	\$45,000	\$262,101	\$356,151

**235 Sales Commodities Payment Components (Continued)****B Payment Calculation (Continued)**

All calculations follow the methodology included in this subparagraph. Following is an explanation for Farmer 1 and Farmer 2.

- Farmer 1 has \$5,000 in 2019 crop sales and \$3,265 in Christmas tree sales (Miscellaneous) for a total of \$8,265 in 2019 sales (Column A); therefore, only the 10.6 percent payment factor applies. Farmer 1's gross payment is 10.6 percent multiplied by \$8,265, or \$876 (Column B).
- Farmer 2 has a total 2019 sales (excluding tobacco) of \$66,187 (Column A); therefore, 2 payment factors apply: 10.6 percent (applied to the first \$49,999 in sales) and 9.9 percent (applied to \$66,187 minus \$49,999, or \$16,188 in sales). Farmer 2's gross payment is the sum of the first gradation (10.6 percent times \$49,999, or \$5,300, reflected in Column B) and the second gradation (9.9 percent times \$16,188, or \$1,603, reflected in Column C), for a total payment of \$6,903.

**236-249 (Reserved)**

**Part 8 Acreage-Based Crops****Section 1 General Information****250 Overview****A Purpose**

CFAP 2 for acreage-based crops will provide aid to agricultural producers to provide the ability to absorb increased marketing costs associated with COVID-19 outbreak. Producers of acreage-based crops will be partially compensated for on-going market disruptions and for assistance with the transition to a more orderly marketing system by enabling producers to:

- purchase materials and facilities required in connection with the production and marketing of agricultural commodities
- remove and dispose of surplus agricultural commodities
- develop new and additional markets, marketing facilities, and uses for the commodities.

Acreage-based crops are divided into 2 categories:

- price trigger crops
- flat-rate crops.

Price trigger crops, defined in subparagraph C, must have a 5 percent or greater price decline, as described in subparagraph D. Flat-rate crops, defined in subparagraph C, are crops that either do not meet the 5 percent price decline trigger or do not have data available to calculate a price change.

**B Funding**

CFAP 2 payments will be issued using CCC funds.

## 250 Overview (Continued)

**C Definitions**

The following definitions apply to this part.

Agriculture Risk Coverage – County Option (ARC-CO) Benchmark Yield means the 5-year Olympic determined by FSA as the average of actual average county yields for the most recent 5 years for which data is available, substituting 80 percent of the county transitional yield as defined in 1-ARCPLC in each year in which the actual average county yield is less than 80 percent of the county transitional yield. Separate irrigated and nonirrigated yields, if established for ARC, were combined to create 1 yield for each commodity in a county. If needed, a trend-adjusted yield factor will be used to adjust the yield taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the crop insurance endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501-1520).

Eligible acres means the producer's share of 2020 determined acres, or reported acres, if determined acres are not present, reported on FSA-578, excluding prevented planting and experimental acres. Failed acres are considered eligible acres.

Experimental means a crop for which all of the following apply:

- the crop is planted for experimental purposes conducted under the direct supervision of a State experiment station or commercial company
- production of the crop is destroyed before harvest or used for testing or other experimental purposes
- a representative of the State experiment station or the commercial company certifies that any production harvested from the experiment will not be marketed in any form.

Failed acres are acres that were timely planted with the intent to harvest, but because of disaster related conditions, the crop failed before it could be brought to harvest.

Flat-rate crop means alfalfa, amaranth grain, buckwheat, canola, cotton, ELS, crambe (colewort), einkorn, emmer, flax, guar, hemp, indigo, industrial rice, kenaf, khorasan, millet, mustard, oats, peanuts, quinoa, rapeseed, rice, rice, sweet, rice, wild, rye, safflower, sesame, speltz, sugar beets, sugarcane, teff, triticale, and other crops as determined by the Secretary. The term excludes hay, except alfalfa, and crops with intended uses of grazing, green manure, or left standing.

Hemp means the plant *Cannabis sativa L.* and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a THC concentration of not more than 0.3 percent on a dry weight basis, that is grown under an official certification or license issued by the applicable governing authority that permits the production of the hemp.



**250 Overview (Continued)****C Definitions (Continued)**

Prevented planting means the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster.

Price trigger crops means any of the following crops: barley, corn, sorghum, soybeans, sunflowers, upland cotton, wheat (all classes), excluding crops with an intended use of grazing, green manure, or left standing.

**D Price Trigger Crops**

For price trigger crops, CFAP 2 benefits will be based on the producer's:

- eligible acres for the crop, as defined in subparagraph C
- weighted 2020 APH-approved yield, determined in subparagraph 262 D, or if a weighted \*--2020 APH-approved yield is not available, 85 or 100 percent of the weighted 2019 ARC-CO benchmark yield, as determined in subparagraph 262 G.--\*

CFAP 2 payment rates are determined for each eligible price-trigger crop based on:

- the decline in average prices between the weeks of January 13-17, 2020, and July 27-31, 2020, as provided in subparagraph 284 B
- an 80 percent coverage factor
- estimated share of 2020 crop marketing percentages from harvest through December 31, 2020, as provided in subparagraph 284 B

Depending on the yield for a specific location, the producer's payment may calculate to less than \$15 per acre. In these cases, the payment is raised to \$15 per acre, which is the payment rate for flat-rate crops, described in subparagraph E.

**E Flat-Rate Crops**

For flat-rate crops, CFAP 2 benefits will be based on the producer's:

- eligible acres for the crop, as defined in subparagraph C
- \$15 per acre.

251 General Provisions – Acreage-Based Crops

**A Eligible Producers**

For both price trigger and flat-rate crops, to be considered eligible for CFAP 2, producers must:

- meet the definition of eligible producer in paragraph 15
- file a report of acreage for the crop on FSA-578.

**B Eligible Acres**

CFAP 2 payments for both price-trigger and flat rate crops are based on the producer’s eligible acres, as defined in subparagraph 250 C, nationwide.

Failed acres are considered eligible acres for CFAP 2.

**C Interaction With FSA-578**

The automated CFAP 2 application, AD-3117, will interface with CARS to pre-populate the producer’s eligible acres on the application.

**Note:** For CFAP purposes, FSA-578 does not need to be certified.

For both price trigger and flat-rate crops, the following items will be **prepopulated** for the producer in AD-3117, Part G:

- **item 21**, Crop – all crops the producer has reported as planted and having a share in nationwide, as reported on the producer’s 2020 FSA-578’s
- **item 22**, Total 2020 Reported Acres – the total eligible acres, as defined in subparagraph 250 C, for each crop nationwide.

PART G – ACREAGE-BASED CROPS		COC USE ONLY			
21. Crop	22. Total 2020 Reported Acres	23. COC Adjusted Total 2020 Reported Acres	24. Weighted Insurance Approved Yield	25. COC Adjusted Weighted Insurance Approved Yield	26. 85% of Weighted County Yield
Corn	1500				

**Notes:** COC may adjust “Total 2020 Reported Acres”, in item 23, if the quantity is determined to be unreasonable or inaccurate.

See 1-APP for notification requirements.

**251 General Provisions – Acreage-Based Crops (Continued)**

**D Late-Filed FSA-578's for CFAP 2 Only**

In some instances, the producer may not have timely filed FSA-578. **For CFAP 2 purposes only**, County Offices may accept late-filed 2020 acreage reports without regard to the following:

- collecting a late-filed fee
- conducting a farm visit
- collecting farm visit and crop verification fees
- certifying the crop.

If the 2020 acreage report is filed for any purpose other than CFAP 2, the provisions in 2-CP must be followed.

**252-260 (Reserved)**



**Section 2 Price Trigger Crops**

**261 Eligible Price Trigger Crops**

**A Eligible Crops**

Eligible price-trigger crops must have suffered a 5 percent or greater average price decline between the week of January 13-17, 2020, and July 27-31, 2020. The following crops are determined eligible price trigger crops for CFAP 2:

- barley
- corn
- sorghum
- sorghum, dual purpose
- soybeans
- sunflowers
- upland cotton
- wheat (all classes).

**Notes:** Other crops may be added by the Secretary.

See subparagraph B for eligible types and intended uses of price trigger crops.

261 Eligible Price Trigger Crops (Continued)

**B Eligible Intended Uses**

The following table provides eligible types and intended uses for price trigger crops for CFAP 2.

