

**PPP Funds Available for Agricultural Producers, Farmers and Ranchers**

The U.S. Small Business Administration and the U.S. Department of the Treasury have clarified the eligibility rules for the Paycheck Protection Program (PPP) and determined that agricultural producers, farmers and ranchers are eligible for PPP loans. They must meet the same SBA size standard requirements for all small business applying for PPP:

1. They must have 500 employees or less. If they do, they qualify.
2. If they have more than 500 employees, then they must fit within the revenue-based size standard for this industry sector - which is average annual receipts of $1 million or less.
3. If they do not qualify under 1 OR 2 above, they can qualify under the SBA’s Alternative Size Standard if the maximum net worth of the business is not more than $15 million, AND their average net income after Federal income taxes (excluding any carry-over losses) of the business for the two full fiscal years before the date of the application is not more than $5 million.

More information on PPP, including what to take to your lender when applying, can be found at <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>. PPP loans are processed through SBA participating lenders. Potential applicants are encouraged to start with a lender that you have an established relationship with (though it is not required).

Farmers (which includes producers and ranchers) can review this document to determine how to calculate their eligible loan amount: <https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf>

Self-employed farmers (i.e., those who report their net farm profit on IRS Form 1040 Schedule 1 and Schedule F) should use IRS Form 1040 Schedule F, and Schedule F, line 34 net farm profit to determine their loan amount. The 2019 IRS Form 1040 Schedule 1 and Schedule F must be included with the loan application. *NOTE:* *If the amount on line 34 of a Schedule F is zero or negative, the applicant is not eligible for PPP.*

Small agricultural cooperatives and other cooperatives are eligible to apply for PPP loans as well.

In addition to PPP, SBA is also offering Debt Relief to existing borrowers. Any ag-related business that has a current SBA 7(a) or SBA 504 loan is eligible to have SBA pay up to six months’ worth of loan payments. In addition to existing borrowers, SBA will make six months of payments on any new SBA loans made between March 27th and September 27, 2020. For more information go to <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/sba-debt-relief>. The SBA is also deferring all existing SBA disaster loan payments through the end of 2020.