

## CFAP2 Includes Floriculture and Nursery Crops under Eligibility Guidelines

**President Trump provided official confirmation** in a campaign rally speech in Wisconsin on September 17: the USDA would release another round of Coronavirus Food Assistance Program (CFAP) for producers affected by the COVID-19 pandemic. While the original CFAP1 program fell short of payment estimates and frustrated many producers with less help than expected and delayed inclusion for many, CFAP2 was officially released by the USDA (on September 18) – just one week after the CFAP1 application deadline.

**This new round of payments will have \$14 billion available**, and will be provided to producers who have been affected by marketing disruptions and extra marketing costs due to COVID-19. The good news for horticulture, floriculture, and nursery producers is that there will be no waiting to be included in this round of funds – they are all included in the original eligible commodities of CFAP2.

### Enrollment for CFAP2

Applications can be submitted starting September 21, 2020 and will be accepted until December 11, 2020. Applicants will be required to have a farm record on file with their local Farm Service Agency (FSA).

- ▶ If producers applied for CFAP1, these documents will already be on file.
- ▶ In cases where CFAP1 was not applied for, producers may need to complete the following forms with FSA; CCC-902 Farm Operating Plan; CCC-901 Member Information; CCC-941 Adjusted Gross Income (AGI) Certification; AD-2047 General Information, AD-1026 Conservation Certification.

CFAP2 Application is referenced as AD-3117 and can be completed online at [www.farmers.gov/cfap](http://www.farmers.gov/cfap).

### Payment Limitation

CFAP2 has a payment limit of \$250,000, which will be a limitation separate from that applied in CFAP1. Like CFAP1, legal entities (to include corporations, limited liability corporations, limited partnerships, trusts, or estates) are eligible for an increased payment limit of \$250,000 per individual if:

- ▶ Members (up to 2) provide at least 400 hours of active personal labor, active personal management, or combination thereof, to the production of 2020 commodities. Payment limitation for additional payments is \$500,000 per entity.
- ▶ Members (up to 3) provide at least 400 hours of active personal labor, active personal management, or combination thereof, to the production of 2020 commodities. Payment limitation for additional payments is \$750,000 per entity.

Individuals will still be limited to \$250,000 in payment limitations. Payment attribution will apply to CFAP2 payments.

## Adjust Gross Income

Adjusted Gross Income must be at or below the \$900,000 threshold for 2020, which includes the average of tax years 2016, 2017, and 2018, or 75% of the adjusted average is income that is derived from farming, ranching, or forestry-related activities to be eligible for CFAP2.

## Eligibility for CFAP2

Producers will be able to apply with their local Farm Service Agency office. Much like CFAP1, CFAP2 is a self-certification program, meaning you will not be required to submit supporting documents with your application. FSA Spot Checks are applicable to CFAP1 and CFAP2 programs, so it will be important to retain all supporting documents for at least three years.

## Eligible Floriculture and Nursery Crops:

- ▶ Cut flowers and cut greenery from annual and perennial flowering plants grown in a container or controlled environment for commercial sale
- ▶ Nursery crops are defined as decorative or non-decorative plants grown in a container or controlled environment for commercial sales

## Sales Commodities

Eligible sales only include sales of raw commodities grown by the producer. Value added to the commodity in forms of processing and packaging, and sales of products purchases for resale, are not included in the payment calculations.

Payments will be based on producer's 2019 sales of eligible commodities. Producers who did not have sales in 2019 will use 2020 actual sales (as of the producer's application date).

- ▶ For producers relying on 2020 crop sales for calculations, it is recommended to wait to file for CFAP2 until December 2020 to allow a full year of sales to be calculated.

Producer payments will be calculated using the following table:

**Step 1:** Take eligible sales in Calendar year 2019,

**Step 2:** Multiply by payment rate (percentage) for that range.

2019 Sales Range	Percent Payment Factor for the Producer's 2019 Sales of Eligible Commodities Falling in the Range
\$0 to \$49,999	10.6%
\$50,000 to \$99,999	9.9%
\$100,000 to \$499,999	9.7%
\$500,000 to \$999,999	9.0%
Sales over \$1 million	8.8%

### Example:

Producer's 2019 sales of eligible commodities equals \$125,000.

Payment will be calculated as:

$(\$49,999 \text{ times } 10.6\% = \$5,299.90) + (\$49,999 \times 9.9\% = \$4,949.91) + (\$25,002.00 \times 9.7\% = \$2,425.20)$

**Total payment for CFAP2 is \$5,299.90 + \$4,949.91 + \$2,425.20 = \$12,675.01**

Contact a K-Coe Isom Farm Program Services team member for questions on CFAP eligibility or applicability.