After Identifying Gaps in Previous Aid, USDA Announces 'Pandemic Assistance for Producers' to Distribute Resources More Equitably

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USDA Reopens Program Sign-Up to a Larger Share of Producers with Plans to Expand Outreach and New Programming

WASHINGTON, March 24, 2021 - Agriculture Secretary Tom Vilsack announced today that USDA is establishing new programs and efforts to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. The new initiative-**USDA Pandemic Assistance for Producers**-will reach a broader set of producers than in previous COVID-19 aid programs. USDA is dedicating at least $6 billion toward the new programs. The Department will also develop rules for new programs that will put a greater emphasis on outreach to small and socially disadvantaged producers, specialty crop and organic producers, timber harvesters, as well as provide support for the food supply chain and producers of renewable fuel, among others. Existing programs like the Coronavirus Food Assistance Program (CFAP) will fall within the new initiative and, where statutory authority allows, will be refined to better address the needs of producers.

USDA Pandemic Assistance for Producers was needed, said Vilsack, after a review of previous COVID-19 assistance programs targeting farmers identified a number of gaps and disparities in how assistance was distributed as well as inadequate outreach to underserved producers and smaller and medium operations.

"The pandemic affected all of agriculture, but many farmers did not benefit from previous rounds of pandemic-related assistance. The Biden-Harris Administration is committed to helping as many producers as possible, as equitably as possible," said Vilsack. "Our new **USDA Pandemic Assistance for Producers** initiative will help get financial assistance to a broader set of producers, including to socially disadvantaged communities, small and medium sized producers, and farmers and producers of less traditional crops."

USDA will reopen sign-up for CFAP 2 for at least 60 days beginning on April 5, 2021. The USDA Farm Service Agency (FSA) has committed at least $2.5 million to improve outreach for CFAP 2 and will establish partnerships with organizations with strong connections to socially disadvantaged communities to ensure they are informed and aware of the application process.

The payments announced today (under Part 3, below) will go out under the existing CFAP rules; however, future opportunities for **USDA Pandemic Assistance** will be reviewed for verified need and during the rulemaking process, USDA will look to make eligibility more consistent with the Farm Bill. Moving forward, **USDA Pandemic Assistance for Producers** will utilize existing programs, such as the Local Agricultural Marketing Program, Farming Opportunities Training and Outreach, and Specialty Crop Block Grant Program, and others to enhance educational and market opportunities for agricultural producers.

USDA Pandemic Assistance for Producers - 4 Parts Announced Today

Part 1: Investing $6 Billion to Expand Help & Assistance to More Producers

USDA will dedicate at least $6 billion to develop a number of new programs or modify existing proposals using discretionary funding from the Consolidated Appropriations Act and other coronavirus funding that went unspent by the previous administration. Where rulemaking is required, it will commence this spring. These efforts will include assistance for:

- Dairy farmers through the Dairy Donation Program or other means:
- Euthanized livestock and poultry;
- Biofuels;
- Specialty crops, beginning farmers, local, urban and organic farms;
- Costs for organic certification or to continue or add conservation activities
- Other possible expansion and corrections to CFAP that were not part of today's announcement such as to support dairy or other livestock producers;
- Timber harvesting and hauling;
- Personal Protective Equipment (PPE) and other protective measures for food and farm workers and specialty crop and seafood producers, processors and distributors;
- Improving the resilience of the food supply chain, including assistance to meat and poultry operations to facilitate interstate shipment;
- Developing infrastructure to support donation and distribution of perishable commodities, including food donation and distribution through farm-to-school, restaurants or other community organizations; and

- Reducing food waste.

