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DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY  
OFFICE OF THE COMMISSIONER  
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COMMISSIONER

**TO:** Joint Standing Committee on Agriculture, Conservation & Forestry  
**FROM:** Amanda Beal, Commissioner, Maine Department of Agriculture, Conservation & Forestry (DACF)  
**DATE:** June 11, 2020

**RE:** Briefing on DACF's efforts to serve the agricultural community in response to the pandemic

### Federal Response Overview

#### Agriculture Federal USDA Funding Overview

1. The Coronavirus Food Assistance Program, or CFAP, uses funding and authorities provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Families First Coronavirus Response Act, and other USDA existing authorities. This \$19 billion relief program includes \$16 billion in direct support to agricultural producers as well as \$3 billion for the [Farmers to Families Food Box Program](#).

For direct support, eligible farm and ranch shareholders can receive one CFAP payment, drawn from two possible funding sources, which are intended to provide financial assistance to producers of agricultural commodities who have suffered a five-percent-or-greater price decline or who had losses due to market supply chain disruptions due to COVID-19. The first source of funding is \$9.5 billion in appropriated funding provided in the CARES Act and compensates farmers for losses due to price declines that occurred between mid-January 2020, and mid-April 2020 and for specialty crops for product that was shipped and spoiled or unpaid product. The second funding source uses the Commodity Credit Corporation Charter Act to compensate producers for \$6.5 billion in losses due to ongoing trade disruptions.

As of 6/8/20, the summary of direct payments to Maine farmers for Q1 losses through these programs, totaling \$3,238,702.89, is as follows:

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State	Non-specialty		Specialty		Livestock		Dairy	
	Payments	Applications	Payments	Applications	Payments	Applications	Payments	Applications
MAINE	\$124,351.12	39	\$12,491.22	3	\$249,708.80	72	\$2,852,151.75	69

\* Non-specialty crops eligible for CFAP payments include malting barley, canola, corn, upland cotton, millet, oats, soybeans, sorghum, sunflowers, durum wheat, and hard red spring wheat. (Crops intended for grazing are not eligible.)

\* USDA specialty crops are fruits and tree nuts, vegetables, culinary herbs and spices, medicinal plants, as well as nursery, floriculture, and horticulture crops.

By our assessment, much of the Maine agriculture community will not benefit from this funding, because most Maine farmers did not have crops in the ground, or product in storage to sell, between January and April of 2020, and won't be eligible for the direct payment relief program.

Additionally, the USDA announced the distributors to be awarded contracts for the Farmers to Families Food Box Program in May. Unfortunately, no Maine-based distributors were selected for this program. Additionally, most of the distributors that serve Maine who were awarded contracts will not be supplying food boxes due to either capacity or quality and food safety concerns.

This means that most Maine producers and those who are food insecure won't benefit from the \$3 billion allocated for the Food Box Program as it stands now.

- I wrote to the USDA and Agriculture Marketing Services (AMS) Administrator, urging them to reopen the bidding process to allow for more Maine distributors to participate, given the many logistical challenges of operating a new program and the short turnaround for the original bidding process. That letter can be found [here](#) (also see 5(c) in this section).
- Additionally, all four of Maine's Congressional members sent a follow-up letter in support of my letter to the USDA, which can be found [here](#).

## 2. Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) Program

- Although these are helpful and useful programs for businesses and industry sectors aligned with our Department, nationally, only 1.2% of PPP funding went to agriculture, forestry and fishing sectors (combined) during the first approval process, and it has been difficult to identify specific Maine data regarding allocations to these sectors.
- In the first batch of funding in early April, there was lingering confusion around whether farmers could apply for EIDL loans. In late April, Congress approved a new round of small-business funding that made it clear that farmers are allowed to apply. In early May, the Small Business Association began accepting new EIDL applications only for agricultural businesses for a limited time. As with PPP, it is unclear whether Maine farmers have had success with accessing these funds.
- Additionally, a survey conducted from April 21-May 7 by the Beginning Farmer Resource Network of Maine (BFRN) indicated that 70% of the respondents (79) had

not received any financial support from any program; 24 had applied for the PPP program, and only 14 had received funding.

