

# COVID-19 UPDATE



## **U.S. Small Business Administration Economic Injury Disaster Loan Information**

These are unprecedented times and SBA is stretching its Economic Injury Disaster Loan (EIDL) approval criteria to help as many businesses as we can in response to the unprecedented disruption created by COVID-19. Here are some updates:

- EIDL's are typically being approved based on the working capital needed to keep the business operational for 6 months. The first installment on the loan won't be due for 12 months.
- Don't disqualify yourself based on your self-assessment of the program criteria. SBA has begun waiving a lot of the standard EIDL rules like "credit elsewhere" and real estate collateral.
- When applying only two forms are necessary at the initial stage – Form 5 (or Form 5C if the business is a sole proprietorship) and "EIDL Supporting Information ((P-019)". If more information or forms are needed, SBA will let you know. These forms are available here:  
<https://disasterloan.sba.gov/ela/Home/OfflineApply>.
- Currently the best way to apply is to download the application forms, fill them out, scan them, and then electronically upload them (to the drop box here: <https://disasterloan.sba.gov/apply-for-disaster-loan/index.html>). The uploading function is reportedly more reliable now.
- Applicants will soon begin receiving an email confirmation that their application was received. If anyone wants to check in on their application status, they can call 1-800-659-2955 or email [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov).

Finally, we have heard there are some people trying to scam others in SBA's name. There is no immediate deadline for an EIDL application, and it does not cost anything to apply, get the papers together, no credit card is needed, etc. If you get inquiries about this, please help us stop the rumors.

Bottom line: SBA wants every business to apply for an EIDL loan that needs a working capital infusion to stay operational. Remember, there's no cost to apply and if a loan is offered, there's no obligation or penalty for not accepting it. So if a business needs this loan, please apply.

# Stimulus Bill Signed by President Trump

Friday, President Trump signed the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act or what is commonly being called COVID III. This follows the Senate passage of the CARES Act on Wednesday by a vote of 97-0. The CARES Act is the third piece of legislation that Congress has passed since the beginning of March to address COVID-19 outbreak. Several key areas to highlight that will be critical to the fresh produce industry include the following:

- \$9.5 Billion Targeted Emergency COVID-19 Fund – \$9.5 billion under emergency declaration to support agriculture industries impacted by COVID-19, including fruit and vegetable producers, livestock producers, and producers focused on local food systems.
- Paycheck Protection Program – \$350 billion for new SBA 7(a) Loan Program for businesses with no more than 500 employees. Loans can be used for the following: payroll and benefits; mortgage interest payments (excluding principal and excluding pre-payments); rent; utilities; and interest payment on other debts.
- Middle Market Loan Program – \$454 billion will be available to “businesses not otherwise receiving adequate economic relief in loans and guarantees.” Most importantly, it requires the Treasury Secretary to provide financing to banks and other lenders to make direct loans to businesses with 500 to 10,000 employees at interest rates of not more than 2% and no interest or principal payments due within at least 6 months of loan origination.
- Charitable Deductions – The CARES Act Increases the limitations on deductions for charitable contributions for corporations and individuals who itemize. In particular, it increases the limitation on deductions for contributions of food inventory from 15% to 25%; for corporations, the 10% limitation is increased to 25% of taxable income; and for individuals, the 50% of AGI limitation is suspended for 2020.

Here is a [link to the complete summary](#) of the bill courtesy of the United Fresh Produce Association. We will be providing additional information as it becomes available.

## Additional H-2 Flexibility Announced by State Department

Following industry recommendations, the State Department announced last night they are taking additional steps to increase processing of H-2 visa holders through consulates around the world. In particular, they are waiving the interview requirement for first-time and returning H-2 applicants who have no potential ineligibility. In addition, the State Department is expanding the period in which returning workers may qualify for an interview waiver from 12 months to 48 months. Guidance on this and other H-2 questions can be found on [USDA H-2A webpage](#) along with a [FAQ document provided by the Department of State](#).

## Department of Homeland Security Travel Restriction for Mexico Exempts Farm Workers

U.S. and Mexican officials have mutually determined that non-essential travel between the United States and Mexico poses additional risk of transmission and spread of COVID-19. Beginning at midnight March 20, land ports of entry along the U.S.-Mexican border suspended normal operations and process for entry will be allowed only to those travelers engaged in “essential travel.” In its [announcement](#), DHS clearly defines “essential” as individuals traveling to work in the United States – including individuals working in the farming or agriculture industry who must travel between the United States and Mexico in furtherance of such work.

# EEOC Issues Updated Guidance for Pandemic Preparedness in the Workplace

While most food and ag businesses have been granted status as “essential services,” it is critically important that employers follow proper guidance to prevent spread of COVID-19 among employees. Please use the following [link for updated information](#) from the U.S. Equal Employment Opportunity Commission to assist employers and employees in following guidance from the Centers for Disease Control and Prevention (CDC) as well as state/local public health authorities on how best to slow the spread of this disease and protect workers, customers, clients, and the general public. We encourage all members to read and follow these important guidelines.

