

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

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

**Amendment 8**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 22 A has been amended to update the Acreage Based Crops \$20 per acre top-up payment for price trigger and flat-rate crops.

Subparagraph 22 C has been added to include information on the price trigger and flat-rate top-up payment.

Subparagraph 22 D has been added to include the underserved top-up payment.

Subparagraph 68 A has been amended to add underserved producer information.

Subparagraph 68 B has been amended to add payment prerequisite of CCC-860 on file if the applicant is an underserved producer.

Subparagraph 111 B, paragraph 148, subparagraph 188 B, and subparagraph 235 B have been amended to add note about underserved producer eligibility.

Subparagraph 284 A has been amended to add the \$20 per acre top-up for price trigger crops.

Subparagraph 285 A has been amended to add the \$20 per acre top-up for flat-rate crops.

Exhibit 2 has been updated to include the definition of underserved producer.

**Amendment Transmittal (Continued)**

**A Reasons for Amendment (Continued)**

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	2-15 through 2-18 2-19 2-20 (add) 3-27 through 3-30 4-61, 4-62 5-61, 5-62 6-45, 6-46 7-45, 7-46 8-71, 8-72 8-75	1, pages 1-2 2, pages 5-6

22 CFAP 2 Payments and Payment Rates

A CFAP 2 Payments

The CFAP 2 payment is:

- \*--available to eligible producers, other than contract producers, who had or still have an ownership interest in 1 or more of the eligible commodities
- available to eligible contract producers of eligible contract livestock or poultry--\*
- **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 2018 or 2019 calendar year sales, including crop insurance indemnities, NAP, and WHIP+ payments for crop year 2018 or 2019, 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 2018 or 2019 calendar year sales, including crop insurance indemnities, NAP, and WHIP+ payments for crop year 2018 or 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. *--A top-up for price trigger and flat-rate crops based on the producer’s eligible 2020 acres, on their approved AD-3117, multiplied by the payment rate of \$20 per acre was issued on April 1, 2021. See Information Bulletin 10047 “2020 CFAP and CFAP 2 Payment Processing” (see subparagraph C).
Underserved Producers	For tobacco producers only, an additional payment will be equal to 15 percent of a producer’s previous CFAP 2 payments, subject to CFAP 2 payment limitation provisions.	For eligible producers, an additional payment will be equal to 15 percent of a producer’s previous CFAP 2 payments, subject to CFAP 2 payment limitation provisions, except for tobacco and contract growers.--*

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

### A CFAP 2 Payments (Continued)

Payments to contract producer (see Part 9) will be funded as authorized by the CAA.

For eligible contract producers, if eligible revenue for the period from January 1, 2020, through December 27, 2020, decreased compared to eligible revenue for the period from January 1, 2018, through December 27, 2018, or the period from January 1, 2019, through December 27, 2019, then payments will be equal to:

- eligible revenue received from January 1, 2018, through December 27, 2018, or from January 1, 2019, through December 27, 2019, minus
- eligible revenue received from January 1, 2020, through December 27, 2020, multiplied by
- 80 percent.

**Note:** COC has authority to adjust the eligible revenue based on information certified by the contract producer on form AD-3117B for contract producers without a full period of revenue from January 1 to December 27 for either 2018 or 2019, or who had an increase in their operation in 2020. See subparagraph 312 D.

For eligible contract producers without eligible revenue for the period of January 1 through December 27 in 2018 or 2019, that received eligible revenue for the period from January 1, 2020, through December 27, 2020, an average revenue loss level by category of eligible livestock or poultry will be determined by FSA for a geographic area based on the best available data including, but not limited to, losses reported by other contract producers for the same area and type of livestock or poultry; and the payment will be equal to:

- eligible revenue received from January 1, 2020, through December 27, 2020 **divided** by
- the result of 1 minus the determined average revenue loss level, **multiplied** by
- 80 percent.

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.

2018 or 2019 Sales Range	Percent Payment Factor
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

**\*--C Price Trigger and Flat Rate Top-Up Payments**

The CAA directed FSA to provide additional “top-up” payments to price-trigger and flat-rate crops producers based on the producer’s eligible 2020 acres multiplied by the payment rate of \$20 per acre. FSA calculated these payments based on the acres on the approved AD-3117.

No action was required by County Office staff to process the “top-up” payment. Information bulletin 10047 was posted informing FSA that payments were being processed. Producers who filed new or revised applications for price trigger and flat-rate crops during the reopened application period also received the “top-up” payment.

