



NATIONAL AFFAIRS

March 31, 2021

Pandemic Assistance for Producers and Paycheck Protection Program Updates

Secretary Tom Vilsack announced last week that the United States Department of Agriculture (USDA) has a plan to appropriate additional funds to eligible producers under the Coronavirus Food Assistance Programs (CFAP 1 and CFAP 2). Secretary Vilsack also announced that additional funding would be made available for new programs and that the USDA would begin the rule making process on those initiatives in the coming weeks.

USDA Pandemic Assistance for Producers

USDA recently [announced](#) its plans to distribute more than \$12 billion under a new initiative, the Pandemic Assistance for Producers (PAP). Farmers will only need to sign-up if they are applying for new programs or if they are eligible for CFAP 2 assistance and did not previously apply.

The PAP funding includes \$6 billion to develop new programs or modify existing proposals using remaining discretionary funding from the Consolidated Appropriations Act. USDA expects this to include funding for personal protective equipment (PPE), a dairy donation program for dairy farmers, compensation to offset the pandemic's impact on biofuels, specialty crops, and farmers forced to euthanize animals due to supply chain issues, among other uses. Sign up for these new initiatives are not yet available and USDA will have to complete the rule making procedures prior to allocation of these funds.

In addition, \$500 million of new PAP funding is included for existing programs such as the Specialty Crop Block Grant Program, Farmers Opportunities Training and Outreach Program, Local Agricultural Marketing Program, Gus Schumacher Nutrition Incentive Program, Animal and Plant Health Inspection Service, Agricultural Research Service, National Institute of Food and Agriculture, and the Economic Adjustment Assistance for Textile Mills Program.

Another \$5.6 billion of PAP funding will be directed to CFAP formula payments to cattle producers and eligible flat-rate or price trigger crops that will begin in April.

- **An increase in CFAP 1 payment rates for cattle.** USDA estimates additional payments of more than \$1.1 billion to more than 410,000 producers. **Eligible producers do not need to submit new applications**, since payments are based on previously approved CFAP 1 applications. Information on the additional payment rates for cattle can be found [here](#).
- **Additional CFAP 2 assistance of \$20 per acre for producers of eligible flat-rate or price-trigger crops.** USDA estimates additional payments of more than \$4.5 billion to more than 560,000 producers. This includes alfalfa, corn, cotton, hemp, peanuts, rice, sorghum, soybeans, sugar beets, and wheat, among other crops. **Eligible producers do not need to submit a new CFAP 2 application.** For a list of all eligible row-crops, click [here](#).

Additional payments for swine producers and contract poultry growers under CFAP Additional Assistance remain on hold and are likely to require modifications to the regulation as part of the broader evaluation and future assistance; however, the Farm Service Agency (FSA) will continue to accept applications from interested producers.

USDA's FSA will reopen sign-ups for CFAP 2 for at least 60 days beginning on Monday, April 5, 2021. This sign-up period is only for producers who have not previously applied for CFAP 2 payments. More information regarding applying for CFAP 2 may be found at the following: <https://www.farmers.gov/cfap/apply>.

Paycheck Protection Program Extension Act of 2021

Legislation recently passed to extend the Paycheck Protection Program (PPP) application deadline for two months, through Monday, May 31, 2021. With this extension, farmers operating as single-member LLCs and certain qualified joint ventures who were recently made eligible for the PPP, now have more time to apply for PPP loans. On March 12, 2021, the Small Business Administration extended PPP eligibility using the gross receipts test to single-member LLCs and qualified joint ventures. All PPP updates and loan applications may be found at the following: <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program>.

Additional Information

For additional updates from Kentucky Farm Bureau and resources related to COVID-19 you may visit: <https://www.kyfb.com/federation/covid-19-resources/>. Please contact Kyle Kelly, Director of National Affairs for Kentucky Farm Bureau, at Kyle.Kelly@kyfb.com or 502-671-8559 if you have any questions.