On September 18, 2020, the U.S. Department of Agriculture released details of the Coronavirus Food Assistance Program 2 (CFAP 2). CFAP 2 includes an additional $14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Sign-up for the program begins September 21 and runs through December 11, 2020.

This publication outlines the CFAP 2 direct-payment details for row crops, livestock, aquaculture, and dairy commodities. Additional information can be found at *https://www.farmers.gov/cfap*.

Row Crops

CFAP 2 will provide row crop producers with financial assistance to offset increased marketing costs associated with the coronavirus pandemic. Unlike CFAP 1, under which producers received a payment based on 2019 inventory, CFAP 2 payments will be based on 2020 production. Under CFAP 2, row crop commodities are categorized as either price-trigger crops or flat-rate crops.

Price-trigger crops are commodities that suffered a 5 percent or greater national price decline in a comparison of the average prices for the week of January 13–17, 2020, and July 27–31, 2020. **Flat-rate crops** either do not meet the 5-percent-or-greater national price decline trigger or do not have data available to calculate a price change. Eligible acres include the producer's share of the determined acres, or reported acres if determined acres are not present, excluding prevented planting and experimental acres.

Flat-rate crops will receive a payment rate of $15 per eligible acre. Important Mississippi row crops that are eligible in the flat-rate category include **peanuts** and **rice**. Other flat-rate crops include alfalfa, amaranth grain, buckwheat, canola, extra-long staple (ELS) cotton, crambe (colewort), einkorn, emmer, flax, guar, hemp, indigo industrial rice, kenaf, khorasan, millet, mustard, oats, quinoa, rapeseed, sweet rice, wild rice, rye, safflower, sesame, speltz, sugar beets, sugarcane, teff, and triticale. Any crops planted with the intention of grazing are not eligible for CFAP 2 payments.

Price-trigger crops will receive a payment equal to the greater value of **either** the flat-rate of $15 per eligible acre **or** a calculation based on eligible acres, a nationwide crop marketing percentage, a fixed-payment rate, and weighted 2020 actual production history (APH) yield. **Table 1** lists crop marketing percentages and payment rates.

For producers who insured acres of the crop under a policy or plan of insurance, the weighted APH yield is the weighted average of the producer's 2020 APH-approved yield from all insured acres. For producers for whom FSA is unable to obtain a 2020 APH-approved yield, the yield will be 85 percent of the 2019 Agricultural Risk Coverage-County Option (ARC-CO) benchmark yield. If the producer grows a crop in multiple counties, then the ARC-CO yield will be weighted based on the producer's crop acreage physically located in each county.

The formula to calculate the payment based on marketing percentages and payment rate is:

payment = eligible acres × marketing percentage × payment rate × APH

The producer will receive **either** the above payment calculation **or** the flat-rate payment of $15 per acre, depending on which is greater.

Table 1. Payment rates for price-trigger row crops.

Commodity	Unit of Measure	Crop Marketing Percentage (%)	Payment Rate ($/unit)
barley	bushel	63	$0.54
corn	bushel	40	$0.58
cotton, upland	pound	46	$0.08
sorghum	bushel	55	$0.56
soybeans	bushel	54	$0.58
sunflowers	pound	44	$0.02
wheat (all classes)	bushel	73	$0.54

Flat-Rate Crop Example – Rice and Peanuts

Rice and peanuts are both flat-rate commodities that will receive $15 an acre. Assume a rice producer planted 500 acres in 2020. This rice producer will receive a payment of $15 times 500 eligible acres for a total payment of $7,500. Likewise, a producer with 200 acres of peanuts will receive a payment of $15 times 200 acres for a total payment of $3,000.

Price-Trigger Crop Example – Soybeans

Assume we have a soybean producer who planted 500 acres in 2020 with a weighted APH yield of 50 bushels per acre. Since soybeans are categorized as a price-trigger crop, the producer can receive the higher of the flat-rate payment of $15 per acre or the payment determined by the marketing percentage and payment rate. Soybeans have a marketing percentage of 54 percent and payment rate of $0.58. The total payment is calculated as:

payment = 500 acres × 0.54 × $0.58 × 50 APH = $7,830

This producer can expect a total payment of $7,830.

If we take the same example above, but now assume that the weighted APH yield was 45 bushels per acre, the new payment calculation would be:

payment = 500 acres × 0.54 × $0.58 × 45 APH = $7,047

This payment is less than the $7,500 the producer would receive using the $15 flat rate (500 acres × $15 = $7,500). The producer's total payment would be $7,500.

