




COVID-19

UPDATE:
May 27, 2020

**Coronavirus / COVID-19
Response Team**


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1

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**Overview of the Coronavirus
Food Assistance Program**

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3

Today's Topics

- Background
- Eligible Commodities and Producers
- Payment and Limitations
- Application Process
- Resources

4

Background

- The Coronavirus Food Assistance Program (CFAP) makes available \$19 billion to agricultural producers
 - \$16 billion - Direct payments to farmers, ranchers, and other eligible producers
 - \$3 billion - Farmers to Families Food Box Program
- Compensates producers for losses due to:
 - price declines, spoiled, or unpaid product
 - on-going market disruptions

Background (cont.)

- Direct payments of up to \$250,000 for individuals, and up to \$750,000 for corporate entities
- Not a loan program
- Participation in SBA's PPP or EIDL program does not impact eligibility for CFAP payment or any other USDA farm program
- Application period: May 26 - August 28

Eligibility Generally

- Eligible producers of specified agricultural commodities who have suffered a five percent-or-greater price decline as a result of the COVID-19 pandemic, and who face substantial marketing costs for inventories, are eligible for CFAP payments

Eligible Commodities

- Non-Specialty Crops (e.g., corn, soybeans, malting barley, canola, oats, sorghum, sunflowers, durum wheat, hard red spring wheat)
 - Crops intended for grazing are not eligible
- Specialty Crops (e.g., fruits, vegetables, nuts)
- Dairy
- Livestock (cattle, hogs, lambs, and yearlings)
- Wool

Eligible Commodities (cont.)

- USDA determined eligibility for specific commodities based on available price data
 - Eligible commodities are those for which a 5% or greater price decline occurred from mid-January through mid-April 2020
 - Ineligible commodities include eggs/layers, certain wheat, rice, flax, rye, peanuts, alfalfa, hemp, and tobacco
- USDA accepting public input to support inclusion of additional commodities

Request for Additional Eligible Commodities

- USDA is interested in public input and data regarding other commodities that may have been negatively impacted by the COVID-19 pandemic, including information on the impact to nursery products and cut flowers
- We are available to discuss the process for submitting comments and to assist you with the preparation of comments and information for submission.

Eligible Producers

- Individuals and legal entities
- Average AGI < \$900,000 for 2016 - 2018 tax years
 - Limit does not apply if 75% of AGI comes from farming, ranching, or forestry
- Other compliance requirements include:
 - Conservation regulations
 - Foreign persons must provide land, capital, and substantial active personal labor
 - No controlled substance violations

Eligible Producers (cont.)

- Contract Growers
 - Eligible if the contract allows the grower to have price risk, even if no ownership
- Urban Farmers and Farmers who run CSAs
 - All farmers are eligible if they otherwise meet the eligibility requirements
- Marketing Cooperatives
 - Each grower should apply separately
- Co-op Producers
 - Eligible so long as they maintain risk and share of the eligible commodity delivered to the co-op

Payments and Limitations

- Individuals and corporate entities with one shareholder:
 - \$250,000
- Corporate entities with two or three shareholders:
 - \$500,000 and \$750,000, respectively
 - Each shareholder must provide at least 400 hours of active personal management or personal active labor

Payments and Limitations (cont.)

- You will receive 80% of your maximum total payment shortly after approval of application
 - Remaining portion will be paid at a yet-to-be-specified date
- CFAP payments cannot be withheld and offset against outstanding USDA debt

Determination of Payments

- USDA-determined payment rates for different eligible commodities based on available information on futures and cash prices for commodities
 - Commodity-specific payment rates are available at the CFAP website
- Calculation of Payments by Eligible Product Category:
 - Non-Specialty Crops
 - Payments based on the inventory subject to price risk that is harvested and held as of January 15, 2020, not to exceed 50 percent of 2019 total production multiplied by the payment rates

Determination of Payments (cont.)

