

April 8, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, D.C.

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C.

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, D.C.

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C.

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi and Minority Leader McCarthy:

The effects of the COVID-19 pandemic continue to impact businesses across the country, and farmers and ranchers are not immune to the ever-increasing market volatility and supply chain disruptions. The American Farm Bureau Federation (AFBF) appreciates the bipartisan provisions of the CARES Act which allocated funding to USDA to craft relief programs for agriculture, provided critical tax credits, and created the Paycheck Protection Program (PPP).

As Congress looks to advance future COVID-19 relief legislation, AFBF requests additional funding for the PPP as well as several technical corrections to improve the program's assistance for agricultural producers and support non-profit organizations that are working to help farmers and ranchers through this difficult period.

Agriculture Eligibility: Farmers and ranchers are eligible for the PPP if they meet the employee-based size standard. However, we are receiving reports from producers that they are being denied access to the PPP because of previously established revenue size standards under the SBA 7(a) loan program and the fact that agriculture is not specifically mentioned in the PPP Interim Final Rule. Clarifying that farms and ranches are eligible for PPP would provide certainty to all effected parties that farmers and ranchers are eligible to participate if they meet the employee-based size standards.

Principle Place of Residence: Farm Bureau seeks clarity regarding how an employer should determine an H-2A guest worker's principal place of residence, considering the CARES Act did not define this term. Farm Bureau stands ready to assist Congressional leadership in developing an appropriate definition for the principal place of residence. Additionally, AFBF seeks to learn how seasonal guest workers should be accounted for in determining the employee count for purposes of program eligibility.

Rent and Utilities: The CARES Act states that PPP funds can be used for rent and utilities. Farmers and ranchers pay rent on a variety of business-related items including equipment, land,

and other items. Is rent inclusive of rental of all business-related items or is it limited to rental costs of buildings? In addition, can producers include the utility cost of guest worker housing?

Lending Availability: Some of our members have shared that their lending institutions are having issues accessing the SBA portal, which is used to complete the loan for the customer. Farm Bureau asks that language be added to expedite the process for lenders to issue PPP loans to farmers and ranchers.

501(c)5 Eligibility: While the CARES act as written makes 501(c)(3) charitable organizations eligible for PPP benefits, it fails to make non-profit 501(c)(5) agricultural organizations like Farm Bureau eligible. We ask that 501(c) agricultural organizations be eligible for the PPP program and we request clarification that they are not disqualified because of affiliation rules. Farm Bureau organizations at the national, state and county levels provide valuable services to farm and ranch businesses and disseminate important information needed by them to manage their business, access financial aid and deal with the emotional stress surrounding the current crisis. In addition, county and state Farm Bureaus are themselves small businesses struggling to pay employees and cover expenses. Furthermore, we request clarification that 501(c)(5) agricultural organizations are not subject to disqualification because of affiliation rules.

Thank you for your consideration of these matters. We applaud your leadership and commitment and stand ready to work with you as our nation meets this unique challenge.

Sincerely,

Zippy Duvall
President

CC: Sen. Pat Roberts
Sen. Debbie Stabenow
Sen. Marco Rubio
Sen. Ben Cardin
Sen. Susan Collins
Rep. Colin Peterson
Rep. Michael Conaway
Rep. Nydia Velazquez
Rep. Steve Chabot