



REPUBLICAN LEADER GLENN 'GT' THOMPSON

## **AGRICULTURE REPUBLICANS PLAN FOR COVID RELIEF AND RECOVERY**

### **OVERVIEW**

*The coronavirus pandemic has undoubtedly hit rural America hard. On five separate occasions, Congress enacted legislation to provide targeted relief for urgent COVID-related needs on a bipartisan basis. However, most recently, the budget reconciliation process was used by House Democrats as a tool to force through a partisan agenda, adding trillions in debt for policies that have very little to do with COVID relief. In fact, just nine percent of the total package was COVID health spending. **Not a single hearing was held to properly assess the needs of farmers, ranchers, producers, or rural America as a whole.***

*Throughout the reconciliation process, and despite Republican efforts to work together on commonsense measures, Democrats voted lockstep to oppose critical relief efforts, going so far as to call them “poison pills,” despite publicly praising them on the merits.*

### **THE BOTTOM LINE**

*In order to fill in the gaps where Democrats have failed, **Agriculture Republicans are releasing a COVID Relief and Recovery amendment to the American Rescue Plan to better meet the critical, immediate needs of rural communities.***

### **DEMOCRATS CONTINUE TO HINDER RURAL AMERICA BY...**

- Failing to prioritize the critical, unmet needs of rural communities.
- Holding critical Coronavirus Food Assistance Program (CFAP) payments hostage.
- Falling brazenly short in meeting the broadband connectivity needs of rural America.
- Refusing to reach across the aisle for bipartisan solutions.

### **REPUBLICANS ARE PROVIDING TARGETED, TIMELY RELIEF WITH...**

- \$2.1 billion for rural health clinics and hospitals, public safety facilities, schools, and other essential community facilities.
- \$1 billion to support biofuels producers impacted by the pandemic.
- \$800 million to address the urgent need of rural broadband connectivity.
- \$300 million to improve access to USDA services impacted by COVID-19.
- \$100 million to expand Farm Safety Education to agricultural processors.
- Requiring the Biden Administration to unfreeze Coronavirus Food Assistance Program (CFAP) payments.
- Extending disaster relief for producers impacted by losses in 2020.
- Reprioritizing transportation grant funding for cities and investing in rural America instead.

# **SUMMARY**

## **SUPPORT FOR RURAL HEALTH, SAFETY, AND EDUCATION**

*\$2.1 billion in assistance for rural health clinics and hospitals, public safety facilities, schools and educational institutions, and other essential community facilities necessary in the response to the pandemic.*

**Provides \$1.5 billion to create a new loan and grant program to provide robust assistance to health, safety, and educational facilities in rural areas.**

- Includes loans and grants to address immediate operational costs necessary to protect public health and safety, address financial hardships of the pandemic, or promote financial health of the entity.
- Modeled on legislation introduced by Representative Austin Scott, the *Assistance for Rural Health, Safety, and Educational Facilities Act*, which was supported by the National Rural Health Association and the Center for Rural Affairs.

**Provides \$600 million for grants to local governments and non-profits operating essential community facilities necessary to support the public response to an emergency.**

- Rapid, flexible grants will assist local governments and other community facility operators on the front lines of the pandemic response, including for vaccine distribution.
- Modeled on legislation introduced by Representatives Mike Bost and Jim Hagedorn, the *Emergency Rural Community Relief Act*.

## **SUPPORT FOR AGRICULTURAL PRODUCERS AND PROCESSORS**

*Producers have faced unprecedented challenges due to coronavirus. The federal response has been delayed by the change in Administration, and certain sectors have been overlooked and are in need of assistance.*

**Requires the Biden Administration to lift the freeze on processing payments under the Coronavirus Food Assistance Program (CFAP) and expedite the delivery of assistance provided by Congress in the Consolidated Appropriations Act, 2021.**

- Producers who have been impacted by the COVID-19 pandemic cannot continue to wait for this much needed assistance.

**Provides up to \$1 billion to support biofuels producers impacted by the COVID-19 pandemic.**

- When stay-at-home orders began to be implemented across the country, drivers vacated the roads, causing gasoline and ethanol demand to plummet. Ethanol stockpiles reached all-time highs and prices crashed, forcing many plants to slow production or idle altogether.
- While fuel demand and prices are slowly recovering, biofuels producers have suffered significant financial losses since last March and have thus far been excluded from any direct assistance.

### **Extends disaster relief for producers impacted by losses in 2020.**

- The COVID-19 pandemic alone has placed many farmers under extreme financial duress which is only compounded for producers who also suffered crop losses in 2020.
- Since 2017 Congress has authorized agriculture disaster assistance in response to hurricanes, floods, droughts, snowstorms, wildfires, etc.
- Would extend assistance into 2020 and add derechos as an eligible cause of loss to assist producers who were impacted by the costliest thunderstorm in U.S. history last August.

