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U.S. Representatives Xochitl Torres Small (D-NM-02) and Dusty Johnson (R-SD)*

Farming Support to States Act

Purpose: To ensure farmers and rural businesses have tools to survive the COVID-19 pandemic.

The bill provides states access to immediate, flexible funding to respond to urgent and emerging issues in the agriculture economy and food supply chain, in order to:

- Increase reliability of food access;
- Stabilize food supply chains and the rural economy;
- Get in front of severe potential food supply disruptions;
- Prevent and reduce catastrophic losses of livestock, milk, produce; and
- Stabilize the rural economy and the future of our rural communities by reducing the impact of ag market shocks, panicked herd and farm liquidation.

Topline: COVID-19 has caused cascading impacts across the food system and agricultural economy. We are in a crucial moment with limited, but valuable time to act in order to avert the worst shocks to our food supply and rural communities.

What's at stake: The impact of these shocks could range from very challenging to catastrophic. While action at the farm level will be crucial, we need to stabilize the agriculture economy to minimize the loss of billions of dollars of economic activity. As agricultural prices plummet, farmers and processors are making abrupt decisions to cull herds and idle plants. Losses on this scale have the potential to rapidly shrink the economic production of agriculture and the rural economy, even further than the trade wars already have. Direct assistance to farmers this year covers only a small portion of the losses at stake. We must address economic instability to keep our agricultural economy solvent and able to rebound.

The fastest, most efficient way to address these emerging threats is to expand the capacity of states to work in partnership with industry to respond to rapidly shifting regional and sector-specific issues. Direct assistance to farmers will have a much more valuable impact if we succeed in averting the most severe economy-scale losses through coordinated, targeted, action and intervention.

Funds would be allocated to states for COVID-19 response: The bill provides \$1 billion for Food and Agriculture Aid to States. USDA will allocate funds to all states and territories, with substantial funding targeted to states based on their contributions to regional and national food systems. Funds designated for a state could be requested by a Governor, State Department of Agriculture, or a range of other entities, with priority going to state entities and coalitions of stakeholders jointly applying.

Crucially, these funds will help to absorb increased costs of necessary COVID-19 response actions that public, non-profit, and private entities face. They would also help states stand up responses to triage and manage the additional logistical costs of getting food to consumers and keeping the agricultural economy moving as much as possible. These actions are essential to keep supply chains running.