

SBA: Delivering Support to North Dakota Producers

By Dan Nordberg and Alan Haut

The devastating impact of Coronavirus (COVID-19) has tested the will of millions of agricultural businesses and farms throughout rural communities all over our nation, but help is on the way. Congress recently passed an extension of the Paycheck Protection Program (PPP) which includes over \$310 billion in new funding to help small businesses and agricultural related industries support their payroll costs.

This program is one of the largest economic recovery efforts in our nation's history and was built in just seven short days, a true testament to the American spirit and demonstration of what is possible when we come together to serve a higher cause. By leveraging the power of private lenders, the PPP provides businesses with the capital and certainty they need to retain their employees and continue serving our communities.

Of note to rural America, agricultural related industries such as production of food and fiber, ranching and raising of livestock, aquaculture, and all other independently owned farming and agriculture-related entities are eligible to participate in the program as long as they have 500 or fewer employees whose principal place of residence is the United States.

Agriculture-related industries are also now eligible to participate in the Small Business Administration's (SBA) Economic Injury Disaster loan (EIDL) program, which includes EIDL Advances. SBA's EIDL program offers assistance for small businesses and can provide vital economic support to help overcome the temporary loss of revenue they are experiencing. These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the adverse impact of COVID-19.

The interest rate on these loans is 3.75%, the first payment is deferred for 12 months, and the term for repayment is up to 30 years. Applicants can request an Advance on that loan based on \$1,000 per pre-disaster employee (i.e., as of January 31, 2020) up to a maximum of \$10,000 in addition to their EIDL assistance, and the Advance does not have to be repaid.

In addition to program efforts, the SBA has over 690 men and women who work in 68 field offices all across the nation serving as the agency's "boots on the ground" and the primary contact for delivering SBA's programs directly to rural communities, businesses, and stakeholders. SBA staff also work hand in hand with our resource partners at the local level, including Small Business Development Centers, SCORE counselors, Women's Business Centers, and Veterans Business Outreach Centers to serve the needs of rural small businesses.

In response to the impact that COVID-19 has had on our country's rural communities, SBA's District Offices have been working tirelessly to serve rural small businesses and agricultural

industries. District staff are collaborating closely with rural Chambers of Commerce, local governments, and elected officials to provide information on SBA programs via virtual townhalls, webinars, and Facebook chats. The SBA has also worked to bring in additional lenders to provide PPP loans including credit unions, farm credit lenders, USDA Lenders, community banks, and others that serve rural businesses.

The PPP and EIDL programs are assisting rural businesses, farmers, ranchers, ag co-ops, nonprofits and the faith-based groups that serve those areas. While there's certainly more work to be done, the SBA will continue to fight for America's rural communities until this battle is won. For additional resources on the programs mentioned, visit [sba.gov/nd](https://www.sba.gov/nd).