



United States  
Department of  
Agriculture

# Coronavirus Food Assistance Program (CFAP) Review



## **CFAP provides direct assistance to agricultural producers impacted by the effects of the COVID-19 outbreak.**

The objective of CFAP 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.

**The commodities currently included in the program are those for which USDA data was available to determine that a five percent-or-greater price decline occurred from mid-January 2020 to mid-April 2020.**

**Commodities that did not suffer a five percent-or-greater price decline from mid-January 2020 to mid-April 2020 are not eligible for CFAP.**

## Two Funding Sources:

- **CARES Act provides**
  - \$ 9.5 Billion
- **CCC Charter Act provides**
  - \$ 6.5 billion

# Eligible Producers

(1-CFAP Paragraph 15)

To be eligible for a CFAP payment, a producer must have had a share in the eligible commodity on January 15, 2020; (or April 16<sup>th</sup> through May 14<sup>th</sup>, 2020 for livestock inventory). In addition the producer must be a:

- Citizen or National of the United States
- Resident alien (possessing a Resident Alien Card (I-551))
- Partnership of citizens or nationals of the United States
- Corporation, Limited Liability Company, 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); or
- Foreign Person or Foreign Entity who meets Foreign Person Rules according to 5-PL

## The following forms are applicable to CFAP:

- **AD-3114**, CFAP Application
- **CCC-902**, Farm Operating Plan for Payment Eligibility
- **CCC-901**, Member Information for Legal Entities, *if applicable*
- **CCC-941**, Average Adjusted Gross Income (AGI) Certification
- **CCC-942**, Certification of Income Farming, Ranching, and Forestry Operations”, *optional*
- **AD-1026**, HELC & WC Certification
- **CCC-860**, SDA/LR/Beginning and Veteran Farmer or Rancher Certification, *optional for demographics reporting only*

*FSA-578, Report of Acreage, is **NOT** required for CFAP!*

## \*\*\*IMPORTANT\*\*\*

- All producer eligibility forms related to CFAP **MUST** be filed within 60-days from the date of signing the CFAP application.
- Failure to timely provide all eligibility forms will result in no payment or a reduced payment.

**The information required from producers to participate in CFAP will be a self-certification by the producer or authorized representative.**

Producers self-certify to their losses but should have documentation available.

All self-certifications are subject to spot check and COC may request documentation if certifications are questioned



**Producers will submit ONE application form for their entire operation by the deadline of September 11, 2020**

**Revised applications may be submitted by application deadline.**

**Application form – AD-3114 – and Payment Calculator can be found at:**

**<https://www.farmers.gov/cfap>**

# AD-3114 CFAP Application Page 1

AD-3114 (08-14-20)				U.S. DEPARTMENT OF AGRICULTURE																																					
CORONAVIRUS FOOD ASSISTANCE PROGRAM (CFAP) APPLICATION				1. Recording State		2. Program Year																																			
				3. Recording County		4. Application Number																																			
<p><b>NOTE:</b> 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 in which the farm applies only to the extent permitted by applicable authorities.</p> <p>Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection of information is estimated to average 50 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 of information if it does not display a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>																																									
<b>PART A – PRODUCER AGREEMENT</b>																																									
<p>The Department of Agriculture (USDA) will make payments under the CFAP 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 payment. By submitting this application, and upon approval by USDA, the applicant agrees:</p>																																									
<ol style="list-style-type: none"> <li>To comply with regulations set forth in 7 CFR Part 9 and any Notice of Funds Availability published by USDA. Copies of these documents may be found at <a href="http://www.regulations.gov/docs/DOC-FSA-2020-0004">www.regulations.gov/docs/DOC-FSA-2020-0004</a>.</li> <li>That a CFAP 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>Nonspecialty crop and wool inventory and livestock sales between January 15, 2020 and April 15, 2020, must be unpriced as of January 15, 2020. Specialty crops that were sold between January 15, 2020, and April 15, 2020 under an agreed upon set price before January 15, 2020, do not qualify for assistance.</li> <li>To provide to USDA all information that is necessary to verify that the information provided on this form is accurate and to allow USDA representative 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>To comply with maximum payment limitation and adjusted gross income provisions applicable to the CFAP 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>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>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 (HELC) and Wetland Conservation (WC) Certification unless: <ol style="list-style-type: none"> <li>The applicant does not participate in USDA benefits subject to HELC and WC compliance except Federal Crop Insurance or CFAP, and</li> <li>The applicant only has an interest in land devoted to the production of agricultural commodities that are perennial crops, excluding sugar cane, 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>The applicant has not converted a wetland after December 23, 1985; or</li> </ol> </li> <li> <ol style="list-style-type: none"> <li>The applicant does not own or rent land devoted to an agricultural activity including cropland, rangeland, pastureland or forestland;</li> <li>The applicant is a producer of livestock, nursery crops, honey or similar commodity that is not produced from tillage of land</li> </ol> </li> <li>If the applicant meets either the conditions in section 7A (certification with box 5 B on AD-1026) or 7B (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)																																									
<table border="1"> <thead> <tr> <th colspan="4">PART C – DAIRY/EGG PRODUCTION INFORMATION</th> <th colspan="3">COC USE ONLY</th> </tr> <tr> <th>6. Commodity/ Unit of Measure</th> <th>7. January 2020 Production</th> <th>8. February 2020 Production</th> <th>9. March 2020 Production</th> <th>10. COC Adjusted Jan 2020 Production</th> <th>11. COC Adjusted Feb 2020 Production</th> <th>12. COC Adjusted March 2020 Production</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>							PART C – DAIRY/EGG PRODUCTION INFORMATION				COC USE ONLY			6. Commodity/ Unit of Measure	7. January 2020 Production	8. February 2020 Production	9. March 2020 Production	10. COC Adjusted Jan 2020 Production	11. COC Adjusted Feb 2020 Production	12. COC Adjusted March 2020 Production																					
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A. If you are no longer producing milk, what is the last date milk was produced? (MM/DD/YYYY):				COC USE ONLY																																					
NOTE: If you cease producing milk before July 1, 2020, you are required to notify the County office of the date you stopped producing milk.				B. COC Adjusted Last Date Milk was Produced																																					
<b>PART D – NON-SPECIALTY CROP AND WOOL INFORMATION</b>				COC USE ONLY																																					
13. Commodity	14. Unit of Measure	15. 2019 Total Production	16. 2019 Production Not Sold (as of Jan 15, 2020)	17. COC Adjusted 2019 Total Production	18. COC Adjusted 2019 Production Not Sold (as of Jan 15, 2020)																																				

