

HELP FOR FARMERS AND AGRICULTURE BUSINESSES

Congress has passed several rounds of financial assistance and relief in response to the COVID-19 pandemic, including most recently the *American Rescue Plan*. The *American Rescue Plan* includes the following assistance for agricultural producers.

*** WHAT IS NEW IN THE AMERICAN RESCUE PLAN***

The *American Rescue Plan* provides for \$4 billion to the U.S. Department of Agriculture (USDA) to provide additional relief for farmers and ranchers. It also provides over \$1 billion for socially disadvantaged farmers and ranchers, including Native Hawaiians. Finally, the *American Rescue Plan* extends the eligibility for unemployment benefits and the additional amounts people can receive. Details are below.

In addition to the *American Rescue Plan*, you may be eligible for ongoing relief provided by the *Families First Coronavirus Response Act* (“Families First”), the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, and the *Coronavirus Response and Relief Supplemental Appropriations Act of 2021* (COVID relief law).

Assistance to Agricultural Producers from USDA

The *American Rescue Plan* provides \$4 billion to the USDA to provide additional relief for agricultural producers. Of the \$4 billion, \$3.6 billion of the new funds will be used:

- To purchase food and agricultural commodities and seafood, including for distribution to individuals in need in partnership with nonprofit organizations and restaurants;
- To make grants and loans to small or midsized food producers or distributors, seafood processors, farmers markets, and producer; and
- To make payments for certain crop losses.

USDA will use \$300 million to conduct animal surveillance related to COVID-19. \$100 million is provided to reduce the amount of overtime inspection costs for federally inspected small and very small meat, poultry, and egg processors.

The \$4 billion from the *American Rescue Plan* is in addition to the \$13 billion provided by the December COVID relief law, which included:

- \$9.7 billion for assistance to farmers and ranchers, including specialty crops, and floriculture; and
- \$1.5 billion to purchase food, agricultural products, and seafood for individuals in need.

Assistance for Socially Disadvantaged Farmers and Ranchers (USDA)

The *American Rescue Plan* starts to address the needs of socially disadvantaged farmers and ranchers by providing \$1 billion to the USDA, which will be used for:

- Outreach, mediation, financial training, and cooperative development for socially disadvantaged groups;
- A commission to address racial inequity at the USDA; and
- Research, education, and extension/outreach at universities that serve socially disadvantaged groups, such as Native Hawaiian Serving institutions.

Farm Loan Assistance

The *American Rescue Plan* gives the USDA authority to provide farm loan assistance by making payments of up to 120% of outstanding agricultural loans as of January 1, 2021, to help farmers and ranchers from socially disadvantaged groups.

Details on these new programs have yet to be determined, but this fact sheet will be updated as the USDA implements this authority. Please also check the USDA's [website](#) on COVID relief for updates. In addition, the USDA's Farm Service Administration (FSA) is expected to continue playing a central role in providing service to agricultural producers. Local FSA agents and offices can be found [here](#).

Assistance to Agricultural Producers from the Small Business Administration (SBA)

Under the COVID relief law, Congress provided:

- an additional \$284 billion for a second round of SBA Paycheck Protection Program (PPP) loans; and
- \$20 billion for emergency grant advances of up to \$10,000.

In addition, the COVID relief law has new SBA provisions for agricultural producers:

Calculation of Maximum Loan Amount for Farmers and Ranchers under PPP

- Establishes a specific loan calculation for the first round of PPP loans for farmers and ranchers who:
 - operate as a sole proprietor, independent contractor, self-employed individual,
 - report income and expenses on a Schedule F, and
 - were in business as of February 15, 2020.These entities may utilize their gross income in 2019 as reported on a Schedule F. Lenders may recalculate loans that have been previously approved to these entities if they would result in a larger loan.
- Applies to PPP loans before, on, or after the date of enactment, except for loans that have already been forgiven.

Farm Credit System Institutions

- Allows Farm Credit System Institutions to be eligible to make loans under PPP. It also allows for a zero risk weight for PPP loans and aligns eased requirements for Farm Credit System Institutions with those of other PPP lenders.
- Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Farmers and ranchers that qualify as small businesses under SBA regulations are eligible for PPP loans. Under the *Paycheck Protection Program and Health Care Enhancement Act* (April 24, 2020), eligibility for the Economic Injury Disaster Loan program was changed to include agriculture businesses with fewer than 500 employees. For more information on SBA assistance under the COVID relief law, please click [here](#), and check the SBA's [website](#) for updates.

LOAN ELIGIBILITY

Companies may not receive payments from both of these USDA and SBA programs for the same COVID-19 impact. Companies should determine which program is better for their needs.

Unemployment Insurance

Besides direct assistance to farmers and agricultural businesses, the *American Rescue Plan* extended the eligibility for unemployment benefits and the additional amounts people can receive. This includes independent contractors, part-time workers, and others not normally eligible for unemployment benefits. Please see the [unemployment benefits factsheet](#). If your job has been affected by the COVID-19 pandemic, you can apply for unemployment benefits in Hawaii [here](#).