To protect the continuity of the food supply chain of the United States in response to COVID–19, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. STABENOW (for herself, Mr. LEAHY, Mr. BROWN, Ms. KLOBUCHAR, Mr. BENNET, Mrs. GILLIBRAND, Mr. CASEY, Ms. SMITH, Mr. DURBIN, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To protect the continuity of the food supply chain of the United States in response to COVID–19, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Food Supply Protection Act of 2020”.

SEC. 2. DEFINITIONS.

In this Act:

(1) COVID–19 EMERGENCY.—The term “COVID–19 emergency” means the public health
emergency declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. 247d) on January 31, 2020, with respect to COVID–19.

(2) Donation period.—The term “donation period” means the period—

(A) beginning on January 31, 2020; and

(B) ending on the later of—

(i) December 31, 2020; and

(ii) a date after December 31, 2020, if there are remaining food surpluses relating to the COVID–19 emergency, as determined by the Secretary.

(3) Secretary.—The term “Secretary” means the Secretary of Agriculture.

SEC. 3. INFRASTRUCTURE GRANTS TO NONPROFIT FEEDING ORGANIZATIONS.

(a) Purposes.—The purposes of this section are—

(1) to reduce food waste by supporting the distribution of perishable food that would otherwise go to waste or be left unharvested;

(2) to provide food and meals to individuals in need during the COVID–19 emergency;

(3) to improve the ability of food banks and other nonprofit feeding organizations to process, re-
pack, store, or distribute perishable food in response
to the COVID–19 emergency; and

(4) to facilitate partnerships with local and re-

gional organizations to store, repackage, prepare,
process, or distribute food and meals.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE ORGANIZATION.—The term “eligi-

ble organization” means an organization providing
free food or meals during the donation period, in-
cluding—

(A) a nonprofit organization, such as a

food bank, a school, and an emergency feeding
organization;

(B) a faith-based organization that distrib-

utes food or meals, and any other similar pro-
gram, as determined by the Secretary;

(C) a tribal organization that distributes

food or meals;

(D) a child or adult care center; and

(E) any other similar feeding entity, as de-
termined by the Secretary.

(2) SECRETARY.—The term “Secretary” means

the Secretary, acting through the Administrator of
the Food and Nutrition Service.
(3) TRLIBAL ORGANIZATION.—The term “tribal organization” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

c) REIMBURSEMENT FOR STORAGE AND DISTRIBUTION OF PERISHABLE COMMODITIES.—

(1) ESTABLISHMENT.—Not later than 15 days after the date of enactment of this Act, the Secretary shall establish a program under which the Secretary shall reimburse costs incurred during the donation period by an eligible organization for the distribution and temporary storage of perishable commodities, without regard to the source of those commodities.

(2) REIMBURSEMENT RATE.—Under the program established under paragraph (1), the Secretary shall reimburse eligible organizations at a rate of $0.10 per pound of perishable food stored and distributed during the donation period.

(3) ADVANCE REIMBURSEMENT.—The Secretary shall provide an advance reimbursement to an eligible organization under paragraph (1) if the Secretary approves a plan submitted by the eligible organization that—
(A) estimates the pounds of perishable food expected to be distributed during the subsequent 30 days; and

(B) demonstrates the ability of the eligible organization to accomplish that distribution.

(4) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $500,000,000 to carry out this subsection, of which not more than 3 percent may be used for administrative expenses.

(d) GRANTS FOR INFRASTRUCTURE, EQUIPMENT, AND SUPPLIES.—

(1) ESTABLISHMENT.—Not later than 30 days after the date of enactment of this Act, the Secretary shall establish a program under which the Secretary shall award grants to eligible organizations to improve, construct, rent, lease, or purchase infrastructure, equipment, and supplies that support the distribution of surplus perishable food or meals prepared with that food and the purposes described in subsection (a).

(2) APPLICATIONS.—

(A) IN GENERAL.—To be eligible to receive a grant under paragraph (1), an eligible organization shall submit to the Secretary an applica-
tion at such time, in such manner, and con-
taining such information as the Secretary may
require, including the information described in
subparagraph (C)

(B) REVIEW AND SUBMISSION.—The Sec-
etary shall approve or deny an application re-
ceived under subparagraph (A)—

(i) not later than 30 days after the
date of receipt of the application; and

(ii) in the case of an application for a
grant amount of less than $80,000 or an
application that may be reviewed quickly
otherwise, as determined by the Secretary,
in accordance with the timeline in a fast-
track review process established by the
Secretary for such applications.

