

Economic Relief Available for the Food and Agriculture Community due to COVID-19

The Vermont Agency of Agriculture, Food and Markets continues to work with Vermont's Federal Delegation to ensure information about economic relief is available to Vermont's Food and Agriculture community. Find answers to frequently asked questions below. For more information, review the [Small Business Owner's Guide to the CARES Act](#).

Pandemic Unemployment Assistance (PUA) Program

Q: What is the Pandemic Unemployment Assistance Program?

A: Self-employed producers and farmers are now eligible to receive unemployment insurance for the duration of the pandemic through the Pandemic Unemployment Assistance Program. A producer does not have to have closed their farm or demonstrate lost employment. PUA benefits are calculated based on a claimant's reported prior earnings. If you do not have reported prior earnings, the state or national average is used, whichever is higher. This can be received in addition to weekly unemployment compensation.

Please find more info [here](#).

Federal Stimulus Information

Q: When will the next round of federal stimulus replenish Small Business Administration (SBA) Economic Impact Disaster Loans (EIDL) and Paycheck Protection Program (PPP) Loans?

A: The United States Senate has unanimously passed an 'interim' spending package before the next major stimulus bill, including roughly \$484 billion in funding that includes an additional \$310 billion of funding for the PPP - \$60 billion of which is specifically set aside for small lenders. CARES Act funding went very quickly and so will this interim measure. The new funding measure also includes an additional \$60 billion for the EIDL Program. This package still needs to be approved by the US House of Representatives and signed into law by President Trump. This should happen by Monday April 27th, 2020.

Q: When do you expect SBA to re-open applications?

A: As early as Monday April 27th, 2020.

- Apply for the Emergency Impact Disaster Loan (EIDL) and Emergency Economic Injury Grant (EEIG) directly on the SBA website.
- Apply for the Paycheck Protection Program through an SBA-approved lender.

Q: Are Food and Agriculture Producers eligible for the PPP and EIDLs?

A: Yes. Although the CARES Act only allowed a few distinct arenas of Food and Agriculture to be eligible for the SBA EIDL program, the latest spending package clarifies that food and agriculture producers **ARE ELIGIBLE**. Food and Agriculture Producers have been and continue to be eligible for PPP loans.

Q: Can I apply for both the PPP loan and an EIDL?

A: Yes, you can apply for both programs as long as the funds are used for different purposes. You also may refinance your EIDL into a PPP loan.

In preparation for replenished funding, prepare your paperwork and/or contact your lender!





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Paycheck Protection Protection

Q: What does the SBA's Paycheck Protection Program cover?

A: The Paycheck Protection Program (PPP) provides *forgivable* loans to help businesses pay workers, interest on mortgages, and utilities.

Q: Am I eligible and when can I apply?

A: Small businesses and sole proprietorships that existed on or before April 3, 2020 and independent contractors and self-employed individuals that existed on or April 10, 2020 are eligible to apply. You must complete a PPP loan application and submit it to an approved lender by June 30, 2020*. You can use lenders who participate in the SBA's 7(a) program. Check with your preferred lender, including banks and credit unions, to see if they are participating, or find an approved [SBA lender](#).

[Apply Now](#)

**Due to the competitive nature of this program, businesses and individuals are encouraged to have their loan application completed and ready to submit as quickly as possible.*

Q: How much can I apply for?

A: Up to \$10 million to cover 8 weeks of average payroll. The amount you will receive is based on a formula that takes into account your average total monthly payroll costs. Independent contractor or sole proprietor loan applicants can use wage, commissions, income, or net earnings from self-employment or similar compensation to calculate loan amounts.

Q: What is the interest rate and when will I need to make my first payment?

A: The interest rate is 1% and the first payment is deferred for six months.

Q: Can I receive loan forgiveness?

You are eligible for loan forgiveness, equal to the amount you spend during the first eight weeks after a loan is originated, on expenses such as payroll, rent, mortgage interest payments, and utilities. However, only 25% of the forgiveness can be for costs other than payroll. The amount of loan forgiveness drops if you cut employees or reduce employees' wages by more than 25%. If you reverse those job cuts or wage reductions by June 30, then the loan forgiveness won't be reduced.

Q: What if I missed out on Round 1 of PPP?

A: You will need to prepare your application immediately for round two, as it is anticipated these funds will be obligated quickly. Many lenders have applications in the queue ready to submit once the program opens. If someone has not started the process with a lender, it's important they get it going right away.

Q: What can I do now?

A: Contact your lender to begin your application and ensure that you are in the queue for when the applications are released.

Economic Impact Disaster Loan (EIDL) Program

Q: How much can I apply for through an EIDL?

A: Up to \$2 million. The SBA will determine the amount based on how much economic harm you have suffered.

Q: How is EIDL different from PPP loans?

A: These loans are not meant to replace your lost revenues or sales. They are working capital loans to help you meet ongoing financial obligations that you could have met had a disaster not struck. These loans are often used in the aftermath of disasters like floods and hurricanes.

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Q: If a producer is able to apply for and receive an EIDL, will it have any negative repercussion on eligibility for funds that may be forth-coming through USDA?

A: This should not be the case. SBA and USDA programs should operate independently of one another. More clarity on how USDA will be dispersing CARES Act funds should be available in the coming weeks with payments expected to begin at the end of May 2020.

Emergency Economic Injury Grant

Q: If I need help now, can I receive immediate funds?

A: Yes, you can receive up to \$10,000 in the form of an advance when you apply for an EIDL, known as an Emergency Economic Injury Grant (EEIG). The grant does not need to be repaid even if a business is subsequently denied an EIDL. You can apply for an EEIG through a streamlined application to access those emergency funds on an expedited timeline, then go through another application process to provide more info for the full EIDL (up to \$2 million). Please review the [guidance put out by the US Senate's Committee on Small Business and Entrepreneurship](#) on PPP and EIDL/EEIGs for additional information.

Q: What can the EEIG be used for?

A: The grant can be used to provide paid sick leave to employees, maintain payroll, meet increased production costs due to supply chain disruptions, or pay business obligations.

Q: Can I apply for an EIDL if I have already been approved through the PPP?

A: Yes, you can do both. For any upfront EEIG advance you get from EIDL, the amount of forgiveness allowed under PPP will be reduced by the same amount of EEIG fund received. For example, if a producer receives a \$5k grant from EEIG and is expecting \$20k in PPP forgiveness, that producer would only see \$15k forgiven from PPP.

Q: What can I do now?

A: While the EIDL application is not currently open, you can [review the details from the previous application](#). Be ready to sign up for the EIDL by looking through this document and confirming that you have all of the correct tax ID numbers, insurance information, business owner personal information, and more. Having these documents and numbers on hand should make the application process go more smoothly and quickly.

Resources

1. <https://agriculture.vermont.gov/covid-19-information>
2. https://www.sbc.senate.gov/public/_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf
3. https://labor.vermont.gov/PUA_Eligibility
4. <https://www.sba.gov/disaster-assistance/coronavirus-covid-19#/>
5. <https://www.sba.gov/paycheckprotection/find>
6. https://www.sba.gov/sites/default/files/resource_files/how_to_disaster_app_March_2020.pdf
7. <https://www.sba.gov/paycheckprotection/find>
8. https://www.sbc.senate.gov/public/_cache/files/9/7/97ac840c-28b7-4e49-b872-d30a995d8dae/F2CF1DD78E6D6C8C8C3BF58C6D1DDB2B.small-business-owner-s-guide-to-the-cares-act-final-.pdf

