

What we know now.

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# USDA ASSISTANCE FOR FARMERS

## USDA \$33 Billion

- Initial \$19 billion
  - \$3 billion to be used to purchase ag products for distribution
  - \$16 billion which came from \$9.5 billion from the emergency program in the CARES Act and \$6.5 billion in Credit Commodity Corp (CCC) funding.
- \$14 billion through the CCC secured through the CARES Act expected to be utilized in July to farmers and ranchers

## \$3 Billion to Purchase and Distribution

- USDA will purchase products and be distributing them to food banks, and other groups that provide food for those in need. The USDA will begin the purchasing with:
  - \$100 million per month in a variety of dairy products
  - \$100 million per month in meat products
  - \$100 million per month in fresh fruit and vegetables.

## COVID-19 Related Direct Payments

- \$16 billion in direct support to producers on actual losses for the 2020 marketing year caused by COVID-19.
  - \$9.6 billion for livestock producers
    - \$5.1 billion for cattle
    - \$2.9 billion for dairy
    - \$1.6 billion for hogs
  - \$3.9 billion for row crop producers
  - \$2.1 billion for specialty crop producers
  - \$500 million for other crops

# Direct Payment Limitations

- Payment Limits:
  - \$125,000 per commodity
  - Overall total limit of \$250,000 per individual or per entity i.e.
    - A farm that is an LLC with 4 equal share (25%) owners
      - Produces 6-commodities that meet the criteria to receive limit of \$125,000 each due to losses in 2020 marketing year which would normally total \$750,000.
      - The LLC is limited to a total payment of \$250,000.
      - Each owner would only be able to receive \$62,500 each due to the entity limitation rule.
    - Under the same scenario except if it was a general partnership the each owner would be eligible for \$187,500, which is still below the individual maximum limit of \$250,000

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