(C) SELECTION CRITERIA.—In determining
whether to approve or deny an application of an
eligible organization under subparagraph (B),
the Secretary shall consider whether the eligible
organization—

(i) to the extent practicable, will use
local and regional food business and small
and medium businesses to carry out activi-
ties under the grant;
(ii) will divert perishable food that would otherwise be wasted or unharvested;

(iii) will develop innovative partnerships with institutions that have available, underutilized cold storage, food preparation, or other existing resources or facilities;

(iv) will make investments in infrastructure or equipment that have short- or long-term value, have multiple uses, and would improve preparedness for future surges in donations of perishable foods; and

(v) demonstrates an ability to use the grant for the purposes described in paragraph (1).

(3) USE OF FUNDS.—Activities carried out by eligible organizations using grant funds awarded under paragraph (1) may include the following:

(A) Purchasing new or temporary packaging materials and food labels.

(B) Converting industrial-sized products to consumer-sized products.
(C) Purchasing, renting, or leasing storage or preparation space, cold storage, equipment, or vehicles, trailers, or transportation services.

(D) Purchasing test kits, disinfectant, sanitation systems, or hand washing stations.

(E) Training relating to—

(i) equipment purchased, rented, or leased with the grant funds; and

(ii) new procedures established by the eligible organization that are supported by the grant funds.

(F) Purchasing and decontaminating personal protective equipment.

(G) Purchasing equipment and supplies to facilitate food or meal distribution.

(4) OWNERSHIP OF INFRASTRUCTURE, EQUIPMENT, AND SUPPLIES.—Any infrastructure, equipment, or supplies purchased by an eligible organization using a grant awarded under paragraph (1)—

(A) shall be required to support the purposes of the grant but need not be exclusively used for those purposes;

(B) shall not have Federal property tracking and inventory requirements applied beyond the end of the grant term; and
(C) shall remain under the ownership of
the eligible organization for future use or pan-
demic or food crisis preparedness.

(5) **PUBLIC GRANT ANNOUNCEMENTS.**—Not
later than 10 days after the date on which a grant
is awarded under paragraph (1), the Secretary shall
publicly announce the grant on the website of the
Food and Nutrition Service, including a summary of
the activities funded by the grant and the projected
volume of food or meal distribution supported by the
grant.

(6) **FUNDING.**—Of the funds of the Commodity
Credit Corporation, the Secretary shall use not more
than $500,000,000 to carry out this subsection, of
which not more than 3 percent may be used for ad-
ministrative expenses.

(e) **OUTREACH.**—The Secretary shall conduct out-
reach to eligible organizations, including tribal organiza-
tions, that serve underserved communities or have mini-
mal or no participation in Federal programs to ensure that
those organizations are informed of the programs estab-
lished under this section.

(f) **DEPLICATION AND RELATION TO OTHER PRO-
GRAMS.**—An eligible organization may not receive reim-
bursements, payments, or grants from Federal sources for
activities carried out under this section in an amount that exceeds 100 percent of the costs incurred by the eligible organization in carrying out those activities.

(g) ADDITIONAL FUNDING.—In addition to the funds used under subsections (c)(4) and (d)(6), of the funds of the Commodity Credit Corporation, the Secretary shall use such sums as are necessary to carry out this section.

SEC. 4. FOOD PURCHASE PARTNERSHIPS.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE FEEDING ORGANIZATION.—The term “eligible feeding organization” means a public or private nonprofit organization (including a tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304))), or a restaurant operating an emergency feeding or food relief program, that distributes donated eligible food or meals prepared, at least in part, from eligible food.

(2) ELIGIBLE FOOD.—The term “eligible food” means meat, poultry, eggs, fluid milk, dairy products, fruit, vegetables, seafood, and other unprocessed or minimally processed food that—

(A) is produced and processed in the United States; and
(B) would otherwise be unharvested or surplus if not donated.

(3) Food Value.—The term “food value”—

(A) means the typical wholesale value of food being donated in a nonsurplus situation; and

(B) may be adjusted to reflect the typical premium associated with local food, organic food, or other premiums.

