



## **Additional COVID Assistance for Pork Producers, Contract Growers**

On Jan. 15, USDA unveiled additional assistance to certain pork producers and contract growers as part of the first two rounds of the Coronavirus Food Assistance Program (CFAP), which provides direct payments to farmers impacted by the COVID-19 crisis. The direct, final rule is effective Tuesday, Jan. 19. A summary follows:

- The rule amends the CFAP 1 provisions to provide additional assistance for pork producers who previously applied for assistance during its application period.
  - Additional CFAP 1 payments are provided for hog and pig inventory owned between April 16, 2020-May 14, 2020, based on a rate of \$17 per head. This results in a total CFAP payment rate of \$34 per head, including the prior \$17 per head payment for CFAP 1. As USDA explained, “[f]or the swine (hog and pig) sector, the inventory payment rates were determined to be insufficient to alleviate ongoing market price losses in the sector. This additional assistance is also intended to help swine producers who face continuing market disruptions from changes in U.S. meat consumption due to the pandemic.” Only producers who previously applied for CFAP 1 are eligible to receive this additional assistance. Eligible producers do not need to submit a new application or take any action.
  - Producers are still subject to a \$250,000 cap for all CFAP 1 payments.
- The rule amends the CFAP 2 provisions to provide assistance to certain pork contract producers, among other changes.
  - Contract growers are eligible if they produced swine under contract in both 2019 and 2020, suffered a loss in eligible revenue from Jan. 1, 2020-Dec. 27, 2020, as compared to Jan. 1, 2019-December 27, 2019, and meet all other requirements for CFAP eligibility.
  - Under this rule, a contract producer is one who grows or produces an eligible commodity under contract for or on behalf of another person or entity, and who does not have ownership in the commodity and is not entitled to a share from sales proceeds of the commodity. Swine and poultry contract producers were not covered under CFAP 1 or 2.
  - Payments to eligible contract producers will be calculated by subtracting the contract producer’s eligible revenue from the time periods in the previous bullet points and multiplying the result by 80 percent. This calculation is subject to the availability of funds and will be factored, if needed.
  - Contract producers are subject to a \$250,000 payment limitation for all CFAP 2 payments, including payments received for other commodities not grown under contract.

Sign-ups as part of CFAP 2 begin Jan. 19, through Feb. 26. To learn more or to apply, visit: <https://www.farmers.gov/cfap/apply>.

***The Global Voice of the U.S. Pork Industry***

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