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## FACT SHEET: Coronavirus Food Assistance Program 2 (CFAP 2)

*Developed by the NAWG staff based on its interpretation of the program rules and is subject to updates*

On Friday, September 18, 2020, USDA Secretary Perdue announced that assistance would be provided to farmers economically impacted by COVID-19 through the Coronavirus Food Assistance Program 2 (CFAP 2) utilizing funds through the Commodity Credit Corporation (CCC) and the CARES Act. USDA’s press release announcing the program can be found [here](#). NAWG’s press release on the announcement can be found [here](#). Additional details about assistance for row crops can be found [here](#).

Beginning on Monday, September 21, 2020, through December 11, 2020, farmers will be able to sign up through this [link](#). Additional tools will be available there beginning September 21. You can sign up directly online or you can print off a form and return to your county office or email to FSA.

**Payment Trigger:** 5% price decline between January 13-17, 2020, and July 27-31, 2020. As such, all wheat classes are included. Payments are based on 2020 (crop year) planted acres, excluding prevented planting and experimental acres. Wheat acres certified as intended for grazing are ineligible for CFAP 2 and will not receive a CFAP 2 payment.

### Formula

Payments will be the greater of:

1. Eligible acres multiplied by \$15 per acre; OR
2. Eligible acres multiplied by:
  - a. Nationwide crop marketing percentage (73% for all classes of wheat); multiplied by:
  - b. Crop-specific payment rate (\$0.54 for all classes of wheat); multiplied by:
  - c. Producer’s weighted 2020 APH approved yield (if APH not available, 85% of the weighted 2019 ARC-County benchmark yield)

### **EXAMPLE 1**

Scenario of a farm with 1,000 planted acres and a weighted Actual Production History (APH) of 50 bushels per acre. Payments will be the greater of the following 2 calculations. In this scenario the payment would be \$19,710.

1	Eligible acres	1,000
	Payment rate per acre	\$15
	<b>Total payment</b>	<b>\$15,000</b>

2	Eligible acres	1,000
	Marketing Percentage	73%
	Payment rate per bushel	\$0.54
	Weighted APH	50
	<b>Total Payment</b>	<b>\$19,710</b>

*As of September 18, 2020*

### EXAMPLE 2

Scenario of a farm with 1,500 planted acres and a weighted Actual Production History (APH) of 30 bushels per acre. Payments will be the greater of the following 2 calculations. In this scenario, the payment would be \$22,500.

1	Eligible acres	1,500	2	Eligible acres	1,500
	Payment rate per acre	\$15		Marketing Percentage	73%
				Payment rate per bushel	\$0.54
				Weighted APH	30
	<b>Total payment</b>	<b>\$22,500</b>		<b>Total Payment</b>	<b>\$17,739</b>

#### A few items of note:

- 2020 crop year winter wheat that was seeded in the fall of 2019 is eligible for CFAP 2.
- CFAP 1 initially paid 80% of the total payment up front and 20% later in the summer. USDA estimates there is sufficient funding in place and will make 100% of the payment up front.
- There is a payment limitation of \$250,000 per producer, which is a separate limit from CFAP 1.
- CFAP 1 was applicable only to grain that was considered at-risk/un-marketed as of January 15. CFAP 2 is not explicitly limited in the same way; however, USDA has estimated the percentage of grain that is likely to be sold in 2020 and incorporated that percentage (73% for wheat) into the formula. In essence, USDA estimates that 27% of this year's wheat crop won't be sold until 2021 and is not included in the formula.
- In calculating assistance, the program uses the average APH across all the farmer's acres. FSA has already gathered this data from RMA and in most cases it should be automatically inserted into your application.
- Crops with an intended use of grazing, green manure, or left standing are ineligible for CFAP 2. However, if a farmer had certified their wheat as for grain on the Acreage Report 578, but it was ultimately grazed or hayed, that acreage would be eligible.
- Though acres prevented from being planted are excluded, acres that were planted and subsequently impacted by a disaster would be included in the program.
- AGI limit of \$900,000 applies (using the average for the 2016, 2017, and 2018 tax years). However, producers with AGI exceeding the limit may be eligible to receive payment if 75 percent or more of their total AGI comes from farming, ranching, or forestry-related activities.