



## The American Rescue Plan: Farms, Food, and Families

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### Introduction

This publication, which accompanies a webinar on “The American Rescue Plan: Farms, Food, and Families”, provides an overview of the American Rescue Plan and its implications for farms, food, and families.

The webinar and handout are part of the Virginia Sustainable Farms and Agribusiness Education Initiative offered by Virginia Tech’s Department of Agricultural and Applied Economics and Virginia Cooperative Extension. More information about the program is available at <https://aaec.vt.edu/extension/va-sustainable-farms-agribusinesses.html>. The webinar is available at: [https://video.vt.edu/media/1\\_sb3hzeq1](https://video.vt.edu/media/1_sb3hzeq1).

### An overview of the American Rescue Plan

The American Rescue Plan is a \$1.9 trillion dollar bill passed on March 11, 2021 during the COVID-19 pandemic. \$1 trillion or approximately half of the stimulus was direct economic relief. Another \$360 billion was directed to state, local, territorial, and Tribal governments. \$160 billion was allocated to support COVID-19 testing, treatment, and vaccines and \$130 billion was allocated to schools. The remaining funds—approximately \$250 billion—were allocated to miscellaneous outlays.

### Farm-Related Outlays

\$3.6 billion was allocated to purchasing and distributing food and agricultural commodities, making grants, and offering loans. \$300 million was made available for surveilling and monitoring animals for COVID-19 with an additional \$100 million allocated to offsetting overtime inspection

for small meat, poultry, and egg products establishments. Finally, \$800 million was allocated to Commodity Credit Corporation Funds. On March 24, 2021, the USDA announced that \$6 billion from previous stimulus bills would be allocated to assist dairy farmers, specialty crop operations, beginning farmers, and various other agricultural operations. This same announcement included the addition of \$500 million in new funding for existing programs such as the Specialty Crop Block Grant Program, the Farmers Opportunity Training and Outreach program, and more.

Additional funding was allocated to the Coronavirus Food Assistance Program including an increase in payment rates for cattle and additional assistance for producers of Coronavirus Food Assistance Program 2 (CFAP 2) flat-rate or price-trigger crops. The USDA also began processing applications for pullets and turfgrass sod.

The American Rescue Plan committed to paying socially disadvantaged farmers 120% of their outstanding indebtedness on farm loans made or guaranteed by the USDA. \$1.01 billion in assistance was made available for socially disadvantaged farmers, ranchers, forest land-owners and operators, and groups. These funds were made available for outreach, training, and technical assistance; grants and loans; agricultural research, education, and extension at minority-serving institutions; and assistance to former farm loan borrowers that suffered related adverse actions or past discrimination or bias in USDA programs.

## Indirect but Relevant Outlays

The American Rescue Plan made \$15 billion available to business located in low-income communities, with a maximum of 300 employees, that suffered an economic loss of more than 30% over an eight-week period (relative to an eight-week period pre-pandemic).

Grants were made also available for the restaurant industry. These funds total \$28.6 billion. The grants are for “pandemic-related revenue loss” up to \$10 million per business and \$5 million per location. Priority for these grants is for small businesses owned and controlled by women, veterans, and/or socially or economically disadvantaged groups. These grants may be used to cover payroll, mortgages, rent, utilities, maintenance, supplies, food and beverage expenses, covered supplier costs, operational expenses, sick leave, and more.

Money was also provided for state and local governments for assisting households, small business, non-profits and industries such as hospitals and tourism. Many users were authorized for these funds including premium pay for essential employees.

## Assistance Programs for Families

The American Rescue Plan extended the Pandemic Unemployment Assistance Program, extends the Federal Pandemic Unemployment Compensation, and created federal tax exemptions for 2020 unemployment benefits.

The Rescue Plan also provided grants to companies and states for housing assistance. \$4.5 billion was allocated for Low-Income Home Energy Assistance and \$5 billion was made available for emergency housing vouchers. \$9.96 billion was provided for the Homeowner Assistance Fund and \$39 million was put toward rural home-owners assistance for home-owners supported by the USDA’s section 502 and 504 direct loan programs. While these programs do not give families money directly, they are available to reduce the bills of families in need.

Tax provisions were also included in the American Rescue Plan. The Earned Income Tax Credit was increased by nearly \$1,000 for adults without children. Adults with children ages 6–17 became eligible for \$3,000 per child in Child Tax Credits. Adults with children ages 6 and under became eligible for Child Tax Credits of \$3,600 per child. Additional credits were made available for childcare expenses—50% of up to \$8,000 for families and individuals with one dependent and up to \$16,000 for families and individuals with two or more dependents.

Finally, \$122.7 billion was allocated to state and local education agencies with at least 22% designated to address learning losses caused by the pandemic. \$2.75 billion was designated for governors to distribute to non-public schools that enroll significant percentages of low-income students. \$36 billion was allocated to public and private non-profit colleges and universities through the Higher Education Emergency Relief fund.

## Funds for Food Assistance

A 15% increase in Supplemental Nutrition Assistance Program (SNAP) benefits was extended from June 30 to September 30 and \$490 million was allocated to the USDA to increase the value of the Women, Infants, and Children (WIC) cash-value vouchers. Additional funds were made available to reimburse shelters under the National School Lunch Program for meals provided to people under 25 years old.

Finally, the American Rescue Plan extends the Pandemic EBT program which provides food to families during school closures. This is similar to SNAP and ensures that students who would normally receive free or reduced-price lunch at school continue to receive food assistance when schools are closed. The legislation was written so that this program will go into effect whenever schools are disrupted by public health emergencies.

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