



*CARES Act Provisions for Farmers and Agriculture
Rep. Joe Courtney Op-Ed*

On March 27, Congress voted unanimously to pass the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide an historic infusion of resources to families, workers, small businesses, and others impacted by the COVID-19 pandemic. The Coronavirus outbreak has so far claimed over 45,000 American lives. It has disrupted our health care system, our education system, and our economic way of life. Indications are that the necessary adoption of social distancing and remote interaction really has helped reduce the rate of transmission, but it has also completely upended commerce, the availability of the American workforce, and the normal flow of goods to market – interruptions that impact every home and small business in eastern Connecticut.

Since passage of the bipartisan CARES Act, there's been extensive coverage about the billions of new resources the bill authorizes, from tax rebates to individuals and families, to benefits for unemployed workers, to funding for hospitals and nursing homes across our region. These are all good and necessary things, but COVID-19 driven layoffs and furloughs are only part of the economic story in America right now – what's been missing from headlines is the fight that so many of our eastern Connecticut farmers are up against amid this pandemic. It has been sickening to watch as commodity prices for dairy, livestock, specialty crops, and greenhouse plants have collapsed. This sudden downturn in demand and prices is a truly catastrophic threat to the viability of Connecticut's family farms and to locally grown food, which are vital to Connecticut's high quality of life. A couple of weeks ago, I joined the Connecticut Farm Bureau on a video conference call to discuss the harsh impact of the COVID-19 outbreak on our state's family farms. With the planting season and farmer's market season fast approaching, it was a sobering event to say the least.

The agricultural decline brought on by COVID-19 is not limited to the State of Connecticut. Rural America from coast to coast is feeling the brunt of this pandemic-induced recession, and incidents of farm closures and crop destruction are happening everywhere. That's why the CARES Act included swift measures to help rural America. The law directs new cash payments to farmers and food producers to help stave off the collapse of prices that the Coronavirus has caused. For Connecticut's dairy farms, the CARES Act directs \$2.9 billion specifically to the dairy sector through direct payments to cover actual and projected losses. Beef cattle and hog producers will also be eligible for livestock payments. Farm operations will be able to access relief through a formula that will reimburse up to 85% of

their losses due to price collapses and a decline in demand between January 1 and April 15, 2020, and up to 30% of their projected losses through the next two quarters.

Connecticut agriculture is more diverse of course than only dairy and livestock, and the CARES Act assistance reflects that diversity. The bill also authorized \$2.1 billion for specialty crops, like vegetables, and nursery and orchard-grown commodities, and \$500 million for a large swath of items deemed as “other crops.” All of these direct payments are designed to help offset expected economic losses that are related to COVID-19, and USDA has announced that they’ll be received by farmers as one, lump-sum payment. The Department is still developing the application process for CARES Act direct payments, and my office is tracking the rollout of this program closely. In addition to the funding that will be available this spring, the CARES Act provided the Commodity Credit Corporation with another \$14 billion cash infusion to make another round of relief payments this summer.

Direct payments to our farmers are a step in the right direction, but that’s not enough for the agriculture sector at-large. Our region’s farmers supply food to homes and small businesses across the entire nation – when they’re hurting, it creates real ripple effects. In addition to a round of direct payments, the CARES Act also authorized funding for the USDA to partner with regional and local distributors to purchase \$3 billion of fresh dairy, produce, and meat from our region’s farmers. That funding won’t just help move valuable products with real expiration dates off of shelves while typical buyers like restaurants and hotels are facing closures – it will be immediately put to use, and routed to food banks, community and faith-based organizations, and other non-profits who are helping keep Americans fed during this time of need.

These are only some of the first steps that have been taken to help our farmers and farming families through this crisis. There’s no doubt that Congress will have to keep working together to deliver more resources like the bipartisan CARES Act provided. We came together nearly a month ago now to pass that bill, and on April 23, 2020, we voted on an interim COVID-19 response package – a follow-on to the CARES Act – that opened-up a new avenue of resources to farmers through the federal Small Business Administration (SBA). The bill we passed on April 23 re-opened SBA lending programs with even more funding than was originally being proposed, and it included language that allows farmers, for the first time, to now apply for small business loans through the SBA’s “Economic Injury Disaster Loan” program. The EIDL is one of the most popular programs out there that is providing real-time assistance to America’s small businesses during this pandemic, and farmers are small business owners too. Now that they’re no longer excluded by the SBA, they can finally start taking advantage.

As Co-Chair of the Congressional Dairy Caucus, I have and will continue to work across the aisle to help approve even more federal help to assist our farmers and farming families. Most importantly is the help that’s available to help our farmers immediately. Details are emerging on how to start accessing this first round of funding through USDA Farm Service Agencies now that the Department has started to implement the resources authorized through the CARES Act, and my office is ready to assist any constituent who is interested in applying for them.

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and is Co-Chair of the bipartisan Congressional Dairy Caucus*