(4) Indian Tribe.—The term “Indian Tribe” has the meaning given the term “Indian tribe” in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(5) Secretary.—The term “Secretary” means the Secretary, acting through the Administrator of the Agricultural Marketing Service.

(6) State.—The term “State” means—

(A) each of the several States of the United States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) the United States Virgin Islands.

(E) Guam;

(F) American Samoa; and
(G) the Commonwealth of the Northern Mariana Islands.

(b) Establishment; Purposes.—

(1) Establishment.—Not later than 15 days after the date of enactment of this Act, the Secretary shall establish—

(A) the State and Tribal surplus food purchase program in accordance with subsection (c); and

(B) the Federal surplus food reimbursement program in accordance with subsection (d).

(2) Purposes.—The purposes of the programs established under paragraph (1) shall be—

(A) to facilitate the purchase and donation of eligible food;

(B) to provide nutrition assistance to individuals facing food insecurity;

(C) to encourage the use of available infrastructure and resources to respond to COVID–19-related food supply chain disruptions; and

(D) to reduce food waste.

(e) State and Tribal Surplus Food Purchase Program.—
(1) IN GENERAL.—To advance the purposes described in subsection (b)(2), the Secretary shall carry out a State and Tribal surplus food purchase program, under which the Secretary shall provide funding to States and Indian Tribes to administer a grant or other reimbursement program to purchase surplus eligible food and distribute the food to eligible feeding organizations.

(2) INSTRUCTIONS.—Not later than 15 days after the date of enactment of this Act, the Secretary shall provide instructions for States and Indian Tribes seeking funding under this subsection.

(3) INITIAL APPLICATION.—

(A) IN GENERAL.—A State or Indian Tribe seeking funding under this subsection shall submit to the Secretary an initial application that—

(i) designates the 1 or more lead agencies of the State or Indian Tribe for administering the grant or other reimbursement program; and

(ii) includes a plan for administering the grant or other reimbursement program in accordance with paragraph (4).
(B) JOINT APPLICATIONS.—2 or more States, Indian Tribes, or combinations of States and Indian Tribes—

(i) may jointly submit an initial application under subparagraph (A); and

(ii) shall be eligible to receive a combination of the amounts provided under the initial allocation under paragraph (5).

(4) STATE OR TRIBAL PLAN.—The State or Tribal plan described in paragraph (3)(A)(ii) shall include descriptions of—

(A) how the lead agencies of a State or Indian Tribe, or a joint applicant under paragraph (3)(B), will—

(i) facilitate connecting producers of surplus eligible food with eligible feeding organizations; and

(ii) make available to individuals information relating to how to access food or meals provided through the program under this subsection;

(B) mechanisms that eligible feeding organizations will use to distribute food and meals under the program under this subsection;
(C) how the plan advances the purposes described in subsection (b)(2); and

(D) how innovative partnerships with organizations serving at-risk populations or facilities that have unused capacity due to the COVID–19 emergency (including restaurants, hospitality companies, schools, senior centers, after-school programs, sports franchises or other enterprises, distributors, and other public or private organizations) will be encouraged and supported under the plan.

(5) INITIAL ALLOCATION.—

(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall distribute $1,000,000,000 to States and Indian Tribes under this subsection.

(B) MINIMUM ALLOCATION.—In distributing amounts under subparagraph (A), the Secretary shall allocate not less than—

(i) $5,000,000 for each State; and

(ii) $200,000 for each Indian Tribe.

(C) FORMULA.—In allocating amounts under subparagraph (B), subject to the limitations described in that subparagraph, the Secretary shall allocate—
(i) 50 percent based on—

(I) in the case of States, the formula used to allocate among States the commodities and funding available under the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.), using the most current data available as of the date of enactment of this Act; and

(II) in the case of Indian Tribes, a formula determined by the Secretary, in consultation with Indian Tribes, that is based on poverty rates, unemployment rates, and rates of participation in Federal feeding programs; and

(ii) 50 percent based on the market value of agricultural products sold within each State or Tribal area, including agricultural products produced by the members of each Indian Tribe or Tribal businesses or enterprises, weighted such that 1/4 of the amount under this clause is based on each of—
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(I) dairy and eggs;

(II) meat and poultry;

(III) vegetables; and

(IV) fruit.

