



Extension

UNIVERSITY OF WISCONSIN-MADISON

Updated June 8, 2020

Paul Mitchell (608-265-6514 pdmitchell@wisc.edu) & Joy Kirkpatrick

Navigating Farm Support Programs During COVID-19

The coronavirus pandemic and COVID-19 have significantly disrupted our society and economy, with profound effects on agriculture that have yet to be fully understood. Commodity prices have collapsed, farmers are dumping milk, meat packing plants have closed and farmers markets are shut down. In response, the federal government has passed multiple new laws and changed rules to help the economy and agriculture recover. This array of new programs and possibilities layered on top of existing programs can be confusing and difficult to understand. Hence, we have developed this document to help farmers and those working with them to navigate the programs and options to identify the those that are likely to be the best choices for them to use depending on their situation. The situation is fluid, as state and federal agencies and their private partners are rushing to develop administrative rules based on laws that were passed a few weeks ago. This document will try to stay up to date on these changes as they occur.

The table below lists various issues or problems a farm may be having and the column on the right lists the program to explore that is meant to help. Below the table is then a list of the programs and resources. The focus is on new federal programs that can help farmers. Because many of the issues are financial in nature, communicating with lenders is an important part of the process not in the table. If you have a farm issue that is not in the table and you think Extension may be able to help, start with your Extension county agriculture agent.

Farm Problem	Programs to Explore
We are a farm struggling to pay our W2 employees, make mortgage payments, and pay other bills	<ul style="list-style-type: none"> • Paycheck Protection Program • Economic Injury Disaster Loans
We have a partnership or LLC and we are having trouble paying ourselves our regular salaries	<ul style="list-style-type: none"> • Paycheck Protection Program • Economic Injury Disaster Loans
We are family farm (sole proprietor) with no employees, struggling to make mortgage payments and pay other bills	<ul style="list-style-type: none"> • Paycheck Protection Program
We normally hire 1099 employees, but no longer can afford them, what program can they use?	<ul style="list-style-type: none"> • Paycheck Protection Program
We have been struggling to pay our payroll taxes for our employees	<ul style="list-style-type: none"> • Employee Retention Credit • Payroll Tax Deferral
We have been struggling to get our farm work done because some of us have been diagnosed with COVID-19 or are ill with symptoms, or we have been caring for our children due to school/day-care closures	<ul style="list-style-type: none"> • Pandemic Unemployment Assistance

Authors: Paul Mitchell, Professor of Agricultural and Applied Economics, Extension Agriculture Economics Specialist, and Director of the Renk Agribusiness Institute, 608-265-6514, pdmitchell@wisc.edu and Joy Kirkpatrick Center for Dairy Profitability, UW-Madison and Division of Extension, 608-263-3485 joy.kirkpatrick@wisc.edu

Farm Problem	Programs to Explore
My income has fallen due to low milk prices	<ul style="list-style-type: none"> • Dairy Margin Coverage • Coronavirus Farm Assistance Program • Wisconsin Farm Support Program
My income has fallen due to low beef and livestock prices	<ul style="list-style-type: none"> • Coronavirus Farm Assistance Program • Wisconsin Farm Support Program
My income has fallen due to low crop prices	<ul style="list-style-type: none"> • Agriculture Risk Coverage and Price Loss Coverage • Coronavirus Farm Assistance Program • Wisconsin Farm Support Program
We are struggling to pay the new mandatory paid sick leave for employees diagnosed with COVID-19 or who are caring for members in their household who are ill	<ul style="list-style-type: none"> • Families First Coronavirus Recovery Act
COVID-19 has shut down my farmers markets, produce auctions and direct sales customers and I have nowhere to sell my produce	<ul style="list-style-type: none"> • Pandemic Unemployment Assistance • Farmers to Families Food Box

Agriculture Risk Coverage and Price Loss Coverage

Existing price support programs for commodity crops administered by the USDA Farm Service Agency (FSA). Program election and enrollment for 2019 and 2020 ended on March 15, 2020. See <https://aae.wisc.edu/pdmitchell/extension/arc-plc-signup/> and https://www.fsa.usda.gov/programs-and-services/arcplc_program/index.

Coronavirus Farm Assistance Program

New program run by USDA Farm Service Agency (FSA) making direct payments to dairy, livestock and crop farmers affected by the pandemic: See <https://www.farmers.gov/cfap>. Applications accepted until August 28, 2020. See Extension resource page for grain and silage crop help: <https://aae.wisc.edu/pdmitchell/extension/cfap-resources-for-wi/>.