- Specialty Crops (three categories)
 - Crops *sold* between January 15 and April 15, 2020, payments are based on the quantity sold is multiplied by the payment rate
 - Crops *harvested and shipped but subsequently spoiled or unpaid due to loss of marketing channels* between January 15 and April 15, 2020, the harvested and shipped quantity that spoiled or were unpaid is multiplied by a different payment rate
 - *Unpriced specialty crops that did not leave the farm or were mature crops that remained unharvested between January 15 and April 15, 2020* due to loss of marketing channel, the sum of the quantity of crops that did not leave the farm and the quantity of mature crops that remained unharvested is multiplied by different payment rate
 - Donated specialty crops should be treated similarly to crops that were not sold or shipped from the farm

Determination of Payments (cont.)

- Dairy
 - Payments equal the first quarter production of calendar year 2020 multiplied by the payment rate. Dairy production for the second quarter is calculated from the first quarter production; second quarter calculated production is then multiplied by the payment rate.
 - Eligible: Any milk that was commercially marketed during January, February, and March of 2020, and any milk that was dumped during this timeframe will be considered marketed and therefore eligible for payment.
- Cattle
 - Payments based on cattle sold between January 15 and April 15, 2020, multiplied by the payment rates by cattle type plus a producer's cattle inventory subject to price risk on a date of producer's choosing between April 16 and May 14, 2020, multiplied by the payment rate

Determination of Payments (cont.)

- Hog and Pig
 - Payments based on hogs and pigs sold between January 15 and April 15, 2020, multiplied by the payment rates plus a producer's inventory subject to price risk on a date of producer's choosing between April 16 and May 14, 2020, multiplied by the payment rate
- Lamb and Yearling
 - Payments based on lambs and yearlings sold between January 15, and April 15, 2020, multiplied by the payment rate plus a producer's inventory subject to price risk on a date of producer's choosing between April 16 and May 14, 2020, multiplied by the payment rate
- Wool
 - Payments equal the sum of unpriced inventory (must be subject to price risk) on January 15, 2020, not to exceed 50 percent of 2019 total production, multiplied by the payment rate

Application Process

- Applications were released May 26 and are available for download
- All applications will be processed through local USDA Farm Service Agency (FSA) Service Center
 - See Resources slide for list of local FSA Service Centers
 - FSA staff are available to assist you by phone, email and through online tools; no in-person services

Application Process (cont.)

- Information for preparing application:
 - Sales and inventory records
 - Farm operating structure information
 - Tax records to determine average Adjusted Gross Income
 - Direct deposit information
- CFAP is a self-certification program
 - Documentation is not required to be submitted with application, but should be retained Applicants are subject to spot check and may be required to provide documentation used to complete application

Resources

- Application and CFAP Payment Calculator:
 - <https://www.farmers.gov/cfap#apply>
 - Available as Excel workbook or PDF

- CFAP Frequently Asked Questions:
 - <https://www.farmers.gov/cfap/faq>
 - Continually updated

- FSA Service Center Location and Contact Information (All United States):
 - <https://offices.sc.egov.usda.gov/locator/app>

Resources (cont.)

- Michigan Farm Service Agency Website:
 - <https://www.fsa.usda.gov/state-offices/Michigan/index>

- Select Michigan County FSA Service Center Contact Information is listed on the following slides

- Miller Johnson's Farm and Agriculture Attorneys

■ Kent County

KENT COUNTY FARM SERVICE AGENCY

3260 EAGLE PARK DR NE STE 101
GRAND RAPIDS, MI 49525-4569
(616) 942-4111
(855) 729-8875 fax

Mailing Address:
3260 EAGLE PK DR NE #101
GRAND RAPIDS, MI 49525-4569

Contact: SHERRY ADAMS
County Executive Director
Phone: (616) 942-4111 x 2
Fax: (855) 729-8875
Email: sherry.adams@mi.usda.gov

Contact: SARA LEA POSSEHN
Farm Loan Manager
Phone: (616) 597-3086
Email: sara.possehn@usda.gov

