

COVID-19 Update

May 8, 2020



AG PRODUCERS NOW ELIGIBLE FOR ECONOMIC INJURY DISASTER LOAN (EIDL) PROGRAM

Agricultural enterprises are now eligible for SBA's Economic Injury Disaster Loan (EIDL) program as a result of the *Paycheck Protection Program and Healthcare Enhancement Act*. The legislation provided additional critical funding for farmers and ranchers affected by the Coronavirus (COVID-19) pandemic. In order to help facilitate this important change to EIDL Loan and EIDL Advance assistance eligibility, SBA is re-opening the Loan and Advance application portal to agricultural enterprises only. For agricultural producers that submitted an EIDL loan application through the streamlined application portal prior to the legislative change, SBA will move forward and process these applications without the need for re-applying. All other EIDL loan applications that were submitted prior to April 15 will be processed on a first-in, first-out basis.

How to Apply

Applications for EIDL must be submitted directly through the SBA website. More information about the program is available [here](#) and the application can be found [here](#). Please note, each eligible applicant will be expected to compile and enter basic information about their business, such as operating expenses, revenue, business names, contact information and employee information. SBA is relying upon a self-certification process contained within the application, which typically takes around two hours to complete. During this process, applicants will also need to note whether or not they'd like to receive the EIDL grant/advance. The SBA typically takes 18 to 21 days to process the loan and then two to five days to disburse the funds. For more information, please visit: www.sba.gov/Disaster.

SDCA Statement on Presidential Executive Order Keeping Packing Plants Open

Last week, President Trump issued an Executive Order under the Defense Production Act to ensure the beef supply chain will continue to function during the ongoing COVID-19 crisis. This action was critical to maintain a safe and secure beef supply for consumers while also ensuring cattlemen and women continue to be able to market cattle.

“SDCA encourages the packing plants to follow CDC guidelines to promote the health and safety of plant workers. It is paramount to protect these workers while continuing to feed our country during these unprecedented times. This action by the Trump Administration underscores the nature of the food supply chain as critical infrastructure, ensuring meat packing facilities aren't subject to the whims of local health officials. Our industry must continue to work closely with policy makers to ensure worker safety while also continuing to feed our country,” said SDCA President Eric Jennings.

Jennings continued, “While we wish President Trump would not have had to make this difficult decision, SDCA thanks President Trump for taking this action to safeguard the beef supply chain. The disruptions caused by closed packing plants are having a ripple effect that is further straining already difficult market situations. We must also keep the plants open to avoid creating a tsunami of cattle that could be even more economically and emotionally devastating for farmers and ranchers that are already struggling to make ends meet. COVID-19 has made all of

us do things we would have preferred not to, but during this uncertain time we must all work together for the benefit of our nation's food security.”

Editor's Note: By all accounts this far, the President's Executive Order is having the desired effect in ensuring packing plant operations aren't subject to the whims of local decision makers, but are appropriately balancing worker safety with the need to keep the beef supply chain functioning.

COVID-19 AND THE CATTLE MARKETS

As a reminder to our members, SDCA has taken action on a couple of items aimed at addressing the market imbalance brought on by COVID-19. Our Board voted last month to support the so-called 30-14 concept and we continue to await further details regarding how such a program, mandating a minimum of 30% of packer purchases be negotiated rather than formula-based purchases, might be implemented. Additionally, SDCA signed on to a multi-state letter asking the US Department of Justice to investigate the two recent “Black Swan” events that have detrimentally impacted live cattle markets in the past several months, including the Tyson packing plant fire last fall and continuing with the coronavirus disruptions. SDCA thanks President Trump for asking the DOJ to investigate this week as well.

We also wanted to make our readers aware that this week a memo was released from Dr. Stephen Koontz at Colorado State University sharing his concerns regarding the 30-14 proposal. The memo indicates he believes the proposal will cost the industry millions, or possibly billions, without delivering any impact on the current market difficulties caused by COVID-19-induced supply chain disruptions. You can read the memo from Dr. Koontz [here](#).

Also this week, you may have heard about a proposed [“fed cattle set-aside program”](#) that would help ease the bottleneck created by packing plant closures. This proposal is modeled after a program utilized in Canada in the wake of BSE in the early 2000s and is being proposed by the [Beef Alliance](#). Listen to Beef Alliance director, Mary Soukup, discuss the program with AgriTalk [here](#).

WILDLIFE SERVICES

SDCA also joined a broad coalition letter this week to the Senate Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies requesting the consideration of additional dollars to ensure the USDA Wildlife Services (WS) program is adequately funded in the wake of the pandemic. Typically, half of WS funding comes from state and local government cooperators and stakeholders are concerned the budgets for these cooperators are stressed due to COVID-19. This may limit their ability to continue to support USDA/WS. The coalition included livestock organizations, sportsman's groups, local governments, and other stakeholders. The letter states in part:

“During this pandemic, we have all worked to respond to the immediate needs of our respective industries and have greatly appreciated the support of Congress. Throughout this, we have continued to find unexpected and unanticipated challenges during what has been a previously unfathomable event of shutting down an entire nation and global economic leader to save lives. We ask that you consider providing additional program funding to USDA/WS to help bridge the gap of the loss of cooperator funding for this vital program.”