

COVID-19 UPDATE



CFAP 2.0 FACT SHEET

As you are likely aware, the U.S Department of Food and Agriculture (USDA) has announced a second round of available funding of the Coronavirus Food Assistance Program (CFAP) for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Please see below for additional information on the CFAP 2.0 application process. Additionally, USDA has also released a fact sheet which can be found [HERE](#).

When to file:

- September 21, 2020 – December 11, 2020

What to file:

1. CFAP 2 application: [AD-3117](#)
*If you did not participate in CFAP 1 or are not an existing customer with FSA, the additional forms below may be needed:
 1. [CCC-901](#): Identifies members of a farm or ranch that is a legal entity.
 2. [CCC-941](#): Reports your average adjusted gross income for programs where income restrictions apply.
 3. [CCC-942](#): If applicable this certification reports income from farming, ranching, or forestry-related activities for those exceeding the adjusted gross income limitation.
 4. [AD-1026](#): Ensures compliance with highly erodible land conservation and wetland conservation.
 5. [AD-2047](#): Provides basic customer contact information.
 6. [SF-3881](#): Collects your banking information to allow USDA to make payments to you via direct deposit.

How to file:

- Online: To complete online, first establish an eAuthentication account [here](#). Producers with an eAuthentication account can apply for CFAP 2 via the [CFAP 2 Application Portal](#). For instructions on how to use the portal access the [CFAP 2 Application Portal User Guide](#).
- Manually: You can work directly with your local Farm Service Agency to fill out your necessary forms. Access the [instruction guide](#) for help on filling out AD-3117.

Help with filing:

- Contact your local Farm Service Agency to establish an appointment to receive help with your application. Call 877-508-8364 to speak directly with a USDA employee for assistance.
- For more information on CFAP 2 for Specialty Crop Producers:
<https://www.farmers.gov/cfap/specialty>

Payment Rate for Olives:

- Olives are eligible to receive funding under the Sales Commodity category. Payments will be calculated by multiplying the amount of the producer's sales in the 2019 calendar year by the payment rate for that range.
- ***IMPORTANT NOTE:** Eligible sales only include sales of raw commodities grown by the producer. The portion of sales derived from adding value to the commodity, such as processing and

packaging, and from sales of products purchased for resale, is not included in the payment calculation.

| 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:** A producer's 2019 sales of eligible commodities totaled \$75,000. The payment is calculated as (\$49,999 times 10.6%) plus (\$25,001 times 9.9%) equals a total payment of \$7,775.

Eligibility Requirements:

- A person or legal entity must have an average adjusted gross income of less than \$900,000 for tax years 2016, 2017, and 2018. However, if 75% of their adjusted gross income comes from farming, ranching, or forestry-related activities, the AGI limit of \$900,000 does not apply and the person or legal entity is eligible to receive CFAP 2 payments up to the application payment limitation.

Payment Limitations:

- CFAP 2 payments are subject to a per person and legal entity payment limitation of \$250,000.
- Payment Limitations for Corporations, Limited Liability Companies, Limited Partnerships, Trusts, and Estates:
 - Legal entities with 1 member: payment limit is \$250,000.
 - Legal entities with 2 members: payment limit is \$500,000 if at least two members contribute at least 400 hours of active personal labor or active personal management, or a combination thereof, with respect to the operation of the corporate entity.
 - Legal entities with 3 members: payment limit is \$750,000 if at least three members contribute at least 400 hours of active personal labor or active personal management, or a combination thereof, with respect to the operation of the corporate entity.

Link to Frequently Asked Questions:

<https://www.farmers.gov/cfap/faq>

GOVERNOR NEWSOM ANNOUNCES MAJOR CLIMATE INITIATIVE

Last week, Governor Gavin Newsom signed an Executive Order announcing California's plan to eliminate the sale of the internal combustion engine by 2035. This Order comes as an effort to keep the State on track with its goal to be carbon-free by 2045. During his press conference, the Governor cited transportation as the number one sector contributing to over 50% of the State's greenhouse gas emissions, however assured Californians that they would be able to keep their internal combustion engine cars, and the used car sales market will continue to include these engines. The press release states:

“Following the order, the California Air Resources Board will develop regulations to mandate that 100 percent of in-state sales of new passenger cars and trucks are zero-emission by 2035 – a target which would achieve more than a 35 percent reduction in greenhouse gas emissions and an 80 percent improvement in oxides of nitrogen emissions from cars statewide. In addition, the Air Resources Board will develop regulations to mandate that all operations of medium- and heavy-duty vehicles shall be 100 percent zero emission by 2045 where feasible, with the mandate going into effect by 2035 for drayage trucks.”

Additionally, the Order sets forth the goal “that 100 percent of medium- and heavy-duty vehicles in the State be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. It shall be further a goal of the State to transition to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible.”

The Air Resources Board will be given authority to propose regulations consistent with getting California to its target of 100 percent zero-emission vehicles sold in the State, including passenger vehicles and trucks, and medium- and heavy-duty vehicles. They are also given the authority to work with other State agencies, U.S. Environmental Protections Agency and local air districts to propose strategies for California to accomplish its goal of 100 percent zero-emission from off-road vehicles and equipment operations in the State by 2035.

Governor Newsom closed his press conference stating that California is just getting started as leaders in the fight against climate change.

The Committee is working closely with Kahn, Soares, and Conway and their partners in the business community to remain up to date on the Governor’s announcement and Executive Order.

SUPPLEMENTAL COVID-19 PAID SICK LEAVE (AB 1867) FACT SHEET

As you may recall, on September 9, 2020, California Governor Gavin Newsom signed AB 1867 into law. The provisions are effective immediately, and require all private businesses with 500 or more employees nationwide (as well as certain health care providers and emergency responders) to provide their California employees with COVID-19 related supplemental paid sick leave no later than September 19, 2020.

The bill was intended to close the gaps between federally mandated paid COVID19 related sick days and the Governor’s previous Executive Order that only provided paid sick leave for “food sector” workers. The new law implicates all private employers in California with over 500 employees, as well as public and private employers of first responders and health care employees who opted not to provide leave under the federal law.

Please click [HERE](#) to access a fact sheet on AB 1867 provided by the CA Fresh Fruit Association. Feel free to reach out to the Committee office with any questions.