



Coronavirus Food Assistance Program *for* Specialty Crop Producers

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Introduction

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Special thanks to UT Extension for hosting this webinar!



Today's Discussion

- **What is CFAP?**
 - Program basics
- **Notice of Funding Availability**
 - Understanding the NOFA
 - How producers can submit data about additional commodities
- **Specialty crop focus**

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Coronavirus Food Assistance Program

Goal: Relief for producers impacted by COVID-19

Provides direct payments to producers of eligible commodities

- Addresses price declines and supply chain disruptions, and additional marketing costs
- 80% of eligible payment now

Coronavirus Food Assistance Program

- CFAP sign up runs from **May 26, 2020 - August 28, 2020**
- Producers must submit all eligibility forms within 60 days of signed application
- Producers apply individually to their local office through phone, electronic methods, mail or hand delivery to an office drop box.
- Producers self-certify to their losses; documentation needed for spot checks

Eligibility

Eligible producers:

- Must have ownership risk of identified commodities that suffered a 5% or greater national price decline as a result of the COVID-19 Pandemic or had substantial marketing costs of inventories*
- Produce or own one of the following commodities:
 - Milk
 - Livestock
 - Non-Specialty Crops
 - Wool
 - Specialty Crops
- Visit <https://www.farmers.gov/cfap> to see the full list of eligible commodities

*not applicable for specialty crops categories 2 and 3

Eligibility

- Producer does NOT need to be an existing USDA customer
- Producers must own or share in the risk of the commodity and have a share of the commodity available for marketing
- Producer can participate in PPP or EIDL or USDA programs (including loans or risk management programs), if eligible, without conflict.

Entity eligibility info

- \$250,000 per person and legal entity payment limitation
- Unlike other FSA programs, special payment limitation rules are applied to participants that are corporations, limited liability companies, and limited partnerships (corporate entities).
 - Can receive up to \$750,000 based upon the number of shareholders (not to exceed three shareholders) who are contributing at least 400 hours of active person management or personal active labor.

Commodities NOT Eligible

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 except for 2 categories of specialty crops

Commodities not eligible:

- Sheep more than 2 years old, eggs/layers, soft red winter wheat, hard red winter wheat, white wheat, rice, flax, rye, peanuts, feed barley, Extra Long Staple (ELS) cotton, alfalfa, forage crops, hemp, and tobacco.

Note: USDA may reconsider the excluded commodities if credible evidence is provided.

CFAP Payments

- Will be processed and paid immediately after the application is approved.
- Will not be withheld to satisfy prior USDA debts nor offset by Treasury.

Note: This is not a loan program and payments do not have to be repaid (unless there has been an error or fraud). There is no fee to apply for this program.

Additional Commodities to be Considered for CFAP

Notice of Funding Availability (NOFA) requests info and data from stakeholders and producers on other commodities by **June 22, 2020**

- Seeks data on any commodity not currently eligible for CFAP
- Specific emphasis on data for nursery and aquaculture, and cut flower products



Specialty Crops

Eligible specialty crops

Producers of specialty crops are eligible for CFAP payments in the following three categories:

- 1. Price decline:** Had crops that suffered a five percent-or-greater price decline and were sold between January 15 and April 15, 2020,
- 2. Delivered and spoiled or unpaid:** Had produce shipped between January 15 and April 15, 2020, but subsequently spoiled or unpaid due to loss of marketing channel, and
- 3. Not delivered:** Had shipments that did not leave the farm or mature crops that remained unharvested as of April 15, 2020.

Visit <https://www.farmers.gov/cfap/specialty> for the latest list of eligible specialty crops

Payment

- Each crop qualifies for one or more categories of payment
- Approved applications result in ONE total payment
- Eligible specialty crops are those that experienced immediate losses, a price decline, spoiled, were unpaid, or were unharvested due to market conditions between January 15, 2020, and April 15, 2020.
- Producers can only apply for payment for their portion of ownership in a crop

Crop	Category 1 (Price decline)	Category 2 (Delivered and spoiled, or unpaid)	Category 3 (Not delivered)
Artichokes	✓	✓	✓
Asparagus		✓	✓
Avocados		✓	✓

Category 1: Price decline

Payments for crops that had a five percent-or greater reduction in sales price between January 15, 2020, and April 15, 2020.

