



CFAP2 Changes

Contract Producers, Sales Commodities &
General Provisions

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Introduction

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- Don't hear audio through your device? Audience phone bridge is available
- Questions should be submitted through the chat box. We will do our best to answer questions at the end that may not have been covered in the presentation.

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Today's Discussion

- **Administrator Remarks**
 - CFAP2 Summary
 - Authority
- **Contract Producers**
 - Rule Provisions
 - Key Program Definitions
 - Payment Calculation
 - Exceptions
- **Sales Based Commodities**
- **Resources**

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Coronavirus Food Assistance Program 2

- 1st Sign up: September 21 – December 11, 2020
- Sign up reopened: April 5, 2021
- 916,186 applications as of August 29, 2021
- Over \$13.8 billion

www.farmers.gov/cfap2/data

Consolidated Appropriations Act 2021 (CAA)

- \$1 billion to eligible livestock and poultry contract producers
- Payment up to 80% of revenue losses from January 1, 2020 through December 27, 2020.



Contract Producers

Overview of Final Rule Changes

- Announces program signup
deadline: **October 12, 2021**
- Includes additional eligible commodities
- Added flexibilities for producers of eligible
contract livestock and poultry and sales
commodities

Contract Producers

- Allows contract producers to elect to use eligible revenue from the period of Jan. 1, 2018, through Dec. 27, 2018, instead of 2019, if more representative
- Increase to contract operation size in 2020 considered
- Situations where contract producer did not have a full period of revenue from Jan. 1 to Dec. 27 in applicable year considered

Contract Producers

- Allows new contract producers in 2020 to apply
- Do not have to be in the business of farming at the time of application to be considered an eligible contract producer for CFAP2
- CFAP 2 breeding stock exclusion does not apply to contract producers of eligible contract livestock and poultry

Additional Eligible Commodities for Contract Producers

- Chickens (Broilers, Pullets, Layers)
- Turkeys
- Chicken Eggs
- Hogs & Pigs
- Other Poultry (Ducks, Geese, Pheasants, Quail)
- Other Poultry Eggs (Turkey, Duck, Goose, Pheasant, Quail)

Breeding stock exclusion does not apply to contract producers

Definitions

Eligible Producer - A person or legal entity who shares in the risk of producing a commodity. Except for contract producers, producers who are not in the business of farming at the time of application are not considered eligible producers.



Definitions

Average Revenue Loss Level- Average percentage of revenue loss for contract producers determined by USDA for a geographic area based on the best available data including, but not limited to, losses reported by contact producers for the same area and type of livestock or poultry.

Definitions

Eligible Contract Livestock & Poultry

Broilers, pullets, layers, poultry eggs, turkeys, ducks, geese, pheasants, quail, hogs, pigs, and other livestock or poultry types determined eligible and announced by USDA, including breeding stock of those eligible livestock and poultry types.



Definitions

Eligible Revenue

The revenue received by a contract producer for contract producer **of eligible contract livestock or poultry.**

Turn

A group of eligible contract livestock or poultry that is delivered to a contact producer who provides labor and equipment to produce the livestock or poultry for the integrator or owner.

Payment Calculations

Eligible revenue for the period from January 1, 2018, through December 27, 2018, or eligible revenue for the period from January 1, 2019, through December 27, 2019

-

Eligible revenue for the period from January 1, 2020, through December 27, 2020

X

80 percent

Payments

- Payments to contract producers will NOT be issued until after the CFAP 2 application period has closed
 - CFAP 2 Deadline – October 12, 2021
- Payments may be factored to not exceed the \$1 Billion authorized by CAA

Exceptions

FSA may now adjust a contract producer's eligible revenue based on information certified by the contract producer on supplemental form AD-3117B if a contract producer:

- did not have a full period of revenue from Jan. 1 to Dec. 27 for either 2018 or 2019,
- increased their operation size in 2020,
 - Square Footage
 - Production and/or Number of Turns 2018, 2019, or 2020 as applicable.
- was a new contract producer in 2020.

