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Food & Ag Provisions in HEROES Act

On Tuesday, Speaker of the House Nancy Pelosi unveiled the democrats \$3 trillion dollar stimulus bill. The Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act includes a broad array of food and agricultural provisions to aid with the devastation caused by COVID-19. Such provisions includes \$16.5 billion for direct payments to agricultural producers, \$100 million in Specialty Crop Block Grants to states to address supply chain issues, and authorize the Agriculture Department to provide 45 cents per gallon of ethanol produced from Jan. 1 through May 1, 2020. A breakdown of food and Ag provisions in the HEROES Act can be found below:

Livestock

- Expanded direct payments to livestock farmers who have suffered severe losses as COVID-related market disruptions have caused the value of their livestock to plummet.
- \$300 million would be allocated to support improved animal health surveillance and laboratories, some of which are performing COVID-19 tests in this public health emergency.
- Ensure that livestock producers are paid for their animals by requiring dealer trusts, for the benefit of all unpaid cash sellers of livestock.

The National Pork Producers Council (NPPC) has expressed its strong support of the livestock measures in the HEROS Act. "U.S. pork producers are facing an unprecedented financial and animal welfare crisis," said Howard "A.V." Roth, NPPC president and a hog farmer from Wauzeka, Wis. "These provisions represent a critical lifeline for hog farmers struggling to weather this storm. We urge Congress to come together quickly on final legislation that includes these provisions."

Dairy

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- Provide supplemental margin coverage to small-and mid-size dairies based on the difference the farms' 2019 production and their production history under the Dairy Margin Coverage program. The bill also would encourage dairy farms to commit to participating in DMC for 2021-2023 by providing a payment worth 15% of annual premium costs.
- Authorize a program for donating dairy products to feeding programs. Milk used for donated products would be reimbursed at fluid milk prices.
- Authorize recourse loan program for dairy processors, packagers, marketers, wholesalers and distributors.

Specialty Crops and Other Commodities

- \$16.5 billion for direct payments to agricultural producers. Recipients of these payments will include fruit and vegetable growers.
- \$100 million in Specialty Crop Block Grants to states to address supply chain issues.
- \$50 million in additional funding to support local farmers, farmers markets, and other local food outlets who are impacted by COVID-19 market disruptions. Temporarily waives matching requirements for these additional funds.
- \$50 million to support beginning farmers and ranchers with financial, operational, and marketing advice in this difficult market.
- \$28 million to be distributed as block grants to State departments of agriculture for use to support existing farm stress programs.

Commodity Credit Corporation (CCC)

- Amends the CCC Charter Act to give the Secretary of Ag the authority to deal with removal and disposal of livestock and poultry due to supply chain interruption during a public health emergency and gives the Secretary the authority to provide assistance to agricultural processing plants in the event of a public health emergency in order to assure the continuation of markets for agricultural commodities.
- Amends the CCC Charter Act to require that Congressional notification be given before any disbursement of CCC funding.
- **Not in the measure** is a proposal pushed by the American Farm Bureau Federation and some GOP lawmakers to significantly raise CCC borrowing authority from \$30 billion to \$68 billion.

Taxes

- Provides a 30% refundable payroll tax credit for expenses reimbursed or paid for the benefit of an employee for reasonable and necessary personal, family, living, or funeral expenses incurred as a result of the presidentially declared disaster related to COVID-19.

- Increases the applicable percentage of qualified wages reimbursed through the employee retention credit from 50% to 80%.
- Provides a 50% refundable payroll tax credit for qualified fixed costs.
- Provides a 90% refundable individual income tax credit for certain self-employed individuals who have experienced a significant loss of income.

The HEROES Act also authorizes the Agriculture Department to provide 45 cents per gallon of ethanol produced from Jan. 1 through May 1, 2020. Producers forced offline for one or more calendar months during this time would qualify for the same credit, based on half the volume produced during the corresponding month or months in 2019. The Renewable Fuels Association shared its support of the inclusion of the “Renewable Fuel Reimbursement Program” in the HEROES Act.

The House bill would also authorize a new round of stimulus checks worth \$1,200 to individuals and up to \$6,000 to families and \$875 billion in fiscal relief to states and local governments. Other Democratic priorities in the legislation include a \$10 billion increase for the Supplemental Nutrition Assistance Program, \$3 billion in additional funding to provide emergency financial relief to school meal providers and USDA’s Child and Adult Care Food Program, aid to pension funds, an elimination of the cap on deductions of state and local taxes, and an extension of expanded unemployment benefits.

The House of the representatives plan to vote on the HEROES act this Friday.

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