# AD-3114 CFAP Application Page 2

PART E - LIVESTOCK INFORMATION				COC USE ONLY	
19. Livestock	20. Unit of Measure	21. Sales (Between Jan 15, 2020 - April 15, 2020) of Inventory Owned as of Jan 15, 2020	22. Inventory (Highest Between April 15, 2020 - May 14, 2020)	23. COC Adjusted Sales (Between Jan 15, 2020 - April 15, 2020) of Inventory Owned as of Jan. 15, 2020	24. COC Adjusted Inventory (Highest Between April 15, 2020 - May 14, 2020)

PART F - AQUACULTURE & NURSERY/FLORICULTURE INFORMATION					COC USE ONLY			
25 Commodity	26A Volume of Inventory Sold (Jan 15, 2020 - April 15, 2020)	26B Value of Inventory Shipped that Spoiled or Went Unpaid (as of April 15, 2020)	27A Volume of Available Inventory (see instructions)	27B Value of Inventory Not Sold (as of April 15, 2020)	28A COC Adjusted Volume of Inventory Sold (Jan 15, 2020 - April 15, 2020)	28B COC Adjusted Value of Inventory Shipped that Spoiled or Went Unpaid (as of April 15, 2020)	29A COC Adjusted Volume of Available Inventory (See Instructions)	29B COC Adjusted Value of Inventory Not Sold (as of April 15, 2020)

PART G - SPECIALTY CROP INFORMATION (COC DETERMINATION NOT REQUIRED)					AMS USE ONLY		
30. Crop	31. Unit of Measure	32. Volume of Production Sold (Jan 15, 2020 - April 15, 2020)	33. Volume of Production Shipped that Spoiled or Went Unpaid (Jan 15, 2020 - April 15, 2020)	34. Acres with Production Not Shipped or Sold (Jan 15, 2020 - April 15, 2020)	35. AMS Adjusted Volume of Production Sold (Jan 15, 2020 - April 15, 2020)	36. AMS Adjusted Volume of Production Shipped that Spoiled or Went Unpaid (Jan 15, 2020 - April 15, 2020)	37. AMS Adjusted Acres with Production Not Shipped or Sold (Jan 15, 2020 - April 15, 2020)

**PART H - INCREASED PAYMENT LIMITATION FOR CORPORATIONS, LIMITED LIABILITY COMPANIES AND LIMITED PARTNERSHIPS**

38. Applicants who are Corporations, Limited Liability Companies, and Limited Partnerships may seek an increase in the per-person payment limitation from \$250,000 to either \$500,000, if such entity has two members, partners, or stockholders 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, or stockholders 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. Identify the names of members, partners, or stockholders 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.

**PART I - PRODUCER CERTIFICATION**

*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.*

39A. Signature (By)	39B. Title/Relationship of the Individual Signing in the Representative Capacity	39C. Date (MM/DD/YYYY)

**PART J - COC DETERMINATION**

40. Payment Part	41. COC or Designee Signature	42. Date (MM/DD/YYYY)	43. Determination	
CARES			<input type="checkbox"/> APPROVED	<input type="checkbox"/> DISAPPROVED
CCC			<input type="checkbox"/> APPROVED	<input type="checkbox"/> DISAPPROVED

## Payments will be based on:

- **Specific payment rates by commodity**
- **100% of the calculated payment\***

\*subject to payment limitation

# Payment Limitation

- \$250,000 payment limitation per person or legal entity.
- \$250,000 per member of joint operation or partnership.
- Option for LLCs, LPs and Corporations to add up to two additional limitations when members provide more than 400 hours of labor or management
  - The maximum limitation for a corporation, LLC, or LP may receive is \$750,000

# Payment Limitation

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, or partners provide labor, management, or combination thereof	\$250,000.
1 person holding an ownership interest 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 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 in the organizational structure provides at least 400 hours of active personal labor or active personal management or combination thereof	\$750,000.