| | | | |
|-----------------|--|-------------------------|-----------------|
| AD-3117B | U.S. DEPARTMENT OF AGRICULTURE CONTINUATION SHEET FOR CORONAVIRUS FOOD ASSISTANCE PROGRAM 2 (CFAP 2) APPLICATION FOR CONTRACT PRODUCERS | 1. Date (MM-DD-YYYY) | 2. State/County |
|-----------------|--|-------------------------|-----------------|

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 9, the CARES Act (Pub. L. 116-136), the Consolidated Appropriations Act, 2021 (Pub. L. 116-260), and 15 U.S.C. 714b and 714c. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, and Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. Payments may be made under the program to which the form applies only to the extent permitted by applicable authorities.*

Public Burden Statement (Paperwork Reduction Act): Public reporting burden for this collection is estimated to average 60 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection, or USDA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

PART A - CONTRACT PRODUCER INFORMATION

3. Contract Producer's Name and Address (City, State, and Zip Code) and Phone Number (Include Area Code)

4. Did your contract production operation increase in size (square feet) in 2020? Yes No If "Yes" Only Complete Parts B and E

5. Were you a new contract producer in 2019? Yes No If "Yes" Only Complete Parts C and E

6. Did your contract production operation have increased production or number of turns in 2020, not associated to an increase of square footage for the operation, compared to 2018 or 2019 that impacted revenue? Yes No If "Yes, Only Complete Parts C and E

7. Were you a new contract producer in 2020? Yes No If "Yes" Only Complete Parts D and E

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AD-3117B Part B

- **Contract Producer may self-certify by commodity for the applicable time period of January 1 through December 27:**
 - 2018 or 2019 Eligible Revenue and Square Footage of Operation
 - 2020 Eligible Revenue and Square Footage of the Operation

| PART B – 2020 OPERATION INCREASE IN SIZE INFORMATION | | | | | COC USE ONLY |
|--|---|---|---|---|---|
| 8. Commodity | 9. Select Year: <input type="checkbox"/> 2018 <input type="checkbox"/> 2019 | | 2020 | | 12. COC Adjusted 2018 or 2019 Revenue |
| | 9A. Revenue <i>(Jan 1 – Dec 27)</i> | 9B. Square Footage of Operation | 10. Revenue <i>(Jan 1 – Dec 27)</i> | 11. Square Footage of Operation | |
| |  |  |  |  | |

A ratio representing the increase in square footage of the operation (2020 square feet divided by the 2018 or 2019 square feet) is multiplied by the actual 2018 or 2019 eligible revenue to calculate a “COC Adjusted 2018 or 2019 Revenue”

$$\begin{array}{cccccc}
 \mathbf{2020} & & \mathbf{2018 \text{ or } 2019} & & \mathbf{2018 \text{ or } 2019} & & \mathbf{COC} \\
 \mathbf{Square} & & \mathbf{Square} & & \mathbf{Eligible} & & \mathbf{Adjusted} \\
 \mathbf{Footage \text{ of}} & \div & \mathbf{Footage \text{ of}} & \times & \mathbf{Revenue} & = & \mathbf{2018 \text{ or } 2019} \\
 \mathbf{Operation} & & \mathbf{Operation} & & & & \mathbf{Revenue}
 \end{array}$$

| PART B – 2020 OPERATION INCREASE IN SIZE INFORMATION | | | | | COC USE ONLY |
|--|---|---------------------------------------|---|---------------------------------------|---|
| 8. Commodity | 9. Select Year: <input type="checkbox"/> 2018 <input type="checkbox"/> 2019 | | 2020 | | 12. COC Adjusted 2018 or 2019 Revenue |
| | 9A. Revenue <i>(Jan 1 – Dec 27)</i> | 9B. Square Footage of Operation | 10. Revenue <i>(Jan 1 – Dec 27)</i> | 11. Square Footage of Operation | |
| | | | | | |
| | | | | | |

