Senators Helped Secure $9.5 Billion to Support Farmers in Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Are Urging USDA to Ensure Funds Support Local Food Producers; Senators also Urging USDA to Conduct Outreach for Underserved Farmers, Establish a National Hotline to Manage Incoming Producer Inquiries and Simplify the Application Process

WASHINGTON – U.S. Senator Chris Murphy (D-Conn.) and U.S. Senator Richard Blumenthal (D-Conn.) joined a bipartisan letter led by U.S. Senators Sherrod Brown (D-Ohio), Lisa Murkowski (R-Alaska), and Debbie Stabenow (D-Mich.) in urging the Trump Administration to provide relief for local farmers who are struggling as the nation works to combat the spread of COVID-19. In a letter sent to U.S. Department of Agriculture (USDA) Secretary Sonny Perdue, the senators urged USDA to ensure that a portion of the $9.5 billion they secured in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, goes to local farmers who sell directly to consumers, schools, institutions, food hubs, regional distribution centers, retail markets, farmers markets and restaurants.

“The CARES Act specifically includes ‘producers that supply local food systems, including farmers markets, restaurants, and schools’ among those eligible for the assistance,” the senators wrote. “We write today to emphasize the high level of damages being experienced by local food producers and to provide comments on fair allocation of the CARES payments.”

In addition to urging USDA to ensure relief is getting to local farmers, the senators also pressed the department to administer direct payments through the Farm Service Agency in response to the local food industry’s projected $1.1 billion loss in revenue. They asked that in order to be eligible to receive a direct payment, local food producers should derive at least 25 percent of total farm income from sales that are locally purchased, including food sold directly to consumers.

And to reach new and underserved farmers, the senators requested that the Farm Service Agency waive requirements that farms obtain USDA farm numbers in order to participate in FSA-administered assistance programs during the 2020 crop year.
They also urged USDA to establish a national hotline to manage incoming producer inquiries, simplify the application process, and make information about the program available in multiple languages.

In addition to Murphy, Blumenthal, Brown, Murkowski and Stabenow, the letter was also signed U.S. Senators Patrick Leahy (D-Vt.), Patty Murray (D-Wash.), Dick Durbin (D-Ill.), Jack Reed (D-R.I.), Susan Collins (R-Maine), Bob Menendez (D-N.J.), Bernie Sanders (I-Vt.), Bob Casey (D-Pa.), Amy Klobuchar (D-Minn.), Tom Udall (D-N.M.), Jeanne Shaheen (D-N.H.), Mark Warner (D-Va.), Jeff Merkley (D-Ore.), Kristen Gillibrand (D-N.Y.), Joe Manchin (D-W.Va.), Brian Schatz (D-Hawaii), Tammy Baldwin (D-Wis.), Mazie Hirono (D-Hawaii), Martin Heinrich (D-N.M.), Angus King (I-Maine), Tim Kaine (D-Va.), Elizabeth Warren (D-Mass.), Cory Booker (D-N.J.), Gary Peters (D-Mich.), Chris Van Hollen (D-Md.), Tammy Duckworth (D-Ill.), Catherine Cortez Masto (D-Nev.), and Tina Smith (D-Minn.).

A copy of the letter can be read here and below.

Dear Secretary Perdue:

The COVID-19 pandemic has disrupted local food systems and caused losses for farmers who sell their products to local markets. We urge you to account for the scale of these losses as the U.S. Department of Agriculture (USDA) provides relief and direct payments to farmers.

The recently-passed Coronavirus Aid, Relief, and Economic Security (CARES) Act made $9.5 billion available for USDA to provide support for agricultural producers who are struggling because of the COVID-19 pandemic. The CARES Act specifically includes “producers that supply local food systems, including farmers markets, restaurants, and schools” among those eligible for the assistance.” We write today to emphasize the high level of damages being experienced by local food producers and to provide comments on fair allocation of the CARES payments.

Communities across the country have responded to the spread of COVID-19 by shutting down schools, universities, and other institutions. Many farmers markets have closed or postponed the start of the season to prevent crowds from gathering during the outbreak, and restaurants have closed or are operating on a limited basis. These closures and delays have cut off the usual outlets for producers who sell directly to into local and regional food systems. One study estimates that these market disruptions could lead to a $1.1 billion loss of sales for these producers through the end of 2020.

The growth of the local food economy over the last decade has nurtured a diverse group of small and medium size producers who depend on direct markets to reach consumers. Consumers benefit from having more choices and a deeper connection to where their food comes from and how it is grown. Unfortunately, these losses, compounded by
increased sanitization and transportation expenses, threaten the survival of many of the farms that supply local food systems.