### **Provides \$100 million to the department to expand the existing Farm Safety Education program to encompass agricultural processors.**

- Provides non-profits, cooperative extension services, land-grant universities, state and local governments, processors and handlers, and farm families resources to disseminate best practices and training materials to help farm and agricultural workers respond to the COVID-19 Pandemic.
- Ensures pertinent and timely information on relevant health and safety guidance, guidelines, and other information is reaching our agricultural workforce.
- Modeled on legislation introduced by Representatives Jim Hagedorn and Henry Cuellar, the *Farm and Agricultural Worker Education Act*.

### **SUPPORT FOR RURAL BROADBAND CONNECTIVITY**

*The pandemic has laid bare the stark inadequacies of rural broadband connectivity and tele-services. \$800 million is allocated to address the urgent need to improve High-speed Internet access and offer new telecommunications tools to communities in need.*

### **Provides \$300 million for the Distance Learning and Telemedicine Grant Program (the DLT Program).**

- Helps health facilities and educational institutions purchase equipment to provide tele-service to rural populations.
- As the nation has endures almost a year of social distance and reduced in-person activities, tele-services provide a lifeline to essential health and educational resources.
- According to the department, the DLT program is massively oversubscribed, with more than \$250 million worth of applications made for just \$25 million in funding provided in the CARES Act.

### **Provides an additional \$500 million to broadband infrastructure programs.**

- Provides \$300 million the Broadband Access Loan and Grant Program, \$100 million to the Community Connect Grant Program, and \$100 million to the Middle Mile Loan and Grant Program, to provide the department with the resources and flexibility to meet rural connectivity needs.

### **SUPPORT FOR RURAL FAMILIES AND BUSINESSES**

*Assistance to improve the rural economy and lives of rural families is critical. Many rural businesses, including rural utility providers, are struggling to continue operations and protect their employees. Likewise, many rural families are struggling with lost jobs and unpaid bills. USDA has long had a critical role in bringing capital to rural businesses and communities to help build the rural economy, put rural residents back to work, and keep rural families in rural communities.*

**Provides \$1 billion to provide assistance to rural utility operators.**

- Establishes a bridge loan program for rural utility companies experiencing substantial revenue losses in the wake of federally declared emergency, to help these essential service providers continue to meet the needs of rural communities and businesses.
- Rural utility operators provide critical services in every community they serve, but are struggling to meet their obligations in the face of severe revenue shortfalls, at times in excess of 25%, as unemployed rural residents are unable to pay their monthly bills and shuttered businesses are no longer demanding utility services.
- The program would ensure that assistance is passed on to residents and ratepayers by providing partial loan forgiveness for utility providers which forgive unpaid customer bills.
- Modeled on legislation introduced by Representative Crawford, the *Reinforcing Utility Restoration After Losses (RURAL) Act*, which was supported by the National Rural Electric Cooperative Association, NTCA – The Broadband Association, National Rural Water Association, and National Community Assistance Partnership.

**Provides \$650 million to provide loan forgiveness to borrowers through the USDA's Rural Business programs.**

- Includes the B&I Loan Guarantee Program, the Rural Microentrepreneur Assistance Program, and the Intermediary Relending Program.
- Section 1112 of the CARES Act providing similar assistance to borrowers through similar programs operated by the Small Business Administration. The Amendment corrects this inequity.
- Modeled on legislation introduced by Representatives Cindy Axne and Troy Balderson, the *Rural Equal Aid Act*, which is supported by the Center for Rural Affairs, American Bankers Association, Independent Community Bankers of America, National Rural Lenders Association National Rural Lenders Roundtable, Iowa Bankers Association, National Rural Housing Coalition, and the National Association of Towns and Townships.

**Provides \$30 million for the B&I Guaranteed Lending Programs.**

- The B&I Program and the B&I CARES Act Program are an essential source of credit for rural businesses.
- The programs are anticipated to run out of funds in the coming months. This appropriation will ensure they do not by providing the funds to guarantee an additional \$2 billion in rural business loans, which will be essential as our economy reopens and our nation begins to recover from this pandemic.
- Supported by the American Bankers Association, Independent Community Bankers of America, National Rural Lenders Association, and National Rural Lenders Roundtable.

**SUPPORT FOR USDA EMPLOYEES AND DEPARTMENT OPERATIONS**

*Since the start of the pandemic, USDA services have been significantly disrupted. Across the country, many FSA office remained shuttered, county employees have struggled to keep up with the workload remotely, and as a result, many payments and service to producers have been delayed.*

**Provides \$300 million to improve access to USDA services impacted by the COVID-19 pandemic by:**

- Providing protective measures for USDA employees, particularly those that are customer facing.
- Reopening USDA Service Centers (including FSA local offices).
- Increasing technical assistance and distributing information to producers.
- Efficiently processing program applications.

**OFFSET**

*These provisions are fully paid for by reprioritizing 27% of funding targeted to transportation grants for urbanized areas within the American Rescue Plan. Even after the offset, the amounts for these grants remaining in the bill are \$2 billion greater than the amount requested by the Biden Administration.*