

**New Coronavirus Food Assistance  
Program May Provide Relief to Maryland  
Growers Due to COVID-19 Losses**

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USDA recently announced the Coronavirus Food Assistance Program (CFAP), a program of financial assistance for growers impacted by disruptions due to COVID-19, specifically for commodities which have seen a 5 percent loss or greater in price decline or losses due to supply chain disruptions. Eligible growers will receive a one-time payment from two possible funding sources, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Commodity Credit Corporation Charter Act. Signup begins May 26, 2020, and runs through August 28, 2020. To learn more details please go to <https://www.farmers.gov/cfap>.

**Eligible Commodities**

Based on USDA’s calculations the following commodities are eligible for a CFAP payment. Non-specialty crops covered include:

- |                   |             |                              |
|-------------------|-------------|------------------------------|
| 1. Malting barley | 5. Millet   | 9. Sunflower                 |
| 2. Canola         | 6. Oats     | 10. Durham wheat             |
| 3. Corn           | 7. Soybeans | 11. Hard spring red<br>wheat |
| 4. Upland cotton  | 8. Sorghum  |                              |

Fruits covered include:

- |                |                 |                  |
|----------------|-----------------|------------------|
| 1. Apples      | 7. Lemons       | 13. Strawberries |
| 2. Avocados    | 8. Oranges      | 14. Tangerines   |
| 3. Blueberries | 9. Papaya       | 15. Tomatoes     |
| 4. Cantaloupe  | 10. Peaches     | 16. Watermelons  |
| 5. Grapefruit  | 11. Pears       |                  |
| 6. Kiwifruit   | 12. Raspberries |                  |

Vegetables covered include:

- |                |                     |                    |
|----------------|---------------------|--------------------|
| 1. Artichokes  | 9. Cucumbers        | 17. Potatoes       |
| 2. Asparagus   | 10. Eggplant        | 18. Rhubarb        |
| 3. Broccoli    | 11. Garlic          | 19. Spinach        |
| 4. Cabbage     | 12. Iceberg lettuce | 20. Squash         |
| 5. Carrots     | 13. Romaine lettuce | 21. Sweet potatoes |
| 6. Cauliflower | 14. Dry onions      | 22. Taro           |
| 7. Celery      | 15. Green onions    |                    |
| 8. Sweet corn  | 16. Peppers         |                    |

Nuts covered include:

- |            |           |            |
|------------|-----------|------------|
| 1. Almonds | 2. Pecans | 3. Walnuts |
|------------|-----------|------------|

Other specialty crops covered include beans and mushrooms.

Livestock covered include:

- |                     |                    |              |
|---------------------|--------------------|--------------|
| 1. Hogs             | bison, and animals | 5. Lambs and |
| 2. Feeder cattle    | used for dairy     | yearlings    |
| 3. Slaughter cattle | production or      |              |
| 4. All other cattle | intended for dairy |              |
| (excluding beefalo, | production)        |              |

Wool and dairy are also covered under this program.

**Updated July 13, 2020:** The following new specialty crops have been added:

- |                      |                       |                        |
|----------------------|-----------------------|------------------------|
| 1. alfalfa sprouts,  | 9. celeriac (celery   | 15. greens (others not |
| 2. anise,            | root),                | listed separately),    |
| 3. arugula,          | 10. chives,           | 16. guava,             |
| 4. basil,            | 11. cilantro,         | 17. kale greens,       |
| 5. bean sprouts,     | 12. coconuts,         | 18. lettuce including  |
| 6. beets,            | 13. collard greens,   | Boston, green leaf,    |
| 7. blackberries,     | 14. dandelion greens, | Lolla Rossa, oak       |
| 8. Brussels sprouts, |                       |                        |

- |                      |                   |                      |
|----------------------|-------------------|----------------------|
| leaf green, oak leaf | 25. passion       | 33. savory,          |
| red and red leaf     | 26. fruit,        | 34. sorrel,          |
| 19. marjoram,        | 27. peas (green), | 35. fresh sugarcane, |
| 20. mint,            | 28. pineapple,    | 36. Swiss chard,     |
| 21. mustard,         | 29. pistachios,   | 37. thyme, and       |
| 22. okra,            | 30. radicchio,    | 38. turnip top green |
| 23. oregano,         | 31. rosemary,     |                      |
| 24. parsnips,        | 32. sage,         |                      |

