

Agricultural Update During COVID-19

SUMMARY AND
DISCUSSION



April 15, 2020

Overview

- Payments for Producers
- Agricultural and Small Business Financing Options
- Broadband Financing Initiatives
- Nutrition Programs
- Farm Corps
- Packers Investigation
- Immigration and Labor
- Biofuels
- Trade
- WOTUS Repeal

Payments for Producers

- \$9.5 billion for the to the Secretary to “prevent, prepare for, and respond to coronavirus by providing support for agricultural producers including producers of specialty crops, producers that supply local food systems, including farmers markets, restaurants, and schools, and livestock producers, including dairy producers.”
- \$14 billion for replenishment of the Commodity Credit Corporation (CCC)
 - *Congressman Marshall led the initiative on the House side not only to fully replenish the CCC to the full \$30 billion authorized, but also to include an additional \$20 billion spending authority, bringing the total CCC funding to \$50 billion.*

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Agricultural and Small Business Financing

SBA Paycheck Protection Program (PPP) - A new lending program that provides financing to businesses to maintain payroll and other business expenses through June 30. Businesses must work with their lenders to apply for these loans.

SBA PPP Report as of 4/13/20:

Location	Number of Approved Loans	Gross Loan Amount
US Total	1,035,086	\$247,543,393,521
Kansas	19,915	\$3,729,110,056
US Subtotal by NAICS– Agriculture, Forestry, Fishing, and Hunting	27,428	\$2,973,951,117

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Agricultural and Small Business Financing (continued)

USDA Business and Industry Loan Guarantee Program - Provides guarantees to loans made by private lenders to rural businesses. These loans cannot be used for operating costs but can help a business restructure existing debt.

- *Existing USDA program*
- *CARES Act added funding to program*
- *Need to apply through Rural Development office*

USDA FSA Microloan Program – provides funding for small, niche and non-traditional farm operations such as organic farms, direct-to-consumer farms and trucking companies.

- *Existing USDA program*
- *CARES Act added funding to program*
- *Need to apply through Rural Development office*

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Broadband Funding Initiatives

- \$200 million to expand telehealth initiatives
- \$100 million for USDA's ReConnect program
- \$25 million for distance learning and telemedicine broadband programs
- Farm bill allocated \$600 million for broadband programs
- \$600 million for the USDA ReConnect programs

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Nutrition Programs

- \$250 million in additional funding to help states maintain senior meal programs
 - Also provides greater flexibility for senior meal and congregate meal programs
- \$15.81 billion for the SNAP program to help with increased demand for the program
 - Of which \$15.51 billion will be in a “SNAP contingency fund” that the Secretary can access should cost or participation exceed budget estimates through September 30, 2021
- \$450 million for The Emergency Food Assistance Program (TEFAP) to help keep our food banks, pantries, and community kitchens operational
 - Up to \$150 million of the \$450 million can be used for distribution and logistical purposes

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Farm Corps

- Discussion with Rick Crawford (AR-01) about a program in Arkansas
- The mission of the Farm Corps is to “provide a ready, willing and able workforce of National Guard and Reserve soldiers, sailors, airmen, marines, and other military veterans in service of American agriculture.”

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Packers Investigation

- Last week, Secretary Perdue announced that USDA's Packers and Stockyards Division would be extending their oversight "to determine the causes of divergence between box and live beef prices, beginning with the Holcomb Fire in KS last summer and now with COVID-19."
- Retail prices for beef surged following the virus outbreak while prices that processors pay for cattle dropped. The margin between the two more than doubled between late February and March 21. (*according to an analysis by AFBF*).

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Immigration & Labor

- USDA and State Department are aware of the issue and have promised to prioritize H2A visa processing for farm labor.
- The administration is already granting some flexibility for ag workers – for example, applications for individuals with previous work experience in the U.S. will be expedited.
- My office has been in touch with several custom harvesters and other agriculture operations reliant upon foreign labor using both the H2A and J1 visas systems.
- This crisis has underscored the need for a complete overhaul of our nation's broken immigration system.

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Immigration & Labor

Temporary Final Rule Change for H2A Requirements – DHS & USDA

A H-2A petitioner with a valid temporary labor certification who is concerned that workers will be unable to enter the country due to travel restrictions can start employing certain foreign workers who are currently in H-2A status in the United States immediately after United States Citizenship and Immigration Services (USCIS) receives the H-2A petition, but no earlier than the start date of employment listed on the petition. To take advantage of this time-limited change in regulatory requirements, the H-2A worker seeking to change employers must already be in the United States and in valid H-2A status.

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Biofuels

Small Refinery Exemptions

- On April 7, a federal court rejected a challenge from two oil refining companies appeal of a January decision overturning certain SRE's.
- The ruling effectively forces the EPA to reduce the number of waivers it can grant to refiners exempting them from their obligations under the RFS.

House Biofuels Caucus Letter

- Recently sent a letter to Secretary Perdue encouraging him to use funds appropriated to the USDA through the CARES Act to address financial hardship in agriculture to provide direct relief to the biofuels industry.
- The letter was signed by over 30 other Members of Congress.

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Trade

- China Phase 1 agreement is now in effect
 - Have been in touch with all the major commodity groups in the state and they are reporting that product continues to move out of the gulf.
- Implementation of USMCA has been pushed back due to Coronavirus
- U.S.-E.U & U.S.-U.K. trade talks have been postponed

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WOTUS Repeal

- On Jan. 23, the Environmental Protection Agency and Department of the Army finalized a rule to repeal the Obama-era Clean Water (WOTUS) Rule and redefine the meaning of "Waters of the United States."
- Congressman Marshall joined the EPA Region 7 Regional Administrator for an announcement of that Repeal in January at the Kansas Commodity Classic.
- The new "Navigable Waters Protection Rule" repeals onerous regulations, provides more certainty to landowners and producers, and gives more flexibility to states to manage their water and land.

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Open Discussion

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