IMPACT OF COVID-19 ON AGRICULTURAL OPERATIONS

Soil Water Conservation Society
Southern New England Chapter
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Agricultural Risk Management Educator
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)

<table>
<thead>
<tr>
<th></th>
<th>Dairy</th>
<th>Livestock</th>
<th>Row Crops</th>
<th>Specialty Crops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>3,453,274</td>
<td>247,933</td>
<td>226,883</td>
<td>0</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>2,264,575</td>
<td>685,642</td>
<td>246,875</td>
<td>3,168</td>
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<td>Rhode Island</td>
<td>9,079</td>
<td>400</td>
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<td>0</td>
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<tr>
<td>Totals ($7,1M+)</td>
<td>$5,726,928</td>
<td>$933,975</td>
<td>$473,758</td>
<td>$3,168</td>
</tr>
</tbody>
</table>

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</thead>
<tbody>
<tr>
<td>Nationally ($4B+)</td>
<td>$895,310,303</td>
<td>$1,984,915,916</td>
<td>$1,042,262,228</td>
<td>$84,273,526</td>
</tr>
</tbody>
</table>
SUMMARY

- **Labor (Safety & Availability)**
- **Potential of Lost/Reduced Markets**
- **Potential Government Restrictions**
- **General Public Concerns**
This material is based upon work supported by USDA/NIFA under Award Number 2018-70027-28588.

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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