

May 5, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
1705 Longworth HOB
Washington, D.C. 20515

The Honorable James E. Clyburn
Majority Whip
H-329, The Capitol
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi, Majority Leader Hoyer, and Majority Whip Clyburn:

Thank you for your continued work to steer our nation and the Democratic Caucus through the coronavirus pandemic and its impacts on the American economy. We write to ensure that, as future relief packages are discussed, special attention is given to small and mid-sized farmers, especially those who are involved with sustainable agriculture and organic production. This vital and growing part of the economy is too often ignored and receives too little support even though it is very important in so many of our communities.

One of the things this pandemic is underscoring is the fragility of relying on a national network to move food around the country rather than being able to locally source and access this food resulting in significant supply chain issues. There is unnecessary food waste during a time when food insecurity is increasing, and food banks have limited supplies to provide to families that need it. This has resulted in significant supply chain issues and unnecessary food waste, all during a time when food insecurity across the country is increasing and food banks have limited quantities of food to provide to families that need it.

We are witness to already beleaguered dairy farmers dumping milk, suffering not only the economic impacts, but also the very real demoralizing effects of watching their hard work go down the drain. Likewise, with the immense pressures they face, small, direct market farmers are losing outlets due to COVID-19 closures and are having to pivot to meet consumer demand for on-farm purchasing. The lack of necessary infrastructure has both the consumer and the farmer struggle to get food to the table. This limited availability means farmers lack critical inspections for their livestock to meet market demands, thus losing sales.

By supporting farmers' markets, institutional procurement of local food, and other local marketing channels, more money will get into farmers' pockets and stay in the local economy. We ask that special consideration be given to local food production, family farms, and farmers' markets to help sustain agriculture in our communities large and small, and especially to support women and men on the front lines.

We hope that you will consider the following ideas to better support sustainable agriculture.

To provide immediate assistance to farmers:

- Suspend Farm Service Agency (FSA) loan payments temporarily for farmers with market-related losses precipitated by social distancing strategies, including the closure of schools, farmers markets, restaurants, and other direct marketing channels;
- Authorize FSA loans with 0% interest or forgiveness options to farmers impacted by the COVID-19 pandemic;
- Suspend term limits for the FSA direct operating loan program for 2020 and 2021;
- Ensure wider access to guaranteed loans by providing funds to allow FSA to reimburse guaranteed borrowers for the cost of the guarantee fee for 2020 and 2021;
- Provide an additional \$500 million for non-targeted direct farm ownership funding to allow the agency to meet current and expected demand for the balance of this fiscal year;
- Ensure that small farms are able to refinance existing loans to take advantage of lower interest rates;
- Make COVID-19 an eligible disaster under the FSA disaster set-aside program and provide authority for a second annual payment exemption to help farm borrowers weather this crisis;
- Expand credit access by increasing the Down Payment program loan limit to \$600,000, consistent with the change made in the 2018 Farm Bill for all other direct farm ownership loans;
- Provide \$2 million in additional FY 20 funding for the program loan cost expense fund to allow FSA to continue to pay for appraisals and inspections for the higher than expected loan volume and ensure at least \$13 million total in that account for FY 21;
- Commend FSA for suspending all new internal loan accelerations and foreclosures indefinitely and ensure that the suspension is in place for at least all of 2020;
- Expand the U.S. Small Business Administration's Economic Injury Disaster Loan program to small farmers;
- Ensure farms with no wage, commission, net income, or net earnings from self-employment or similar compensation on their tax forms, are still eligible for SBA's Payment Protection Program (PPP) and EIDL, and are instead able to instead use their gross income for eligibility and payroll cost purposes;
- Streamline the Organic Certification Cost Share program to provide increased, direct payments to organic certifiers;
- Expand SBA's PPP program to organizations that run farmers markets by allowing 501(c)4, 501(c)5, or 501(c)6 organization to be eligible;
- Increase funding for the Intermediary Relending Program at USDA Rural Development to increase economic activity and employment in rural communities; and

- Greatly increase funding for the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers program and ensure that socially disadvantaged producers are given equal access to any relief package.

To help local food producers adapt to COVID-19 social distancing measures:

- Increase funding and waiver cost-sharing limitations for the Local Agriculture Market Program for USDA to enter into cooperative agreements with partner organizations to develop new alternative marketing projects to respond to the COVID-19 pandemic;
- Authorize Value Added Producer Grants to be used for “market rebuilding” projects in addition to “emerging market” and “market expansion” projects;
- Establish a national food safety financial assistance program to assist producers and handlers of agricultural products covering the associated costs of necessary changes and upgrades to practices and equipment to improve food safety in response to the COVID-19 pandemic;
- Provide relief to small and very small meat and poultry processing facilities, including inspected mobile processing facilities to ensure access to rural livestock growers, by providing \$10 million to the Food Safety Inspection Service to waive all USDA inspector overtime costs for plants with a USDA Grant of Inspection with less than 50 employees, and to further provide low interest loans and grant funds for facilities not currently under USDA inspection but with that potential to make infrastructure improvements to meet federal inspection compliance standards;
- Create a Very Small Meat Processor Federal Inspection Reimbursement Grant Program to provide reimbursement grants to help cover costs associated with meeting Federal inspection guidelines for entities with fewer than 10 employees or annual sales of less than \$2,500,000; and
- Provide block grants to states to provide flexibility in supporting and/or rebuilding local and regional food systems infrastructure in responding to the COVID-19 pandemic.

