



Guide to the Second Round of the U.S. Department of Agriculture’s (USDA) Coronavirus Food Assistance Program (CFAP 2)

On September 18, USDA announced policies to implement an additional \$14 billion in relief to agricultural producers using funds made available through the *Commodity Credit Corporation (CCC) Charter Act* and the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*.¹ Similar to the first round of CFAP relief, this funding is intended to compensate producers who have suffered losses due to market conditions caused by the novel coronavirus (COVID-19).

This funding is separate from the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program, both of which are administered by the U.S. Small Business Administration. Participation in the PPP or EIDL program—or in the first round of CFAP—will not negatively impact a producer’s eligibility for assistance through CFAP 2.

USDA is distributing CFAP 2 payments to producers of three categories of commodities:

- **Price Trigger Commodities:** Commodities that experienced a five percent or greater price decline as a result of the COVID-19 pandemic—calculated as a comparison between the week of January 13 and the week of July 27.
 - Examples: corn, soybeans, wheat, eggs, beef cattle, dairy, hogs and pigs, lambs and sheep
- **Flat-Rate Crops:** Commodities that either did not experience a five percent or greater price decline as a result of the COVID-19 pandemic or for which there is not sufficient pricing data.
 - Examples: Canola, hemp, industrial rice, millet, oats, quinoa
- **Sales Commodities:** Commodities that are not included in the “price trigger” or “flat-rate” categories, but suffered losses due to COVID-19
 - Examples: Fruits and vegetables, aquaculture grown in a controlled environment, nursery crops, floriculture, goat milk, other livestock (excluding breeding stock), wool

For a complete list of commodities covered by these categories, or for information on how USDA will calculate payments for a given commodity, please visit www.farmers.gov/cfap/tool.

Application Process:

- Producers must apply for CFAP 2 through their local Farm Service Agency (FSA) county office.
- FSA will accept applications for CFAP 2 from September 21 through December 11, 2020.
- In order to apply, producers will need to provide certain eligibility documentation. However, if a producer is an existing FSA customer or enrolled in the first round of CFAP, these documents may already be on file with FSA.

For more information on the application process, or to download application materials, please visit www.farmers.gov/cfap/apply.

¹ [H.R.748](https://www.congress.gov/bills/116/748), the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (Public Law No. 116-136) was approved unanimously by the Senate on March 25, 2020, then by the House of Representatives on March 27, 2020, and signed into law by President Trump on March 27, 2020.



Income Limitations and Payment Limitations:

- **Income Limitation:** Producers with an Adjusted Gross Income (AGI) greater than \$900,000 (averaged over the 2016, 2017, and 2018 tax years) are ineligible for compensation through CFAP 2, unless at least 75 percent of their average AGI is derived from on-farm activity.
 - For joint ventures, the income limitation applies to each member of the partnership.
- **Payment Limitation:** Producers are limited to a per-person limit of \$250,000 in total CFAP 2 payments across all eligible commodities. This limit is separate from the limit imposed on the first round of CFAP payments.
- **Special Payment Limitation:** Corporate entities (corporations, limited liability companies, and limited corporations), trusts, and estates may be eligible for additional CFAP 2 payment in excess of \$250,000. Such entities may qualify for as much as \$750,000 in relief based on the number of shareholders or members (not to exceed three individuals) that contribute at least 400 hours of active labor or management to the entity's operations.
 - In the first round of CFAP, this special payment limitation only applied to corporate entities. For CFAP 2, USDA has extended the limitation to trusts and estates.

This document was prepared as an informational resource and should not be considered legal or business counsel. Please reach out to CoronavirusHelp@braun.senate.gov for general help, or to Payne Griffin at [Payne Griffin @Braun.Senate.gov](https://twitter.com/Braun.Senate) for agriculture-related questions, concerns, or additional assistance. Last updated September 24, 2020.