Crop Name	Type Name		Intended Use
Barley	All		FG, GR, SD
Corn	<ul style="list-style-type: none"> <li>• Amylose</li> <li>• Blue</li> <li>• Grainless Forage</li> <li>• High Amylase</li> <li>• Popcorn</li> <li>• Red</li> </ul>	<ul style="list-style-type: none"> <li>• Strawberry Popcorn</li> <li>• Tropical</li> <li>• Waxy</li> <li>• White</li> <li>• Yellow</li> </ul>	FH, GR, PR, SD, SG
Sorghum	All		FG, GR, SD, SG
Sorghum, Dual Purpose	All		FG, GR, SD, SG
Soybeans	All		FG, FH, GR, SD, PR
Sunflowers	All		FG, GR, SD, PR
Upland Cotton			
Wheat	All		FG, GR, SD

**Note:** See subparagraph C for intended uses **not** eligible for CFAP 2.

For price trigger crops, CFAP 2 applications will only process and decisions will only be made for crops and intended uses listed in this paragraph.

**C Ineligible Intended Uses and Crop Statuses**

Eligible price trigger crops with the following intended uses are **not** eligible for CFAP 2:

- grazing (GZ)
- left standing (LS)
- green manure (GM).

Eligible price trigger crops with the following are not eligible for CFAP 2:

- crop status code of “X” for experimental
- crop supplemental status code of:
  - “P” for prevented planting
  - “V” for volunteer.

## 262 Yields for Price Trigger Crops

### A Overview

\*--For price trigger crops, CFAP 2 payments will be based on 1 of the following:

- producer's weighted 2020 APH-approved yield, as described in subparagraph C
- 100 percent of the ARC-CO benchmark yield, if a weighted 2020 APH-approved yield is not available and the producer meets 1 of the conditions described in subparagraph E
- for all other producers, 85 percent of the weighted 2019 ARC-CO benchmark yield, as--\* determined according to subparagraph F.

**Note:** Yields are not a factor for flat-rate crops; therefore, yields are only determined according to this paragraph for price trigger crops.

### B 2020 APH-Approved Yields

The CFAP 2 application software will interface with the RMA-shared service each time an automated application is initiated. If a match is found, based on the producer's tax ID number, RMA will return to FSA, by county, the producer's:

- 2020 APH-approved yield
- 2020 insured acreage.

**Note:** The yield and acres returned from RMA represents a blend of irrigated and nonirrigated yields for the producer by county.

RMA will return to FSA the data listed in this subparagraph for all counties where the tax ID number matches:

- \*--primary insurance policyholder, including policyholders who are insured through a transfer of coverage and right to an indemnity--\*
- secondary insurance policyholder, if the secondary policyholder is the CFAP 2 applicant's spouse.

\*--**Note:** See subparagraph E for secondary insurance policyholders who are landlords, tenants, or members of a joint venture.--\*

262 Yields for Price Trigger Crops (Continued)

**C Weighted 2020 APH-Approved Yields**

For producers who insured a price-trigger crop under an RMA policy or plan of insurance, the producer’s yield for CFAP 2 will be the weighted 2020 APH-approved yield for all of the producer’s insured acres nationwide, as determined in subparagraph D.

**\*--Note:** This subparagraph also is applicable to producers who are insured through RMA through a Transfer of Coverage Right to an Indemnity or insured as a secondary policy holder as a spouse.--\*

For price-trigger crops with a weighted 2020 APH-approved yield, AD-3117, item 24, Weighted Insurance Approved Yield, will be prepopulated for the producer in Part G.

PART G – ACREAGE-BASED CROPS		COC USE ONLY			
21. Crop	22. Total 2020 Reported Acres	23. COC Adjusted Total 2020 Reported Acres	24. Weighted Insurance Approved Yield	25. COC Adjusted Weighted Insurance Approved Yield	26. 85% of Weighted County Yield
Barley	350		80		

**Notes:** COC may adjust “Weighted Insurance Approved Yield”, in item 25, if the quantity is determined to be unreasonable or inaccurate.

See 1-APP for notification requirements.

**D Calculating Weighted 2020 APH-Approved Yield**

The CFAP 2 application software will calculate a producer’s weighted 2020 APH-approved yield by averaging the producer’s 2020 APH-approved yields for the crop nationwide and weighting the yield based on the producer’s 2020 insured acres nationwide, as provided in the following table.

**Important:** This is an automated calculation. The calculation is provided for informational purposes only.

Step	Instruction
1	For each county and insurance unit, the expected production is calculated by multiplying: <ul style="list-style-type: none"> <li>• 2020 insured acres, times</li> <li>• 2020 APH-approved yield.</li> </ul>
2	Expected production nationwide is calculated by summing the expected production for all counties and units.
3	2020 insured acres nationwide is calculated by summing 2020 insured acres for all counties and units.
4	Weighted 2020 APH-approved yield is calculated by dividing: <ul style="list-style-type: none"> <li>• expected production nationwide (result in step 2), by</li> <li>• 2020 insured acres nationwide (result in step 3).</li> </ul>



262 Yields for Price Trigger Crops (Continued)

**D Calculating Weighted 2020 APH-Approved Yield (Continued)**

If a producer is growing a price trigger crop on uninsured acres in a county, but has insured acres for the same price-trigger crop in another county, the producer will receive the weighted 2020 APH-approved yield for the uninsured acres.

If a producer does not have a weighted 2020 APH-approved yield, the producer will be \*--assigned the weighted ARC-CO 2019 benchmark yield, as determined in subparagraph G.--\*

**Example 1:**

Producer E applies for CFAP 2 for corn, crop code 041. Producer E has an RMA insurance policy on corn (041) in 5 counties nationwide. The following are the 2020 insured acres and APH-approved yields returned from RMA for Producer E nationwide.

The CFAP 2 application software will determine the Weighted 2020 APH-Approved Yield for Producer E, as follows.

**Important:** This is an automated calculation. The calculation is provided for informational purposes only.

- **Step 1** - Expected production, by county and unit, is determined by multiplying 2020 insured acres, times APH-approved yield.

County	Insured Acres	APH-Approved Yield	Expected Production
A	6.7	118	790.6
B	18.4	91	1,674.4
C	47.7	151	7,202.7
D	91.8	151	13,861.8
E	10.4	96	998.4
<b>Total</b>	<b>175</b>		<b>24,527.9</b>

- **Step 2** - Expected production nationwide is determined by summing the expected production for all counties and units. Producer E’s expected production nationwide is 24,527.9 bushels.
- **Step 3** - 2020 insured acres nationwide is determined by summing insured acres for all counties and units. Producer E’s 2020 insured acres nationwide are 175 acres.
- **Step 4** - Weighted 2020 APH-approved yield is determined by dividing expected production nationwide, by insured acres nationwide. Producer E’s weighted 2020 APH-approved yield is equal to 24,527.9 bushels, divided by, 175 acres, equals **140.16 weighted 2020 APH-approved yield.**

262 Yields for Price Trigger Crops (Continued)

D Calculating Weighted 2020 APH-Approved Yield (Continued)

Example 1 (Continued):

Producer E files FSA-578 for 175 acres of corn. Producer E’s AD-3117, Part G, will automatically pre-populate item 22, Total 2020 Reported Acres, and item 24, Weighted Insurance Approved Yield, as follows.

PART G – ACREAGE-BASED CROPS		COC USE ONLY			
21. Crop	22. Total 2020 Reported Acres	23. COC Adjusted Total 2020 Reported Acres	24. Weighted Insurance Approved Yield	25. COC Adjusted Weighted Insurance Approved Yield	26. 85% of Weighted County Yield
Corn	175		140.16		

\*--E Exceptions for 2020 Insured Producers – 100 Percent of Weighted 2019 ARC-CO Benchmark Yields

For a producer who does not have a weighted 2020 APH-approved yield for a crop, as described in subparagraph C, and notifies FSA that 1 of the following exceptions applies, the producer’s CFAP 2 yield for the crop will be 100 percent of the weighted 2019 ARC-CO benchmark yield, as determined in subparagraph H:

- has coverage for the crop under an Area Risk Protection Insurance Plan, Margin Protection Plan, Stacked Income Protection Plan, Supplemental Coverage Option, or Whole-Farm Revenue Protection Plan under the Federal Crop Insurance Act
- is a landlord of the applicable acreage and their share is insured by the tenant under an RMA policy or plan of insurance
- is a tenant of the applicable acreage and their share is insured by the landlord under an RMA policy or plan of insurance
- is a joint venture and the crop is insured by 1 of the members under an RMA policy or plan of insurance.

**Important:** When a producer claims 1 of these exceptions, County Offices must:

- use WHIPIR (see 2-WHIP, Exhibit 11) to verify the producer meets 1 of the exceptions in this subparagraph
- calculate 100 percent of the weighted 2019 ARC-CO benchmark yield, according to subparagraph H
- process the CFAP 2 application according to instructions in 4-CFAP.--\*

262 Yields for Price Trigger Crops (Continued)

**\*--F 2019 ARC-CO Benchmark Yields – 85 Percent**

For producers who do not have a weighted 2020 APH-approved yield for a crop, as described in subparagraph C, and do not meet 1 of the exceptions described in subparagraph E, the producer’s CFAP 2 yield for the crop will be determined by multiplying:

- weighted 2019 ARC-CO benchmark yield, as determined in subparagraph G, times
- 85 percent.

