

Donna Boggs

From: Ag Association Management Services, Inc <chris@agamsi.com>
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To: Donna Boggs
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SPECIAL **COVID-19 UPDATE**
FROM YOUR TEAM AT AAMSI



Late last week and over the weekend, a few things have developed – mostly with respect to federal relief programs that will benefit farmers. These have been largely in the news media, but we are providing a brief synopsis below.

USDA Announces Coronavirus Food Assistance Program

U.S. Secretary of Agriculture Sonny Perdue announced Friday a new program called the Coronavirus Food Assistance Program (CFAP). This new U.S. Department of Agriculture (USDA) program will take several actions to assist farmers, ranchers, and consumers in response to the COVID-19 national emergency. According to the release, a \$19 billion immediate relief program will provide critical support to farmers and ranchers, maintain the integrity of our food supply chain and ensure every American continues to receive and have access to the food we need.

The relief will come in two forms:

1. **Direct Support to Farmers and Ranchers:** The program will provide \$16 billion in direct support based on actual losses for agricultural producers where prices and market supply chains have been impacted and will assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19. These funds will be capped at \$250,000 per company.
2. **USDA Purchase and Distribution:** USDA will partner with regional and local distributors to purchase \$3 billion in fresh produce, dairy and meat. This will begin with the procurement of an estimated \$100 million per month in fresh fruits and vegetables; \$100 million per month in a variety of dairy products and \$100 million per month in meat products. The distributors and wholesalers will then provide a pre-approved box

of fresh produce, dairy, and meat products to food banks, community and faith-based organizations and other non-profits serving Americans in need.

On top of these programs, USDA will utilize other available funding sources to purchase and distribute food to those in need.

- USDA has up to an additional **\$873.3 million available in Section 32 funding** to purchase a variety of agricultural products for distribution to food banks. The use of these funds will be determined by industry requests, USDA agricultural market analysis, and food bank needs.
- The FFCRA and CARES Act provided at least **\$850 million for food bank administrative costs and USDA food purchases**, of which a minimum of \$600 million will be designated for food purchases. The use of these funds will be determined by food bank need and product availability.

A link to the press release can be found [here](#).

More on USDA's New "Buy Fresh" Program

United Fresh Produce Association issued additional information on the USDA's 'Buy Fresh' program. USDA has said it will purchase \$100 million per month in fresh produce from regional and local distributors whose workforce has been significantly impacted by the closure of restaurants, hotels, and other food service entities. USDA also will buy similar quantities of dairy products and meat. The program is expected to continue for six months.

USDA's Agricultural Marketing Service (AMS) plans to work with vendors to provide pre-approved boxes of fresh produce, dairy, and meat products to food banks and other non-profits serving Americans in need.

USDA will issue a solicitation in the next two weeks to invite proposals from offers to supply commodity boxes to non-profit organizations, identified by the offeror, on a mutually agreeable, recurring schedule. USDA will award contracts for the purchase of the agricultural products, the assembly of commodity boxes and delivery to identified non-profit organizations that can receive, store and distribute food items.

An informational webinar for interested participants is currently being held, to provide an overview of the program and instructions for submitting offers. [Register for this webinar here](#). If you are unable to participate in the webinar, a recording will be available.

California Begins Long Road to Recovery

On the state of California front, Governor Newsom has appointed a Task Force on Business and Jobs Recovery. The list of task force members can be found [here](#). Additionally, the ***Legislative Analyst's Office has issued a Preliminary Assessment of Economic Impact of COVID-19*** for presentation to the Senate Budget and Fiscal Review Committee. As expected, this is not recommended reading for the faint of heart, but you can read the report [here](#).

A group of agricultural associations and lobbying groups has been meeting to determine the best path forward for California agricultural interests to engage in recovery efforts with the Administration.

An International Look at COVID-19 Impacts on Food Supply Chain

Our friends at Bryant-Christie have shared with us an in-depth look at the impact of COVID-19 throughout the world provided by Maximo Torero Cullen, Chief Economist and Assistant Director-General for the Economic and Social Development Department the Food and Agriculture Organization of the United Nations.

In this valuable update Morelo notes that in order to avoid food shortages, it is imperative that countries keep the food supply chains going. Unlike the 2007-2008 global food crisis, scarcity is not an issue this time. The supply of staple commodities is functioning well, and the crops need to be transported to where they are needed most. Restricting trade is not only unnecessary, it would hurt producers and consumers and even create panic in the markets.

Read the full copy [here](#).

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