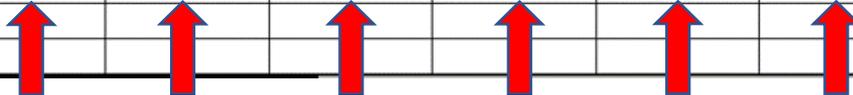


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AD-3117B Part C

- **Contract Producer required to self-certify by commodity for the applicable time period of January 1 to December 27:**
 - 2018 or 2019 Eligible Revenue
 - 2018 or 2019 Total Production and/or # of Turns
 - 2020 Eligible Revenue
 - 2020 Total Production and/or # of Turns

| PART C - NEW 2019 CONTRACT PRODUCER OR INCREASED 2020 PRODUCTION INFORMATION | | | | | | | | COC USE ONLY |
|--|---------------------------------------|--|---|---|---|--|--|--|
| 13. Commodity | 14. Unit of Measure for Production | 15. Select Year: <input type="checkbox"/> 2018 <input type="checkbox"/> 2019 | | | 2020 | | | 19. COC Adjusted 2018 or 2019 Revenue |
| | | 15A. Revenue <i>(Jan 1 – Dec 27)</i> | 15B. Total Production <i>(If Applicable) (Jan 1 – Dec 27)</i> | 15C. # of Turns <i>(If Applicable) (Jan 1 – Dec 27)</i> | 16. Revenue <i>(Jan 1 – Dec 27)</i> | 17. Total Production <i>(If Applicable) (Jan 1 – Dec 27)</i> | 18. # of Turns <i>(If Applicable) (Jan 1 – Dec 27)</i> | |
| | | | | | | | | |



- **Production reported as applicable unit of measure**
 - Head, Pounds, Dozen
- **Turns** means a group of eligible contract livestock or poultry that is delivered to a contract producer who provides labor and equipment to produce the livestock or poultry for the integrator or owner
- **Turns reported as a whole number**

The higher of the ratio of increased total production or increase of turns for the operation (2020 total production or # of turns divided by 2018 or 2019 total production or # of turns) is multiplied by the actual 2018/2019 eligible revenue to calculate a “COC Adjusted 2018 or 2019 Revenue”

$$\begin{array}{ccccccc}
 \mathbf{2020} & & \mathbf{2018\ or\ 2019} & & \mathbf{2018\ or\ 2019} & & \mathbf{COC} \\
 \mathbf{Total} & & \mathbf{Total} & & \mathbf{Eligible} & & \mathbf{Adjusted} \\
 \mathbf{Production} & \div & \mathbf{Production} & \times & \mathbf{Revenue} & = & \mathbf{2018\ or\ 2019} \\
 \mathbf{or\ \#\ of\ Turns} & & \mathbf{or\ \#\ of\ Turns} & & & & \mathbf{Revenue}
 \end{array}$$

| PART C - NEW 2019 CONTRACT PRODUCER OR INCREASED 2020 PRODUCTION INFORMATION | | | | | | | COC USE ONLY | |
|--|------------------------------------|--|--|--|------------------------------|---|---|---------------------------------------|
| 13. Commodity | 14. Unit of Measure for Production | 15. Select Year: <input type="checkbox"/> 2018 <input type="checkbox"/> 2019 | | | 2020 | | | 19. COC Adjusted 2018 or 2019 Revenue |
| | | 15A. Revenue (Jan 1 – Dec 27) | 15B. Total Production (If Applicable) (Jan 1 – Dec 27) | 15C. # of Turns (If Applicable) (Jan 1 – Dec 27) | 16. Revenue (Jan 1 – Dec 27) | 17. Total Production (If Applicable) (Jan 1 – Dec 27) | 18. # of Turns (If Applicable) (Jan 1 – Dec 27) | |
| | | | | | | | | |
| | | | | | | | | |

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AD-3117B Part D

- Contract Producer required to self-certify by commodity for January 1, 2020, through December 27, 2020:**
 - 2020 Eligible Revenue

| PART D - NEW 2020 CONTRACT PRODUCER INFORMATION | | COC USE ONLY | |
|---|--|---|------------------------------------|
| 20. Commodity | 21. 2020 Revenue <i>(Jan 1 – Dec 27)</i> | 22. COC Calculated Average Loss Level | 23. COC Calculated 2019 Revenue |
| | | | |
| | | | |