*\*Article courtesy of AG AMSI, Inc.*

## CDFA Food Safety Inspection Services to Continue

The California Department of Food and Agriculture (CDFA) has notified the public it will continue to serve Californians during the COVID-19 pandemic by maintaining its food inspection work to ensure a safe, healthy and abundant food supply. The continued work of CDFA inspection personnel is vital to providing consumers, as well as national and international markets, ongoing assurance that California’s food and agricultural commodities continue to be held to the highest standards of safety and quality during the COVID-19 public health emergency.

*\*Article courtesy of AG AMSI, Inc.*

## Shipping and Transportation Issues

The American Steed Trade Association is another of the many national trade groups working to issue information to members across the country. Today ASTA emailed an important resource that industry members may find helpful as you work to communicate precautions that need to be taken to protect your workforce. Below are links to these documents which you may want to print, post and/or email throughout your operations. A big thanks to ASTA and AAMSI for providing these resources.

### Beat COVID-19 on the worksite

#### FOR WORKERS:

- Stay home if you're sick.
  - Don't shake hands.
  - Avoid large meetings and gatherings.
  - Stay six feet away from others on the job site, meetings, and trainings.
  - Cover your mouth and nose with a tissue or your elbow if you cough or sneeze.
  - Don't touch your eyes, nose or mouth with unwashed hands.
- Avoid contact with sick people.
  - Wash your hands often with soap and water for at least 20 seconds or use alcohol-based sanitizer.
  - It is especially important to clean your hands after using the restroom, before eating, and after coughing, sneezing, or blowing your nose.



*Guidelines by NABTU*

### Beat COVID-19 on the worksite

#### FOR EMPLOYERS:

- Create at least six feet of space between workers by staging and staggering crews.
- Provide soap and running water on all jobsites for frequent handwashing. If that is not possible, provide hand sanitizer.
- Frequently clean and disinfect high-touch surfaces including handrails, door knobs, and portable toilets.
- Plan for office staff to have the ability to work from home.
- If possible, expand onsite medical clinics, screen workers and pre-stage disinfected equipment prior to check-in.



*Guidelines by NABTU*

# Shipping and Transportation Issues

Please see below for important information concerning trucking and transportation issues. Much of this information pertains to agricultural and consumer products in addition to produce, so we wanted to pass it on to all industry members. We thank the Produce Marketing Association and AAMSI for sharing the information below:

**Truck Weight and Hours:** As of this morning, 28 states have temporarily increased weight limits on trucks. [American Trucking Association COVID-19 Update Hub](#) has a summary of weight waivers by state. In case you are looking to maximize truck capacity with the temporary increase in weight limits, click the following link for a copy of the [Blue Book Temperature and Ethylene Compatibility Guideline](#) and also see the following [link to the UC Davis Compatibility Chart](#). Additionally, the Federal Motor Carrier Safety Administration have waived hours of work restrictions for essential service drivers, including all food loads [FMCSA's](#).

**Travel Certificates:** In the United States, the government has determined that food and agricultural workers, along with food and agricultural supplies, are part of Critical Infrastructure Industries. To help you and your employees prove that they are vital and are allowed to travel within the United States, despite other travel bans, PMA has provided you [this certificate](#) that your employees can carry with them as they travel on food/ag business. We also offer [this certificate](#) about transporting food/ag supplies.

**Outside Drivers:** Receivers and shippers are encouraged to separate outside drivers to minimize the risk of spreading COVID-19. Companies choosing to implement this will need to make provisions for outside drivers to facilitate access to refreshments and bathroom facilities. If they are not able to count the load on/off their truck, the terms need to be reflected on the bill of lading.

**Border Crossings and Rates:** Please verify that your carrier will be willing to cross borders when contracting the freight. We have heard of instances of carriers refusing to cross a border due to their insurance companies' refusal to cover the drivers if they contract COVID-19. As of last Friday, freight rates were up between 5-20% due to tightening equipment and driver supply. Some freight companies are asking for significant increases but are not getting much business. Unloading times at receivers have also increased due to prioritization and increased volume.

**FMCSA Annual Safety Blitz:** The Federal Motor Carrier Safety Administration (FMCSA) performs an annual 2-day safety inspection in June. They have announced that they will be not only be moving forward this year but are planning on moving it to early May. There is great concern that this will severely decrease the number of trucks available and skyrocket rates. Last June, the highest rates all year were during the June safety inspection blitz. PMA is working with the appropriate authorities in DC to have this blitz inspection suspended; however, for the time being, please plan accordingly.

\*Article courtesy of AG AMSI, Inc.