



COVID-19 Response: Farmers and Rural Communities

American farmers have been impacted by COVID-19. As business and economic activity slows across the country and the rest of the world, American farmers are still stepping up to provide our country with the food and critical items it needs at this time. To ensure they are able to meet the demands of this task, the U.S. Government has put in place programs to assist them and provide relief as needed.

Republicans on the House Committee on Agriculture have put together a useful [resource guide](#) that outlines available assistance to farmers and rural communities in more detail.

What's being done to provide relief for farmers?

The Coronavirus Aid, Relief, and Economic Security (CARES) Act includes two main small business provisions designed to help farmers stay in business and take care of their employees during this difficult time. The first, the Paycheck Protection Program (PPP), is a guaranteed loan program that is available to agricultural producers starting April 3. With the passage of the Paycheck Protection Program and Health Care Enhancement Act (HR 266) on April 23 and subsequent guidance issued on April 24, the SBA and Treasury made clear that farmers, agricultural producers, and small agricultural cooperatives that meet the eligibility criteria are able to apply. Working with their trusted farm credit institutions, farmers will be able to secure funding for the purposes of securing payroll tax loans, along with one-year deferrals, 100 percent guarantees, and low rates.

The second provision is an existing direct loan program, the Economic Injury Disaster Loan (EIDL) Program. It is a direct loan through the Small Business Administration (SBA). Until now, farmers have not been eligible for this program. However, there were adequate changes made to SBA programs in the CARES Act and subsequent HR 266 that make farmers and agricultural producers eligible to apply for the EIDL program.

The bill also provides \$14 billion for the Commodity Credit Corporation (CCC), the funding mechanism for all major USDA programs. It also appropriates an additional \$9.5 billion to specifically respond to losses due to COVID-19. Additional funding is provided for USDA agencies that are on the front lines of responding to COVID-19, including the Food Safety Inspection Service (FSIS), the Animal and Plant Health Inspection Service (APHIS), and the Farm Service Agency (FSA).

On April 17, USDA issued a [press release](#) announcing it would utilize the funding made available through the CARES Act to aid farmers and agricultural producers through the Coronavirus Food Assistance Program (CFAP).

What are the main components of USDA's Coronavirus Food Assistance Program (CFAP)?

CFAP consists of two parts:

1. **Direct Support to Farmers and Ranchers:** The program will provide \$16 billion in direct support based on actual losses for agricultural producers where prices and market supply chains have been impacted and will assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.
2. **USDA Farmers to Families Food Box Program:** USDA will partner with regional and local distributors, whose workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase \$3 billion in fresh produce, dairy, and meat. We will begin with the procurement of an estimated \$100 million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products, and \$100 million per month in meat products. The distributors and wholesalers will then provide a pre-approved box of fresh produce, dairy, and meat products to food banks, community and faith based organizations, and other non-profits serving Americans in need. Further information on USDA's Farmers to Families Food Box Program is available [here](#).

On May 19, USDA issued [guidelines and rules](#) for CFAP and the direct support to agricultural producers. Eligible farmers and ranchers will receive one CFAP payment, drawn from two possible funding sources. The first source of funding is \$9.5 billion in appropriated funding provided in the CARES Act and compensates farmers for losses due to price declines that occurred between mid-January 2020, and mid-April 2020 and for specialty crops for product that was shipped and spoiled or unpaid product. The second funding source uses the Commodity Credit Corporation Charter Act to compensate producers for \$6.5 billion in losses due to on-going market disruptions.

Beginning May 26, USDA's Farm Service Agency will be accepting applications from agricultural producers who have suffered losses. The application form and a payment calculator for producers will be available online once signup begins.

On top of these targeted programs, USDA will utilize other available funding sources to purchase and distribute food to those in need.

- USDA has up to an additional \$873.3 million available in Section 32 funding to purchase a variety of agricultural products for distribution to food banks. The use of these funds will be determined by industry requests, USDA agricultural market analysis, and food bank needs.
- The FFCRA and CARES Act provided an at least \$850 million for food bank administrative costs and USDA food purchases, of which a minimum of \$600 million will be designated for food purchases. The use of these funds will be determined by food bank need and product availability.

What's being done to ensure farmers receive their H-2A workers?

On March 26, 2020, the State Department issued a statement advising that H-2A applicants were to be viewed as mission critical, helping to ensure that the agriculture sector is able to keep our country supplied with food and critical items at this time. Consular officers now have the option to waive the visa interview requirement for first-time and returning H-2A applicants with no potential ineligibility.

What's being done to expand broadband and connectivity in rural communities?

The CARES Act includes \$100 million to provide financing for rural broadband through the ReConnect program, and \$25 million for the Distance Learning and Telemedicine program to provide grants for equipment and connectivity improvements. It also includes \$200 million for a new telehealth program at the Federal Communications Commission.