By signing AD-3117B, Part E, Contract Producer Certification, the producer acknowledges and accepts that their CFAP 2 payment, if applicable, will be based on an average revenue loss level determined by USDA

| PART E - CONTRACT PRODUCER CERTIFICATION | | |
|--|---|------------------------|
| <p><i>I hereby sign and acknowledge under penalty of perjury in accordance with 28 U.S.C. § 1746 and 18 U.S.C. § 1621 that the foregoing is true and correct. If I am a new 2020 contract producer, I understand that my level of loss, if applicable, will be determined by USDA based on the best available data for eligible contract livestock or poultry operations in a geographic area for payment calculation purposes.</i></p> | | |
| 24. Signature (By) | 25. Title/Relationship of the Individual Signing in the Representative Capacity | 26. Date ((MM/DD/YYYY) |

Average revenue loss level means the average percentage of revenue loss for contract producers determined by USDA for a geographical area based on the best available data including, but not limited to, losses reported by contract producers for the same area and type of livestock or poultry.

Once USDA determines the average revenue loss level and provides this to the COC, the COC will calculate a “COC Calculated 2019 Revenue” by dividing the contract producer’s 2020 eligible revenue by (1 minus the average revenue loss level percentage determined by USDA).

| | | | | |
|-----------------|----------|---------------------|----------|---------------------|
| 2020 | | 1 - COC | | COC |
| Eligible | ÷ | Average | = | Calculated |
| Revenue | | Revenue Loss | | 2019 Revenue |

AD-3117B Part D

- The average revenue loss level must be entered in Item 22, “COC Calculated Loss Level”
- The “COC Calculated 2019 Revenue” must be entered in Item 23

| PART D - NEW 2020 CONTRACT PRODUCER INFORMATION | | COC USE ONLY | |
|---|--|---|---|
| 20. Commodity | 21. 2020 Revenue <i>(Jan 1 – Dec 27)</i> | 22. COC Calculated Average Loss Level | 23. COC Calculated 2019 Revenue |
| | |  |  |
| | | | |

- **Adjusted revenue, if applicable will be calculated by the COC:**
 - based on the additional information provided by the contract producer on the AD-3117B
 - will be documented on the AD-3117B and the AD-3117 for review and signature by the contract producer
 - may be used in the current CFAP 2 payment calculation formula for contract producers.

Contract Producer Questions

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Sales Commodities



Sales Commodities

- **Use of either 2018 or 2019 sales**
 - Includes the use of 2018 crop year NAP, WHIP+ and crop insurance indemnities if using 2018 sales.
- **Grass Seed**
 - Covers all grass types
 - Must have been planted/grown with the intended use of seed

Sales Commodity Questions



Resources



Application Options

- **Options for applying**
 - Producers with an e-Authentication account can apply online.
 - Download application form, complete and submit to county office. and work with your local office through mail, online tools, or fax.
 - Work with county office to complete. Most offices are open for PHONE appointments only, with some offices available for in-person appointments. Check out the USDA Service Center Dashboard for your local office's operating status, farmers.gov/coronavirus/service-center-status

Eligibility

- Producer does NOT need to be an existing USDA customer
- Producers can apply for assistance for only commercially produced commodities.
- Conservation compliance required
- Non-citizens with an I-551 must provide significant contribution to capital, land and active personal labor to be eligible.



Utilizing the Customer Call Center

- CFAP applicants can call: **877-508-8364**
- Work one-on-one with an employee, get help filling out an application, and get a direct transfer to the applicable service center
- Language interpretation: Call-center users should press 1 and identify the language they need. Spanish speakers press 2.

