



March 31, 2021

Bruce Summers, Administrator
Agriculture Marketing Service, USDA
Room 3071, STOP 0201
1400 Independence Ave. SW
Washington, D.C. 20250

RE: Comments on the AMS COVID Stimulus Grants; submitted online via <https://www.ams.usda.gov/event/how-comment-ams-covid-stimulus> and by electronic mail to AMSCOVIDStimulus@usda.gov

Introduction

Family Farm Action Alliance welcomes the opportunity to provide comments on the USDA-AMS COVID Stimulus response grant development, coordination, and implementation, authorized by the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act of 2021 as noted in the March 19, 2021 listening session. We appreciate your efforts to seek input from stakeholders across the food supply chain.

Family Farm Action Alliance is a national research, policy development, market innovator, and advocacy organization working to build a sustainable, inclusive economy in which everyone has the right to share in the prosperity they help build while respecting our land, natural resources, and neighbors around the world. We focus our efforts on: 1) anti-monopoly reform, 2) regenerative agriculture, 3) resilient local and regional food systems, and 4) market innovation. The USDA-AMS opportunity for grant input sits squarely within the interest of our members and supporters, comprised of farmers, small business owners, and rural and urban constituencies.

We applaud the agency's previous work on providing COVID relief grants, and for continuing to seek input from stakeholders across the food supply chain.

Requested Action

We recommend the COVID relief grants be awarded in amounts ranging from \$5,000 - \$150,000, with an opportunity to apply for a second round award once all eligible applicants are awarded in the first round. Eligible entities would include small farms, small food processors (meat, dairy, eggs, and other food products), food hubs, farmers markets, small grocers and retailers, and other business entities playing a critical role in the local and regional food supply

chains. Grants should be used to cover any COVID-19 related expense to an eligible entity retroactively from March 2020 - present. Alternative business and entity arrangements should not be limited in applying, such as cooperatives or fractured allotments.

In the following section, we directly address the questions asked by USDA-AMS included in the comment submission webpage.

What is the definition of a small and mid-sized in your sector? (food processing, distribution, seafood processing, farmers markets, producers)

According to food processing (meat, eggs, and other food products), a very small plant employs less than 10 employees, small plants employ 10-99 employees, and mid-sized plants employ 100-499 employees.

In farming, depending on the sector, USDA-ERS Farm Typology considers a family farm as small if it has a Gross Cash Farm Income (GCFI) of \$350,000 or less, and defined as a medium-sized family farm with a GCFI of \$350,000 - \$1,000,000. While USDA considers this farming threshold when farm laborers are related to the primary operator, we encourage the expansion of this definition to any non-corporate owned or controlled farm, whose farm operators and employees work together, but are not necessarily related.

In the development of this grant, we recommend at least 10% of funds be set aside for applicants in persistent poverty counties as outlined in the Clyburn 10/20/30 formula,¹ a 20% set aside for grants to very small and small processing plants, small farms, and other small business entities. We recommend an additional 10% set aside for BIPOC and women-owned and operated food chain businesses. Further, entities with less than 50 employees *and* who primarily serve their local or regional foodshed should be prioritized to receive funding.

How would a business in your sector confirm their status as small or mid-sized? (number of employees, sales dollar figures, etc.) and what kinds of documents might show that status?

We recommend using the previously mentioned employee numbers and gross income amounts to confirm entity status as small or mid-sized. We recommend an initial self-certification be sufficient to apply for the grant certification, with later verification by USDA if deemed necessary. USDA should offer clear guidance and technical assistance in multiple languages to business entities to certify their operations and size if they are selected to provide further verification.

¹ Congressman James. E Clyburn. "10/20/30 Formula to Fight Persistent Poverty." Available at <https://clyburn.house.gov/10-20-30-amendment>

Documents that would be acceptable would include:

- Bank statements
- Business licenses and permits
- Certificate of formation or incorporation
- EIN confirmation letter from the IRS

Verification of local and regional service providing could include:

- Sales invoices
- Marketing materials
- List of vendors and their contact information

The legislation directs USDA to use these funds to help businesses organizations respond to coronavirus, including for measures to protect workers against COVID-19. What categories of expenses or investments have been or are now necessary in your business sector to respond to coronavirus?

The COVID-19 pandemic has impacted businesses and entities represented in Family Farm Action Alliance's membership in many ways depending on their sector. We encourage grants be available to cover a wide range of expenses including:

- Personal Protective Equipment
- COVID and temperature testing equipment and services
- Food safety certifications
- Expansion or renovation of processing facilities and lines
- Staff time for COVID-19 related scheduling, shifting, and protocol implementation
- Increased transportation
- Signage
- Packaging and labeling materials and equipment
- Increased storage equipment (dry and cold)
- Food safety upgrades
- E-commerce upgrades (computers, website management, staff time, wifi, etc)
- Food delivery costs (transportation, fuel, staff time)
- Food stand staffing cost
- Purchase or rent of temporary expansions (packing sheds, kitchens, livestock pens, retail space)
- Lost revenue from community or public events
- Market development and innovation (product delivery, curbside delivery, increasing or expanding vendor locations)

- Any other expense for protecting employees from COVID-19, including worker housing, childcare, or transportation

What are the impediments to people applying for these grants? What kinds of assistance or resources will they need to be able to do apply?

Many stakeholders find federally administered grants difficult to access and navigate. To ensure all eligible stakeholders can apply, especially those who were underserved by previous CARES funding, the grant program should be administered by regional entities, hubs, and farm organizations - similar to the administering of USDA's Farm and Ranch Assistance Network grants. USDA should offer an online portal that is simple to navigate with as few individual application materials as possible, and offer technical assistance in multiple languages.

Again, USDA should make clear that applicants are not limited by formation under an alternative business structure, and that initial eligibility will be self-certified. AMS ought to set a guidance process for those that seek clarification for applying with alternative business structures, and proper follow-up verification. We recommend appropriated funds in Section 1006 of the American Rescue Plan Act of 2021 be used to implement our requested technical support and outreach.

We appreciate your consideration of these recommendations, and look forward to working with you through the development and implementation of the AMS COVID stimulus grants.

Sincerely,

A handwritten signature in cursive script that reads "Joe Maxwell". The signature is written in dark ink on a white background.

Joe Maxwell
President & CEO
Family Farm Action Alliance