■ Ottawa County

OTTAWA COUNTY FARM SERVICE AGENCY

16731 FERRIS ST
GRAND HAVEN, MI 49417-9601
(616) 842-5852
(855) 560-0060 fax

Mailing Address:
16731 FERRIS ST
GRAND HAVEN, MI 49417-9699

Contact: Naomi Skeltis
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Email: naomi.skeltis@usda.gov

Contact: SARA LEA POSSEHN
Farm Loan Manager
Phone: (616) 597-3086
Email: sara.possehn@usda.gov

■ Muskegon and
Newago
Counties

NEWAGO COUNTY FARM SERVICE AGENCY

940 REX ST
FREMONT, MI 49412-1037
(231) 924-2060
(855) 729-8875 fax

Mailing Address:
940 W REX STREET
FREMONT, MI 49412-1037

Contact: SHERRY ADAMS
County Executive Director
Phone: (231) 924-2060 x 2
Fax: (855) 729-8875
Email: sherry.adams@mi.usda.gov

Contact: SARA LEA POSSEHN
Farm Loan Manager
Phone: (616) 597-3086
Email: sara.possehn@usda.gov

■ Kalamazoo
and St. Joseph
Counties

ST JOSEPH COUNTY FARM SERVICE AGENCY

693 E MAIN ST
CENTREVILLE, MI 49032-9603
(269) 467-6336
(855) 647-0822 fax

Mailing Address:
693 EAST MAIN STREET
CENTREVILLE, MI 49032-9603

Contact: SHARON HOCH
County Executive Director
Phone: (269) 467-6336 x 2
Fax: (855) 647-0822
Email: sharon.hoch@mi.usda.gov

Contact: MACK A FRANCOEUR JR
Farm Loan Manager
Phone: (269) 781-4263
Email: mack.francoeur@usda.gov

■ Barry County

BARRY COUNTY FARM SERVICE AGENCY

1611 S HANOVER ST
HASTINGS, MI 49058-2579
(269) 948-8037
(855) 647-0823 fax

Mailing Address:
1611 S HANOVER ST STE 106
HASTINGS, MI 49058-2579

Contact: Leslie Warner
County Executive Director
Phone: (269) 948-8037 x 2
Fax: (855) 647-0823
Email: leslie.warner@mi.usda.gov

Contact: SARA LEA POSSEHN
Farm Manager
Phone: (616) 597-3086
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■ Allegan County

ALLEGAN COUNTY FARM SERVICE AGENCY

1668 LINCOLN RD
ALLEGAN, MI 49010-9410
(269) 673-6940
(855) 643-5268 fax

Mailing Address:
1668 LINCOLN ROAD
ALLEGAN, MI 49010-9410

Contact: David Mroczek
County Executive Director
Phone: (269) 673-6940 x 2
Fax: (855) 643-5268
Email: david.mroczek@mi.usda.gov

Contact: SARA LEA POSSEHN
Farm Loan Manager
Phone: (616) 597-3086
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■ Ionia County

IONIA COUNTY FARM SERVICE AGENCY

431 SWARTZ COURT, SUITE 300
IONIA, MI 48846
(616) 527-2098
(855) 647-4850 fax

Contact: Leslie Warner
County Executive Director
Phone: (616) 527-2098 x 2
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Email: leslie.warner@mi.usda.gov

Contact: SARA LEA POSSEHN
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Phone: (616) 597-3086
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■ Montcalm
County

MONTCALM COUNTY FARM SERVICE AGENCY

77 S STATE ST
STANTON, MI 48888-9469
(989) 831-4212
(855) 663-1381 fax

Mailing Address:
77 SOUTH STATE
STANTON, MI 48888-9470

Contact: WAYNE STICKLER
County Executive Director
Phone: (989) 831-4212 x 2
Fax: (855) 663-1381
Email: wayne.stickler@mi.usda.gov

