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Supplemental Appropriations for Agriculture and Related Agencies Due to COVID-19

In March and April 2020, Congress passed and the President signed four supplemental appropriations acts in response to the COVID-19 pandemic (P.L. 116-123, P.L. 116-127, P.L. 116-136, and P.L. 116-139; **Table 1**). This In Focus summarizes over \$36 billion of appropriations and policy changes in the jurisdiction of the Agriculture appropriations subcommittees. These supplemental appropriations acts are referred to here by order of passage. For comparison, the regular annual Agriculture appropriations are discussed in CRS Report R45974, *Agriculture and Related Agencies: FY2020 Appropriations*.

Food and Drug Administration (FDA)

For FDA to respond to the public health emergency of the COVID-19 pandemic, the first, third, and fourth supplemental appropriations acts provide a total of \$163 million. The funds are to develop medical countermeasures and tests (e.g., drugs, vaccines), and monitoring of medical product supply chains. See CRS Report R46285, *Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. 116-123): First Coronavirus Supplemental*; and CRS Report R44576, *The Food and Drug Administration (FDA) Budget: Fact Sheet*.

Nutrition Assistance

Access to food has been a concern, particularly in light of school closures. Rising unemployment may also increase participation in the Supplemental Nutrition Assistance Program (SNAP) and other food assistance programs.

The second and third supplemental appropriations acts provide a total of \$26 billion for nutrition assistance and give the U.S. Department of Agriculture (USDA) certain flexibilities to increase program access and accommodate social distancing. The Congressional Budget Office (CBO) estimated that SNAP policies in the second law will increase mandatory spending by more than \$21 billion over FY2020-FY2021, some of which the third act provides. See CRS Insight IN11250, *USDA Domestic Food Assistance Programs' Response to COVID-19: P.L. 116-127, P.L. 116-136, and Related Efforts*.

Agricultural Producers

On April 17, 2020, USDA announced a \$19 billion Coronavirus Food Assistance Program (CFAP), composed of \$16 billion of direct payments to farmers and \$3 billion of commodity purchases. See CRS Report R46347, *COVID-19, U.S. Agriculture, and USDA's Coronavirus Food Assistance Program (CFAP)*.

The CFAP has three funding sources. The \$16 billion of direct payments is derived from \$9.5 billion in the CARES Act (the third supplemental) and \$6.5 billion from the

Commodity Credit Corporation (CCC) using the Secretary's general discretion to support agriculture. As of the date of this report, USDA has not announced how it will distribute the direct payments regarding commodities, payment rates, payment limits, and other terms.

The \$3 billion commodity purchase program uses indefinite authority in the Families First Coronavirus Relief Act (the second supplemental) to make purchases for emergency distribution. On April 21, USDA announced plans to implement a Farmers to Families Food Box Program by purchasing about \$100 million per month of fresh produce, \$100 million per month of dairy products, and \$100 million per month of meat products (chicken and pork). Products purchased from farmers and processors are to be assembled into household-ready boxes for expedited distribution.

On May 4, 2020, USDA announced \$470 million of additional purchases with Section 32 authority. USDA intends to buy \$170 million of produce, \$120 million of dairy products, \$80 million of poultry, \$70 million of fish, and \$30 million of pork for distribution through food banks. See CRS Report RL34081, *Farm and Food Support Under USDA's Section 32 Program*.

The third supplemental appropriation also replenishes by July up to \$14 billion of funding availability for the CCC, which operates with a \$30 billion line of credit with the U.S. Treasury. The \$14 billion is not new spending, and will reimburse CCC for past spending. This reimbursement could increase opportunities for USDA to use its executive authority to provide future support. See CRS Insight IN10941, *Commodity Credit Corporation: Q&A*.

Disaster Designation

For producers, the majority of USDA's existing disaster response programs cover natural disasters (physical and production). The losses from the pandemic are economic and do not trigger agricultural disaster assistance programs such as emergency loans, despite the President's declaration of a public health emergency under the Stafford Act (CRS Insight IN11251, *The Stafford Act Emergency Declaration for COVID-19*). However, USDA has announced some loan flexibilities, including payment deferrals and moratoriums on foreclosures.