3. CARES Act State Block Grant Funding – The State has received \$1.25 billion in CARES Act State Block Grant funding. Like every state, Maine is attempting to inventory and quantify the impact of COVID-19 on our citizens, state government, health systems, education systems, local governments, businesses, infrastructures, and our economy. Understanding that the need in Maine across all sectors is far greater than our initial allocation, the Governor is pressing the Trump Administration and Congress to provide more direct support as well as added flexibility for the funding that has already been received. As that effort is underway, the Department has been working to collect data and feedback from the sectors DACF serves, which has resulted in more than \$100 million in requests. Approximately \$80 million of those requests are agriculture-related. They include funds for:
  - Income loss by farmers
  - Increased costs to farmers due to COVID-19
  - Opportunities to enhance existing programs that purchase from Maine farmers (DACF’s Senior Farm Share Program, Mainers Feeding Mainers, etc.)
  - State processing infrastructure grants and/or loans
  - Online markets and e-commerce support for farmers and food producers
4. State Agriculture Block Grant Funding – Our Department, with the support of Governor Mills, has been urging Congress for Agriculture-specific block grant funding to help ensure that more funding be equitably distributed across the country, so states like Maine can meet the needs of its own farms, which are currently greatly underserved by USDA-led relief efforts. This was originally an idea that was being championed by the New England Commissioners, myself included, and gained widespread support from State Departments of Agriculture across the country.
  - We’ve been working closely with the National Association of State Directors of Agriculture (NASDA) and the Maine Congressional Delegation on this effort. Senator Collins and Senator King are lead sponsors of the [Farming Support for States Act](#), and Congresswoman Pingree is co/sponsor in the house.
  - I signed a letter to Secretary Perdue, along with the other New England Commissioners, in support of this State Agriculture funding (see 5(d) in this section).
5. Other federally related advocacy efforts that the Governor and our Department have worked on include:
  - a. [Governor Mills Urges USDA to Develop Strategy to Support Hunger Relief Organizations & Feed Maine People](#)

- Sent on April 13<sup>th</sup>, this letter urges the USDA to take a strong leadership role in ensuring that people are getting the healthy and nutritious foods that they deserve, and that the gaps in the food supply chain are adequately addressed.
- This letter was followed up with a call from the Secretary's office, Governor Mill's office and Commissioner Beal in April.

b. [Commissioner Beal Calls on USDA to Allow State-Inspected Meat to Cross State Lines during COVID-19 Pandemic](#)

- This will help to ensure that there are additional market and processing opportunities for producers in Maine.
- U.S. Senators Angus King (I-Maine) and Mike Rounds (R-S.D.) introduced [the New Markets for State-Inspected Meat and Poultry Act](#). The bipartisan bill would allow meat and poultry products inspected by state Meat and Poultry Inspection (MPI) programs to be sold across state lines.

c. [Letter to Secretary Perdue by Commissioner Beal and other New England Agriculture Commissioners asking for immediate dairy relief](#)

- This letter, sent on April 8, advocates for numerous actions by the USDA to support dairy farmers, such as setting a floor for the Statistical Uniform Price in Federal Order Number 1 at \$19.50 /cwt. for the months of April, May, June and July, as well as a floor for organic dairy pricing, and also for dairy commodity prices (butter, nonfat dry milk, cheddar blocks and barrels, dry whey) to ensure a sufficient return to dairy coops/processors who are taking additional financial burden when spending increasing amount of money (wages, prevention, transportation) on getting product to consumers.

d. [Letter to Secretary Perdue, along with the other New England Commissioners, in support of State Agriculture block grant funding](#)

- This letter advocates for the USDA to establish a block grant opportunity for states or regions (i.e. Northeast) to allocate funds to qualifying producers/agricultural businesses, at the discretion of state agricultural leadership with acute knowledge of market channels and sectors in greatest need of immediate direct support.
- It also makes several other recommendations, including expanding FSA loan availability to producers but with 0% interest rates, and to increase funding for the Specialty Crop Block Grant Program and modify eligibility criteria to increase state's ability to grant directly to specialty crop producers.