Part 2: Adding $500 Million of New Funding to Existing Programs

USDA expects to begin investing approximately $500 million in expedited assistance through several existing programs this spring, with most by April 30. This new assistance includes:

- $100 million in additional funding for the Specialty Crop Block Grant Program, administered by the Agricultural Marketing Service (AMS), which enhances the competitiveness of fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops.
- $75 million in additional funding for the Farmers Opportunities Training and Outreach program, administered by the National Institute of Food and Agriculture (NIFA) and the Office of Partnerships and Public Engagement, which encourages and assists socially disadvantaged, veteran, and beginning farmers and ranchers in the ownership and operation of farms and ranches.
- $100 million in additional funding for the Local Agricultural Marketing Program, administered by the AMS and Rural Development, which supports the development, coordination and expansion of direct producer-to-consumer marketing, local and regional food markets and enterprises and value-added agricultural products.
- $75 million in additional funding for the Gus Schumacher Nutrition Incentive Program, administered by the NIFA, which provides funding opportunities to conduct and evaluate projects providing incentives to increase the purchase of fruits and vegetables by low-income consumers
- $20 million for the Animal and Plant Health Inspection Service to improve and maintain animal disease prevention and response capacity, including the National Animal Health Laboratory Network.
- $20 million for the Agricultural Research Service to work collaboratively with Texas A&M on the critical intersection between responsive agriculture, food production, and human nutrition and health.
- $28 million for NIFA to provide grants to state departments of agriculture to expand or sustain existing farm stress assistance programs.
- Approximately $80 million in additional payments to domestic users of upland and extra-long staple cotton based on a formula set in the Consolidated Appropriations Act, 2021 that USDA plans to deliver through the Economic Adjustment Assistance for Textile Mills program.

Part 3: Carrying Out Formula Payments under CFAP 1, CFAP 2, CFAP AA

The Consolidated Appropriations Act, 2021, enacted December 2020 requires FSA to make certain payments to producers according to a mandated formula. USDA is now expediting these provisions because there is no discretion involved in interpreting such directives, they are self-enacting.

- An increase in CFAP 1 payment rates for cattle. Cattle producers with approved CFAP 1 applications will automatically receive these payments beginning in April. Information on the additional payment rates for cattle can be found on farmers.gov/cfap.

Eligible producers do not need to submit new applications, since payments are based on previously approved CFAP 1 applications. USDA estimates additional payments of more than $1.1 billion to more than 410,000 producers, according to the mandated formula.

- Additional CFAP assistance of $20 per acre for producers of eligible crops identified as CFAP 2 flat-rate or price-trigger crops beginning in April. This includes alfalfa, corn, cotton, hemp, peanuts, rice, sorghum, soybeans, sugar beets and wheat, among other crops. FSA will automatically issue payments to eligible price trigger and flat-rate crop producers based on the eligible acres included on their CFAP 2 applications. Eligible producers do not need to submit a new CFAP 2 application. For a list of all eligible row-crops, visit farmers.gov/cfap. USDA estimates additional payments of more than $4.5 billion to more than 560,000 producers, according to the mandated formula.
- USDA will finalize routine decisions and minor formula adjustments on applications and begin processing payments for certain applications filed as part of the CFAP Additional Assistance program in the following categories:
    - Applications filed for pullets and turfgrass sod;
    - A formula correction for row-crop producer applications to allow producers with a non-Actual Production History (APH) insurance policy to use 100% of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield in the calculation;
    - Sales commodity applications revised to include insurance indemnities, Noninsured Crop Disaster Assistance Program payments, and Wildfire and Hurricane Indemnity Program Plus payments, as required by statute; and
    - Additional payments for swine producers and contract 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, FSA will continue to accept applications from interested producers.

Part 4: Reopening CFAP 2 Sign-Up to Improve Access & Outreach to Underserved Producers

As noted above, USDA will re-open sign-up for of CFAP 2 for at least 60 days beginning on April 5, 2021.

- FSA has committed at least $2.5 million to establish partnerships and direct outreach efforts intended to improve outreach for CFAP 2 and will cooperate with grassroots organizations with strong connections to socially disadvantaged communities to ensure they are informed and aware of the application process.

Please stay tuned for additional information and announcements under the **USDA Pandemic Assistance to Producers** initiative, which will help to expand and more equitably distribute financial assistance to producers and farming operations during the COVID-19 national emergency. Please visit www.farmers.gov for more information on the details of today's announcement.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient

local and regional food production, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate-smart food and forestry practices, making historic investments in infrastructure and clean-energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit www.usda.gov.

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