Expanded seven current specialty commodities:

- |                 |                    |         |
|-----------------|--------------------|---------|
| 1. apples,      | 4. potatoes,       | 7. taro |
| 2. blueberries, | 5. raspberries,    |         |
| 3. garlic,      | 6. tangerines, and |         |

Peaches and rhubarb will no longer qualify for a sales loss payment and the rates for apples, artichokes, asparagus, blueberries, cantaloupes, cucumbers, garlic, kiwifruit, mushrooms, papaya, peaches, potatoes, raspberries, rhubarb, tangerines, and taro have been corrected.

### **Payments for Non-Specialty Crops**

Eligible non-specialty crops will qualify for a single payment based on 50 percent of a producer's 2019 total production or the 2019 unpriced inventory as of January 15, 2020, whichever is smaller, multiplied by 50 percent and then multiplied by the commodity's applicable payment rates. The unpriced inventory is "not subject to an agreed-upon price in the

future through a forward contract, agreement, or similar binding document.” The payment rates are:

<b>Commodity</b>	<b>CARES Act Payment Rate</b>	<b>CCC Payment Rate</b>
Malting barley	\$0.34/bu	\$0.37/bu
Canola	\$0.01/lb	\$0.01/lb
Corn	\$0.32/bu	\$0.35/bu
Millet	\$0.31/bu	\$0.34/bu
Oats	\$0.15/bu	\$0.17/bu
Sorghum	\$0.30/bu	\$0.32/bu
Soybean	\$0.45/bu	\$0.50/bu
Upland cotton	\$0.09/lb	\$0.10/lb
Sunflowers	\$0.02/lb	\$0.02/lb
Durum wheat	\$0.19/bu	\$0.20/lb
Soft red spring wheat	\$0.18/bu	\$0.20/lb

Producers will need to provide documentation to FSA of 2019 total production of the eligible commodity and total 2019 production not sold as of January 15, 2020.

For example, a farm with corn and soybeans in 2019 had total corn production 161,000 bu and total soybean production of 22,000 bu. On January 15, 2020, the farm had unsold corn stocks of 77,280 bu and unsold soybean stocks of 7,062 bu. This farm’s CFAP payment would be:

For corn:  $77,280 \text{ bu} * 50\% = 38,640 \text{ bu}$ .  $(\$0.32 * 38,640 \text{ bu}) + (\$0.35 * 38,640 \text{ bu}) = \$ 25,888.80$

For soybeans:  $7,062 \text{ bu} * 50\% = 3,531 \text{ bu}$ .  $(\$0.45 * 3,531 \text{ bu}) + (\$0.50 * 3,531 \text{ bu}) = \$ 3,354.45$ .

Total non-specialty crop payment for the farm would be \$ 29,243.25, but USDA is only making 80 percent of that available at this time, so a farm would expect a payment of \$ 23,394.60.

### **Payments for Livestock**

USDA will also assist livestock producers with an ownership interest in eligible livestock. Eligible livestock, which suffered a five-percent-or-greater price decline as a result of the COVID-19 pandemic and faces additional significant costs in marketing their inventories due to unexpected surplus and disrupted markets, include:

- Hogs
  - Pigs (< 120 lbs.)
  - Hogs (> 120 lbs.)
- Cattle
  - Feeder cattle (<600 lbs.)
  - Feeder cattle (> 600 lbs.)
  - Slaughter cattle: Fed cattle
  - Slaughter cattle: Mature cattle
  - All other cattle (not including livestock used, or intended for, dairy production).
- Sheep
  - Lambs and yearlings (less than 2 years of age)

A single payment for eligible livestock will be calculated using the sum of the livestock producer's number of livestock sold between January 15 and April 15, 2020, multiplied by the payment rates per head, and the highest inventory number of livestock between April 16 and May 14, 2020, multiplied by the payment rate per head.

