



## Policy Recommendations to Assist Agricultural Producers

### **1. Agricultural labor**

#### a. *Access*

While containment of COVID-19 is a national emergency, providing food to over 300 million Americans is no less critical. The H-2A program provides over a quarter million workers to sustain the U.S. agricultural sector. H-2A workers must be available to the agricultural sector, either by designating this visa category as emergency or critical or through some other mechanism.

Additionally, border states such as Arizona are critically dependent on commuter workers who reside in Mexico but work in the U.S. We must assure that these workers remain available.

#### b. *Cash flow*

Many farms are facing do-or-die situations. Every effort should be made to provide cost flexibility to farming operations during this emergency. Some of this can be accomplished through tax relief but temporary suspension of regulatory requirements can also be helpful. At a minimum, the DOL should suspend expensive H-2A requirements (the adverse effect wage rate, the  $\frac{3}{4}$  guarantee, and potentially others) that impose costs on farmers that they cannot sustain during this emergency.

#### c. *Continuity and flexibility*

The Federal government should automatically extend the length of H-2A visas; allow H-2A users to share workers among farms; provide interim temporary legal status to current farm workers (such as dairy workers) and their families; halt all deportations of agricultural workers; and provide dairy workers special means of assuring that they have work permits. Additionally, the program should consider temporarily relaxing other requirements (such as housing) that may temporarily be affected by requirements of public health policies (such as social distancing).

### **2. Authority for USDA to function as a Federal backstop**

Many farmers will be extremely challenged to meet cash needs. The Federal government can and must play a critical role in this effort.

#### a. *Commodity Credit Corporation*

##### i. *Scope of authority*

Congress must assure that the Commodity Credit Corporation (CCC) has ample authority to devise and implement any program that is designed to meet the needs of farmers and ranchers during this emergency.

##### ii. *Funding authority*

Congress must assure that the CCC has ample budget authority to meet the financial needs of growers.

#### b. *FSA*

Similar to efforts undertaken previously when agricultural producers faced unique

challenges, FSA should have the authority to provide no- or low-interest loans to producers, particularly livestock producers, during this emergency. The deadline to enroll in Agricultural Risk Coverage, Price Loss Coverage and Dairy Margin Coverage recently closed. Given the rapid decline in market prices sign-up should be reopened for producers enrolled or seeking to enroll in these programs. In addition, USDA should explore the ability to make advanced payments on ARC or PLC before the expiration of the crop year.

c. *AMS*

The decline in restaurant and school demand for food and dairy products may well result in lower demand and as a consequence processing capacity at some food production facilities. In special circumstances the Federal government should be actively engaged and work with companies to assure that farmers continue to have markets for their products, including but not limited to Section 32 food purchase and distribution programs.

- d. We support provisions in the Senate legislation that allows the Federal government to actively engage and work with companies to assure that farmers continue to have markets for their products.
- e. *Emergency Relief.* To assist the agriculture sector in the 1980's, USDA was authorized under emergency economic provisions to provide lending assistance to producers. This authority should be renewed so that USDA has the broadest possible latitude in providing a safety net to the agriculture sector.

**3. International/border issues**

- a. The United States should work aggressively with our trading partners to assure that critical trade relations remain intact to the greatest extent possible. Specifically:
  - i. Livestock trade with Canada and Mexico must be maintained.
  - ii. Chemicals and other farm inputs from foreign nations should continue to flow so that farmers do not lose these critical components of agriculture production. This is affecting availability of fertilizer and other commodities.

**4. Critical Resources**

- a. In order to assure continued agricultural production with a minimum of disruption, agricultural retail suppliers should be regarded as essential components of the food system so that farmers can retain access to seed, fertilizer, chemical inputs and other essential components of farm production. In addition, all aspects of agricultural production (including nursery, sod and greenhouse operations and timber) should be designated as essential parts of agriculture.
- b. The understandable commitment to prioritize PPE equipment for health care workers could result in shortages for the food processing industry. We support efforts to maximize production of PPE equipment to make sure it remains available to critical processing jobs in the food sector.

**5. Rural Broadband**

The national effort to contain the virus by social distancing has underscored the critical need of rural broadband infrastructure. Funding for broadband construction in rural communities must be given a high priority.

## **6. Financial Assistance**

### a. *Credit*

Immediately provide readily accessible, unsecured credit to businesses of *all* sizes to ensure they have the cash to pay their workers, rent, and other costs during this crisis.

### b. *Cash flow*

Suspend the filing of business returns and the payment of *all* business taxes to the federal government for the duration of the pandemic

### c. *Tax certainty and relief*

Amend the Tax Code to, among other items, restore the ability of businesses to carryback any net operating losses against previous year tax payments; suspend the application of the Section 163(j) limitation on interest expense deductions for tax year 2020 to avoid penalizing businesses for borrowing during this crisis; and suspend the Section 461(l) loss limitation on pass-through businesses to allow the owners of pass-through businesses to fully deduct any losses they incur this year.

### d. Any financial aid afforded the fuel and energy sector should include assistance to companies that produce renewable fuel and renewable power.

## **7. Rural Communities**

### a. *Secure Rural Schools (SRS)*

Remove the annual 5 percent reduction in future SRS payments. Allow SRS funding to be used for broadband connectivity. With the increasing number of school closures, it is critical that these counties have the flexibility to expand connectivity within their communities.

### b. *Mandatory Funding for Payments In-Lieu of Taxes (PILT)*

Provide mandatory PILT funding for the estimated 61 percent of counties that have nontaxable federal public lands to pay for health crisis management and emergency response.

### c. *Relax routine requirements*

With the health care system under stress, some individuals may have difficulty scheduling routine medical exams to maintain waivers for CDLs. This requirement should be suspended temporarily during this emergency.

## **8. Health Care**

### a. Expand the use of telehealth, specifically:

i. Allow Medicare patients to use telehealth even with a doctor that a patient does not have a preexisting relationship.

ii. Allow rural health clinics to treat patients with telehealth.

### b. Provide additional funding for community health centers, which are critical for rural health care service.