To ensure farmworkers are protected:

- Direct the U.S. Department of Labor Occupational Safety and Health Administration to release temporary guidance for farm labor housing standards during the coronavirus pandemic in order to support agricultural employers in the development of plans to prevent the transmission of COVID-19 in the workplace, housing and transportation;
- Ensure full access to Unemployment Insurance for all farmworkers impacted by the coronavirus pandemic;
- Provide farmworkers with additional pay to compensate for risk of infection as they continue through the COVID-19 pandemic, and ensure that these workers are at least paid the same as any other workers without questions about their status as citizens; and
- Expand eligibility for paid sick leave, SNAP, health coverage, childcare, and workmen's compensation to farmworkers.

To better facilitate food donation:

- Send section 32 funds directly to state agencies for targeted direct purchases of perishable food at risk of going to waste, to be donated to emergency feeding organizations, and include set asides for targeted purchases from producers who rely on local agricultural food marketing—such as farmers’ markets and farm-to-school programs—but have seen those opportunities diminish due to COVID-19;
- Authorize a new TEFAP food recovery transportation pilot program for grants to public food program service providers, tribal organizations, and private nonprofit entities to support purchasing, leasing, or otherwise acquiring vehicles or other equipment to carry out activities related to food recovery; reimbursing travel costs related to food recovery; and assisting with the costs of preparing, storing, and transporting donated food; and
- Expand liability protection for food donation and the tax deduction food donation to include food donations that are sold at low cost, which would allow innovative food recovery models to take off and help serve food insecure families; and
- Assist the above identified entities in developing infrastructure such as UHT processing centers to receive excess farm produced materials, i.e. fluid milk, and allow for the packaging and distribution via TEFAP and charitable food donation systems. Thereby providing farmers with an outlet that will secure reimbursement through programs such as the MDRP and securing goods for low-income and institutional distribution; and
- Assist the above identified entities in developing infrastructure for cold and frozen storage facilities to serve both charitable food donation centers/systems, and direct market farmers.

To ensure SNAP beneficiaries have access to local food:

- Increase funding for the Gus Schumacher Nutrition Incentive Program for grants and waive cost sharing limitations to increase organizations’ ability to provide online ordering, transportation, and delivery services;
- Facilitate SNAP delivery for local food by directing USDA to expedite SNAP authorization for small farms selling locally; providing funding to support grocery delivery for program participants who are seniors, immunocompromised individuals and others unable to travel safely to a farmers market, grocery store or CSA pick-up site; and authorizing public-private partnerships between the USDA, authorized retailers and community based organizations such as farmers markets and food hubs to support grocery delivery;
- Allow SNAP EBT to be accepted 6 weeks in advance of food delivery for Community-Supported Agriculture (currently 2 weeks); and
- Provide every SNAP household with an additional monthly incentive that can be spent only at farm direct-to-consumer markets.

To preserve farmland:

- Increase funding for the Agriculture Conservation Easement Program to provide a valuable revenue source for farmers to convert some of the equity in their land into cash and ensure farmland is not developed;
- Provide capital gains exclusions for land transferred to the next generation of farmers and exclusions on the sale of agricultural conservation easements; and
- Authorize a new “Debt for Working Lands Program” to offer debt relief for existing FSA loans in exchange for protecting agricultural land through a permanent agricultural conservation easement or a long-term covenant.

To ensure long-term resiliency in agriculture:

- Provide state soil health block grants, so that these new and very valuable state soil health programs will not suffer as a result of states reallocating resources to respond to the pandemic;
- Increase funding for USDA’s Climate Hubs, which link USDA research and program agencies in their regional delivery of tools and information to farmers and service providers;
- Provide additional funding to the Conservation Stewardship Program to help improve farm income and help farm recovery while improving conservation;
- Provide funding for the Secretary of the Treasury, in consultation with the Secretary of Agriculture, to conduct a study of the feasibility of developing a credit against tax to incentivize carbon capture on farms, which could provide an additional source of revenue for farmers based on the environmental services they provide;
- Increase funding for USDA’s Food Loss and Waste Reduction Liaison and related responsibilities for the Department to enter into new cooperative agreements aimed at reducing food waste;
- Provide new, dedicated funding to Cooperative Extension to create positions focused on resiliency and disaster assistance that will proactively identify mitigation strategies to address issues that farmers are facing.

Thank you for your consideration of our request.

Sincerely,

Chellie Pingree
Member of Congress

Earl Blumenauer
Member of Congress

Kim Schrier, M.D.
Member of Congress

Rosa L. DeLauro
Member of Congress

Derek Kilmer
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