Contact: SARA LEA POSSEHN
Farm Loan Manager
Phone: (616) 597-3086
Email: sara.possehn@usda.gov

■ Oceana,
Mason,
Manistee, and
Lake Counties

MASON COUNTY FARM SERVICE AGENCY

655 N SCOTTVILLE RD
SCOTTVILLE, MI 49454
(231) 757-3707
(855) 663-1378 fax

Mailing Address:
655 N. SCOTTVILLE RD.
SCOTTVILLE, MI 49454-9569

Contact: Benita Meekhof
County Executive Director
Phone: (231) 757-3707 x 2
Fax: (855) 663-1378
Email: benita.meekhof@mi.usda.gov

■ Leelanau and
Grand Traverse
Counties

FSA SERVICE CENTER OFFICE

GRAND TRAVERSE COUNTY FARM SERVICE
AGENCY
1501 S CASS ST STE A
TRAVERSE CITY, MI 49684-4187
(231) 941-0951
(855) 643-5274 Fax

Mailing Address:
1501 CASS ST SUITE A
TRAVERSE CITY, MI 49684-4187
[FSA State Web Site](#)

Kathy Kozlowski
County Executive Director
(231) 941-0951 ext 2
(855) 292-1667 fax
kathy.kozlowski@mi.usda.gov

CALEB STEVEN BOGE
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100 W Michigan Ave
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Kalamazoo, MI 49007



PPP Compliance Readiness Program

Miller Johnson's interdisciplinary team of corporate and litigation attorneys will work with you to identify and gather relevant documents and performance data to ensure your business is best positioned to comply with the ever-changing rules governing the Paycheck Protection Program (PPP) and any resulting inquiry or investigation related to your business's application for, and receipt of, PPP funds.

Services

- Assist with identifying and compiling records and performance data to support the good faith "need certification" made at the time the PPP loan application was made.
- Review use and accounting of funds to support your application for loan forgiveness.
- Compliance assessment based on review of information received.
- Advise on best practices and evolving rules and guidance related to the PPP.
- Development of audit preparedness plan.
- Advise on enforcement defenses and evidentiary support for the same.

*Legal services related to responding to, or otherwise participating in, an informal or formal inquiry, investigation, audit or any other enforcement action (collectively, "PPP Enforcement Action") are excluded from the scope of legal services offered in this Compliance Readiness Program. However, in the event your business is required to respond to, or otherwise participate in, a PPP Enforcement Action, Miller Johnson will credit 50% of the Flat Fee paid for the Compliance Readiness Program against the cost of advising and representing your business with respect to any PPP Enforcement Action.

COVID-19 RESPONSE TEAM

Learn More
For more program information and enrollment, please contact Max Barnes or Jeff Muth.

Max Barnes
Corporate
(616) 831-1725
barnesm@millerjohnson.com

Jeff Muth
Litigation
(616) 831-1700
muthj@millerjohnson.com

Pricing

Flat Fee based on amount of PPP loan*

\$5,000	Loan amount of \$2MM+
\$3,500	Loan amount between \$1MM - \$1,999,999
\$3,000	Loan amount between \$500K - \$999K
\$2,000	Loan amount between \$250K - \$499K
\$1,500	Loan amount less than \$250K

Grand Rapids (616) 831-1700

Kalamazoo (269) 226-2950

info@millerjohnson.com

www.millerjohnson.com

29

Miller Johnson Back to Work Resource Center

<https://resources.millerjohnson.com/>



Welcome!

Our online **Back to Work Resource Center** provides a cost-effective one-stop shop for employers who are returning employees to work during this COVID-19 pandemic.

The **Back to Work Resource Center** regularly updates information to:

- ensure compliance with the ever-changing legal requirements
- include practical tools to effectively, safely and confidently return employees to work
- incorporate resources of best practices from outside organizations, including community partners such as Spectrum Health

Updates will be provided to all participants as the law and best practices evolve, including a weekly email of significant postings.

Guidance Contact Account Log in



30