

**S.351: An Act Relating To Providing Financial Relief Assistance To The Agricultural
Community Due To The Covid-19 Public Health Emergency**
Section by Section Summary

Sec. 1. Purpose

- The purpose of the act is to appropriate funds to farming and forest businesses for losses or expenses, or both incurred as a result of the COVID-19 public health emergency.

Secs. 2-5. CRF Bills; Template Provisions

- Secs. 2-5 set out the template or default provisions that are intended to comply with the federal CARES Act criteria or are intended to apply to all enacted CRF fund acts. The sections include:
 - Sec. 2: Statement of consistency with CARES Act criteria.
 - Sec. 3. Reference to potential changes to CRF criteria and potential uses of CRF funds and a provision that requires reversion to the CRF on Dec. 20, 2020 for all unexpended funds.
 - Sec. 4. CRF grant conditions, including repayment and enforcement authority.
 - Sec. 5. Recordkeeping and audit requirements for granting agencies and grant recipients.

Sec. 6. Dairy Assistance Program

- Appropriates \$25 million to the Agency of Agriculture, Food and Markets (AAFM) to establish a Dairy Assistance Program to provide financial assistance to milk producers and dairy processors that have suffered economic harm caused by COVID-19.
 - \$21.2 will be available for milk producers and \$3.8 for dairy processors.
 - Milk producers are farms that produce milk, including cow, goat, and sheep dairy farms.
 - Dairy processors are persons or businesses that process or produce products such as butter, cheese, cream, buttermilk, infant formula, ice cream, or yogurt.
 - Economic harm means a milk producer's or dairy processors expenses or lost revenue, or both, related to the 2020 COVID-19 public health emergency.
- In order to qualify for assistance under this section, a milk producer or dairy processor shall:
 - be currently producing milk or dairy products; or be a milk producer that was producing milk on March 1, 2020, and subsequently ceased production, but submits to AAFM a good faith plan to restart milk production or a plan to restart production of another commodity;
 - be in good standing; no final AAFM or ANR enforcement or grant violation pending; and
 - accurately demonstrate to AAFM economic harm that occurred or accrued on or after March 1, 2020 and before December 1, 2020 by providing evidence of losses or expenses caused by the COVID-19 public health emergency.

- The Secretary shall award assistance as grants to reimburse qualified milk producers and dairy processors for demonstrated economic harm up to the following maximum amounts:
 - Small farms shall receive up to \$18,300.
 - Certified small farms shall receive up to \$34,300.
 - Medium farms shall receive up to \$56,000.
 - Large farms shall receive up to \$100,000.
 - Dairy processors processing less than 500 pounds of milk per day shall receive up to \$31,000.
 - Dairy processors processing 500 to 9,999 pounds of milk per day shall receive up to \$40,000.
 - Dairy processors processing 10,000 to 49,999 pounds of milk per day shall receive up to \$50,000.
 - Dairy processors processing 50,000 pounds or more of milk per day shall receive up to \$60,000.
- Economic harm is not compensable under the Program if the harm is covered by insurance or was compensated under another State or federal grant, provided that loans or advance payments requiring repayment will not be considered compensation..

SEC. 7. Non-Dairy Agricultural Producer And Processor Assistance Program

- Appropriates \$5 million to AAFM to establish a Non-dairy Agricultural Producer and Processor Assistance Program to provide direct relief grant payments to eligible applicants that suffered economic harm due to COVID-19.
- Eligible applicants are:
 - Agricultural producers—non-dairy farmers who had a gross annual income of \$10,000 from the sale of agricultural products in one of two, or three of the five, calendar years preceding;
 - Commercial meat processors;
 - Commercial slaughterhouses; and
 - Farmers’ Markets.
- AAFM shall enter a MOU with VEDA to implement and administer the Program. VEDA is authorized to use no less than 5% and no more than 8% of funds for administrative costs, provided that the expenses are an increase over budgeted amounts and are limited to what is necessary.
- In order to qualify for assistance, an eligible applicant shall:
 - be currently operating a farm, a commercial processor, a slaughterhouse, or a farmers’ market;
 - be in good standing—no final enforcement violation or grant violation pending; and
 - accurately demonstrate to AAFM economic harm that occurred on or after March 1, 2020 and before December 1, 2020 by providing evidence of losses or expenses caused by COVID-19.
- An eligible applicant shall not receive an award under this section if in the applicant had a net business profit between March 1, 2020 and August 1, 2020. [VEDA will define how to calculate net profit in MOU]

