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Coronavirus Food Assistance Program (2.0)



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USDA has announced a second round of Coronavirus Food Assistance Program (CFAP) payments for farmers impacted by COVID-19. For complete details on eligible commodities, payment rates/methodologies, and sign-up, visit USDA's CFAP website at www.farmers.gov/cfap. Plus, check out USDA's Fact Sheet on CFAP 2.0.

Summary information important to Kentucky agriculture includes the following:



- CFAP 2.0 will total up to nearly \$14 billion nationally, which will be in addition to the funds received from the first round of CFAP payments. This new round will include new calculation methods/payment rates and some new commodities including tobacco, hemp, wheat, and goats.
- Enrollment will start on Monday, September 21st at local FSA offices, with the application process similar to the first round of CFAP payments, including self-certification.
- Deadline for signup will be Dec 11, 2020
- CFAP 2.0 payments will be based on three different categories:
 - "price trigger" commodities experienced a 5% or greater national price decline in comparison to the average prices for the week of January 13-17, 2020, and July 27-31, 2020.
 - "sales" commodities payment calculations will use a sales-based approach where producers are paid based on five payment gradations associated with their 2019 sales.
 - "flat rate" commodities do not meet the 5% or greater national price decline trigger or do not have data available to calculate a price change.
- For corn, soybeans, wheat, barley, sorghum, among other row crops whose payment eligibility is based on the price trigger outlined above:
 - payments will be based on the greater of the 2020 planted acres multiplied by \$15 per acre; or the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, and then by the producer's weighted 2020 Actual Production History (APH) approved yield.
 - If an APH isn't available, the CFAP yield will be 85% of the benchmark yield used for the Agriculture Risk Coverage-County (ARC-CO) program option.
 - Payment rates among row crops will be the following:

Commodity	Unit of Measure	Crop Marketing Percentage (%)	Payment Rate (\$/Unit)
Barley	Bushel	63	\$0.54
Corn	Bushel	40	\$0.58
Sorghum	Bushel	55	\$0.56
Soybeans	Bushel	54	\$0.58
Sunflowers	Pound	44	\$0.02
Wheat	Bushel	73	\$0.54

- For more details on row crop payments under CFAP 2.0, click <u>here</u>.
- Livestock payments are based on both price changes and sales levels:
 - Beef cattle, pigs/hogs, and lamb/sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock, on a date selected by the producer between April 16 and Aug. 31.



- Dairy payments will be based on actual production from April 1 to Aug. 31 and an estimate by the FSA of production from Sept. 1 to Dec. 31. The production estimate for Sept. 1 to Dec 31 will be made by multiplying the average daily production from April 1 to Aug 31, by 122.
- Broiler payments will be equal to 75% of 2019 production and multiplied by \$1.01 per bird. Payments for producers who began producing in 2020 will be based on 2020 production as of the application date. Contract growers are ineligible for CFAP 2.0.
- Egg payments will also be based on 75% of the farm's 2019 production and multiplied by different payment rate for shell, liquid, dried, and frozen eggs.
- Payment rates for livestock will be the following:

Commodity	Unit of Measure	Payment Rate (\$/Unit)
Beef cattle	Head	\$55
Hogs and pigs	Head	\$23
Sheep and lambs	Head	\$27
Milk (cow)	cwt	\$1.20
Broilers	Bird (head)	\$1.01
Shell Eggs	Dozen	\$0.05
Liquid Eggs	Pound	\$0.04
Dried Eggs	Pound	\$0.14
Frozen Eggs	Pound	\$0.05

- For more details on beef cattle, hogs, and sheep payments under CFAP 2.0, click <u>here</u>. For dairy, click <u>here</u>.
- Tobacco, and other specialty enterprises such as aquaculture, nursery crops, floriculture, specialty livestock such as goats, and certain fruits/vegetables will be paid based on their 2019 sales. Payments will be a percentage of 2019 sales with that percentage decreasing at higher 2019 sales levels (see table below).

2019 Sales Range	Percent Payment Factor for the Producer's 2019 Sales Falling in the Range
\$0 to \$49,999	10.60%
\$50,000 to \$99,999	9.90%
\$100,000 to \$499,999	9.70%
\$500,000 to \$999,999	9.00%
Sales over \$1 million	8.80%



For specific details on tobacco payments under CFAP 2.0 click <u>here</u>. For aquaculture, click <u>here</u>. For nursery crops and floriculture, click <u>here</u>. For other specialty crops, click <u>here</u>. For specialty livestock, click <u>here</u>.

• "Flat rate" commodities will include hemp, alfalfa, and canola (among other crops), with payments being a flat \$15/acre rate based on the eligible acres from the 2020 crop.

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