## AD-3114 Part H

### **PART H - INCREASED PAYMENT LIMITATION FOR CORPORATIONS, LIMITED LIABILITY COMPANIES AND LIMITED PARTNERSHIPS**

38. Applicants who are Corporations, Limited Liability Companies, and Limited Partnerships may seek an increase in the per-person payment limitation from \$250,000 to either \$500,000, if such entity has two members, partners, or stockholders 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, or stockholders 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. Identify the names of members, partners, or stockholders 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.

## Optional Increase in Payment Limitation Example:

LLC comprised of 2 members sharing 70% - 30%. Both certify to contributing over 400hrs of labor and/or management in Park H. CFAP losses total \$800,000:

- LLC payment limitation is increased to \$500k
  - Member A – 70% x \$500k = attributed \$350k – limited to \$250k
  - Member B – 30% x \$500k = attributed \$150k

Net payment to the LLC is limited to \$400,000 (\$250k + \$150k)



# Adjusted Gross Income Limitation

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.

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

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

## Added via NOFA publicly available 8/11/2020

- Nursery
- Aquaculture



United States  
Department of  
Agriculture



# Nursery



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

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

Controlled environment...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.

# Eligible Categories

- 1) Inventory that shipped but was spoiled or unpaid between January 15, 2020, and April 15, 2020 (CARES ACT)**
- 2) Inventory not sold between January 15, 2020 and April 15, 2020 (and will never be sold) (CCC Funds)**

# Inventory Shipped but Subsequently Spoiled /Unpaid

- **Eligible Inventory:**
  - the **wholesale value** of commodities that were shipped (delivered) between January 15, 2020, and April 15, 2020,
  - no payment was received or will be received.
- **Ineligible Inventory:**
  - Sold after April 15, 2020

# Inventory That Was Never Sold and Subsequently Destroyed

- **Eligible Inventory:**

- shipments that did not leave the farm,
- donated, or
- inventory destroyed (not delivered)
- the wholesale value of inventories not shipped as of April 15, 2020 are eligible.

- **Ineligible Inventory:**

- in storage that may be sold after April 15, 2020
- that is normally culled in advance of shipping or upon delivery are not eligible
- sold at a discount price



- **Delivered and Unpaid:**
  - inventory that was shipped but subsequently spoiled or unpaid is **15.55 %** (CARES Act)
- **Not Delivered**
  - inventory that was never sold is **13.45%** (CCC)

## AD-3114 – Part F

- Item 25 “Commodity”
- Item 26B “Value of Inventory Shipped that Spoiled or Went Unpaid ”
- Item 27B “Value of Inventory Not Sold”

PART F - AQUACULTURE & NURSERY/FLORICULTURE INFORMATION					COC USE ONLY			
25 Commodity	26A Volume of Inventory Sold <i>(Jan 15, 2020 – April 15, 2020)</i>	26B Value of Inventory Shipped that Spoiled or Went Unpaid <i>(as of April 15, 2020)</i>	27A Volume of Available Inventory <i>(see instructions)</i>	27B Value of Inventory Not Sold <i>(as of April, 15, 2020)</i>	28A COC Adjusted Volume of Inventory Sold <i>(Jan 15, 2020 – April 15, 2020)</i>	28B COC Adjusted Value of Inventory Shipped that Spoiled or Went Unpaid <i>(as of April 15, 2020)</i>	29A COC Adjusted Volume of Available Inventory <i>(See Instructions)</i>	29B COC Adjusted Value of Inventory Not Sold <i>(as of April 15, 2020)</i>

## Payment Formula:

wholesale value of inventory **X** payment rate

## **Before approving CFAP application**

- **COC may request additional documentation:**
  - verify ownership interest
  - quantity of the applicable commodity
  - verify value is wholesale

## COC may adjust “Volume of Inventory Sold” or “Volume Available Inventory”

- quantity is determined to be unreasonable or inaccurate
- reflect actual wholesale rather than retail value

PART F – AQUACULTURE & NURSERY/FLORICULTURE INFORMATION					COC USE ONLY			
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- **Please call County Offices with questions**
  - Producers are encouraged to contact offices to assist in proper form completion to expedite sign-up process.
- **Farmers.gov/CFAP has:**
  - Lists of eligible commodities and rates
  - Estimated Payment calculator
  - Clarifications of commodity categories; e.g. Nursery Crop & Cut Flowers
- **Fact Sheets**