The payment rates for eligible livestock are:

<b>Livestock</b>	<b>Eligible Livestock</b>	<b>CARES Act Part 1 Payment Rate</b>	<b>CCC Part 2 Payment Rate</b>
<b>Cattle</b>	Feeder cattle: Less than 600 Pounds	\$102.00/hd	\$33.00/hd
	Feeder cattle: 600 Pounds or More	\$139.00/hd	\$33.00/hd
	Slaughter cattle: Fed cattle	\$214.00/hd	\$33.00/hd
	Slaughter Cattle: Mature cattle	\$92.00/hd	\$33.00/hd
	All other cattle	\$102.00/hd	\$33.00/hd
	<b>Hogs and Pigs</b>	Pigs: Less than 120 pounds	\$28.00/hd
	Hogs: 120 pounds or more	\$18.00/hd	\$17.00/hd
<b>Lambs and Yearlings</b>	All sheep less than 2 years old	\$33.00/hd	\$7.00/hd

A Maryland livestock operation could expect a payment as follows. The operation had 19 slaughter-mature cows on inventory from January 15 to May 14, 2020. The operation also sold 36 feeder cattle between January 15 and April 15 at over 600 lbs and had another 21 on inventory between April 16 to May 14, 2020. The payment would be:

- Slaughter mature cow payment = 19 hd \*\$ 33/hd = \$ 627.

- Feeder cattle payment over lbs sold = 36 hd \* \$139/hd = \$ 5,004.
- Feeder cattle on inventory payment = 21 hd \* \$ 33/hd = \$ 693.

The total CFAP payment for livestock for this farm would be \$6,324. At this time, the farm could only expect 80 percent of the total payment, which amounts to \$ 5,059.20.

### **Payment for Dairy**

All dairy operations with milk production in January, February, and/or March 2020 are eligible for CFAP payments. Any dumped milk production during the months of January, February, and March 2020 are eligible for assistance. A single payment will be made based on a dairy producer's certification of milk production for the first quarter of the calendar year 2020, multiplied by \$4.71 per hundredweight. The second part of the payment is based on a national adjustment of 1.014 to each producer's production in the first quarter, multiplied by \$1.47 per hundredweight.

A Maryland dairy with 2020 first-quarter production of 619,000 lbs would receive a dairy payment equal to:

- First payment =  $\$.0471 * 619,000 \text{ lbs} = \$29,154.90$
- Second payment =  $\$.0147 * (619,000 \text{ lbs} * 1.014) = \$9,226.69$

The total single payment would be 80% of \$38,381.59, or \$30,705.27. Dairy producers should remember that any culled cows sold during the January 15 to April 15 would qualify for a slaughter-mature cattle payment. Dairy producers would also qualify for a corn payment on any silage in storage and unsold on January 15, 2020.

### **Wool**

Wool operations will receive a single payment based on the lesser of 50 percent of the 2019 production or the 2019 inventory held on January 15, 2020, whichever is smaller. To receive a payment the wool operation will need to prove:

1. Total 2019 production for the commodity that suffered a five percent-or-greater price decline, and
2. Total 2019 production that was not sold as of January 15, 2020.

The payment will be based on the smaller of the 50 percent of the 2019 production or the 2019 inventory held on January 15, 2020 and multiplied by the CARES Act Payment rate by the eligible pounds, plus the CCC Payment Rate multiplied by the eligible pounds, and multiplied by 80 percent. The payment rates are:

<b>Commodity</b>	<b>Unit of Measure</b>	<b>CARES Act Payment Rate</b>	<b>CCC Payment Rate</b>
Wool (graded, clean basis)	pound	\$0.71	\$0.78
Wool (non-graded, greasy basis)	pound	\$0.36	\$0.39

### **Specialty Crop Payment**

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

**Category 1:** Had crops that suffered a five percent-or-greater price decline between January 15, 2020, to April 15, 2020, as a result of the COVID-19 pandemic,

**Category 2:** Had produce shipped between January 15, 2020, to April 15, 2020, but subsequently spoiled due to loss of marketing channel, and

**Category 3:** Had shipments that did not leave the farm between January 15, 2020, and April 15, 2020, or mature crops that remained unharvested.

See eligible specialty crops and which category they are eligible for in Appendix 1. The payment rates for each eligible specialty crop by category are available in Appendix 2.

