

April 17, 2020

USDA Secretary Announces Aid for the Food Industry

The \$19 billion Coronavirus Food Assistance Program (CFAP) to support farmers and ranchers during the COVID-19 pandemic, was announced last night and includes:

\$16 billion in direct payments for farmers and ranchers, funded using the \$9.5 billion emergency program included in the CARES Act and \$6.5 billion in Credit Commodity Corporation (CCC) funding.

\$3 billion in purchases of agriculture products, including meat, dairy and produce to support producers and provide food to those in need. USDA will work with local food and regional distributors to deliver food to food banks, as well as community and faith-based organizations to provide food to those in need.

Direct Assistance for Farmers and Ranchers

USDA will provide \$16 billion in direct payments to farmers and ranchers including:

\$9.6 billion for the livestock industry

\$5.1 billion for cattle

\$2.9 billion for dairy

\$1.6 billion for hogs

\$3.9 billion for row crop producers

\$2.1 billion for specialty crops producers

\$500 million for others crops

Producers will receive a single payment determined using two calculations:

1. Price losses that occurred January 1-April 15, 2020. Producers will be compensated for 85% of price loss during that period.

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2. Second part of the payment will be expected losses from April 15 through the next two quarters, and will cover 30% of expected losses.

The payment limit is \$125,000 per commodity with an overall limit of \$250,000 per individual or entity. Qualified commodities must have experienced a 5% price decrease between January and April.

USDA is expediting the rule making process for the **direct payment program and expects to begin sign-up for the new program in early May** and to get payments out to producers by the **end of May or early June**.

The programs announced today are made available using \$9.5 billion in emergency funding in the CARES Act, as well as USDA's existing CCC funding and current Section 32 authority.

Other funding includes:

Commodity Credit Corporation (CCC) – \$14 billion to replenish the USDA's borrowing authority under the CCC, the primary funding source for most farm programs, including Agriculture Risk Coverage, Price Loss Coverage, the Livestock Forage Program and the Market Facilitation Program. The extra authority will support USDA's efforts to mitigate the long-term impacts of the COVID-19 outbreak on agriculture producers.

Emergency Appropriations for USDA – \$9.5 billion in separate funding for USDA to help producers impacted by COVID-19. This includes livestock and specialty crop producers. Hoeven is working with USDA to provide immediate assistance in a way that fairly benefits different types of producers.

USDA ANNOUNCEMENT HERE

For more information check our past alerts for a detailed summary of relief.

Next Steps

Congress is working on replenishing the appropriation for the PPP loan. Democrats are asking for additional funding for hospitals and state and local governments. Negotiations are ongoing here.

Related People

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