e. [Letter to AMS Administrator Summers from Commissioner Beal](#)

- Sent on May 21<sup>st</sup>, this letter urges the USDA to reopen the Farmers to Families Food Box bidding process, and to create further flexibility on the design and production of the box to allow for more local producers and distributors to participate.
- Maine's Congressional delegation sent a [follow-up letter](#) in support of Commissioner Beal's effort.

**Bureau of Agriculture, Food and Rural Resources (BAFRR) COVID-19 Focus and Response**

The DACF's agriculture-specific response to COVID-19 has coalesced around a number of particular focus areas. As described below, Bureau of Agriculture, Food and Rural Resources staff moved quickly to be a resource for technical information and guidance to provide consumers and producers needed information on how to operate and interact as a result of the pandemic safely. They also coordinated and communicated regularly with a wide range of stakeholders to understand arising needs, various responses, and to share information and ideas. Further, they prioritized efforts to respond to producer concerns around PPE, worker testing, labor shortages, meat processing bottlenecks, and marketing support. Work continues as they assess potential grant or loan program applicability to help producers adjust to the new COVID-19 landscape.

1. **DACF [COVID-19 webpage](#) created and updated regularly:** To keep our agricultural producers, businesses, and service providers as up-to-date as possible on health and safety issues with the ongoing COVID-19 situation, DACF created, and continues to maintain, the most recent information and guidance from the Maine Centers for Disease Control and our federal and state partners.

This dynamic webpage also contains resources related to relief programs and funding, sector-specific information, and numerous technical guidance documents and resources for agricultural businesses created by BAFRR and others, including:

- [Agriculture and Food Interim Guidance \(PDF\)](#)
- [Horticulture Interim Guidance \(PDF\)](#)
- [Agriculture/Animal Care Interim Guidance \(PDF\)](#)
- [Maine Veterinarian Guidance Letter \(PDF\)](#)
- [Pesticide Applicators and Pesticide Dealers/Distributors Interim Guidance \(PDF\)](#)
- [Physical Distancing at Agricultural Essential Services \(PDF\)](#)
- [DACF Statement on Farmers' Markets \(PDF\)](#)
- [Maine Federation of Farmers' Markets COVID-19 resources](#)

- [DACF & UMCE Pick Your Own Guidance \(PDF\)](#)
- [8.5 x 11 Distancing Signage for Farm-ready Sales \(PDF\)](#)
- [Agricultural Workers and Employers: Interim Guidance from CDC and the U.S. Department of Labor](#)
- [DACF Interim Guidance for Cleaning and Disinfection of Food Manufacturing Facilities and/or Retail Food Stores for COVID-19 \(PDF\)](#)

**2. Ongoing Media/Communications:** During the past few months, numerous press releases have been sent out, resulting in significant interest from the press that has led to a variety of newspaper and other media articles in Maine, and well beyond, reporting on our work. We have also dispatched a robust number of GovDelivery communications, announcing real-time updates to our COVID-19 webpage and other activities of the Department, and working collaboratively to sharing other relevant information, and to amplify the efforts of our partners, such as the University of Maine Cooperative Extension, MOFGA, Maine Farm Bureau, Maine Farmland Trust, and CEI. We have seen a strong following on our numerous social media platforms. Our Director of Communications, Jim Britt, has assembled an 11-page summary highlighting a selection of this media and other communications (attached to this briefing as an addendum).