**G Weighted 2019 ARC-CO Benchmark Yield**

The producer’s weighted 2019 ARC-CO benchmark yield will be determined for the crop based on 85 or 100 percent, as applicable, of the producer’s:

- eligible acres, defined in subparagraph 250 C, by physical location county
- 2019 ARC-CO benchmark yield for each physical location county.

The CFAP 2 application software will calculate and prepopulate 85 percent of the--\* weighted 2019 ARC-CO benchmark yield on AD-3117, item 26, 85% of Weighted County Yield, as follows.

PART G – ACREAGE-BASED CROPS		COC USE ONLY			
21. Crop	22. Total 2020 Reported Acres	23. COC Adjusted Total 2020 Reported Acres	24. Weighted Insurance Approved Yield	25. COC Adjusted Weighted Insurance Approved Yield	26. 85% of Weighted County Yield
Barley	450				64.15

**\*--Important:** 100 percent of the ARC-CO benchmark yield is **not** prepopulated on AD-3117. When a producer meets 1 of the exceptions provided in subparagraph E, the County Office must calculate and enter 100 percent of weighted 2019 ARC-CO benchmark yield on AD-3117, according to subparagraph H.

**Example:**

Producer A does not meet any of the exceptions in subparagraph E. Producer A is--\* determined to have the following eligible acres (FSA-578) and 2019 ARC-CO benchmark yields for barley, by physical location.

County	Eligible Acres	2019 ARC-CO Benchmark Yield	Expected Production
A	350	76	26,600
B	100	73.6	7,360
Total	450		33,960

262 Yields for Price Trigger Crops (Continued)

**G Weighted 2019 ARC-CO Benchmark Yield (Continued)**

Producer A’s **weighted 2019 ARC-CO benchmark yield** is calculated by dividing:

- 33,960 bushels of expected production nationwide, divided by
- 450 eligible acres nationwide, equals
- **75.47 weighted 2019 ARC-CO benchmark yield.**

Producer A’s CFAP 2 benefits will be based on:

- 75.47 weighted 2019 ARC-CO benchmark yield, times
- **--85 percent, as applicable, equals--\***
- 64.15 bushels.

**Important:** This is an automated calculation. The calculation is provided for informational purposes only.

Producer A files FSA-578 for 450 acres of barley nationwide. Producer E’s AD-3117, Part G, will automatically pre-populate item 22, Total 2020 Reported Acres, and item 26, 85% of Weighted County Yield, as follows.

PART G – ACREAGE-BASED CROPS		COC USE ONLY			
21. Crop	22. Total 2020 Reported Acres	23. COC Adjusted Total 2020 Reported Acres	24. Weighted Insurance Approved Yield	25. COC Adjusted Weighted Insurance Approved Yield	26. 85% of Weighted County Yield
Barley	450				64.15

**\*--H Calculating 100 Percent of Weighted 2019 ARC-CO Benchmark Yield**

A producer who meets 1 of the exceptions in subparagraph E will have their CFAP 2 yield for the crop determined by multiplying:

- weighted 2019 ARC-CO benchmark yield, as determined in subparagraph G, times
- 100 percent.

**Important:** This is **not** an automated calculation. COC must calculate and enter 100 percent of the weighted 2019 ARC-CO benchmark yield in item 25, COC Adjusted Weighted Insurance Approved Yield, on AD-3117.

When applicable, County Offices must manually calculate 100 percent of the weighted 2019 ARC-CO benchmark yield as follows:

- 85 percent of the weighted 2019 ARC-CO benchmark yield, as prepopulated on AD-3117, item 26, divided by
- **.85.--\***

262 Yields for Price Trigger Crops (Continued)

\*--H Calculating 100 Percent of Weighted 2019 ARC-CO Benchmark Yield (Continued)

COC must enter the result of this calculation, 100 percent of the weighted 2019 ARC-CO benchmark yield, in item 25, COC Adjusted Weighted Insurance Approved Yield, on AD-3117.

**Example:**

John Farmer applied for CFAP 2 for 191.25 acres of upland cotton. John Farmer did not have a weighted 2020 APH-approved yield for upland cotton, as described in subparagraph D; therefore, the CFAP 2 payment was calculated and issued based on a yield of 758.31, 85 percent of weighted 2019 ARC-CO benchmark yield, as shown in this screenshot.

Commodity	Source	Total 2020 Reported Acres	Weighted Insurance Approved Yield	85% of Weighted County Yield
Cotton-Upland(0021)	PRODUCER	191.2500		758.31
	COC USE ONLY	<input type="text"/>	<input type="text"/>	

6 of 7 Steps

Exit Back Save Continue Save and Continue

John Farmer notifies the County Office that he meets 1 of the exceptions outlined in subparagraph E and the County Office verified through the WHIPR that John Farmer meets 1 of the exceptions; therefore, the County Office must calculate John Farmer’s 100 percent of the weighted 2019 ARC-CO benchmark yield, based on 85 percent of the weighted 2019 ARC-CO benchmark yield prepopulated on AD-3117, item 26, as follows:

- 758.31, divided by
- .85, equals
- 892.13.--\*

262 Yields for Price Trigger Crops (Continued)

\*--H Calculating 100 Percent of Weighted 2019 ARC-CO Benchmark Yield (Continued)

Example: (Continued)

COC must adjust John Farmer’s yield on AD-3117, item 25, COC Adjusted Weighted Insurance Approved Yield, to 892.13, as shown in this screenshot.

Commodity	Source	Total 2020 Reported Acres	Weighted Insurance Approved Yield	85% of Weighted County Yield
Cotton-Upland(0021)	PRODUCER	191.2500		758.31
	COC USE ONLY		892.13	

6 of 7 Steps

Exit Back Save Continue **Save and Continue**

**Note:** See 4-CFAP for additional instructions and screen prints for processing the CFAP 2 application.--\*

263-272 (Reserved)

## Section 3 Flat-Rate Crops

## 273 Eligible Flat-Rate Crops

## A Eligible Crops

Eligible flat-rate crops are crops that either do not meet the 5 percent price decline trigger or do not have data available to calculate a price change. The following crops are determined eligible flat-rate crops for CFAP 2:

- alfalfa
- amaranth grain
- buckwheat
- canola
- cotton, ELS
- crambe (colewort)
- einkorn
- emmer
- flax
- guar
- hemp
- indigo
- industrial rice
- kenaf
- khorasan
- millet
- mustard
- oats
- peanuts
- quinoa
- rapeseed
- rice
- rice, sweet
- rice, wild
- rye
- safflower
- sesame
- speltz
- sugar beets
- sugarcane
- teff
- triticale.

**Notes:** Other crops may be added by the Secretary.

All intended uses of flat-rate crops are eligible for CFAP 2, except for the intended uses listed in subparagraph B.

For flat-rate crops, CFAP 2 applications will only process and decisions will only be made for crops and intended uses listed in this paragraph.

**273 Eligible Flat-Rate Crops (Continued)****B Ineligible Intended Uses and Crop Statuses**

Eligible flat-rate crops with the following intended uses are **not** eligible for CFAP 2:

- grazing (GZ)
- left standing (LS)
- green manure (GM).

Eligible flat-rate crops with the following are not eligible for CFAP 2:

- crop status code of “X” for experimental
- crop supplemental status code of:
  - “P” for prevented planting
  - “V” for volunteer.

**C Eligible Acres**

CFAP 2 benefits for flat-rate crops are based on a payment rate of \$15 per acre; therefore, benefits are calculated based on a producer’s eligible acres. The automated CFAP 2 application, AD-3117, will interface with CARS to pre-populate the producer’s eligible acres on the application, as provided in subparagraph 251 C.

Yields are not a factor for flat-rate crops.

**274-283 (Reserved)**



**Section 4 Payments****284 Price Trigger Crops Payment Calculation****A Payment Calculation Overview**

For price trigger crops, the CFAP 2 payment will be equal to the greater of:

- result of multiplying:
  - producer's eligible acres, as defined in subparagraph 250 C, times
  - producer's weighted 2020 APH-approved yield, or if a weighted 2020 APH-approved yield is not available, 85 or 100 percent, as determined according to paragraph 262,--\* of the weighted 2019 ARC-CO benchmark yield, times
  - applicable crop marketing percentage, provided in subparagraph B, times
  - applicable crop payment rate, provided in subparagraph B
- result of multiplying:
  - producer's eligible acres, as defined in subparagraph 250 C, times
  - \$15 payment rate per acre.

