

# Covid-19 Relief Resources for Farmers and Ranchers

This is provided as a resource for those looking for relief from economic issues related to the Covid-19 pandemic. The descriptions are provided for informational purposes. Please go to the websites listed for additional information on each program.

## SBA Loan Programs:

**Economic Injury Disaster Loan (EIDL) program:** The EIDL can provide up to \$2 million of financial assistance (actual loan amounts are based on amount of economic injury) to small businesses or private, non-profit organizations that suffer substantial economic injury as a result of the declared disaster, regardless of whether the applicant sustained physical damage. Loan amounts will be based on actual economic injury and the company's financial needs, regardless of whether the business suffered any property damage. The interest rate on EIDLs will not exceed 4 percent per year. The term of these loans will not exceed 30 years. The repayment term will be determined by your ability to repay the loan. *(During the legislative process of the second round of COVID-19 relief, farmers and ranchers were listed as eligible for this program. Previously, agriculture was excluded.)*

**Emergency EIDL Loans Grants:** The Emergency EIDL Grant Program was created by Congress in the CARES Act and advances up to \$10,000 of an EIDL loan to be available within 3-days from when the SBA receives an application. Grant recipients are not required to repay advance payments, even if subsequently denied for an EIDL loan. If a small business receives an EIDL loan, the grant will reduce the amount of such loan. \$10 billion was allocated for this purpose in the CARES Act. *(During the legislative process of the second round of COVID-19 relief, farmers and ranchers were listed as eligible for this program. Previously, agriculture was excluded.)*

\*EIDL loans and grants will be disbursed directly by SBA.

To apply for EIDL programs, visit: <https://www.sba.gov/funding-programs/disaster-assistance>

**Paycheck Protection Program (PPP):** The PPP was established by Congress in the CARES Act and provides 100% federally-guaranteed loans to eligible small businesses and nonprofits. Loan payments are deferrable for at least six months. Funds can be used to cover expenses, maintain payroll, and recover from the financial impacts of the coronavirus. If employers maintain their payroll, the SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll costs, rent, utilities, and mortgage interest. \$349 billion was allocated for this purpose in the CARES Act. A second round of funding for this program of an additional \$310 billion. As of May 7<sup>th</sup>, funding was still available in this program.

\*PPP loans will be disbursed by existing and newly approved SBA lenders INCLUDING Western AgCredit, so contact your WAC loan officer to apply.

For more information, visit: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

Note: Producers can apply for BOTH the EIDL and PPP, however, the applications cannot be for the same thing. For example, if a PPP was obtained to help with payroll, the EIDL application should not include that payroll.

## Unemployment Insurance

The CARES Act expanded each state's Unemployment Insurance (UI) program by adding \$600 each week to every recipient's check for four months to provide immediate assistance to workers who are laid-off, furloughed, self-employed or are independent contractors.

For more information, visit <https://jobs.utah.gov/covid19/index.html>

## Utah Leads Together Small Business Bridge Loan Program

Utah-based small businesses with 50 or fewer employees impacted by the COVID-19 pandemic may apply for a new bridge loan program offered by the Utah Governor's Office of Economic Development (GOED). Loan amounts range from \$5,000 to \$20,000 with 0% interest for up to a 60-month period. Loans cannot exceed three months of demonstrated operating expenses. Loan payments are deferred for 12 months.

For more information, visit: <https://business.utah.gov/utah-leads-together-small-business-bridge-loan-program/>

## FSA Relief Options

FSA is relaxing the loan-making process. This includes extending the deadline for applicants to complete farm loan applications, preparing Direct Loans documents even if FSA is unable to complete lien and record searches because of closed government buildings (once those searches are complete, FSA would close the loan); and closing loans if the required lien position on the primary security is perfected, even for loans that require additional security and those lien searches, filings, and recordings cannot be obtained because of closed government buildings.

For more information, visit [farmers.gov/coronavirus](https://farmers.gov/coronavirus)

## CARES Act Program Administered Through USDA

The USDA has also announced a relief package for farmers. USDA will provide \$16 billion in direct payments to farmers and ranchers including:

- \$9.6 billion for the livestock industry
  - \$5.1 billion for cattle
  - \$2.9 billion for dairy
  - \$1.6 billion for hogs
- \$3.9 billion for row crop producers
- \$2.1 billion for specialty crops producers
- \$500 million for other crops (wool and lamb is included in this)

To qualify for the direct assistance program, there will be two eligibility factors. First, price loss must be determined based on January 1, 2020 – April 15, 2020 numbers using an Agricultural Marketing Service (AMS) price. Second, the loss must be at least 5% during the first quarter. Producers will be compensated for 85% of price decline during this period, but there is a payment limit of \$125,000 per commodity per producer, with an overall individual or entity limit of \$250,000. It is expected that more information as to how farmers/ranchers apply. They hope to have payments sent out by the end of May/early June. No information on how to apply was available on May 7, 2020.

There's also \$3 billion set-aside to purchase food to distribute to food banks and community or faith-based organizations.

For more information on USDA's response, visit <https://www.rd.usda.gov/coronavirus>

## State of Utah

The state of Utah has a comprehensive website with updated information on available programs and Utah's response. Financial resources listed on this site are also included in this document.

For more information, visit: [www.coronavirus.utah.gov](http://www.coronavirus.utah.gov)

## Utah Department of Agriculture Program

April 30, 2020 Governor Herbert [signed SB 3006](#) which gives \$20 million dollars of emergency relief funding via a grant program to Utah's food and fiber producers who have had economic injury due to COVID-19. This new UDAF grant program provides up to \$40,000 to each producer who applies. Because this is a grant program, producers will not have to pay back any money that is awarded. However, it is anticipated that the money will be taxable for FY 2020 so keep that in mind.

The application deadline is May 15<sup>th</sup>. For more information and to apply, visit <https://ag.utah.gov/2020/05/01/udaf-relief-grant-application-and-w9/>

## Western AgCredit

Western AgCredit is committed to working with customers and helping them get through this challenging time. If you are a customer and need financial assistance during this, please reach out to your loan officer and discuss ways Western AgCredit can help, or go visit [https://www.westernagcredit.com/news/news\\_item/136](https://www.westernagcredit.com/news/news_item/136) for some of the loan modification tools Western AgCredit can utilize to help.