In addition, a sample of other outreach activities we have been engaged in are as follows:

- The Bureaus of Agriculture and Forestry collaboratively released a [survey for agriculture and forest sector businesses](#) impacted by COVID-19, which continues to be live and receive responses. To date, we have received approximately 150 completed surveys, which have been informative as we have built our COVID-19 response and has also allowed staff to follow up directly with respondents with any pertinent information or resources that might be helpful to them.
- We have been holding a weekly (now biweekly) call with agriculture service provider organizations to share information, discuss current issues, and explore ways that we can collaborate. Areas of focus have been how to support local and statewide efforts around access to food, distribution, and processing in both the near- and long-term. Staff from all four Maine Congressional offices have attended regularly, along with ACF Committee Co-chairs, Senator Dill, and Representative Hickman.
- We continue to participate in bi-weekly COVID-19 calls hosted by NASDA, sharing updates with other State Departments of Agriculture about COVID-19 related issues and responses.
- Commissioner Beal, Director McBrady, and Director Horton participated in a University of Maine Cooperative Extension Zoom call for farmers on Friday, May 29. Commissioner Beal spoke to the ongoing efforts of the Department to respond to the challenges of COVID-19, including federal advocacy for financial assistance and the creation of guidance for safe on-farm practices. Director McBrady spoke about prioritizing efforts around PPE, labor, worker testing, and

marketing assistance. All participants were asked to provide feedback on how the Department can best serve their needs on the call, and as an open invitation.

- Commissioner Beal, Directors McBrady, and Horton participated in a call regarding food security in Maine with several members of the agricultural community, organized by Rep. Craig Hickman, and included Rep. Pluecker.
- Commissioner Beal, Directors McBrady, and Horton also met with Senators Dill, Timberlake and Black, to discuss migrant labor concerns and other issues related to COVID-19 and agriculture.
- Commissioner Beal, Directors McBrady, and Horton are in regular communication with farmers and agricultural sector representatives to monitor any changes in conditions in their areas of specialty.

### 3. Other BAFRR priority activities are as follows:

- **PPE** – Agriculture workers and employers are very concerned about the lack of PPE and the impacts on worker safety, the safe application of farm inputs, and safe interactions with the general public. In response, the Bureau of Agriculture is working with the Department of Corrections to disseminate a total of 4,000 cloth face coverings for free to farms/agricultural workers (over 1700 have been given out to date), provided at no cost. Further, DACF secured an additional 1,500 free cloth face masks through MEMA, specifically for USDA and state meat processing facilities.
- **COVID-19 Testing capacity** – With the announcement this week that non-symptomatic universal COVID-19 testing will be available for certain populations, including migrant and seasonal workers, Director McBrady continues to coordinate with Maine Mobile Health Program to understand the process on the ground and how best to communicate testing options to the grower and worker community. Maine-specific worker guidance with clear information about the testing process is being finalized.
- **Custom Meat Exception** – DACF recently announced a 90-day program allowing three custom meat processors to become inspected under the Maine Meat and Poultry Inspection Program. The inspected facilities will be in Aroostook, Washington, and Penobscot Counties (Aroostook and Washington counties have no inspected livestock slaughterhouses at present). This temporary rule enables the meat to be sold at retail, helping to ease local bottlenecks for some livestock producers who are facing long lead times to process their products.

In related news, Commissioner Beal sent a letter to the USDA (see 5(b) in section above), urging the Secretary to create a short-term waiver to allow for state-

inspected meat to be sold or donated across state lines. These efforts will help to further relieve some of the processing bottlenecks at a time when there is interest from consumers for Maine raised meat, and can help to ensure that we have market and processing opportunities for Maine farmers despite the pandemic.

- **FarmingForME Labor campaign** – DACF and the Department of Labor have collaborated on a farm labor recruiting campaign, titled FarmingForME. We have also partnered with the blueberry, dairy, and aquaculture industries to create buzz around the added pressure of the 2020 harvest season and labor needs due to COVID-19. Although instigated by labor concerns due to COVID-19, the core messaging is about the need for farm labor in general, and may be a campaign we continue in future years. Staff shared this with over 100 community partners throughout Maine to spread the word and resource as far as possible. **Resources, including the partner guide and shareable graphics, are [here](#).**
  
- **Agricultural Marketing Support**
  - **Technical Support:** BAFRR staff recognized that many producers need technical assistance to capture direct-to-consumer sales online. They put together the [On-Ramp to Online Sales](#), a comprehensive overview of available resources to guide producers interested in obtaining or instituting e-commerce platforms, as well as coordinated a list of advisors who could advise producers on how to move online.
  