**B Payment Rates**

Payment rates for price trigger crops are based on the following factors:

- the decline in average prices between the weeks of January 13-17, 2020, and July 27-31, 2020
- an 80 percent coverage factor
- share of 2020 crop marketing percentages from harvest through December 21, 2020.

284 Price Trigger Crops Payment Calculation (Continued)

**B Payment Rates (Continued)**

The following table provides the payment factors and payment rates for eligible price trigger crops.

<b>Crop</b>	<b>Units</b>	<b>Average Price Jan 13-17</b>	<b>Average Price July 27-31</b>	<b>Change in Price</b>	<b>Payment Rate (80% factor)</b>	<b>Crop Marketing Percentage</b>
		\$/unit	\$/unit	\$/unit	\$/unit	percent
Barley	bu	4.27	3.60	-0.67	0.54	63
Corn	bu	4.02	3.29	-0.73	0.58	40
Cotton, Upland	lb	0.72	0.62	-0.10	0.08	46
Sorghum	bu	3.82	3.12	-0.70	0.56	55
Soybean	bu	9.63	8.91	-0.72	0.58	54
Sunflowers	lb	0.18	0.16	-0.02	0.02	44
Wheat (all classes)	bu	5.57	4.89	-0.68	0.54	73

**284 Price Trigger Crops Payment Calculation (Continued)****C Payment Calculation Example 1**

Producer E:

- applies for CFAP 2 for corn, crop code 041
- files 2020 FSA-578's for 175 acres of corn nationwide
- has an RMA insurance policy on corn (041) in 5 counties nationwide for which a weighted 2020 APH-approved yield of 140.16 bushels was calculated, as calculated \*--according to subparagraph 262 G.--\*

Producer E's CFAP 2 payment is equal to the greater of:

- the result of multiplying:
  - 175 eligible acres, times
  - 140.16 bushels, weighted 2020 APH-approved yield, times
  - \$0.58 corn payment rate, times
  - .40, crop marketing percentage, equals
  - **\$5,690.50**
- result of multiplying:
  - 175 eligible acres, times
  - \$15 payment rate per acre, equals
  - **\$2,625.**

**Producer E's CFAP 2 payment is equal to \$5,690.50, before applying any applicable payment reductions.**

**284 Price Trigger Crops Payment Calculation (Continued)****D Payment Calculation Example 2**

Producer A:

- applies for CFAP 2 for barley
- files 2020 FSA-578's for 450 acres of barley nationwide
- does not have RMA crop insurance on the 450 acres of barley
- has a weighted 2019 ARC-CO benchmark yield equal to 75.47 bushels, as calculated  
\*--according to subparagraph 262 G.--\*

Producer A's CFAP 2 payment is equal to the greater of:

- the result of multiplying:
  - 450 eligible acres, times
  - 75.47 bushels, 2019 ARC-CO benchmark yield, times
  - \$0.54, barley payment rate, times
  - .63 crop marketing percentage rate, equals
  - **\$11,553.70.**
- the result of multiplying:
  - 450 eligible acres, times
  - \$15 payment rate per acre, equals
  - **\$6,750.**

**Producer A's CFAP 2 payment is equal to \$11,553.70, before applying any applicable payment reductions.**

**285 Flat-Rate Crops Payment Calculation****A Payment Calculation Overview**

For flat-rate crops, the CFAP 2 payment will be calculated by multiplying:

- eligible acres, as defined in subparagraph 250 C, for the crop, times
- \$15 payment rate per acre.

**B Example – Flat-Rate Crop Payment Calculation**

Producer C:

- applies for CFAP 2 for Canola, crop code 0711
- files 2020 FSA-578's for 200 acres of Canola nationwide.

Producer C's CFAP 2 payment will be calculated by multiplying:

- 200, eligible acres, times
- \$15 payment rate per acre, equals
- **\$3,000, before applying any payment reductions.**

**286-299 (Reserved)**



**\*--Part 9 Contract Producers****Section 1 Basic Information****300 Overview****A Purpose**

The Final Rule published in the FR on January 19, 2021, provides assistance to contract producers who raise swine and poultry (including broilers, pullets, layers, chicken eggs, turkeys, hogs, and pigs) because of market disruptions and reduced harvesting facility output resulting from the COVID-19 outbreak. A swine or poultry contract producer is one who produces swine or poultry owned by someone else under a production contract. Contract producers who grow or produce an eligible commodity under contract for or on behalf of another person or entity in 2019 and 2020 that sustained a revenue loss for a period from January 1, 2020, through December 27, 2020, as compared to January 1, 2019, through December 27, 2019, may be eligible.

**B General Information**

CFAP 2 payments will be issued for eligible contract producers who had a loss in revenue when producing the following eligible commodities under contract in 2019 and 2020:

- chickens (broilers, pullets, layers)
- chicken eggs (shell, dried, frozen, liquid)
- turkeys
- hogs and pigs.--\*

**301-310 (Reserved)**





## \*--Section 2 General Program Policies and Provisions

## 311 General Eligibility

## A Eligible Contract Producer

Contract producer means a producer who grows or produces an eligible commodity under contract for or on behalf of another person or entity. The contract producer does not have ownership in the commodity and is not entitled to a share from sales proceeds of the commodity.

Contract producers are eligible for payment if they:

- produced broilers, pullets, layers, chicken eggs, turkeys, or swine under a contract in **both** the 2019 and 2020 calendar years
- received eligible revenue under such a contract for the period beginning on January 1, 2020, and ending December 27, 2020
- had a loss in eligible revenue for the period from January 1, 2020, through December 27, 2020, as compared to eligible revenue for the period from January 1, 2019, through December 27, 2019
- meet all other requirements for CFAP 2 eligibility.

Contract producers must provide:

- a copy of their contract pursuant to which they raised an eligible commodity as specified in subparagraph 300 B
- documentation to support the information provided on their application if requested by FSA.

## B Contract Producers Ineligible for Payment

Contract producers are ineligible for payment if they:

- did not produce 1 of the eligible commodities identified in subparagraph 300 B in both 2019 and 2020 calendar years
- were not under a contract in both 2019 and 2020 calendar years

**Note:** New contract producers in 2020 are not eligible for payment.

- did not receive eligible revenue under such a contract from January 1, 2020, through December 27, 2020
- did not suffer a loss in eligible revenue from January 1, 2020, through December 27, 2020, as compared to the period from January 1, 2019, through December 27, 2019
- did not meet all other requirements for CFAP 2 eligibility.--\*

**\*--312 Revenue Certification**

**A Requirement**

A contract producer of eligible commodities must self-certify their 2019 and 2020 eligible revenue for eligible commodities. If COC believes the certified revenues are not reasonable, COC can require documentation to substantiate information entered on the application before approving it, including requesting a copy of the contract producer’s production contracts.

**B Eligible Revenue**

Eligible revenue is the revenue received by a contract producer for contract production of the eligible commodity identified in subparagraph 300 B, as reported on IRS Form 1099. 2019 and 2020 revenue are for the periods beginning on January 1 and ending on December 27 in each respective year. Revenue received between December 28 and December 31 in each respective year is not eligible revenue.

**Note:** The applicable period for eligible revenue is consistent with the provisions of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260), which was signed on December 27, 2020; therefore, only revenue received on or before that date is considered eligible revenue. The same time period of January 1 and ending December 27 has been established for eligible revenue received for both 2019 and 2020 calendar years.

**C AD-3117, Part H**

Following is an example of AD-3117, Part H, Contract Producer Revenue.

PART H – CONTRACT PRODUCER REVENUE			COC USE ONLY	
27. Commodity	28 2019 Revenue	29. 2020 Revenue	30 COC Adjusted 2019 Revenue	31 COC Adjusted 2020 Revenue

**D COC Adjustments**

COC may adjust the “2019 Revenue” and/or “2020 Revenue”:

- if the 2019 and/or 2020 revenue is determined to be unreasonable or inaccurate
- to reflect the actual 2019 and/or 2020 revenue based on documentation, when deemed necessary by COC.--\*

**313-325 (Reserved)**

**\*--Section 3 Payments****326 Contract Producers Payment Components****A Basis for Payment**

Contract producers are paid based on their revenue loss in 2020 compared to their 2019 revenue for the respective periods as specified.

**B Payment Calculation**

For eligible contract producers of broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs, if eligible revenue for the period from January 1, 2020, through December 27, 2020 (AD-3117, item 29), decreased compared to eligible revenue for the period from January 1, 2019, through December 27, 2019 (AD-3117, item 28), then payments will be equal to:

- eligible revenue received from January 1, 2019, through December 27, 2019, minus eligible revenue received January 1, 2020, through December 27, 2020, multiplied by
- 80 percent.

