

The Local and Regional Farmer and Market Support Act 2020 Pandemic Response Legislation Sponsored by Representative Alma Adams

The U.S. Department of Agriculture's (USDA) Coronavirus Food Assistance Program (CFAP) has not supported direct marketing farmers and ranchers, especially Black, Indigenous and people of color (BIPOC) producers, or local and regional food economies as Congress intended. The Local and Regional Farmer and Market Support Act (Local Farmer Act) would address this concern by targeting aid directly to local and regional food producers and markets as they cope with the economic impacts of the coronavirus pandemic.

The Local Farmer Act would:

- Create an alternative coronavirus relief payment program for farmers that sell in local and regional markets based on their historic revenue, rather than price loss
- Provide emergency response grants for farmers markets and local food enterprises to implement public health protections and coronavirus-smart marketing practices
- Provide emergency response grants to direct marketing farmers to help them respond to shifting markets and adopt new socially-distant practices and sales models
- Support racial equity by prioritizing assistance to BIPOC farmers and low-income communities of color through set-asides
- Provide robust outreach and technical assistance to BIPOC farmers and ranchers

Alternative Direct Payment Program

The alternative direct payment program is for farmers that earn at least 25% of their income from sales in local and regional markets. It uses funds obligated to the CCC under the CARES Act but not yet spent to make relief payments to farmers who have been negatively impacted by the pandemic:

<u>Farmer Revenue</u>	<u>Payment</u>
revenue less than \$5000	70% of revenue but not less than \$1500
revenue between \$5000 - \$9,999	60% of revenue but not less than \$3500
revenue between \$10,000 - \$24,999	55% of revenue but not less than \$6000
revenue between \$25,000 - \$99,999	50% of revenue but not less than \$13,750
revenue above \$100,000	40% of revenue but not less than \$50,000

There is a maximum payment of \$150,000 and 20% of funding would be set-aside for BIPOC farmers and ranchers to ensure they have equitable access to the program.

Help for Farmers Markets and Local Food Enterprises

Farmers markets have struggled with increased cost and decreased revenue, and enterprises like food hubs have contented with major market losses as school and institutional food services have halted. The Local Farmer Act includes \$25 million for

emergency grants through the Farmers Market and Local Food Promotion Program for farmers market operators and local food enterprises. The grants will allow those operations to adapt to new market conditions and further support communities experiencing food insecurity. Emergency grants could be used for a wide range of expenditures including labor, technology/software upgrades, infrastructure enhancements, COVID education materials, PPE, test kits, and more.

Priority will be given to applications from BIPOC producers, minority businesses, and projects that serve minority communities, and 20% of funding would be set aside for projects led by BIPOC farmers and ranchers or minority-owned enterprises.

Help for Farmers Adapting to Market Challenges

For years local and regional market focused producers have found success with value-added agriculture. In the wake of the pandemic, many producers need help to maintain or rebuild markets that have been severely impacted by the pandemic. The Local Farmer Act includes \$25 million for emergency grants through the Value Added Producer Grant Program to assist producers' efforts to adapt to new market environments. Emergency grants could be used for a wide range of expenditures including labor, technology/software upgrades, packing and shipping materials, PPE, safety equipment, and more as farmers adapt their current business and position their operations for future success.

All matching funding requirements would be waived for three fiscal years and 20% of funding would be set-aside for BIPOC farmers and ranchers to ensure they have equitable access to the program.

Equity, Outreach and Technical Assistance

So that every historically underserved farmer can learn about, understand, and apply successfully for COVID-19 relief payments and emergency grants, the Local Farmer Act includes \$50 million to support outreach and technical assistance through the Sec. 2501 program. The Act also requires USDA to report weekly on applications, awards, and the demographics of the farms and business that participate in COVID-19 relief programs. This will help ensure that the direct payments and grant programs are accessible to all direct marketing farmers and fairly administered.