

U.S. Sen. Baldwin: Introduces bipartisan legislation to improve Paycheck Protection Program for ag producers

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WASHINGTON, D.C. — U.S. Senators Tammy Baldwin (D-WI) and John Thune (R-SD) today introduced legislation that would revise the way producers calculate their Paycheck Protection Program (PPP) loan award. PPP was created by Congress in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* to help small businesses retain their employees and cover other qualifying business expenses, and it provides forgivable loans to small businesses under 500 employees, totaling 2.5 times their average monthly payroll. Independent contractors, sole proprietors, and the self-employed are eligible for a loan through this program.

“I’ve heard from family farmers who are fighting every day to make it through this crisis,” **said Senator Baldwin.** “They are falling through the cracks in the Paycheck Protection Program, and that’s not right. Now more than ever, we must get federal support to the Wisconsin family farmers who need it. I’m working with Senator Thune to quickly take action and make sure farmers have better access to the PPP, because doing right by our farmers and their communities isn’t a partisan fight—it’s just common sense.”

“South Dakota’s agricultural producers are the heartbeat of our state’s economy, and they are feeling the negative economic effects of COVID-19,” **said Senator Thune.** “We need to ensure that our agriculture community can weather this pandemic. By making this fix to PPP, more of our country’s producers will be able to keep their farms and ranches operational, make ends meet, and continue to feed the world.”

“It’s important that the rules for critical programs like the Paycheck Protection Program reflect that farms are often structured differently from businesses in other sectors. I would like to thank Senators Baldwin and Thune for working to ensure that PPP rules can work for dairy farms like the one I run with my family in Wisconsin as well as the thousands of other farms across the country,” **said Nic Schoenberger, a Wisconsin dairy farmer.**

On April 24, 2020, the Small Business Administration (SBA) and U.S. Department of the Treasury issued guidance for how producers filing a Schedule F must calculate their PPP loan award. It requires anyone without employees filing a Schedule F to use the following calculation:

- Use the net income amount from 2019, up to \$100,000.
- Divide the net income by 12 and multiply by 2.5.
- Add the outstanding amount of any Economic Injury Disaster Loan (EIDL) made between January 31, 2020, and April 3, 2020, that the borrower seeks to refinance, minus the EIDL advance, which is a grant.

Under this guidance, producers filing a Schedule F and showing a negative net income are ineligible to obtain a PPP loan award. To help ensure that more producers can obtain a PPP loan, this legislation would allow producers filing a Schedule F to use their 2019 gross income (up to \$100,000) when calculating their PPP loan rather than net income since many producers showed a net loss on their 2019 Schedule F due to the wet planting season and low commodity prices.

An online version of this release is available [here](#).