(6) REALLOCATION AND ADDITIONAL FUNDING.—

(A) IN GENERAL.—The Secretary may—

(i) reallocate to States or Indian Tribes described in subparagraph (B) amounts initially allocated under this subsection to a State or Indian Tribe that—

(I) did not submit an application under paragraph (3); or

(II) did not use the full amount allocated to the State or Indian Tribe;

and

(ii) distribute such sums as are necessary of the funds of the Commodity Credit Corporation in addition to the amount made available under paragraph (5)(A) to States or Indian Tribes described in subparagraph (B).

(B) ADDITIONAL FUNDING.—The Secretary shall distribute amounts reallocated or
distributed under subparagraph (A) to States or Indian Tribes that—

(i) demonstrate additional need; or

(ii) have leveraged the amounts initially allocated to the State or Indian Tribe to form innovative partnerships described in paragraph (4)(D).

(7) Administration.—

(A) Administrative expenses.—A State or Indian Tribe receiving funding under this subsection may not use more than 8 percent for administrative expenses.

(B) No duplication.—The combination of all purchases of eligible food or other reimbursements provided by a State or Indian Tribe for eligible food through a program under this subsection shall not exceed 100 percent of the food value of the eligible food.

(d) Federal Surplus Food Reimbursement Program.—

(1) Definitions.—In this subsection:

(A) Eligible expenses.—The term “eligible expenses” means harvesting, processing, packaging, cold storage prior to delivery to the eligible feeding organization, meeting food safe-
ty requirements, repacking, meal preparation, transportation, and related costs, as determined by the Secretary.

(B) ELIGIBLE FOOD ORGANIZATION.—The term “eligible food organization” means—

(i) a farming cooperative;

(ii) a farmers organization, food hub, food distributor, majority-controlled producer-based business venture (as defined in section 210A(a) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627c(a))), or other food aggregator; and

(iii) a food processor.

(C) ELIGIBLE PARTNERSHIP.—The term “eligible partnership” means a partnership between an eligible food organization and an eligible feeding organization (including any other entity that provides necessary services for the partnership that incurs eligible expenses) in order to prevent food waste and distribute food to individuals experiencing food insecurity.

(D) PARTICIPATING PARTNERSHIP.—The term “participating partnership” means an eligible partnership for which the Secretary has
approved a reimbursement and distribution plan
under paragraph (3)(B).

(2) PROGRAM.—The Secretary shall carry out a
Federal surplus food reimbursement program, under
which the Secretary shall reimburse participating
partnerships to facilitate the donation of surplus eli-
gible food in accordance with this subsection.

(3) REIMBURSEMENT AND DISTRIBUTION
PLANS.—

(A) IN GENERAL.—To be eligible to receive
a reimbursement under this subsection, an eligi-
ble partnership shall submit to the Secretary a
reimbursement and distribution plan that—

(i) describes the process that the eligi-
ble partnership will use to identify, obtain,
harvest, process, transport, temporarily
store, and distribute eligible food;

(ii) includes an estimate of the quan-
tity and types of eligible food that the eli-
gible partnership will purchase and donate;

(iii) describes the eligible expenses for
which the eligible partnership seeks to be
reimbursed; and
(iv) demonstrates experience to comply with the requirements of this subsection.

(B) REVIEW AND APPROVAL.—On a rolling basis, the Secretary shall—

(i) review reimbursement and distribution plans submitted under subparagraph (A); and

(ii) determine whether to approve or disapprove each of those reimbursement and distribution plans.

(4) REIMBURSEMENT.—

(A) IN GENERAL.—On receipt of appropriate documentation under subparagraph (B), the Secretary shall reimburse a participating partnership or a member of a participating partnership that has incurred eligible expenses or donated eligible food on a regular basis for qualified expenses described in paragraph (5).

(B) DOCUMENTATION.—

(i) IN GENERAL.—A participating partnership shall submit to the Secretary such documentation as the Secretary may require to demonstrate the qualified expenses described in paragraph (5).
(ii) Verification.—The Secretary may verify the accuracy of documentation submitted under clause (i) by spot checks and audits.

(C) Retroactive Reimbursement.—In providing reimbursements under subparagraph (A), the Secretary may provide reimbursements for qualified expenses described in paragraph (5)—

(i) incurred before the date on which the reimbursement and distribution plan for the applicable participating partnership was approved by the Secretary; and

(ii) relating to purchases and donations made during the donation period.