This calculation is subject to the availability of funds and will be factored, if needed.--\*



## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

None.

### Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (Includes Form AD-1026 Appendix)		5, 18, 19, 37, 51, 67, 68
AD-3117	Coronavirus Food Assistance Program 2 (CFAP 2) Application	Ex. 20	Text
AD-3117A	Continuation Sheet for Coronavirus Food Assistance Program 2 (CFAP 2) Milk Production Modification	Ex. 21	96, 97
CCC-36	Assignment of Payment		65, 68
CCC-37	Joint Payment Authorization		65, 68
CCC-901	Members Information		5, 19, Ex. 20
CCC-902	Farm Operating Plan for Payment Eligibility 2009 and Subsequent Program Years		5, 16, 19, 37, 51, 68, Ex. 20
CCC-902E	Farm Operating Plan for an Entity		19
CCC-902I	Farm Operating Plan for an Individual		19
CCC-903	Worksheet for Payment Eligibility and Payment Limitation Determinations		19
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information - Agricultural Act of 2014		5, 17, 19, 37, 51, 67, 68
CCC-942	Certification of Income From Farming, Ranching, and Forestry Operations		5, 17, 19, 37, 68
FSA-325	Application for Payment of Amounts Due Persons Who Have Died, Disappeared, or Have Been Declared Incompetent		65
FSA-578	Report of Acreage		250, 251, 262, 284, 285, Ex. 20
IRS Form 1099	Miscellaneous Information		312, Ex. 2
1099-MISC Form	Miscellaneous Information		51
SF-3881	ACH Vender/Miscellaneous Payment Enrollment Form		68

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

This table lists all abbreviations not listed in 1-CM.

Approved Abbreviations	Term	Reference
ARC-CO	Agriculture Risk Coverage-County Option	250, 262, 284
CARES Act	Coronavirus Aid, Relief, and Economic Stability Act	1, 22, Ex. 20
CARS	Crop Acreage Reporting System	251, 273
CFAP	Coronavirus Food Assistance Program	Text, Ex. 2, 20
IPIA	Improper Payments Information Act	3
LP	limited partnership	16, Ex. 20
PPB	Program Policy Branch, SND	1
SND	Safety Net Division	1
WHIP+	Wildfires and Hurricanes Indemnity Program+	21, 22, 50-52, 222, Ex. 2, 20
WHIPR	WHIP Information Report	262

Delegations of Authority

This table lists the delegations of authority in this handbook.

Delegation	Reference
In routine cases, COC may redelegate, in writing, to CED the authority to review and approve AD-3117.  The re delegation <b>must</b> define what COC considers routine.	1, 51

## Definitions of Terms Used in This Handbook

### Aquaculture

Aquaculture means any species of aquatic organisms grown as food for human consumption, fish raised as feed for fish that are consumed by humans, ornamental fish propagated and reared in an aquatic medium.

### Breeding Stock

Breeding stock means:

- for cattle, bulls and cows
- for hogs and pigs, boars and sows
- for lambs and sheep, rams and ewes
- \*--for other livestock, livestock that are a sire or dam maintained to produce offspring.--\*

### Broilers

Broilers includes any chicken that has been commercially produced for meat purposes that has left the farm for slaughter, and not used for laying or breeding purposes.

### Commodity

Commodity means an agricultural commodity produced in the United States and intended to be marketed for commercial production that has been designated as eligible for payments under CFAP.

### \*--Contract Producer

Contract producer means a producer who grows or produces an eligible commodity under contract for or on behalf of another person or entity. The contract producer does not have ownership in the commodity and is not entitled to a share from sales proceeds of the commodity.--\*

### Controlled Environment

Controlled environment means an environment, with respect to crops for which a controlled environment is expected to be provided, including but not limited to ornamental nursery, aquaculture (including ornamental fish), and floriculture, an environment in which everything that can practicably be controlled with structures, facilities, growing media (including but not limited to water, soil, or nutrients) by the producer, that is in fact controlled by the producer, as determined by industry standards.

**Definitions of Terms Used in This Handbook (Continued)****\*--Crop Insurance**

Crop insurance means an insurance policy reinsured by FCIC under the provisions of the Federal Crop Insurance Act, as amended. It does not include private plans of insurance.--\*

**Eggs**

Eggs means dried, frozen, liquid, and shell eggs.

**\*--Eligible Revenue**

Eligible revenue means the revenue received by a contract producer for contract production of broilers, pullets, layers, chicken eggs, turkeys, hogs, or pigs, as reported on IRS Form 1099.--\*

**Experimental**

Experimental means a crop for which all of the following apply:

- the crop is planted for experimental purposes conducted under the direct supervision of a State experiment station or commercial company
- production of the crop is destroyed before harvest or used for testing or other experimental purposes
- a representative of the State experiment station or the commercial company certifies that any production harvested from the experiment will not be marketed in any form.

**Flat-Rate Crop**

Flat-rate crop means alfalfa, amaranth grain, buckwheat, canola, cotton, ELS, crambe (colewort), einkorn, emmer, flax, guar, hemp, indigo, industrial rice, kenaf, khorasan, millet, mustard, oats, peanuts, quinoa, rapeseed, rice, rice, sweet, rice, wild, rye, safflower, sesame, speltz, sugar beets, sugarcane, teff, triticale, and other crops as determined by the Secretary. The term excludes hay, except alfalfa, and crops with intended uses of grazing, green manure, or left standing.

**Floriculture**

Floriculture means cut flowers and cut greenery from annual and perennial flowering plants grown in a container or controlled environment for commercial sale.



## Definitions of Terms Used in This Handbook (Continued)

### \*--Fruits

Fruits means any of the following fruits: Abiu, acerola (Barbados cherry), achachairu, antidesma, apples, apricots, aronia (chokeberry), atemoya (custard apple), avocados, bananas, blueberries, breadfruit, cacao, caimito, calabaza melon, canary melon, canary seed, caneberries, canistel, cantaloupes, carambola (star fruit), casaba melon, cherimoya (sugar apple), cherries, Chinese bitter melon, citron, citron melon, coconuts, cranberries, crenshaw melon, dates, donaquia (winter melon), durian, elderberries, figs, genip, gooseberries, grapefruit, grapes, ground cherry, guamabana (soursop), guava, guavaberry, honeyberries, honeydew, huckleberries, Israel melons, jack fruit, jujube, juneberries, kiwiberry, kiwifruit, Korean golden melon, kumquats, langsat, lemons, limequats, limes, longan, loquats, lychee, mangos, mangosteen, mayhaw berries, mesple, mulberries, nectarines, noni, olives, oranges, papaya, passion fruits, pawpaw, peaches, pears, pecans, persimmons, pineapple, pitaya (dragon fruit), plantain, plumcots, plums, pomegranates, prunes, pummelo, quinces, raisins, rambutan, sapodilla, sapote, schizandra berries, sprite melon, star gooseberry, strawberries, tangelos, tangerines, tangors, wampee, watermelon, wax jamboo fruit, and wolfberry (goji).--\*

### Hemp

Hemp means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a THC concentration of not more than 0.3 percent on a dry weight basis, that is grown under an official certification or license issued by the applicable governing authority that permits the production of the hemp.

### Hogs

Hogs means any swine 120 pounds or more.

### Ineligible Commodities

Ineligible commodities for CFAP 2 means any of the following commodities: birdsfoot and trefoil, clover, cover crop, fallow, forage soybeans, forage sorghum, gardens (commercial and home), grass, kochia (prostrata), lespedeza, milkweed, mixed forage, pelts (excluding mink), perennial peanuts, pollinators, sunn hemp, vetch, seed of ineligible crops, and other commodities as determined by the Secretary.

### \*--Layer

Layer means a chicken producing table or commercial type shell eggs.

### NAP

NAP means the Noninsured Crop Disaster Assistance Program under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) and part 1437 of this title.--\*

**Definitions of Terms Used in This Handbook (Continued)****Nursery**

Nursery means decorative or nondecorative plants grown in a container or controlled environment for commercial sale.

**Other Livestock**

Other livestock means any of the following livestock: animals commercially raised for food, fur, fiber, or feathers, including alpacas, bison, buffalo, beefalo, deer, ducks, elk, emus, geese, goats, \*--guinea pigs, llamas, mink, ostrich, pheasants, pullets, quail, rabbits, reindeer, turkey, and other livestock as determined by the Secretary. It excludes all equine, reptiles, bees, breeding stock (including eggs to be hatched for breeding stock), companion or comfort animals, pets, and--\* animals raised for hunting or game purposes and other livestock, as determined by the Secretary.

**Pigs**

Pigs means any swine weighing less than 120 pounds.

