



**Member Advisory: USDA Announces Details of Coronavirus Food Assistance Program (CFAP)**

Moments ago, USDA announced details of the Coronavirus Food Assistance Program (CFAP). Below is a high-level summary of the program and additional details can be found in rule and at <https://www.farmers.gov/cfap/livestock>. Based on our initial review of the CFAP Rule, we believe the CCC Part 2 Payment Rate falls well below our expectation for a meaningful, equitable assistance payment for livestock producers. NCBA and MCA will be working aggressively with USDA and stakeholders on Capitol Hill to rectify this situation.

**Eligible Livestock:**

CFAP assistance is available to livestock producers who have an ownership interest in eligible livestock that have suffered a five percent-or-greater price decline as a result of the COVID-19 pandemic and face additional significant costs in marketing their inventories due to unexpected surplus and disrupted markets. A single payment for livestock 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.

Livestock	Eligible Livestock	Unit of Measure	CARES Act Part 1 Payment Rate	CCC Part 2 Payment Rate
<b>Cattle</b>	Feeder Cattle: Less than 600 Pounds	Head	\$102.00	\$33.00
	Feeder Cattle: 600 Pounds or More	Head	\$139.00	\$33.00
	Slaughter Cattle: Fed Cattle	Head	\$214.00	\$33.00
	Slaughter Cattle: Mature Cattle	Head	\$92.00	\$33.00
	All Other Cattle	Head	\$102.00	\$33.00
<b>Hogs and Pigs</b>	Pigs: Less than 120 Pounds	Head	\$28.00	\$17.00
	Hogs: 120 Pounds or More	Head	\$18.00	\$17.00
<b>Lambs and Yearlings</b>	All Sheep Less than 2 Years Old	Head	\$33.00	\$7.00

**Producer Eligibility:**

To be eligible for a CFAP payment, a person or legal entity must:

1. Complete a CFAP application form and provide any required documentation (as specified in this final rule); and
2. Be a producer having a share in the eligible commodity between January 15, 2020, and April 15, 2020, or April 16, 2020, through May 14, 2020.

**Payment Limits:**

CFAP payments are subject to a per person and legal entity payment limitation of \$250,000. This limitation applies to the total amount of CFAP payments made with respect to all eligible commodities. Similar to the manner in which statutory payment limitations are applied in the major commodity and disaster assistance programs administered by FSA, payments will be attributed to an individual through the direct attribution process used in those programs. The total payment amount of CFAP payments attributed to an individual will be determined by taking into account the direct and indirect ownership interests of the individual in all legal entities participating in CFAP. Unlike other FSA administered programs, special payment limitation rules will be applied to participants that are corporations, limited liability companies, and limited partnerships (corporate entities). These corporate entities may receive up to \$750,000 based upon the number of shareholders (not to exceed three shareholders) who are contributing substantial labor or management with respect to the operation of the corporate entity.

**AGI:**

A person or legal entity, other than a joint venture or general partnership, is ineligible for payments if the person's or legal entity's average adjusted gross income (AGI), using the average of the adjusted gross incomes for the 2016, 2017 and 2018 tax years, is more than \$900,000, unless at least 75 percent of that person's or legal entity's average AGI is derived from farming, ranching, or forestry-related activities. The AGI cap is waived for individuals who are able to certify that more 75% or greater of their income is derived from agricultural production.

**How to Apply:**

FSA will begin taking applications on Tuesday, May 26. Producers should expect to receive payments 7-10 days after the date of submission. At this point in time, USDA Service Centers are open for business by phone appointment only. Once the application period opens, producers should call their FSA county office to schedule an appointment. FSA has streamlined the signup process and will be working with producers by phone and using email, fax, mail, and online tools like Box to accept applications.

NCBA and MCA are continuing to evaluate the CFAP rule and will be sure to update our members with any additional relevant information.