How does the CARES Act help dairy producers?

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These unprecedented times where dairy aisles are empty at the same time producers are forced to dump milk down the drain has left a feeling of great uncertainty for the future of our industry. The drastic shift in demands due to COVID-19, including fewer individual sized containers for schools which are now closed for the year and less supply to restaurants which are now limited to curbside takeaway, has left dairy processors in a lurch. However, the $2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act which is considered part III of the stimulus package specifically provides a number of food and agriculture-related benefits.

The Small Business Administration (SBA) has outlined a “Paycheck Protection Program” designed to guarantee loans to small businesses to maintain payroll and in some cases may be forgiven. Application for this program began April 3, 2020 for small businesses and April 10, 2020 for independent contractors and self-employed individuals. All businesses with less than 500 employees can apply. The maximum loan amount will be based on average monthly payroll costs determined by a one-year period prior to the loan disbursement date or if you are a business with seasonal employees, a monthly average based on a 12-week period will be calculated. More information can be found here: [https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf](https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf)

If you do not wish to apply for the Paycheck Protection Program, you may still qualify for a forgivable Economic Injury Disaster Loan through the Paycheck Protection Program, you may still quality for a forgivable Economic Injury Disaster Loan through Phase I of the CARES Act, you are still eligible to receive benefits from the Paycheck Protection Program. You are encouraged to reach out to your local bank or credit union to apply for these programs. These funds will run out, so please do not wait to explore these options!

A portion of your loan is eligible for forgiveness and would not be seen as taxable income for your business. This will be primarily based on the number of employees retained during the crisis and their compensation amounts. Provided employees that were laid off after February 15, 2020 are rehired no later than June 20, 2020, you may avoid an additional reduction in your loan forgiveness amount. Additionally, if you have already applied for the Economic Injury Disaster Loan through Phase I of the CARES Act, you are still eligible to receive benefits from the Paycheck Protection Program. You are encouraged to reach out to your local bank or credit union to apply for these programs. These funds will run out, so please do not wait to explore these options!

Farm Bureau—VA Producer Resources Related to COVID-19

Farm Bureau—Virginia has developed an excellent repository of resources related to COVID-19 with a broad range of topics to include the following list. Please pay special attention to the Farm Financials category which details programs, loans, and other assistance currently available to producers.

- Farm Bureau Response
- Farm Supplies
- Agricultural Labor
- Other Farm Issues
- Transportation
- Farm Financials
- Conservation
- Educational Resources
- Direct Marketing
- Managing Stress
- USDA Service Centers
- How Can I Help?
AgrAbility COVID-19 Notice

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In light of the COVID-19 pandemic and the social distancing orders designed to keep us safe, AgrAbility Virginia is aware that farmers and food chain workers are particularly vulnerable to the stressors introduced by this pandemic as well as by the measures designed to slow its spread. The impact of COVID-19 on our food system, as well as on farmers’ physical and mental health, is significant, widespread and varied—affecting different people and different agricultural enterprises in different ways.

AgrAbility Virginia is here to support farmers as they face distinct challenges during this time noting that the farming population, as a relatively older population, may be particularly vulnerable to the effects and complications of coronavirus virus, and further, that farmers—already in a time of stress—may be susceptible to increased negative impacts of coronavirus on mental health.

We at AgrAbility Virginia are committed to ensuring continuity of service to Virginia’s farmers and food chain workers during this pandemic by aggregating information about the relevant resources available to our clientele and by providing direct service via email and phone. In effort to keep us all safe, we are temporarily discontinuing face-to-face and on-farm interactions. Please read below to learn more about available resources.

- The CDC’s statement on the mental health impacts of COVID-19 offers an explanation of how the virus might induce or exacerbate mental health concerns and provides coping strategies and suggestions for how we can manage anxiety and stress to maintain mental health during these uncertain times.
- We at Virginia Tech have developed and aggregated a number of resources on farm safety, health, and wellness. We are also hosting a webinar on farm stress and safety on April 20. We have also developed resource guides including one on mental health topics for farm families and caregivers and a decision-making guide for farm service providers and educators.

Virginia Cooperative Extension has developed a number of resources to help Virginians prepare for the threat of coronavirus infections. Several of these are oriented toward those engaged in food systems work. These include extension publications focused on farmers markets, u-pick farms, and community gardens, among others.

Cornell Small Farms Program has shared a number of publications related to farm resilience. These publications include ideas for market adaptation and resilience, a platform for sharing stories and coping strategies about how your farm or food business has faced the challenges of the pandemic, as well as articles on how farmers and food chain workers can help to slow or stop the spread of the virus and protect their communities. Though some of these pieces are tailored specifically for New York farmers, we believe Virginians will also benefit from the information provided.

Drs. Mark Stephenson and John Shuttske at the University of Wisconsin—Madison have delineated six possible impacts that COVID-19 could have on farming. In their article, they describe the impacts that COVID-19 will likely have on markets, supply chains, farmers’ health, the farm workforce, worker safety and protection, as well as on other areas affecting rural lives and livelihoods including on travel and social gatherings.

To access AgrAbility Virginia services or to seek information, please reach out to our program coordinator, Garland Mason, by emailing garlandm@vt.edu. Please also stay tuned to our Facebook page and website for news updates, featured resources, and additional information.

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3. https://www.vabeginningfarmer.alce.vt.edu/webinar/UpcomingWebinars/Apr20Reed.html
10. https://smallfarms.cornell.edu/resources/farm-resilience/