Dairy Margin Coverage

Existing price support program for milk administered by the USDA Farm Service Agency (FSA). Program enrollment for 2020 ended on December 13, 2019. See <https://www.nmpf.org/wp-content/uploads/2019/06/DMC-brochure61219-1.pdf> and <https://www.fsa.usda.gov/programs-and-services/dairy-margin-coverage-program/index>.

Economic Injury Disaster Loans

New program administered by the Small Business Administration (SBA) to provide loans to small business (including farms) affected by COVID-19. Can be combined with Paycheck Protection Program. See <https://farms.extension.wisc.edu/files/2020/04/April-25-Economic-Injury-Disaster-Loans.pdf> and <https://www.sba.gov/disaster-assistance/coronavirus-covid-19>.

Employee Retention Credit

New provision in the CARES Act that allows employers (including farms) to receive up to a \$5,000 credit per employee that they retain on their payroll through this COVID-19 crisis. See <https://farms.extension.wisc.edu/cares-act/> and <https://www.irs.gov/newsroom/irs-employee-retention-credit-available-for-many-businesses-financially-impacted-by-covid-19>.

Families First Coronavirus Recovery Act

New law that temporarily requires employers (including farms) to provide two weeks of paid sick leave to employees affected by COVID-19 and expands medical leave under the FMLA, providing dollar-for-dollar reimbursement through tax credits to make it financially feasible. See <https://aae.wisc.edu/pdmitchell/2020/04/08/families-first-coronavirus-recovery-act-legal-obligations-for-farms-with-employees-during-covid-19/> and <https://www.dol.gov/agencies/whd/pandemic/ffcra-employer-paid-leave>.

Farmers to Families Food Box

As part of the part of the Coronavirus Farm Assistance Program, new USDA program to purchase dairy products, meats and fresh fruits and vegetables from farmers and to distribute them to food banks, community and faith-based organizations, and other non-profits serving those in need. See <https://www.ams.usda.gov/selling-food-to-usda/farmers-to-families-food-box>, <https://www.ams.usda.gov/publications/content/request-proposals-frequently-asked-questions>.

Pandemic Unemployment Assistance

Farmers may be eligible for PUA by applying to the Wisconsin Department of Workforce Development (<https://dwd.wisconsin.gov/uiben/pua/apply/>). Farmers producing and selling products at farmers markets, produce auction or direct market to restaurants or other institutions now closed due to COVID-19 may qualify. Also, farm households with member diagnosed with COVID-19 or experiencing symptoms of COVID-19 awaiting diagnosis or caring for those diagnosed with COVID-19 may be covered (<https://dwd.wisconsin.gov/dwd/publications/ui/pua-18774-p.pdf>). See <https://farms.extension.wisc.edu/pandemic-unemployment-assistance-in-wisconsin-what-does-it-mean-for-farmers/>.

Paycheck Protection Program

New program administered by the Small Business Administration (SBA) to provide potentially forgivable loans to small businesses (including farms) to cover payroll costs and/or self-employment income during the COVID-19 crisis. See <https://farms.extension.wisc.edu/ppp-and-farmers/> and <https://www.calt.iastate.edu/blogpost/guidance-ppp-loans-self-employed-helpful-incomplete> and <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>.

Payroll Tax Deferral

New provision in the CARES Act that allows employers (including farms) to temporarily defer payment of the employer's portion of the social security and RRTA payroll taxes (6.2%). See <https://farms.extension.wisc.edu/cares-act/> and <https://www.irs.gov/newsroom/deferral-of-employment-tax-deposits-and-payments-through-december-31-2020>.

Wisconsin Farm Support Program

A special program providing direct income support to Wisconsin farmers. Program administered by the Wisconsin Department of Revenue. For eligibility details and application process, see

<https://www.revenue.wi.gov/Pages/TaxPro/2020/FarmSupportProgram.aspx#passive1>.

Application period only open June 15 to June 29.

UW Extension Resources for Farmers

- Farm Management during COVID-19 (organized by topic):
<https://farms.extension.wisc.edu/coronavirus/>
- Extension Responds to COVID-19: Agriculture
<https://fyi.extension.wisc.edu/covid19/category/topics/farming/>