United States Department of Agriculture

FARM SERVICE AGENCY

# CORONAVIRUS FOOD ASSISTANCE PROGRAM
## for Dairy Producers

USDA is providing critical support to our nation's farmers and ranchers through the Coronavirus Food Assistance Program (CFAP). CFAP provides vital financial assistance to producers of agricultural commodities with financial assistance that gives them the ability to absorb sales declines and increased marketing costs associated with the COVID-19 pandemic.

### Overview

The Coronavirus Aid, Relief, and Economic Stability Act (CARES Act) and the Commodity Credit Corporation (CCC) Charter Act authorized the funds for the CFAP.

USDA's Farm Service Agency (FSA) and Agricultural Marketing Service (AMS) administer the program.

FSA is accepting applications for CFAP from **May 26, 2020,** to **August 28, 2020**.

### Who is Eligible?

CFAP payments for dairy are based on milk production during the first quarter of 2020 - January, February, and March. A single payment will be made calculated from the two funding sources.

**CARES Act**
- payment will compensate producers for price losses during the first quarter of 2020.

**CCC Funds**
- payment will compensate for marketing channel and demand disruptions for the second quarter of 2020 (April, May, and June) due to COVID-19.

| CARES ACT FUNDS | CCC FUNDS |
|---|---|
| For each eligible producer, payment is calculated by multiplying the hundred-weight of milk production for the months of January, February, and March 2020 by $4.71. | For each eligible producer, payment is calculated by multiplying the hundred-weight of milk production for the months of January, February, and March 2020 by the national adjustment of 1.014 and by $1.47. |

### Payment Limitations

CFAP payments are subject to a per person and legal entity payment limitation of $250,000. This limitation applies to the total amount of CFAP payments made with respect to all eligible commodities.

Unlike other FSA programs, special payment limitation rules are applied to participants that are corporations, limited liability companies, and limited partnerships (corporate entities). These corporate entities may 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.

**For a corporate entity:**
- With one such shareholder, the payment limit for the entity is $250,000;
- With two such shareholders, the payment limit for the entity is $500,000 if at least two members contribute at least 400 hours of active personal labor or active personal management, or combination thereof, with respect to the operation of the corporate entity; and
- With three such shareholders, the limit is $750,000 if at least three members contribute at least 400 hours of active personal labor or active personal management, or combination thereof, with respect to the operation of the corporate entity.

## Payment Structure

To ensure the availability of funding throughout the application period, producers will receive 80 percent of their maximum total payment, up to the payment limit, upon approval of the application. The remaining portion will be paid at a later date as funds remain available.

## How to Apply

FSA staff at your local USDA Service Center will work with producers to file applications. Applications may be submitted via mail, fax, hand delivery, or via electronic means. Please call your office prior to sending applications electronically.

The CFAP application and associated forms are available online at **farmers.gov/cfap**.

## More Information

This fact sheet is for informational purposes only; other restrictions may apply. For more information about the CFAP program, visit **farmers.gov/cfap** or contact your local FSA office. Additionally, producers in search of one-on-one support with the CFAP application process can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

To find your local FSA office, visit **farmers.gov/cfap**.

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