USDA Announces Details of Direct Assistance to Farmers through the Coronavirus Food Assistance Program

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Farmers and Ranchers to Receive Direct Support for Losses Related to COVID-19

WASHINGTON, D.C., May 19, 2020 - U.S. Secretary of Agriculture Sonny Perdue today announced details of the Coronavirus Food Assistance Program (CFAP), which will provide up to $16 billion in direct payments to deliver relief to America's farmers and ranchers impacted by the coronavirus pandemic. In addition to this direct support to farmers and ranchers, USDA's Farmers to Families Food Box program is partnering with regional and local distributors, whose workforces have been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase $3 billion in fresh produce, dairy, and meat and deliver boxes to Americans in need.

"America's farming community is facing an unprecedented situation as our nation tackles the coronavirus. President Trump has authorized USDA to ensure our patriotic farmers, ranchers, and producers are supported and we are moving quickly to open applications to get payments out the door and into the pockets of farmers," said Secretary Perdue. "These payments will help keep farmers afloat while market demand returns as our nation reopens and recovers. America's farmers are resilient and will get through this challenge just like they always do with faith, hard work, and determination."

Beginning May 26, the U.S. Department of Agriculture (USDA), through the Farm Service Agency (FSA), will be accepting applications from agricultural producers who have suffered losses.

Background:

CFAP provides vital financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline due to COVID-19 and face additional significant marketing costs as a result of lower demand, surplus production, and disruptions to shipping patterns and the orderly marketing of commodities.

Farmers and ranchers will receive direct support, drawn from two possible funding sources. The first source of funding is $9.5 billion in appropriated funding provided in the Coronavirus Aid, Relief, and Economic Stability (CARES) Act to compensate farmers for losses due to price declines that occurred between mid-January 2020, and mid-April 2020 and provides support for specialty crops for product that had been shipped from the farm between the same time period but subsequently spoiled due to

loss of marketing channels. The second funding source uses the Commodity Credit Corporation Charter Act to compensate producers for $6.5 billion in losses due to on-going market disruptions.

Non-Specialty Crops and Wool

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

Livestock

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

Dairy

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

Specialty Crops

For eligible specialty crops, the total payment will be based on the volume of production sold between January 15 and April 15, 2020; the volume of production shipped, but unpaid; and the number of acres for which harvested production did not leave the farm or mature product destroyed or not harvested during that same time period, and which have not and will not be sold. Specialty crops include, but are not limited to, almonds, beans, broccoli, sweet corn, lemons, iceberg lettuce, spinach, squash, strawberries and tomatoes. A full list of eligible crops can be found on farmers.gov/cfap. Additional crops may be deemed eligible at a later date.

Eligibility

There is a payment limitation of $250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies or limited partnerships may qualify for additional payment limits where members actively provide personal labor or personal management for the farming operation. Producers will also have to certify they meet the Adjusted Gross Income

limitation of $900,000 unless at least 75 percent or more of their income is derived from farming, ranching or forestry-related activities. Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions.

Applying for Assistance

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

Payment Structure

To ensure the availability of funding throughout the application period, producers will receive 80 percent of their maximum total payment upon approval of the application. The remaining portion of the payment, not to exceed the payment limit, will be paid at a later date as funds remain available.

USDA Service Centers are open for business by phone appointment only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service, or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information can be found at farmers.gov/coronavirus.

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