Payment offsets 80% of national price decline for a producer's eligible and unpriced production

- Eligible crops: <https://www.farmers.gov/cfap/specialty>
- **What goes on the application:** Producers certify their volume of production in pounds that was sold between Jan 15-Apr 15, 2020 for each eligible crop
 - Only production subject to price risk can be reported
 - Only producer's portion of ownership interest can be reported
- **Documentation to collect:** Producers must maintain records, such as a bill of sale, documenting the price received for the crop

Category 1: Price decline example 1

Frances Farmer has a vegetable operation and grows high tunnel tomatoes for sale to restaurants and the farmers market in a nearby city.

Frances Farmer has 100 percent ownership interest in about 2,000 pounds of tomatoes that were sold between Jan 15 and April 15, 2020.

Frances Farmer will certify to 2,000 pounds (100 percent of 2,000 pounds) as the Volume of Production Sold on the CFAP application form (AD-3114, item 32).

Category 2: Delivered and spoiled or unpaid

Payments for crop shipments that left the farm between January 15 and April 15, 2020, and spoiled or were unpaid due to no market.

Payments offset 30% of the national sales value that was lost on crops that shipped from the farm but were spoiled or unpaid

- Eligible crops: <https://www.farmers.gov/cfap/specialty>
- **What goes on the application:** Producers certify their total volume of production in pounds that is shipped but not sold (unpaid) between January 15-April 15, 2020 for each eligible crop
 - Only producer's portion of ownership interest can be reported
- **Documentation to collect:** Producers must obtain documentation such as a letter from the buyer explaining nonpayment or other record validating nonpayment. This applies to producers who have met contractual obligations in delivering the crop to the buyer, but have not been paid.

Category 2: Delivered and spoiled or unpaid example 1

Frances Farmer had 50 pounds of tomatoes delivered to one local restaurant on the 1st and 15th of each month from January 15, 2020, through April 15, 2020.

The restaurant paid for the shipments received during January and February 2020, but beginning with the March 2020 shipments, the restaurant had limited customers, the tomatoes spoiled, and Frances Farmer was not paid.

Frances Farmer will certify to 200 pounds as the Volume of Production Shipped but Not Sold and Unpaid on the CFAP form (AD-3114, item 33).

Category 3: Not delivered

Payments for crop shipments that did not leave the farm by April 15, 2020, (for example, were harvested but sitting in crates on the farm), or mature crops that were unharvested by that date (for example, were plowed under) due to lack of buyers, and which have not been and will not be sold.

Payments offset 5.875% of the national value of unpriced crops that were undelivered and will not be sold.

- Eligible crops: <https://www.farmers.gov/cfap/specialty>
- **What goes on the application:** Producers certify to the total number of acres left in the field or harvested but not shipped between January 15-April 15, 2020 for each eligible crop
 - Only producer's portion of ownership interest can be reported
- **Documentation to collect:** Examples of acceptable documentation include planting records, seed and fertilizer records, any harvest records if crops were harvested, and records documenting if crops were donated due to loss of market

Category 3: Not delivered example 1

The restaurants that Frances Farmer sold her tomatoes to all closed in March 2020, leaving her with an additional eighth of an acre of tomatoes that were unable to be marketed to any other buyer before they spoiled. The tomatoes remained unharvested and on the farm.

Frances Farmer will certify to 1/8 acre as the Acres with Production Not Shipped or Sold on the CFAP form (AD-3114, item 34).

General Info

- No separate organic payment rate
- Do not include ineligible commodities on your application
- If you have eligible commodities, apply now. You can amend later if more commodities are made eligible through NOFA
- Producers self-certify that their application is accurate
 - Keep your documentation! Be prepared for spot checks.
 - A producer's reported quantities may be adjusted upon review by USDA if the quantity is determined to be unreasonable or inaccurate, or reflect the actual production and acres based upon submitted evidence.
- Diversified operations:
 - Producers who use the CFAP Application Generator and Payment Calculator spreadsheet should report all their eligible commodities in the same file in order to populate one CFAP application.

Applying for CFAP: Helpful tools

- **Questions?** FAQs at <https://www.farmers.gov/cfap/faq> are updated often!
- CFAP Application Generator and Payment Calculator helps you fill out your application and determine estimated payments
- FSA posts our program policy handbooks and notices online for transparency
 - Handbook: 1-CFAP
 - Notice: CFAP-1

