Coronavirus Aid, Relief, and Economic Security (CARES) Act
Agriculture-Related Provisions

On April 17, the U.S. Department of Agriculture (USDA) announced policies to implement the $24 billion in relief provided to the agency through the CARES Act and the Families First Coronavirus Response Act (FFCRA). This funding is intended to compensate producers who have suffered losses due to market conditions caused by COVID-19. This funding is in addition to the second and third tranche of Market Facilitation Payments related to trade aid.

Note: As of April 19, USDA notes that it will soon release details regarding eligibility, rates, and other implementation. This document will be updated accordingly.

USDA will be implementing CARES Act funding through the Coronavirus Food Assistance Program (CFAP). The program is made up of two primary components:

- **Direct Support to Farmers and Ranchers:** USDA is providing $16 billion in direct support based on actual losses for agricultural producers impacted by price uncertainty or supply chain disruptions. The USDA aid will also assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.
  - This program will be implemented through the Farm Service Agency to cover commodity losses from January 1-April 15, 2020.
  - While formal guidance has not yet been issued, USDA intends for the program to cover all commodity and specialty agriculture that can demonstrate losses due to the COVID-19 pandemic. The funding will be available to producers of all sizes.
  - The program will include payment limits set at $125,000 per commodity, limited to $250,000 per producer. In addition, participation will be subject to similar Farm Bill income tests. Participating farmers must demonstrate an Adjusted Gross Income of less than $900,000 unless at least 75% of their income is derived on-farm.
  - USDA is expecting more details to be released in the federal register over the next weeks and plans to begin signups in May.

- **USDA Purchase and Distribution:** This new USDA program will facilitate purchase $3 billion in fresh produce, dairy, and meat from food distribution networks affected by the closure of restaurants and other food service businesses. USDA expects to procure a combined $300 million per month in fresh produce, dairy, and meat. That food will then be provided to food

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1. **H.R.748**, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law No. 116-136) was approved unanimously by the Senate on March 25, 2020, then by the House of Representatives on March 27, 2020, and signed into law by President Trump on March 27, 2020.

2. **H.R.6201**: Families First Coronavirus Response Act, enacted into law on March 18, 2020 (Public Law No: 116-127). This package is also often referred to as the “Phase 2” package.
banks, community and faith based organizations, and other non-profits serving Americans in need.

- USDA is also providing up to $873.3 million in available Section 32 food assistance funding to purchase a variety of agricultural products for distribution to food banks. According to USDA, the use of these funds will be determined by industry requests, USDA agricultural market analysis, and food bank needs.
- Further, FFCRA and CARES Act provided an at least $850 million for food bank administrative costs and USDA food purchases, of which a minimum of $600 million will be designated for food purchases. The use of these funds will be determined by food bank need and product availability.

On July 30, USDA will also have access to an additional $14 billion in Commodity Credit Corporation (CCC) funding through the CARES Act.

- The CCC is the funding behind commodity insurance programs such as Price Loss Coverage (PLC) and Dairy Margin Coverage (DMC).

This document was prepared as an informational resource and should not be considered legal or business counsel. Please reach out to CoronavirusHelp@braun.senate.gov for general help, or to Payne Griffin at Payne_Griffin@Braun.Senate.gov for Agriculture-related questions, concerns, or additional assistance. Last updated April 19, 2020.