**Prevented Planting**

Prevented planting means the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster.

**Price Trigger Commodities**

Price trigger commodities means price trigger crops and price trigger livestock and products as defined in this section.

**Price Trigger Crops**

Price trigger crops means any of the following crops: barley, corn, sorghum, soybeans, sunflowers, upland cotton, wheat (all classes), excluding crops with an intended use of grazing, green manure, or left standing.

**Price Trigger Livestock and Products**

Price trigger livestock and products means any of the following livestock and products: beef cattle, broilers, dairy (cow milk), eggs, lambs, sheep, hogs, and pigs; excluding breeding stock.

**Producer**

Producer means a person or legal entity who shares in the risk of producing a commodity. \* \* \* A person or legal entity who is not in the business of farming at the time of application is not considered an eligible producer. A dairy operation must be commercially marketing milk at the time of enrollment.

## Definitions of Terms Used in This Handbook (Continued)

### \*--Pullet

Pullet means a young female chicken that has not laid an egg.--\*

### Sales-Based Commodities

Sales-based commodities means, as defined in this section, aquaculture, sales-based crops, nursery crops and floriculture, other livestock, and the following commodities: goat milk, mink \*(including pelts); mohair, wool, turfgrass sod, and other commodities as determined by the--\* Secretary.

### Sales-Based Crops

Sales-based crops means ambrosia, arundo, camelina, cactus, cardoon, fruits, honey, horticulture, maple sap, tobacco, tree nuts, and vegetables. The term excludes crops with an intended use of grazing, green manure, or left standing.

### \*--Tree Nuts

Tree nuts means any of the following tree nuts: Almonds, carob, cashew, chestnuts, coffee, hazel nuts, jojoba, macadamia nuts, pecans, pine nuts, pistachios, and walnuts.

### Vegetables

Vegetables means any of the following vegetables: Alfalfa sprouts, aloe vera, artichokes, arugula (greens), asparagus, bamboo shoots, batatas, bean sprouts, beans (including dry edible), beets, bok choy, broccoflower, broccoli, broccolini, broccolo-cavalo, Brussel sprouts, cabbage, calaloo, carrots, cauliflower, celeriac, celery, chickpea (see beans, garbanzo), chives, collard greens, coriander, corn sweet, cucumbers, daikon, dandelion greens, dasheen (taro root, malanga), dill, eggplant, endive, escarole, frisee, gailon (gai lein, Chinese broccoli), garlic, gourds, greens, horseradish, Jerusalem artichokes (sunchoke), kale, kohlrabi, leeks, lentils, lettuce, melongene, mesculin mix, microgreens, mushrooms, okra, onions, parsnip, peas (including dry edible), pejibaye (heart of palm), peppers, potatoes, potatoes sweet, pumpkins, radicchio, radishes, rhubarb, rutabaga, salsify (oyster plant), scallions, seed—vegetable, shallots, spinach, squash, swiss chard, tannier, taro, tomatillos, tomatoes, truffles, turnip top (greens), turnips, yam, and yautia (malanga).

### WHIP+

WHIP+ means the Wildfires and Hurricanes Indemnity Program Plus (WHIP+) under part 760, subpart O of this title.--\*



**AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application**

**A Completing AD-3117**

The following table provides instructions for completing a manual AD-3117.

**Note:** For FSA County Offices, enter the data for all AD-3117's received in the County Office in the CFAP2 application system to print the completed AD-3117 (CFAP2 application) for the applicant.

Item	Instructions
<b>For COC Use Only</b>	
1	Enter the producer's recording State.
2	The program year will be 2020.
3	Enter the producer's recording county.
4	Enter application number.  <b>Note:</b> This number is assigned by the automated system.
<b>Part A – Producer Agreement</b>	
For Informational Purposes	
<p>Applicants who are an individual person must complete automated CCC-902 or manual CCC-902, Parts A and B, and provide name, address, taxpayer identification number, and citizenship status. An individual who is not a U.S. resident or lawful alien must also report contributions of labor, capital and land contributions to the farming operation.</p> <p>Applicants who are a legal entity, including General Partnership or Joint Venture, must complete automated CCC-902 or manual CCC-901 and provide the name, address and taxpayer identification number for the legal entity and all members, partners or stockholders with an ownership interest. If any member, partner or stockholder is not a U.S. resident or lawful alien, CCC-902 must be completed to report contributions of labor to the legal entity.</p> <p>All applicants must submit CCC-941. Applicants with an average AGI of more than \$900,000 for the 2016, 2017, and 2018 tax years may submit CCC-942 to certify that at least 75 percent of the applicant's AGI is derived from farming, ranching, or forestry-related activities. Applicants who exceed the AGI limitation and do not submit CCC-942 will not be eligible for payment.</p>	
<b>Part B – Producer Information</b>	
5	Enter the producer's name, address, including the ZIP code, and telephone number, including area code.
<b>Part C – Dairy Production</b>	
6	Displays the unit of measure for dairy production as pounds (LBS).
7	Enter the total production from April 1, 2020, to August 31, 2020, in pounds (LBS).

**AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)**

**A Completing AD-3117 (Continued)**

Item	Instructions
<b>Part C – Dairy Production (Continued)</b>	
8	<p>COC may enter the adjusted total production from April 1, 2020, to August 31, 2020, if applicable.</p> <p><b>Note:</b> An entry is only required when COC determines the total production is different than what is certified to by the producer in item 7.</p>
9	<p>System will display a calculated estimated total production for September 1, 2020, through December 31, 2020.</p> <p><b>Note:</b> The calculation will be item 7 divided by 153 (number of days between April 1, 2020, and August 31, 2020), then multiplying the resulting figure by 122 (number of days between September 1, 2020, and December 31, 2020). When item 10A is completed, the figure of 122 (days) will be adjusted, if applicable.</p>
10A	<p>Enter the last date milk was produced for those producers applying that are no longer producing milk.</p> <p><b>Note:</b> If you cease producing milk before December 31, 2020, or if you are a seasonal dairy, you are required to notify the FSA County Office of the date you stopped producing milk.</p>
10B	<p>COC may enter the adjusted last date milk was produced, if applicable.</p> <p><b>Note:</b> An entry is only required when COC determines the last date milk was produced is different than what is certified to by the producer in item A.</p>
<b>Part D – Egg/Broiler Production</b>	
11	<p>Displays the eligible commodities.</p> <p>The eligible commodities for Part D are:</p> <ul style="list-style-type: none"> <li>• Broilers</li> <li>• Dried Eggs</li> <li>• Frozen Eggs</li> <li>• Liquid Eggs</li> <li>• Shell Eggs.</li> </ul>

AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)

A Completing AD-3117 (Continued)

Item	Instructions
<b>Part D – Egg/Broiler Production (Continued)</b>	
12	<p>Displays the applicable unit of measure for the commodities entered in item 11.</p> <p>The applicable unit of measure for the eligible commodities in Part D are:</p> <ul style="list-style-type: none"> <li>• Broilers – Head</li> <li>• Dried Eggs – Pounds (LBS)</li> <li>• Frozen Eggs – Pounds (LBS)</li> <li>• Liquid Eggs – Pounds (LBS)</li> <li>• Shell Eggs – Dozen.</li> </ul>
13	<p>Enter the 2019 total production nationally for the commodities entered in item 11, if applicable.</p> <p><b>Note:</b> If farming began after December 31, 2019, then the producer must provide 2020 production.</p>
14	<p>COC may enter the adjusted 2019 total production, if applicable.</p> <p><b>Note:</b> An entry is only required when COC determines the 2019 total production is different than what is certified to by the producer in item 13.</p>
<b>Part E – Livestock Inventory (Excluding Breeding Stock)</b>	
15	<p>Displays the eligible livestock for Part E.</p> <p>The eligible livestock are:</p> <ul style="list-style-type: none"> <li>• Cattle (Beef Cattle Only)</li> <li>• Hogs/Pigs</li> <li>• Sheep.</li> </ul>
16	<p>Enter the highest owned inventory (excluding breeding stock) on a date between April 16, 2020, and August 31, 2020, for the livestock entered in item 15, if applicable.</p>
17	<p>COC will enter the adjusted highest owned inventory (excluding breeding stock) on a date between April 16, 2020, and August 31, 2020, if applicable.</p> <p><b>Note:</b> An entry is only required when COC determines the highest owned inventory (excluding breeding stock) on a date between April 16, 2020, and August 31, 2020, is different than what is certified to by the producer in item 16.</p>

AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)

A Completing AD-3117 (Continued)