  - **Virtual Marketing Support:** BAFRR’s important agricultural marketing and promotional support continue, although the emphasis is now on virtual events and marketplaces for agritourism and fairs. Staff have held three workshops about agritourism to prepare participating producers to market across the state and country, staying connected with consumers, and building e-commerce opportunities. Staff is also working on providing more resources and tools online. The team recognizes the negative impact that the cancellation of many fairs and other agricultural events will have on vendors. They are working with the Association of Agricultural Fairs and others to see how we may be able to assist with marketing/promotion for those vendors, such as through virtual marketplaces.
  
  - **Real Maine:** BAFRR staff are working hard on the launch of Real Maine, our updated agricultural marketing program. Real Maine promotes Maine-grown and produced foods and the farmers and processors who make them. It will broaden awareness of Maine agriculture and stimulate demand for Maine products in-state, regionally, and beyond. A newly built Real Maine website will go live this summer, providing a powerful platform for consumers to find Maine agricultural products and services



throughout the year. Real Maine will have a new itinerary builder that will also be a way to promote virtual sales. The advertising campaign for Real Maine will reach in-state and out-of-state consumers and will be deployed via social media, online, press, and radio platforms.

- **State Agricultural Grants and Loan Programs:** BAFRR oversees a number of grant and loan programs that provide critical support for farmers and organizations. We have thought critically about the potential ways in which these programs may – or may not – be best utilized to assist producers during the pandemic.
  - **Agricultural Marketing Loan Fund:** This program funds commercial agricultural enterprises and businesses engaged in the producing, processing, storing, packaging or marketing of products derived from an agricultural enterprise, with the design, construction or improvement of commodity and storage buildings and packing and marketing facilities, and the construction, renovation or acquisition of other property.
    - This *could* be a very helpful program to producers; however, by statute and rule, there is a 5% interest rate, and some may argue, outdated caps on amounts of funds available (having not kept up with inflation). Simply put, this loan program is no longer attractive to farmers as originally intended.
    - No loans were awarded in FY 19-20, and the three fiscal years prior only awarded ~\$250k each year.
    - It is a priority of DACF to work with the Legislature to overhaul this loan program next session to modernize it and make it a more useful and attractive tool for producers.
  - **Agricultural Direct Technical Assistance Grants (AGTAG):** AGTAG grants support the adoption of new and innovative technology to support agricultural production and marketing.
    - These grants are capped at \$7,500 but may better be able to assist producers at this time.
    - We are looking into how such funds might be deployed for maximum benefit in FY 2021.
  - **Agricultural Development Grants (ADG):** This program funds projects that accelerate new market development, the adoption of improved technology, and the promotion of agricultural products produced in Maine.
    - DACF recently awarded 11 recipients a total of \$472,736.96 in grant funding for its Agricultural Development Grants.
    - The following businesses and organizations submitted winning proposals: Aroostook Hops, LLC; Atlantic Sea Farms; Blue Barn LLC dba Bluet; Daybreak Growers Alliance; Maine Cap ‘N Stem

LLC; Maine Rice Project; New Roots Cooperative Farm; Somali Bantu Association of Maine (Liberation Farms); Springtide Organics LLC, the University of Maine; and the Wild Blueberry Commission of Maine.

- See full list of recipients [here](#).
  - Note that these recent awards will exhaust FY 2020 funds available for both ADG and AGTAG grants. With FY 2021 soon to be here, we are considering whether to issue another round of ADG grants or to instead offer AGTAG.
- **Specialty Crop Block Grants:** This USDA funded and DACF implemented program funds market research, market promotion, and new technology projects specifically to benefit specialty crop producers. Because this is a highly specialized, USDA-directed program, it is not one that DACF anticipates can be utilized for COVID-19 type response work.