

Thank you for allowing me to testify today.

Our most important goal is to the health of all Vermonters. It's simply. Stay Home. Stay Safe. We are not wired to "not" go to work, visit family and friends or gather. Vermonters wake up every day and want to work. But our world is different these days. We have never gone through this before. We must so we can slow the spread of the virus and not overwhelm the health care system.

There is still many who are working—farmers, producers, truck drivers, check out clerks, those who stock the shelves and the workers who are producing food for Vermont and the world. We also thank all those in health care who are working non-stop in harm's way. We thank them for their commitment to their community and Vermont.

In a moment you will hear more detail about what's occurring on the landscape. It's not pretty but we all are doing our best to get information, resources and advice to the public.

Our economic development team is focused on short term and long-term issues.

Here are a few high lights on the impacts on agriculture from market closes and changes. This data is of Tuesday or March 31.

VAAF's Agriculture and Food Business Impacts Survey received 64 responses between March 19-March 30. While this data captures the state of each business at in a moment of time, we have a snapshot of the impact COVID-19 has had on agricultural businesses in our state in 11 days:

- Of those 64 businesses, 9% reported closing their business, 43% reported being partially open, and 48% reported being fully operational.
- Businesses reported the impact of COVID-19 on their employment ranging from 0-100% loss of employees. The average (mean) loss of employees per business was 22%.
- Businesses reported their estimated economic losses totaling \$8,228,500 over the 64 businesses, with a median of \$25,000 per business.

The closure of restaurants has significant impact on a reduction in the amount of local food purchased from our state's agricultural producers:

- Farm to Plate estimated \$9.7 million of annual local food purchases are by VT chefs/restaurants - which is about 3% of total local food purchases

The closure of educational institutions has also impacted local procurement levels. Colleges, particularly, since some school meals are being prepared and delivered at home to k-12 students.

Grocery stores are seeing increased consumer demand and a difficulty at times to keep up with the demand

Dairy industry

- Estimated loss to Vermont Dairy Farmers of \$182,000 per month in income due to milk price decline
- Worse between April and August expected.
- Great concern that large dairy farm attrition will occur but without ability for auctions, cattle transport, etc.
- Cheesemakers are reporting a range of market losses, which depends on the primary channels where their products are distributed.

- For those who engage in sales to restaurants, specialty stores, or for events such as weddings, loss of markets of 80% or greater are common.
- For those who only sell direct through farmers market, farm stores, or online, sales impacts are slightly less though many expect the impacts to grow.
- Grocery store sales losses depend heavily on the kind of cheese – cheeses that are cut and wrapped in store have taken the hardest hit as stores reduce staffing or shift staff priorities.
- Some cheesemakers have reported actual losses in the tens of thousands while others have lost upwards of \$100,000 in two weeks' time.
- Projections for the next 6-8 weeks indicate catastrophic losses for many, upwards of \$500,000 for some and for others a complete collapse of their business without incoming funds
- Actual numbers and more complete projections will happen in the next two weeks as stores and distributors who have depleted any remaining backstock will potentially re-order and consumers become accustomed to buying online.

Produce industry is still moving forward with planting and anticipation of summer markets

- Worries about H2A labor workers available
- Many producers are creating online ordering systems and connecting with the growing customer interest

Diversified operations with online ordering and delivery options have seen a huge surge and overwhelming interest from additional customers

- Some farm stands are seeing their top consecutive sales days since COVID-19
Greenhouses and nurseries, are concerned about sales
- Many are offering online ordering and home delivery to avoid person-to-person contact

Specialty food businesses are communicating that sales remain strong.
From the farm to the fork, these are sobering issues.

Where is the help?

How Does the CARES ACT Impact my Agriculture/Food Business?

Although some agriculture producers do not qualify for Small Business Administration (SBA) Disaster Loans, the latest stimulus package provides much needed relief for food- and agriculture-related producers and businesses, as well as an increase in SNAP funding to handle an expected increase in participants.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act earmarks financial resources necessary to aid farmers and ensuring families continue to have access to affordable and healthy food. The CARES Act allocates money for specialty crop producers and livestock producers (including dairy) who supply local food systems, schools, institutions, restaurants and farmers markets. It also replenishes USDA's Commodity Credit Corporation (CCC) which is the funding mechanism for numerous agricultural programs such as commodity and dairy programs, disaster support programs, conservation programs and income support programs. This additional money will also help USDA develop new support programs as the impacts of COVID-19 continue to unfold.

Specifically,

- \$14 billion to replenish the CCC- which is a funding mechanism for agricultural commodity and farm programs, conservation programs, dairy programs and others to support, stabilize and protect farm income and prices, as well as maintain a balanced and adequate supply of agricultural commodities and aid in their orderly distribution.
- \$9.5 billion directly to the Office of the Secretary to help farmers affected by COVID-19. This funding is specifically allocated for specialty crops & livestock (including dairy) producers who supply local food systems (farmers markets, restaurants, institutions, schools).
- Marketing Assistance Loans through FSA have been temporarily extended from 9 months to 12 months.
- The US Department of Labor has received \$360 million to provide training and supportive services for migrant farmworkers, dislocated works, seniors and homeless veterans.
- \$45 million for the Agricultural Marketing Service to prevent, prepare for and respond to COVID-19.
- \$15.5 billion for the Supplemental Nutrition Assistance Program to cover an expected increase in demand as a result of the pandemic.
- \$8.8 billion for child nutrition programs.
- \$450 million for the Emergency Food Assistance Program which funds food distribution to food banks.
- \$100 million for additional rural broadband grants through USDA's ReConnect program.
- \$33 million to the Food Safety and Inspection Service to cover the cost of temporary and intermittent workers, relocation of inspectors and overtime costs.
- \$25 million for the Rural Utilities Service to support telemedicine and distance learning services in rural areas.

For more information on how Small Businesses can navigate COVID-19 economic relief, including Small Paycheck Protection Program Loans, Small Business Debt Relief, Small Business Counseling, Contracting, and Tax please visit the Agency of Commerce & Community Development's FAQ [website](#).

Finally, just some internal news from the Agency. Our employees are working remotely. They quickly adapted and have shown incredible leadership. We only a few at the main office—mainly handling business duties.

We have changed some of our field operations. We are trying to limit face to face contact with our constituents. Our inspectors are using best practices and unless it's essential we are pausing routine inspections. Our federal partners have approved this course of action in some cases.

Again---every decision we have made is focused on protecting the health and safety of the public and our employees. They have risen to the challenge---and we will around the clock to ensure there is a brighter future for Vermonters.

Thank you.