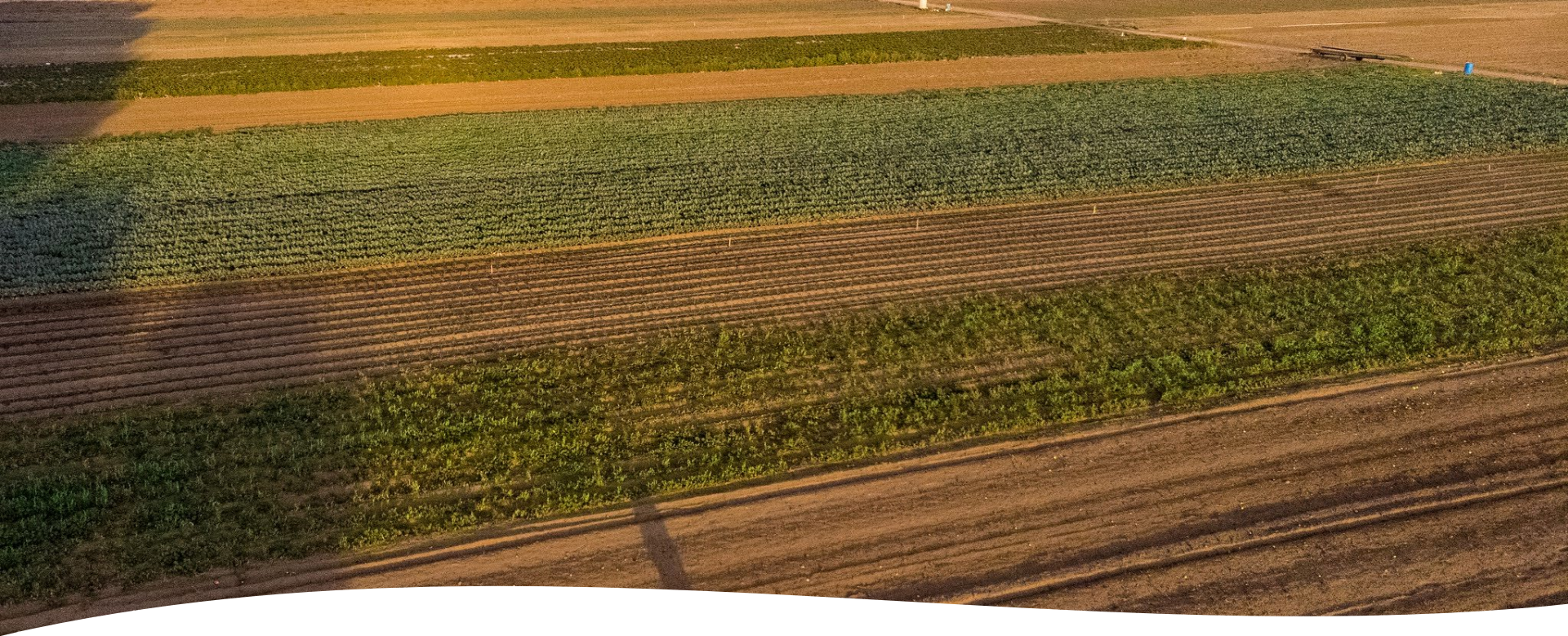
Applying for CFAP: Get help!

You can ask for and receive help in filling out your application

- Call the CFAP Call Center staffed by FSA employees
- Most offices are open for PHONE appointments only
- Language interpretation available for non-English speakers
 - USDA videos posted to You Tube offer closed-captioning in different languages
 - Call-center users should press 1 and identify the language they need. Spanish speakers press 2
 - Fact sheets available in Spanish

USDA partner organizations have experience working with FSA

- Organizations receiving funding from USDA often offer free technical assistance to producers



Utilizing the Customer Call Center

- New FSA customers can call: **877-508-8364**
- Work one-on-one with an employee and get a direct transfer to the applicable service center

New to USDA?

- No farm number needed to apply and receive payment
 - FSA may follow up with certain producers after CFAP to establish a farm record in order to fulfill Highly Erodible Conservation and Wetland Conservation requirements
- Ask for help with your application
 - Phone appointment
 - CFAP Call Center
- Demographic and operation information forms needed. Producers will need to provide:
 - Name and address
 - Personal information, including your Tax Identification Number
 - Farm operating structure
 - Adjusted Gross Income compliance certification to ensure eligibility
 - Direct deposit information to enable payment

What happens after I sign my application?

- Producers have 60 days from signing their CFAP application to resolve any eligibility issues with their local office
- Local office begins reviewing a producer's application after the producer signs it, and will follow up with questions or missing information
- Approved applications are sent to processing for payment
- Producers will be notified and provided opportunity to respond to adjustments by USDA that affect a producer's payment

Tips for success

- Visit: www.farmers.gov/cfap
 - Video of CFAP Application Generator and Payment Calculator available
- Utilize call center for initial application questions
- Take advantage of virtual applications
 - If needed, can be mailed
- Submit information through NOFA process for unlisted crops to be considered

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Thank you for joining us today!

Questions?