Livestock, Dairy, and Aquaculture

Many livestock commodities, including cattle, hogs, sheep, and goats, are eligible for CFAP 2. Dairy production of both cow and goat milk are also included, as well as aquaculture production. However, contract broiler growers are not eligible for CFAP 2 and will not receive a CFAP 2 payment. Additional livestock commodities are eligible and can be found at *farmers.gov/cfap/specialty-livestock*.

Beef Cattle

- The payment rate for beef cattle is $55 per head of eligible inventory.

- Eligible inventory is calculated as the producer's maximum owned inventory of eligible beef cattle, excluding breeding stock, on a date selected by the producer from April 16, 2020, to August 31, 2020. Producers should choose the day within this range with their highest eligible inventory.

Hogs and Pigs

- The payment rate for hogs and pigs is $23 per head of eligible inventory.

- Eligible inventory is calculated as the producer's maximum owned inventory of eligible hogs and pigs, excluding breeding stock, on a date selected by the producer from April 16, 2020, to August 31, 2020. Producers should choose the day within this range with their highest eligible inventory.

Lambs and Sheep

- The payment rate for lambs and sheep is $27 per head of eligible inventory.

- Eligible inventory is calculated as the producer's maximum owned inventory of eligible lambs and sheep, excluding breeding stock, on a date selected by the producer from April 16, 2020, to August 31, 2020. Producers should choose the day within this range with their highest eligible inventory.

Dairy (cow milk)

- Actual milk production from April 1, 2020, to August 31, 2020, is eligible for a CFAP 2 payment of $1.20 per hundredweight.

- Additionally, a producer's estimated milk production from September 1, 2020, to December 31, 2020 (based on the daily average production from April 1, 2020, to August 31, 2020, multiplied by 122), is eligible for a CFAP 2 payment of $1.20 per hundredweight.

Aquaculture

Payments to aquaculture producers will be based on 2019 sales of eligible aquaculture. Eligible aquaculture includes "any species of aquatic organisms grown as food for human consumption, fish raised as feed for fish that are consumed by humans, and ornamental fish propagated and reared in an aquatic medium. Eligible aquaculture species must be raised by a commercial operator and in water in a controlled environment." The payments to aquaculture producers will be calculated using the payment factors in **Table 2**.

Table 2. Aquaculture and goats payment factors.

2019 Sales Range	Percent Payment Factor for the Producer's 2019 Sales of Eligible Commodities 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%

Payments will be combined from the various sales ranges. A producer will get paid 10.6 percent on the first $49,999 of sales, 9.9 percent on the next $50,000, 9.7 percent on the next $399,000, and so on. For example, if a producer had $125,000 of eligible aquaculture sales in 2019, their payment would be calculated as:
payment = ($49,999 × 0.106) + ($50,000 × 0.099) + ($25,001 × 0.097) = $12,675

Goats

Meat goat and goat milk production is eligible for CFAP 2 payments. The payment calculation will be based on a producer's **2019 sales and uses the payment factors in Table 2**. The payment calculation follows the same process as outlined for aquaculture above. More information can be found at *https://www.farmers.gov/cfap/dairy* and *farmers.gov/cfap/specialty-livestock*.

Eligibility and Payment Limitations

To be eligible for payments, a person or legal entity must have an average adjusted gross income of less than $900,000 for tax years 2016, 2017, and 2018. However, if 75 percent of their adjusted gross income comes from farming, ranching, or forestry-related activities, the AGI limit of $900,000 does not apply and the person or legal entity is eligible to receive CFAP 2 payments up to the applicable payment limitation.

The total CFAP 2 payment that a person or legal entity may receive, directly or indirectly through attribution of payments, is $250,000 and applies to the total amount of CFAP 2 payments made with respect to all eligible commodities. As this is a separate program, this payment limitation is separate from the CFAP 1 payment limit.

The total amount of CFAP 2 payments made to a legal entity—such as a corporation, limited liability partnership, trust, or estate—is $250,000, with these exceptions:

1. If two different members of the legal entity each provide at least 400 hours of active personal labor, active personal management, or a combination thereof with respect to the production of 2020 commodities, then an entity may receive up to $500,000.

2. If three different members of the legal entity each provide at least 400 hours of active personal labor, active personal management, or a combination thereof with respect to the production of 2020 commodities, then an entity may receive up to $750,000.

These payment limit provisions are different from and separate from the payment limitations established by the 2018 Farm Bill.

Application Process

USDA's Farm Service Agency will accept applications from September 21, 2020, to December 11, 2020, for eligible producers. Producers will have the option to apply for CFAP 2 online or at local FSA offices. A list of Mississippi FSA offices is available at *https://offices.sc.egov.usda.gov/locator/app?state=ms&agency=fsa*.

More information on the CFAP program and the application process can be found at *https://www.farmers.gov/cfap*.