(D) Advance Payment for Eligible Expenses.—The Secretary shall provide an advance payment on request of an eligible partnership in an amount equal to the lesser of—

(i) 30 percent of the estimated eligible expenses of the eligible partnership during the donation period; and

(ii) $1,000,000.

(5) Qualified Expenses.—

(A) In General.—
(i) AMOUNT.—Subject to subparagraphs (B) and (C), the amount of a reimbursement under paragraph (4) shall be an amount equal to the sum obtained by adding—

(I) subject to clause (ii), the eligible expenses of the eligible partnership during the donation period; and

(II) the food value of eligible food donated by the eligible partnership during the donation period.

(ii) LIMITATION.—The amount of eligible expenses described in clause (i)(I) shall not exceed 25 percent of the food value described in clause (i)(II).

(B) LIMITATION.—The amount of a reimbursement under paragraph (4)—

(i) shall not exceed the amount of eligible expenses that an eligible partnership incurred during the donation period; and

(ii) may be limited by the Secretary based on prevailing or typical costs for each type of eligible expense.

(C) NO DUPLICATION.—The combination of all payments or grants provided from all
Federal sources to eligible partnership or members of an eligible partnership to reimburse for eligible expenses or food value shall not exceed 100 percent of the eligible expenses or food value.

(6) Clearinghouse for Available Food.—To support the program under this subsection, the Secretary shall establish a clearinghouse to collect information from—

(A) eligible food organizations that have eligible food to donate; and

(B) local and regional eligible feeding organizations that have capacity to receive or distribute additional eligible food.

(e) Relationship to Other Program.—Notwithstanding any other provision of law, funding provided under this section may be used to meet matching funds or cost share requirements for any other Federal program.

(f) Prohibition on Resale of Products.—

(1) In General.—An eligible feeding organization that receives eligible food donated under this section may not sell the eligible food back into a commercial market.

(2) Prohibition on Future Participation.—An eligible feeding organization that the Sec-
retary determines has violated paragraph (1) shall not be eligible for any future participation in the programs established under this section.

(g) Administration.—

(1) In general.—The Secretary shall publicize opportunities to participate in the programs established under this section.

(2) Administrative expenses.—The Secretary may use for administrative expenses not more than 3 percent of the funds made available to carry out this section.

(3) Outreach.—The Secretary shall ensure that farmers and ranchers who are minorities, women, young, or veterans, and any eligible feeding organizations that serve those farmers and ranchers or food insecure populations, are informed of opportunities through the programs under this section.

(h) Reviews.—The Secretary shall conduct appropriate reviews or audits to ensure the integrity of the programs established under this section.

(i) Reports.—

(1) State and tribal surplus food purchase program.—Every 30 days, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee
on Agriculture of the House of Representatives a report describing, with respect to the State and Tribal surplus food purchase program under subsection (c)—

(A) the funding made available to States and Indian Tribes; and

(B) a summary of the reviews or audits conducted by the Secretary under subsection (h), including a description of—

(i) each review or audit conducted;

and

(ii) the findings of each review or audit conducted.

(2) Federal Surplus Food Reimbursement Program.—Every 30 days, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report describing, with respect to the Federal surplus food reimbursement program under subsection (d)—

(A) payments made under that program—

(i) by participating partnership (as defined in subsection (d)(1)); and

(ii) by State; and
(B) a summary of the reviews or audits conducted by the Secretary under subsection (h), including a description of—

(i) each review or audit conducted; and

(ii) the findings of each review or audit conducted.

(j) FUNDING.—In addition to the funds made available under paragraphs (5)(A) and (6)(A)(ii) of subsection (c), of the funds of the Commodity Credit Corporation, the Secretary shall use such sums as are necessary to carry out this section.

SEC. 5. FOOD SUPPLY CHAIN GRANTS AND LOANS.

(a) DEFINITIONS.—In this section:

(1) CUSTOM ESTABLISHMENT.—The term “custom establishment” means a very small or custom establishment that is exempt from inspection requirements under the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) pursuant to section 23 of that Act (21 U.S.C. 623).