To calculate the CFAP payment for eligible specialty crops, the grower would determine the category the loss falls under (Category 1, 2, or 3), determine if the commodity is eligible in that category



of loss, and then multiply the pounds of the eligible specialty crop by the appropriately marked category price per pound. An eligible grower would receive 80 percent of that calculated total payment.

### **CFAP Eligibility**

To be eligible for CFAP payments, a person or legal entity must have an average adjusted gross income (AGI) less than \$900,000 for tax years 2016, 2017, and 2018. However, if 75 percent of a person or legal entity's AGI comes from farming, ranching, or forestry, the AGI limit of \$900,000 does not apply.

Persons and legal entities also must:

1. Comply with the conservation compliance provisions (Swampbuster and Sodbuster);
2. If a foreign person, provide land, capital, and a substantial amount of active personal labor to the farming operation; and
3. Not have a controlled substance violation.

### **CFAP Payment Limitations**

The total amount of CFAP payments per person and legal entity is subject to the payment limitation of \$250,000. Unlike under other FSA programs, participating corporations, limited liability companies, and limited partnerships (business entities) are subject to special payment limitation rules.

These business entities may receive up to \$750,000 based upon the number of shareholders (not to exceed three) who contribute at least 400 hours of active personal management or personal active labor. For these business entities:

1. With one such shareholder, limited partner, or a member, the payment limit for the business entity is \$250,000;

2. With two such shareholders, limited partners, or members, the payment limit for the entity is \$500,000 if at least two members contribute substantial labor or management with respect to the operation of the business entity; and
3. With three such shareholders, limited partners, or members, the limit is \$750,000 if at least three members contribute substantial labor or management with respect to the operation of the business entity.

### Signup

Signup begins May 26, 2020, and runs through August 28, 2020. Sign up online or by making an appointment with your local FSA Office. You can get more details on the program by going to [www.farmers.gov/cfap](http://www.farmers.gov/cfap).

### Appendix 1

#### Eligible Specialty Crops Based on Category

Crop	Category 1	Category 2	Category 3
Alfalfa Sprouts		✓	✓
Almonds	✓	✓	✓
Apples	✓	✓	✓
Anise	✓	✓	✓
Artichokes	✓	✓	✓
Arugula		✓	✓
Asparagus		✓	✓
Avocados		✓	✓
Basil	✓	✓	✓
Beans	✓	✓	✓
Bean Sprouts		✓	✓
Beets		✓	✓
Blackberries	✓	✓	✓
Blueberries	✓	✓	✓

<b>Crop</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
Broccoli	✓	✓	✓
Brussels Sprouts	✓	✓	✓
Cabbage	✓	✓	✓
Cantaloupe		✓	✓
Carrots	✓	✓	✓
Cauliflower	✓	✓	✓
Celeriac (Celery Root)		✓	✓
Celery		✓	✓
Chives		✓	✓
Cilantro	✓	✓	✓
Coconut		✓	✓
Collard Greens	✓	✓	✓
Corn, sweet	✓	✓	✓
Cucumbers	✓	✓	✓
Dandelion Greens	✓	✓	✓
Eggplant	✓	✓	✓
Garlic	✓	✓	✓
Grapefruit		✓	✓
Greens (others not listed) <sup>1</sup>	✓	✓	✓
Guava	✓	✓	✓
Kale Greens		✓	✓
Kiwifruit		✓	✓
Lemons	✓	✓	✓
Lettuce, Boston	✓	✓	✓
Lettuce, green leaf	✓	✓	✓
Lettuce, iceberg	✓	✓	✓
Lettuce, Lolla Rossa		✓	✓
Lettuce, oak leaf - green		✓	✓
Lettuce, oak leaf - red		✓	✓
Lettuce, red leaf	✓	✓	✓
Lettuce, romaine	✓	✓	✓
Marjoram	✓	✓	✓