Limited English Proficiency Resources

- Forms Available in Spanish
- Translation Services Available in all USDA Service Centers
- Call Center: Press 2 for Spanish

Documentation

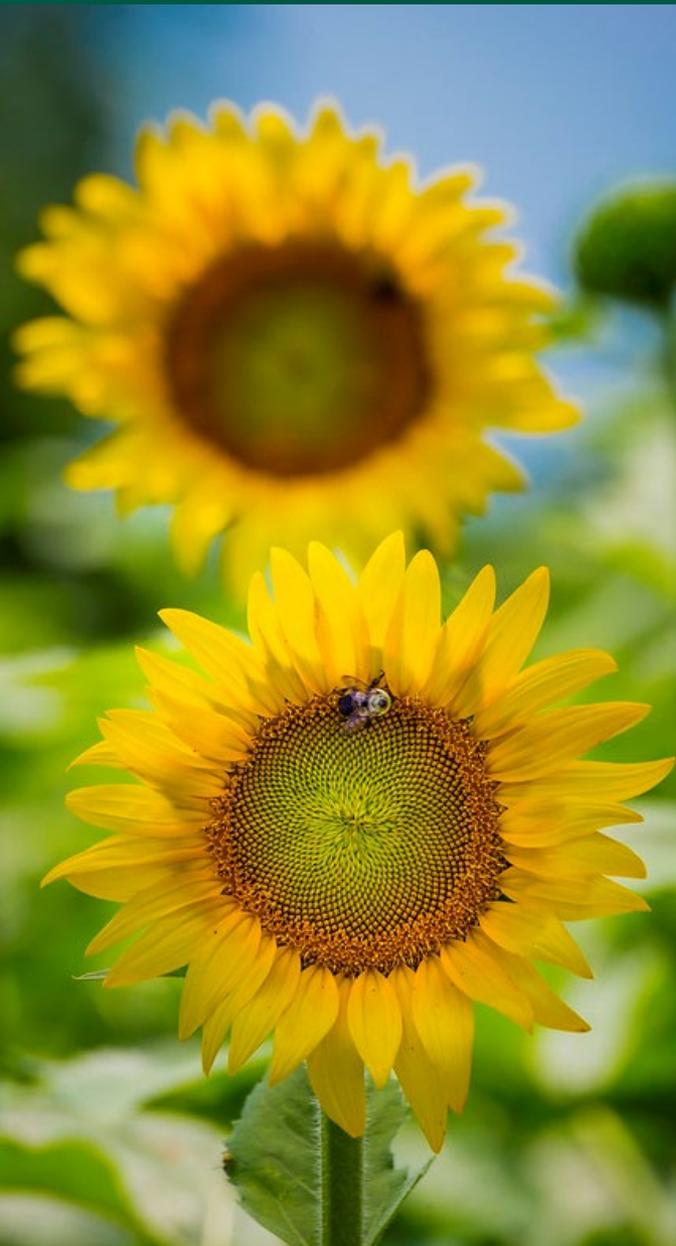
Producers self-certify that their application is accurate

- Keep your documentation! Be prepared for spot checks
- The following documents are recommended to assist producers in providing accurate information on their CFAP form:
 - Marketing statements
 - Contracts – Required for contract producers
 - Sales receipts

Forms & Documentation

Gathering the following types of documents and information will help producers fill out their application.

| Livestock | Contract Growers | Specialty Crops (Sales Commodities) | Dairy |
|-------------------|--|--|---|
| Inventory records | 2020 Grower Agreement (REQUIRED) | 2019 Sales Records | Milk marketing statements for April – August 2020 |
| | 2019 and 2020 Revenue Records | Crop insurance, Noninsured Crop Disaster Assistance Program, or Wildfire and Hurricane Indemnity Program payment documents | Records of dumped milk for April – August 2020 |



FSA CFAP2 Partners

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Outreach Programs

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Stakeholder Toolkit

Available on farmers.gov/cfap



Contents to help you amplify the program:

- Key Messaging Points
- Newsletter Article
- Sample posts for social media activity
- Helpful links to factsheets, and Program FAQ.

Activities for Partnership with FSA

- **Co-hosting webinars**
- **Holding virtual "Office Hours" with FSA**
- **Reaching producers without internet**





State Outreach Coordinators



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COORDINATOR LISTING



COORDINATED WEBINARS
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Questions