Item	Instructions
<b>Part F – Sales Commodities</b>	
18	<p>Displays the eligible sales commodities.</p> <p>The eligible sales commodities are:</p> <ul style="list-style-type: none"> <li>• Aquaculture</li> <li>• Crops (excluding Part G crops)</li> <li>• Nursery/Floriculture Crops</li> <li>• Miscellaneous</li> <li>• Other Livestock (Excluding Breeding Stock)</li> </ul> <p><b>Note:</b> Other livestock means any of the following livestock: animals commercially raised for food, fur, fiber, or feathers, including alpacas, bison, buffalo, beefalo, deer, ducks, elk, emus, geese, goats, guinea pigs, *-llamas, mink, ostrich, pheasants, pullets, quail, rabbits, reindeer, turkeys,--* water buffalo, and yak.</p> <ul style="list-style-type: none"> <li>• Tobacco.</li> </ul>
19	<p>*--Enter the total dollar value of 2019 sales and all 2019 crop year crop insurance indemnities, NAP, and WHIP+ payments received for the commodity(s) in item 18.</p> <p><b>Note:</b> If farming began after December 31, 2019, producer must provide 2020 sales (not including crop insurance indemnities, NAP, or WHIP+ payments).</p>
20	<p>COC will enter the adjusted dollar value of 2019 total commodity(s) sales, including all 2019 crop year crop insurance indemnities, NAP, and WHIP+ payments received, if--* applicable.</p> <p><b>Note:</b> An entry is only required when COC determines the dollar value of 2019 total commodity(s) sales is different than what is certified to by the producer in item 19.</p>



**AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)**

**A Completing AD-3117 (Continued)**

<b>Item</b>	<b>Instructions</b>
<b>Part G – Acreage-Based Crops</b>	
21	System will display eligible commodities based on the 2020 FSA-578's on file, nationally for the producer.
22	System will display the total 2020 reported acres or determined acres, if available, on the 2020 FSA-578's on file, nationally for the producer, for the commodities displayed in item 21.
23	COC will enter adjusted total 2020 reported acres, if applicable.  <b>Note:</b> An entry is only required when COC determines the acres to be unreasonable or inaccurate.
24	System will display the producer's Weighted Insurance Approved Yield from RMA for the commodities displayed in item 21, if applicable.  <b>Note:</b> If no Weighted Insurance Approved Yield is available, then item 26 will be populated.
25	COC will enter Adjusted Weighted Insurance Approved Yield, if applicable.  <b>Note:</b> An entry is only required when COC determines the Weighted Insurance Approved *--Yield is different than the result in item 24 or as required according to paragraph 262.--*
26	System will display 85 percent of the Weighted County Yield for the commodity displayed in item 21, if applicable.  <b>Note:</b> Will only display if item 24 is not available.
<b>*--Part H – Contract Producer Revenue</b>	
27	If a contract producer, enter the eligible commodities grown pursuant to a grower contract.  The eligible contract producer commodities are:  <ul style="list-style-type: none"> <li>• Chickens (Broilers, Layers, and Pullets)</li> <li>• Chicken Eggs</li> <li>• Turkeys</li> <li>• Hogs/Pigs.</li> </ul>
28	Enter the total dollar value of eligible revenue received January 1, 2019, through December 27, 2019, for the commodity entered in item 27.
29	Enter the total dollar value of eligible revenue received January 1, 2020, through December 27, 2020, for the commodity entered in item 27.
30	COC will enter the total dollar value of eligible revenue received January 1, 2019, through December 27, 2019, if applicable.  <b>Note:</b> An entry is only required when COC determines the total dollar value of eligible revenue for the 2019 calendar year is different than the result in item 28.
31	COC will enter the total dollar value of eligible revenue received January 1, 2020, through December 27, 2020, if applicable.  <b>Note:</b> An entry is only required when COC determines the total dollar value of eligible revenue for the 2020 calendar year is different than the result in item 29.--*

AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)

A Completing AD-3117 (Continued)

Item	Instructions
<b>*--Part I – Increased Payment Limitation for--*</b> <b>Corporations, Limited Liability Companies, Limited Partnerships, Trusts and Estates</b>	
32 A-C	Enter the member, partner stockholder, beneficiary, or heir name(s) who provide 400 hours or more of active personal labor or active personal management, or combination thereof, to the farming operation identified in Part A, item 5.  <b>Note:</b> Entry only required to be completed by Corporations, LLC’s, LP’s Trusts, or Estates.
<b>*--Part J – Producer Certification--*</b>	
33A	Producer applying for CFAP 2 benefits must sign.
33B	Enter title and/or relationship to the individual when signing in a representative capacity.  <b>Note:</b> If the producer signing is not signing representative capacity, this field should be left blank.
33C	<b>*--Enter the date AD-3117 is signed in item 33A.</b>
<b>Part K – COC Determination--*</b>	
34	Displays the payment parts – CARES * * * and CCC.
35	COC or their representative will sign.  <b>*--Note:</b> COC must complete for both payment parts, if applicable in item 34.
36	Enter the date COC or their representative signs AD-3117.
37	COC or their representative will check (✓) either “Approved” or “Disapproved” for both payment parts in item 34.--*  <b>Important:</b> AD-3117 will be approved or disapproved as certified by the producer after applicable COC adjustment fields are completed.

AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)

B Example of AD-3117

The following is an example of AD-3117.

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Form Approved - OMB No. 0560-0299 OMB Expiration Date: 07/31/2021							
<p>This form is available electronically.</p> <p><b>AD-3117</b> U.S. DEPARTMENT OF AGRICULTURE (01-19-21)</p> <p style="text-align: center;"><b>CORONAVIRUS FOOD ASSISTANCE PROGRAM 2 (CFAP 2) APPLICATION</b></p> <p><small>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 9, the CARES Act (Pub. L. 116-136), and 15 U.S.C. 714b and 714c. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, and Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.</small></p> <p><small>Public Burden Statement (Paperwork Reduction Act). Public reporting burden for this collection is estimated to average 60 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection, or USDA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1. Recording State</td> <td style="width: 50%;">2. Program Year</td> </tr> <tr> <td></td> <td style="text-align: center;">2020</td> </tr> <tr> <td>3. Recording County</td> <td>4. Application Number</td> </tr> </table>	1. Recording State	2. Program Year		2020	3. Recording County	4. Application Number
1. Recording State	2. Program Year						
	2020						
3. Recording County	4. Application Number						
<b>PART A – PRODUCER AGREEMENT</b>							
<p>The Department of Agriculture (USDA) will make payments under the CFAP 2 to producers who meet the requirements of the program. The following information is needed in order for USDA to make a determination that the applicant is eligible to receive a CFAP 2 payment. By submitting this application, and upon its approval by USDA, the applicant agrees:</p> <ol style="list-style-type: none"> <li>1. To comply with regulations set forth in 7 CFR Part 9 and any applicable Notice of Funds Availability published by USDA. Copies of these documents may be found at <a href="http://www.regulations.gov/docket?D=FSA-2020-0004">www.regulations.gov/docket?D=FSA-2020-0004</a>.</li> <li>2. That the applicant is in the business of farming at the time of application.</li> <li>3. That payments for producers who began farming in 2020, for which 2019 production or sales is required, must provide actual 2020 production or sales information, as applicable.</li> <li>4. That a CFAP 2 payment will only be made with respect to a commodity produced in the United States and intended to be marketed for commercial production.</li> <li>5. To provide to USDA all information that is necessary to verify that the information provided on this form is accurate, and to allow USDA representatives access to all documents and records of the producer, including those in the possession of a third-party such as a warehouse operator, processor or packer.</li> <li>6. To comply with maximum payment limitation and adjusted gross income provisions applicable to the CFAP 2 by completing forms:             <ul style="list-style-type: none"> <li>• CCC-902, Farm Operating Plan for Payment Eligibility (NOTE: Only Parts A and B of the form are required).</li> <li>• CCC-901, Member Information for Legal Entities, if applicable</li> <li>• CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information</li> <li>• CCC-942, Certification of Income from Farming, Ranching and Forestry Operations (optional)</li> </ul> </li> <li>7. To provide to USDA all information required for program participation within 60 days from the date the applicant signs this application. Failure of an individual, entity, or member of an entity to timely submit all information required may result in no payment or a reduced payment.</li> <li>8. To comply with the provisions of the Food Security Act of 1985 that protect highly erodible land and wetlands. All applicants must complete and submit all portions of form AD-1026, Highly Erodible Land Conservation (HELCO) and Wetland Conservation (WC) Certification unless:             <ol style="list-style-type: none"> <li>8A.                 <ol style="list-style-type: none"> <li>i. The applicant does not participate in USDA benefits subject to HELCO and WC compliance except Federal Crop Insurance or CFAP, and</li> <li>ii. The applicant only has an interest in land devoted to the production of agricultural commodities that are perennial crops, excluding sugarcane, such as tree fruits, tree nuts, grapes, olives, native pasture and perennial forage. If the applicant produces alfalfa, the applicant must contact the Natural Resources Conservation Service to determine if such production qualifies as the production of a perennial crop; and</li> <li>iii. The applicant has not converted a wetland after December 23, 1985; or</li> </ol> </li> <li>8B.                 <ol style="list-style-type: none"> <li>i. The applicant does not own or rent land devoted to an agricultural activity including cropland, rangeland, pastureland or forestland;</li> <li>ii. The applicant is a producer of livestock, nursery crops, honey or similar commodity that is not produced from tillage of land</li> </ol> </li> </ol> </li> <li>9. If the applicant meets either the conditions in section 8A (certification with box 5 B on AD-1026) or 8B (certification with box 5 A on AD-1026), the applicant is only required to complete Parts A and D of form AD-1026.</li> </ol>							
<b>PART B – PRODUCER INFORMATION</b>							
5. Producer's Name, Address (City, State and Zip Code) and Phone Number (Include Area Code)							
<b>PART C – DAIRY PRODUCTION</b>							
<b>COC USE ONLY</b>							
6. Unit of Measure	7. Total Production (April 1, 2020 – August 31, 2020)	8. COC Adjusted Total Production (April 1, 2020 – August 31, 2020)	9. Estimated Total Production (Sept. 1, 2020 – Dec. 31, 2020)				
LBS							
10A. If you are no longer producing milk, what is the last date milk was produced? (MM/DD/YYYY): _____		<b>COC USE ONLY</b>					
NOTE: If you cease producing milk before Dec. 31, 2020, or if you are a seasonal dairy, you are required to notify the FSA County office of the date you stopped producing milk.		10B. COC Adjusted Last Date Milk was Produced					
<b>PART D – EGGS/BROILERS PRODUCTION</b>							
<b>COC USE ONLY</b>							
11. Commodity	12. Unit of Measure	13. 2019 Total Production	14. COC Adjusted 2019 Total Production				
BROILERS	HEAD						
DRIED EGGS	LBS						
FROZEN EGGS	LBS						
LIQUID EGGS	LBS						
SHELL EGGS	DOZEN						