We urge you to protect the rich diversity of American agriculture by working with producers who supply local markets to tailor USDA relief efforts to their needs. To do this, we respectfully request that you provide payments to local food producers for lost revenue and additional cost incurred by the COVID-19 disaster.

We urge you to administer these payments through the Farm Service Agency in response to the industry’s projected $1.1 billion loss in revenue. To be eligible to receive a direct payment, local food producers should derive at least 25 percent of total farm income from sales that are locally purchased, including food sold directly to consumers, schools, institutions, food hubs or regional distribution centers, retail markets, farmers markets or restaurants. Further, to be eligible, these producers should meet standard AGI limitations as directed by the Farm Bill and maintain conservation compliance if currently required to have a plan.

For those local food producers making between $1000 and $300,000 in annual revenue in recent years, the USDA direct payment for COVID relief should at a minimum equal 25 percent of annual revenue or at maximum equal $25,000.

For those local food producers who can provide information regarding actual COVID revenue loss and added costs, additional disaster assistance should be made available. Information regarding revenue loss could include a 2020 crop year business plan, a record of approved loans, a record of 2019 crop year revenue, contracts, receipts, or other agreements that can demonstrate a loss of revenue or additional costs incurred by a farmer as a result of the COVID-19 disaster. Payments for these actual losses and costs should be capped at $100,000 per producer or at a minimum should be equal to 50 percent of the total lost revenue and additional costs incurred by producers as a result of the COVID-19 disaster and 60 percent of total lost revenue and additional costs for producers who donate a significant amount to food banks or other charitable causes.

As the ramifications of the COVID-19 emergency continue to unfold, we encourage you to consider whether additional payments will be needed in the future to support local food economies affected by the disaster.

We respectfully request that for crop year 2020, the Farm Service Agency waive farm number requirements for local food producers and new farmers who currently do not have them. We ask that USDA carefully consider an outreach strategy that specifically reaches small, beginning, and socially disadvantaged local food producers, including those with limited internet access or exposure to FSA services. We urge USDA to establish a national hotline to manage incoming producer inquiries, simplify the application process, and make information about the program available in multiple languages.
Thank you for consideration, and please know that we stand ready to work with USDA on relief efforts.
April 9, 2020

The Honorable Sonny Perdue  
Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W.  
Washington, D.C. 20250

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The growth of the local food economy over the last decade has nurtured a diverse group of small and medium size producers who depend on direct markets to reach consumers. Consumers benefit from having more choices and a deeper connection to where their food comes from and how it is grown. Unfortunately, these losses, compounded by increased sanitization and transportation expenses, threaten the survival of many of the farms that supply local food systems.

We urge you to protect the rich diversity of American agriculture by working with producers who supply local markets to tailor USDA relief efforts to their needs. To do this, we respectfully request that you provide payments to local food producers for lost revenue and additional costs incurred by the COVID-19 disaster.
We urge you to administer these payments through the Farm Service Agency in response to the industry's projected $1.1 billion loss in revenue. To be eligible to receive a direct payment, local food producers should derive at least 25 percent of total farm income from sales that are locally purchased, including food sold directly to consumers, schools, institutions, food hubs or regional distribution centers, retail markets, farmers markets or restaurants. Further, to be eligible, these producers should meet standard AGI limitations as directed by the Farm Bill and maintain conservation compliance if currently required to have a plan.

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Thank you for consideration, and please know that we stand ready to work with USDA on relief efforts.

Sincerely,

/s/ Sherrod Brown
Sherrod Brown
United States Senator

/s/ Lisa Murkowski
Lisa Murkowski
United States Senator

/s/ Debbie Stabenow
Debbie Stabenow
United States Senator

/s/ Susan M. Collins
Susan M. Collins
United States Senator
Richard Blumenthal
United States Senator

Robert Menendez
United States Senator

Jeffrey A. Merkley
United States Senator

Tom Udall
United States Senator

Tina Smith
United States Senator

Mazie K. Hirono
United States Senator

Angus S. King, Jr.
United States Senator

Jeanne Shaheen
United States Senator

Patty Murray
United States Senator

Tammy Duckworth
United States Senator

Christopher S. Murphy
United States Senator

Catherine Cortez Masto
United States Senator

Cory A. Booker
United States Senator

Elizabeth Warren
United States Senator

Patrick Leahy
United States Senator

Kirsten Gillibrand
United States Senator

Brian Schatz
United States Senator

Robert P. Casey, Jr.
United States Senator

Joe Manchin III
United States Senator

Richard J. Durbin
United States Senator