Rural Development

The third supplemental appropriation provides \$146 million for USDA rural development programs, including \$100 million for broadband grants, \$25 million for rural telemedicine and distance learning, and \$20.5 million to support rural business loans. See CRS In Focus IF11262, *The ReConnect Broadband Pilot Program*.

USDA Agency Operations

The third supplemental provides \$141 million to six USDA agencies or offices, including the Animal and Plant Health Inspection Service (APHIS), Agricultural Marketing Service (AMS), Food Safety and Inspection Service (FSIS), Foreign Agricultural Service (FAS), Farm Service Agency (FSA), and Office of the Inspector General (OIG). These funds, except for OIG, were part of the Administration's request on March 17, 2020, for the third supplemental. Most of the USDA request was to replace a combined \$100 million of user fee revenues that are expected to decline for APHIS due to reduced air passenger traffic and for AMS because of reduced grading, inspections and audit services.

The \$36 million combined amount for FSIS and FSA is to support temporary employees and adjustments to respond to COVID-19 workload demands. FAS received \$4 million to repatriate staff and provide temporary housing.

Agricultural Businesses

In addition to the support for agricultural producers mentioned above, other provisions outside the jurisdiction of agriculture appropriations may provide loans and grants to agriculture-related businesses. See CRS Insight IN11357, *COVID-19-Related Loan Assistance for Agricultural Enterprises*, and CRS Report R46284, *COVID-19 Relief Assistance to Small Businesses: Issues and Policy Options*.

Table 1. Summary of Supplemental Appropriations for Agriculture and Related Agencies Due to COVID-19
Jurisdiction of the House and Senate Agriculture Appropriations Subcommittees (dollars in millions)

Department/Agency/Program ^a	P.L. 116-123 3/6/2020	P.L. 116-127 3/18/2020	P.L. 116-136 3/27/2020	P.L. 116-139 4/24/2020
Department of Health and Human Services				
Food and Drug Administration	61		80	22
Department of Agriculture				
Food and Nutrition Service				
Supplemental Nutrition Assistance Program (SNAP)		— ^b		
SNAP reserve			15,510	
Northern Mariana Is., Puerto Rico, Am. Samoa		100	200	
Food Distribution on Indian Reservations			100	
Child Nutrition Programs			8,800	
The Emergency Food Assistance Program		400	450	
Special Supplemental Nutrition Program for Women, Infants, and Children		500		
Office of the Secretary (purchases and producer support)		— ^c	9,500	
Commodity Credit Corporation (CCC)			[14,000] ^d	
Rural Development				
Rural e-Connectivity Pilot Program (ReConnect)			100	
Distance Learning and Telemedicine Program			25	
Business & Industry Loans			20.5	
Animal and Plant Health Inspection Service			55	
Agricultural Marketing Service			45	
Food Safety and Inspection Service			33	
Foreign Agricultural Service			4	
Farm Service Agency			3	
Office of Inspector General			0.75	
Total in the Jurisdiction of Agriculture Appropriations	61	1,000	34,926	22

Source: Compiled by CRS, using identified public laws and CBO score of H.R. 6201, Families First Coronavirus Response Act.

- All funding in this table is designated as emergency and does not count against budget caps. This table excludes other support that agriculture or rural entities may receive from other portions of these supplemental appropriations acts.
- CBO estimates that certain SNAP policy changes would increase mandatory spending by \$21.24 billion in FY2020-FY2021.
- Includes authority for USDA to purchase commodities for emergency distribution; used for the \$3 billion food purchase portion of CFAP.
- The \$14 billion for CCC is not new spending and is not part of the \$34.9 billion subtotal of the act. It is a reimbursement for prior obligations and increases the availability of funding (i.e., access to borrowing authority) for USDA to make future obligations.

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