**D Additional Payment to Underserved Producers**

FSA issued an additional CFAP 2 payment to underserved farmers and ranchers. These payments were issued under the same authority as the producers’ previous CFAP 2 payments, using funds of CCC, except for payments for tobacco which will use remaining funds authorized by the CARES Act.

The additional payments were equal to 15 percent of a producer’s previous CFAP 2 payments, subject to CFAP 2 payment limitation provisions.

No action is needed by the county office.

**Important:** Contract producers are not eligible for this additional payment because CFAP 2 payments to contract producers were authorized and funded through the CAA, which specified that those payments could “cover not more than 80 percent of revenue losses,” and previous CFAP 2 payments to contract producers were calculated based on 80 percent of their revenue loss.--\*

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

**\*--D Additional Payment to Underserved Producers (Continued)**

CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, must be on file with FSA with a certification applicable for the 2020 program year to receive the additional payment. Producers who have not previously certified to their status for the 2020 program year may have submitted CCC-860 by March 31, 2023 to be eligible for the additional payment.--\*

**23-34 (Reserved)**



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
*--Underserved Producer Information	<ul style="list-style-type: none"> <li>• CCC-860 Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification must be on file.</li> <li>• Used to determine the underserved producer top-up eligibility.</li> </ul>	Web Based Subsidiary System--*

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.
*--9	If applicable, CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, is on file for an underserved producer to receive top-up payment.--*

**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.

Report Name	Type of Data	Reference
Submitted Payments Report	Live	9-CM, paragraph 63
Submitted Overpayments Report	Live	9-CM, paragraph 64
Pending Overpayment Report	Live	9-CM, paragraph 65
<p><b>Note:</b> The Pending Overpayment Report is accessed through the Pending Overpayment Summary Report according to 9-CM, paragraph 64.5.</p>		
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)**

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>

\*--Note: Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

## 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**

**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.

**\*--Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

**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.

**\*--Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

**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.

**\*--Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

**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.

**148 Broiler and Egg Payment Calculation (Continued)****D Payment Rate and Calculation for Frozen Eggs (Continued)**

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.

**\*--Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

**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.

**\*--Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

**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.



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.

Eligible Livestock (Excluding Breeding Stock)	Unit of Measure	CFAP 2 Payment Rate
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.

**\*--Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

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)
<b>CATTLE</b>	555	480 calves + 75 replacement heifers = 555 head
<b>HOGS/PIGS</b>		
<b>SHEEP</b>		

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
<b>CATTLE</b>	<b>Head</b>	555	\$ 55.00	\$ 30,525
<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>\$ 30,525</b>

**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.

\*--Note: Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

**236-249 (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.

\*--An additional “top-up” payment for price trigger crops based on the producer’s eligible 2020 acres, on their approved AD-3117, multiplied by the payment rate of \$20 per acre was issued on April 1, 2021. See Information Bulletin 10047 “2020 CFAP and CFAP 2 Payment Processing.”

**Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

#### 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

## 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.

\*--An additional “top-up” payment for price trigger crops based on the producer’s eligible 2020 acres, on their approved AD-3117, multiplied by the payment rate of \$20 per acre was issued on April 1, 2021. See Information Bulletin 10047 “2020 CFAP and CFAP 2 Payment Processing.”

**Note:** Underserved producers may be eligible for an additional CFAP 2 payment according to subparagraph 22 D.--\*

### 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)





## 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	Text
AD-3117B	Continuation Sheet for Coronavirus Food Assistance Program 2 (CFAP 2) Application for Contract Producers	Ex. 19	Text
CCC-36	Assignment of Payment		65, 68
CCC-37	Joint Payment Authorization		65, 68
CCC-860	Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification		22, 68
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

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

Forms (Continued)

Number	Title	Display Reference	Reference
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

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
WHIPIR	WHIP Information Report	262

Delegations of Authority

This table lists the delegations of authority in this handbook.

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

**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, grass seed 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.

**Turn**

Turn means a group of eligible contract livestock or poultry that is delivered to a contract producer who provides labor and equipment to produce the livestock or poultry for the integrator or owner.

**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.

**\*--Underserved Producer**

Underserved farmer or rancher means a beginning farmer or rancher, limited resource farmer or rancher, socially disadvantaged farmer or rancher, or veteran farmer or rancher. See 1-CM (Rev. 3) for the definitions of a beginning farmer or rancher, limited resource farmer or rancher, socially disadvantaged farmer or rancher, or veteran farmer or rancher.--\*

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