

IMPACT OF COVID-19 ON AGRICULTURAL OPERATIONS

**Soil Water Conservation Society
Southern New England Chapter
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PRESENTATION WILL FOCUS ON:

- **Initial Concerns Expressed by Agricultural Producers**
- **Available Federal Programs to Provide Assistance**
- **Discussion of Present Situation & Future Concerns**

INITIAL CONCERNS

- Labor (Safety & Availability)
- Potential of Lost/Reduced Markets
- Potential Government Restrictions
- General Public Concerns

FEDERAL PROGRAMS

- **Paycheck Protection Program (PPP)**
- **Economic Injury Disaster Loan Program (EIDL)**
- **Coronavirus Food Assistance Program (CFAP)**

PAYCHECK PROTECTION PROGRAM

- **Administered by Small Business Administration (SBA)**
- **Applications processed through a lending institution.**
- **Loan Program (1% APR/2-year term)**
- **The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (at least 75% of the forgiven amount must have been used for payroll).**
- **Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels.**
- **Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.**
- **Disbursements: \$514B (Total)/\$7.7B (Ag - 1.5%)**

ECONOMIC INJURY DISASTER LOAN PROGRAM (EIDL)

- **Administered by the Small Business Administration (SBA)**
- **Loan Program (3.75% APR/30-year term)**
- **Provides economic relief for businesses experiencing a temporary loss of business**
- **Up to \$10,000 advance**
- **Applicants could apply, receive the advance and decline the loan**
- **Loan advance does not have to be repaid, provided certain criteria are met**
- **Agricultural operations were initially ineligible in first round but became eligible as of 4/17/20**
- **\$12.3B advances made (no breakdown on ag)**

CORONAVIRUS FOOD ASSISTANCE PROGRAM (CFAP)

- **\$16B in Direct Payments**
 - **Cattle, Hogs & Sheep (Lambs & Yearlings)**
 - **Dairy**
 - **Row Crops**
 - **Specialty Crops**
- **\$3B for Purchase of Agricultural Products (Food Box Distribution Program)**

- **SPECIALTY CROPS**
44 Crops determined eligible by (USDA-AMS)
- **Eligible Crops in Southern New England:
Apples, Cabbage, Carrots, Onions, Potatoes &
Squash**
- **Additional Crops may be added (Aquaculture,
Cut Flowers & Nursery Products)**
- **3 Categories (eligible crops):**
 1. Crops that suffered a five percent-or-greater price decline between mid-January and mid-April as a result of the COVID-19 pandemic,
 2. Produce shipped but subsequently spoiled due to loss of marketing channel, and,
 3. Shipments that did not leave the farm or mature crops that remained unharvested

CFAP PAYMENTS

(Southern New England as of 6/22)

	Dairy	Livestock	Row Crops	Specialty Crops
Connecticut	3,453,274	247,933	226,883	0
Massachusetts	2,264,575	685,642	246,875	3,168
Rhode Island	9,079	400	0	0
Totals (\$7,1M+)	\$5,726,928	\$933,975	\$473,758	\$3,168
Nationally (\$4B+)	\$895,310,303	\$1,984,915,916	\$1,042,262,228	\$84,273,526

SUMMARY

- Labor (Safety & Availability)
- Potential of Lost/Reduced Markets
- Potential Government Restrictions
- General Public Concerns

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The UMass Extension Risk Management/Crop Insurance Education Program is an effort to provide information to agricultural producers in Massachusetts on products and programs that can assist managing risk on their agricultural operations.

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