<b>Crop</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
Mint		✓	✓
Mushrooms		✓	✓
Mustard		✓	✓
Okra	✓	✓	✓
Onions, dry	✓	✓	✓
Onions, green		✓	✓
Oranges		✓	✓
Oregano		✓	✓
Papaya		✓	✓
Parsnips	✓	✓	✓
Passion Fruit	✓	✓	✓
Peaches		✓	✓
Pears	✓	✓	✓
Peas, Green	✓	✓	✓
Pecans	✓	✓	✓
Peppers, bell type	✓	✓	✓
Peppers, other	✓	✓	✓
Pineapples <sup>1</sup>		✓	✓
Pistachios <sup>1</sup>		✓	✓
Potatoes, fresh - other	✓	✓	✓
Potatoes, fresh – Russets	✓	✓	✓
Potatoes, processing	✓	✓	✓
Potatoes, seeds	✓	✓	✓
Radicchio		✓	✓
Raspberries	✓	✓	✓
Rhubarb		✓	✓
Rosemary		✓	✓
Sage	✓	✓	✓
Savory		✓	✓
Spinach	✓	✓	✓
Squash	✓	✓	✓
Sorrel		✓	✓

<b>Crop</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>
Strawberries	✓	✓	✓
Sugarcane, table		✓	✓
Sweet potatoes		✓	✓
Swiss Chard		✓	✓
Tangerines	✓	✓	✓
Taro	✓	✓	✓
Thyme		✓	✓
Tomatoes	✓	✓	✓
Turnip Tops Greens		✓	✓
Walnuts		✓	✓
Watermelons		✓	

## **Appendix 2**

### **Eligible Specialty Crops Based Payment Rate Based on Categories**

<b>Commodity</b>	<b>Category 1 Payment Rate for Sales Losses (\$/lb)</b>	<b>Category 2 Payment Rate for Sales Losses (\$/lb)</b>	<b>Category 3 CCC Payment Rate (\$/Acre)</b>
Alfalfa Sprouts	–	\$8.14	\$5,465.63
Almonds	\$0.26	\$0.57	\$237.60
Anise	\$0.88	\$0.81	\$96.00
Apples	\$0.05	\$0.22	\$1,500.00
Artichokes	\$0.88	\$0.69	\$1,690.00
Arugula	–	\$4.64	\$9,100.00
Asparagus	–	\$0.25	\$182.00

Avocados	–	\$0.14	\$153.60
Basil	\$0.30	\$1.65	\$1,920.00
Beans	\$0.17	\$0.16	\$233.79
Bean Sprouts	–	\$0.26	\$60.00
Beets	–	\$0.30	\$2,160.00
Blackberries	\$1.72	\$2.11	\$2,615.80
Blueberries	\$0.20	\$0.93	\$1,193.40
Broccoli	\$0.62	\$0.49	\$1,563.00
Brussels Sprouts	\$0.26	\$0.34	\$1,260.00
Cabbage	\$0.04	\$0.07	\$367.30
Cantaloupe	–	\$0.14	\$718.20
Carrots	\$0.02*	\$0.11	\$1,251.40
Cauliflower	\$0.11	\$0.31	\$1,327.20
Celeriac (Celery Root)	–	\$0.52	\$2,000.00
Celery	–	\$0.07	\$560.00
Chives	–	\$1.32	\$4,680.00
Cilantro	\$0.19	\$0.23	\$860.00
Coconuts	–	\$0.25	\$450.00

Collard Greens	\$0.04	\$0.21	\$560.00
Corn, sweet	\$0.09	\$0.13	\$483.60
Cucumbers	\$0.18	\$0.17	\$444.90
Dandelion Greens	\$0.06	\$0.26	\$700.00
Eggplant	\$0.07	\$0.15	\$412.71
Garlic	\$0.17	\$1.10	\$3,410.00
Grapefruit	–	\$0.11	\$496.76
Greens (others not listed)	\$0.08	\$0.16	\$420.00
Guava	\$1.52	\$1.73	\$6,800.00
Kale Greens	–	\$0.22	\$748.00
Kiwifruit	–	\$0.44	\$2,106.00
Lemons	\$0.08	\$0.21	\$1,424.00
Lettuce, Boston	\$0.09	\$0.34	\$1,523.20
Lettuce, green leaf	\$0.44	\$0.60	\$2,611.20
Lettuce, iceberg	\$0.20	\$0.15	\$1,128.00
Lettuce, Lolla Rosa	–	\$1.69	\$7,180.80
Lettuce, oak leaf - green	–	\$1.69	\$7,180.80

Lettuce, oak leaf - red	—	\$1.69	\$7,180.80
Lettuce, red leaf	\$0.42	\$0.60	\$2,611.20