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**AD-3117, Coronavirus Food Assistance Program 2 (CFAP 2) Application (Continued)**

**B Example of AD-3117 (Continued)**

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AD-3117 (01-19-21)					Page 2 of 2	
<b>PART E – LIVESTOCK INVENTORY (Excluding Breeding Stock)</b>				<b>COC USE ONLY</b>		
15. Livestock	16. Inventory <i>(Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)</i>		17. COC Adjusted Inventory <i>(Excluding Breeding Stock) (Highest on a Date Between April 16, 2020 – August 31, 2020)</i>			
CATTLE						
HOGS/PIGS						
SHEEP						
<b>PART F – SALES COMMODITIES</b>				<b>COC USE ONLY</b>		
18. Commodity	19. 2019 Total Commodity Sales		20. COC Adjusted 2019 Total Commodity Sales			
AQUACULTURE						
CROPS (Excluding Part G Crops)						
NURSERY/FLORICULTURE CROPS						
MISCELLANEOUS						
OTHER LIVESTOCK <i>(Excluding Breeding Stock)</i>						
TOBACCO						
<b>PART G – ACREAGE-BASED CROPS</b>			<b>COC USE ONLY</b>			
21. Crop	22. Total 2020 Reported Acres	23. COC Adjusted Total 2020 Reported Acres	24. Weighted Insurance Approved Yield	25. COC Adjusted Weighted Insurance Approved Yield	26. 85% of Weighted County Yield	
<b>PART H – CONTRACT PRODUCER REVENUE</b>			<b>COC USE ONLY</b>			
27. Commodity	28. 2019 Revenue	29. 2020 Revenue	30. COC Adjusted 2019 Revenue	31. COC Adjusted 2020 Revenue		
<b>PART I – INCREASED PAYMENT LIMITATION FOR CORPORATIONS, LIMITED LIABILITY COMPANIES (LLCS), LIMITED PARTNERSHIPS, TRUSTS &amp; ESTATES</b>						
32. Applicants who are corporations, LLCs, and limited partnerships, trusts or estates may seek an increase in the per-person payment limitation from \$250,000 to either \$500,000, if such entity has two members, partners, stockholders, beneficiaries or heirs who each provided at least 400 hours or more of personal labor or active personal management, or combination thereof, to the farming operation as defined in 7 CFR Part 1400, or a maximum of \$750,000 if such entity has three members, partners, stockholders, beneficiaries or heirs who each provided at least 400 hours or more of personal labor or active personal management, or combination thereof, to the farming operation as defined in 7 CFR Part 1400. The applicant must identify the names of members, partners, stockholders, beneficiaries or heirs who provided at least 400 hours of active personal labor or active personal management, or combination thereof, to the farming operation identified in Part B Item 5:						
A.	B.	C.				
<b>PART J – PRODUCER CERTIFICATION</b>						
<i>I hereby sign and acknowledge under penalty of perjury in accordance with 28 U.S.C. § 1746 and 18 U.S.C. § 1621 that the foregoing is true and correct.</i>						
33A. Signature (By)			33B. Title/Relationship of the Individual Signing in the Representative Capacity		33C. Date (MM/DD/YYYY)	
<b>PART K – COC DETERMINATION</b>						
34. Payment Part	35. COC or Designee Signature	36. Date (MM/DD/YYYY)	37. Determination			
CARES			<input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED			
CCC			<input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED			

In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, and employees participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9922. Submit your completed form or letter to USDA by (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.

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**AD-3117A, Continuation Sheet for Coronavirus Food Assistance Program 2 (CFAP 2) Milk  
Production Modification**

**A Completing AD-3117A**

The following table provides instructions for completing a manual AD-3117A.

<b>Item</b>	<b>Instructions</b>
<b>For COC Use Only</b>	
1	Enter the date.
2	Enter the State and recording date.
<b>Part A – Dairy Operation Information</b>	
3	Enter the dairy operation’s name and address, including the ZIP code.
4	Enter “Yes” or “No” if this is a new or succeeding dairy operation starting commercially marketing milk after April 1, 2020, and before August 31, 2020.
5	Enter the pounds of actual milk production from April 1, 2020, through August 31, 2020.
6	Enter the date the dairy operation started to commercially market milk.
<b>Part B – Dairy Operation’s CFAP Milk Production Modification and Certification</b>	
7A	Enter the dairy operation name.
7B	Producer will sign.
7C	Enter title and/or relationship of the individual when signing in a representative capacity.
7D	Enter the date AD-3117A is signed.
<b>Part C – COC Determination</b>	
8A	COC or their representative will sign.
8B	COC or their representative will check either “Approved” or “Disapproved”.
8C	Enter the date of COC signature.
9	Enter applicable remarks.

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**AD-3117A, Continuation Sheet for Coronavirus Food Assistance Program 2 (CFAP 2) Milk Production Modification**

**B Example of AD-3117A**

The following is an example of AD-3117A.

Date Stamp			
OMB Control No. 0560-0297 OMB Expiration Date: 03/31/2021			
This form is available electronically. <b>AD-3117A</b> (10-26-20)	U.S. DEPARTMENT OF AGRICULTURE <b>For County Office</b>		
<b>CORONAVIRUS FOOD ASSISTANCE PROGRAM 2 (CFAP 2) MILK PRODUCTION MODIFICATION ACTION</b>	1. Date 2. State/County		
<p><b>NOTE:</b> <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 9, the CARES Act (Pub. L. 116-136), and 15 U.S.C. 714b and 714c. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, and Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.</i></p> <p><b>Public Burden Statement (Paperwork Reduction Act):</b> Public reporting burden for this collection is estimated to average 60 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection, or USDA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>			
<b>PART A DAIRY OPERATION INFORMATION</b>			
3. Dairy Operation Name and Address			
4. Is this a new or succeeding dairy operation that started commercially, marketing milk after April 1, 2020 and before August 31, 2020?	<input type="checkbox"/> YES <input type="checkbox"/> NO		
5. What are the pounds of actual milk production for the months of April 1, 2020 through August 31, 2020?			
6. What date did the dairy operation start producing milk?			
<b>PART B DAIRY OPERATION'S CFAP MILK PRODUCTION MODIFICATION AND CERTIFICATION</b>			
7A. Dairy Operation Name	7B. Signature of Producer (By)	7C. Title/Relationship of the Individual Signing in the Representative Capacity	7D. Date (MM-DD-YYYY)
<b>PART C CCC ACCEPTANCE AND APPROVAL</b>			
8A. Signature of COC or Designee	8B. Status: <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED		8C. Date (MM-DD-YYYY)
9. Remarks			
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