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USDA to Implement COVID-19 Food Assistance Program

On Friday, April 17, 2020, the U.S. Department of Agriculture (USDA or the Department) [announced](#) the creation of the Coronavirus Food Assistance Program (CFAP). In implementing CFAP, USDA will undertake a number of actions to assist farmers, ranchers, and consumers in response to the COVID-19 national emergency.

Through CFAP, the Department will deploy \$19 billion to provide critical support to qualifying farmers and ranchers to maintain the integrity of the United States' food supply chain.

In describing the need for CFAP, USDA Secretary George Ervin "Sonny" Perdue III stated, "The American food supply chain had to adapt, and it remains safe, secure, and strong, and we all know that starts with America's farmers and ranchers. This program will not only provide immediate relief for our farmers and ranchers, but it will also allow for the purchase and distribution of our agricultural abundance to help our fellow Americans in need."

CFAP relies on funding and authorities provided for in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Families First Coronavirus Response Act (FFCRA), and other USDA existing authorities. The program includes two major elements to achieve its goals.

1. **Direct Support to Farmers and Ranchers:** The program will provide \$16 billion in direct support based on actual losses for agricultural producers where prices and market supply chains have been impacted and will assist producers with additional adjustment and marketing costs resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19.
2. **USDA Purchase and Distribution:** USDA will partner with regional and local distributors, whose workforces have been significantly impacted by the closures of many restaurants, hotels, and other food service entities, to purchase \$3 billion in fresh produce, dairy, and meat. The program will start with the procurement of an estimated \$100 million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products, and \$100 million per month in meat products. The distributors and wholesalers will then provide a pre-approved box of fresh produce, dairy, and meat products to food banks, community and faith-based organizations, and other non-profits serving Americans in need.

Beyond these targeted programs, USDA will utilize other available funding sources to purchase and distribute food to those in need.

- USDA has up to an additional \$873.3 million available in Section 32 funding to purchase a variety of agricultural products for distribution to food banks. The use of these funds will be determined by industry requests, USDA agricultural market analysis, and food bank needs.

- The FFCRA and CARES Act provide at least \$850 million for food bank administrative costs and USDA food purchases, of which a minimum of \$600 million will be designated for food purchases. The use of these funds will be determined by food bank need and product availability.

Further details regarding eligibility, rates, and other implementation specifics are forthcoming from USDA. We are continuing to monitor developments in these and other areas, and will issue updates, as appropriate.

In the interim, we would encourage you to visit the Firm's [COVID-19 Resource Page](#), which contains, among other things, links to our latest COVID-19-related client alerts.

For questions regarding CFAP or any other food, beverage and agriculture related issues, please contact the authors or the attorney at the Firm with whom you are regularly in contact.

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