- Economic harm is not compensable under the section if the harm is covered by insurance or was compensated under another State or federal grant, provided that loans or advance payments requiring repayment will not be considered compensation.
- The Secretary shall award grant payments to reimburse eligible applicants for demonstrated economic harm up to the following maximum amounts based on annual gross sales:
 - Applicants with annual gross sales of \$10,000.00 to \$24,999.00 shall receive up to \$2,500.00.
 - Applicants with annual gross sales of \$25,000.00 to \$49,999.00 shall receive up to \$5,000.00.
 - Applicants with annual gross sales of \$50,000.00 to \$99,999.00 shall receive up to \$10,000.00
 - Applicants with annual gross sales of \$100,00.00 or more shall receive up to \$20,000.00.

Sec. 8. EDUCATION; OUTREACH; REPORT; REVERSION

- AAFM shall conduct outreach and education regarding the availability of financial assistance to farmers and agricultural processors under the Dairy Assistance Program and the Non-dairy Agricultural Producer and Processor Assistance Program.
- AAFM shall prepare a survey that applicants for the two agricultural assistance programs shall complete. The survey will gauge farmer and processor interest and need for technical assistance, succession planning, or similar services.
- AAFM shall report to the General Assembly monthly regarding the status of the program.
- The September 1 report shall included an accounting of the funds remaining in the Non-dairy Agricultural Producer and Processor Assistance Program. If funds remain, AAFM may reallocate the Non-dairy funds the Dairy Assistance Program beginning September 15, 2020.

Sec. 9. FOREST ECONOMY STABILIZATION GRANT PROGRAM

- Appropriates \$5 million to ANR to establish a Forest Economy Stabilization Grant Program to provide grant payments to forest product businesses that suffered economic harm from COVID-19.
- “Forest products business” means a Vermont enterprise that is primarily engaged in managing, harvesting, trucking, processing, manufacturing, crafting, or distributing forest or wood products derived from Vermont forests.
 - The term includes consulting forestry services and secondary manufacturers of wood products.
- ANR shall enter a MOU with VEDA to implement and administer the Program. VEDA is authorized to use no less than 5% and no more than 8% of funds for administrative costs, provided that the expenses are an increase over budgeted amounts and are limited to what is necessary.
- A forest products business shall qualify for assistance of the business:
 - was operating in the State on or before February 1, 2020.
 - accurately demonstrate economic harm that occurred on or after March 1, 2020 and before December 1, 2020 by providing evidence of losses or expenses caused by COVID-19.

- Economic harm is not compensable under the section if the harm is covered by insurance or was compensated under another State or federal grant, provided that loans or advance payments requiring repayment will not be considered compensation.
- The amount of grants shall be based on the demonstrated economic harm, provided that maximum amount of a grant shall be \$100,000.00.
- ANR shall report to the General Assembly July 31, September 1, and January 1 regarding implementation of the Program.

Sec. 10. FARM WORKER HEALTH AND SAFETY; CORONAVIRUS; AVAILABILITY

- AAFM shall post on its website VOSHA educational material on COVID-19 best practices or preventative measures for farm workers. The material shall be posted in English and Spanish.

Sec. 11. APPROPRIATIONS; VHCB; COVID-19 CONSULTING SERVICES

- Appropriates \$192,000.00 from the CRF to VHCB to provide business, financial, and mental health assistance to farm and food businesses that suffered losses or expenses due to COVID-19.
- Services will include assistance with accessing federal and State COVID-19 relief funds, access to additional markets, diversification of income streams, access to mental health services, and other assistance farm and food businesses may require to address business interruption from COVID-19.

Sec. 12. VHCB; AUTHORITY 10 V.S.A. § 321

- Amends VHCB's authority to provide that the Board shall have the general powers of a non-profit corporation.
- The changes in this section allow VHCB to more readily access federal and other funds that are available to non-profit corporations.

Sec. 13. REPEAL OF SUNSET OF REDI PROGRAM

- Repeals the sunset on the Rural Economic Development Program.

Sec. 14. EFFECTIVE DATE

- This act takes effect on passage.