

Should your market apply for coronavirus relief funds?

Updated 4/30/2020

Two important programs of the Small Business Administration received an increase of funds through the recent CARES Act. This funding may be available to farmers markets. A second round of funding was approved in late April.

The following information is adapted from the Farmers Market Coalition, with additions from KCARD and from the webinar “Rapid Response Briefing: Helping Food and Farm Businesses Navigate CARES Act Financial Assistance Programs” (*webinar additions in italics*)

For market operators thinking about applying for support from the Small Business Administration, we highly recommend that you apply ASAP. Reports [suggest that SBA backed banks are overwhelmed by applications](#) and you may need to apply now to have a chance to receive funds. **more funding for these programs is expected to be approved. Your application can help to demonstrate the need for further funding.**

Advice from KCARD: Take time to figure up your business and personal expenses for the coming week, month, and three months. This will allow you to understand your funding needs and act quickly when it comes time to apply for current and future relief-focused grants/loans

Even though market operators were not explicitly listed in the recent government relief packages, **markets structured as for-profit and 501c3s are eligible for SBA programs** and we strongly encourage all markets that have reduced and uncertain revenue to consider applying to the Small Business programs available through the CARES Act. **the SBA lacks clarity about whether 501c6 structured markets are eligible. They said to apply anyway. Cooperatives are also eligible.**

Much of this funding has the potential to be completely forgiven if used appropriately. We've pulled together a brief overview below, but recommend that you work out any questions or concerns with your financial institution when you apply.

FMC is currently working on a more detailed breakdown of these programs, but since time is of the essence, we wanted to share this information to get you started:

Two Key SBA Programs:

[Paycheck Protection Program](#) (PPP): to be used to cover payroll costs and maintain employees; also usable for some utility and rent costs. This loan is fully forgivable if used on allowable expenses. Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees. **is only applicable for markets with employees (full or part time) who receive a W-2, is NOT applicable if your market only uses contract labor (with a 1099), is not applicable for H2A payroll expenses* Market managers who operate as independent contractors are considered self-employed and may file for themselves as self-employed.*

[Economic Injury Disaster Loan Program](#) (EIDL) **not traditionally available to farms, but may be available to markets** covers a broader array of costs, including rent and

mortgage payments, salaries, workers' paid leave, and operational needs. **These are low interest loans that may be forgivable if funds are used for approved costs.* Waived need for real estate collateral for loans under \$500K *Simple application, no need to upload docs, no personal financial statements, no tax returns*

Emergency EIDL Advance

EIDL eligible applicants are also eligible for an Emergency EIDL Advance of up to \$10,000 **Advance predicated upon the # of employees (\$1,000 per employee, up to 10 employees or max of \$10K**, which **will not have to be repaid**. When a small business submits their applications for the EIDL loan, they should indicate they are interested in the emergency advance at the same time. The borrower will not be required to pay back the Emergency EIDL Grant even if they are subsequently denied for an EIDL loan.

Funds for these programs have had high demand, so we encourage all interested applicants to look into applying as soon as possible.

From KCARD:

<https://www.kcard.info/news2/2020/4/3/qanda-with-kcard-coronavirus-funding>

From Kentucky Small Business Development Center:

<https://irp-cdn.multiscreensite.com/128212e0/files/uploaded/SBA%20Loan%20Overview.pdf>

National Sustainable Agriculture Coalition is working to clarify agricultural enterprise eligibility (not markets, but farms) for SBA funding: <https://sustainableagriculture.net/blog/confusion-remains-over-sba-assistance-farmers/>