(2) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) a small or midsized food processor or distributor (including a manufacturer, food hub, custom establishment, business cooperative, and
food service provider) with fewer than 1,500 employees;

(B) a sole proprietor food business;

(C) a producer, an agricultural producer group, a producer cooperative, or a majority-controlled producer-based business venture (as defined in section 210A(a) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627e(a)));

(D) a farmers market;

(E) a farm labor contractor or farm worker organization; and

(F) such other similar entities, as determined by the Secretary.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a program to provide temporary assistance to eligible entities to address and respond to the COVID–19 emergency within the food supply chain through the provision of grants under subsection (d), direct loans under subsection (e), and guaranteed loans in accordance with subsection (f) to eligible entities in accordance with this section.

(2) MULTIPLE FINANCING TOOLS.—An eligible entity may receive not more than 1 grant, 1 direct loan, and 1 guaranteed loan under this section.
(c) PURPOSE AND USES OF ASSISTANCE.—An eligible entity that receives a grant, direct loan, or guaranteed loan under this section shall use the amounts received under the grant, direct loan, or guaranteed loan for the purpose of responding to the COVID–19 emergency by building flexibility into the food supply chain and incentivizing creative economic solutions to strengthen the farm economy and agricultural communities, protect workers, and minimize food waste through any of the following uses:

(1) Retooling processing lines.

(2) Purchasing packaging materials and food labels.

(3) Developing new food products to meet a change in demand.


(5) Upgrading technology, software, and computers.

(6) Purchasing temporary space or holding pens, dry or cold storage, equipment, or transportation services or equipment.

(7) Developing and disseminating educational materials relating to COVID–19 protective measures.
(8) Purchasing test kits or equipment to screen the body temperature of employees for the presence of COVID–19, disinfectant, sanitation systems, or hand washing stations.

(9) Purchasing and decontaminating personal protective equipment.

(10) Providing other measures to protect workers against, or aid in preventing the spread of, COVID–19.

(11) In the case of a grant under subsection (d), repaying—

(A) a direct loan made under subsection (e); or

(B) a loan guaranteed in accordance with subsection (f).

(d) GRANTS.—

(1) APPLICATIONS.—

(A) IN GENERAL.—An eligible entity desiring to receive a grant under this subsection shall submit to the Secretary an application in accordance with an application process established by the Secretary.

(B) SIMPLIFIED APPLICATION PROCESS.—

In establishing the application process under subparagraph (A), the Secretary shall establish
a simplified, separate application process for eligible entities requesting less than $100,000 in grants.

(2) REQUIREMENT.—Subject to paragraphs (3) and (4), the Secretary shall provide grants under this subsection in the order in which the Secretary receives applications submitted in accordance with paragraph (1).

(3) PRIORITY.—The Secretary shall give priority to applications submitted under paragraph (1) that include, at least in part, the use of the grant amount for purchases described in paragraphs (8) and (9) of subsection (c).

(4) RESERVATION.—Of the amount made available for grants under this section, 10 percent shall be reserved for grants provided to beginning, veteran, or socially disadvantaged farmers, ranchers, or businesses.

(5) MAXIMUM AMOUNT.—The amount of a grant under this subsection shall be not more than $1,000,000.

(e) RAPID RESPONSE DIRECT LOANS.—

(1) APPLICATIONS.—An eligible entity desiring to receive a direct loan under this subsection shall submit to the Secretary an application in accordance
with an application process established by the Secretary in accordance with this subsection.

(2) Provision of Amounts.—Subject to paragraph (3), not later than 3 business days after the date on which the Secretary receives an application in accordance with paragraph (1), the Secretary shall provide the amount under the applicable direct loan to the applicable eligible entity.

(3) Verification; Requirements.—

(A) Verification.—Before providing amounts under paragraph (2), the Secretary shall verify that the applicant is an eligible entity by accepting a self-certification from the applicant under penalty of perjury pursuant to section 1746 of title 28, United States Code.

(B) Basis of Approval.—The Secretary may approve an applicant for a direct loan under this subsection based solely on—

(i) the credit score of the applicant; or

(ii) the verification under subparagraph (A).

(C) Underwriting Requirements.—The Secretary shall not require an applicant for a direct loan under this subsection—
(i) to submit a tax return or a tax return transcript for approval; or

(ii) to provide collateral or a personal guarantee.

(D) INTEREST RATE.—The interest rate for a direct loan under this subsection shall be 2.375 percent.

(E) FEE WAIVER.—Any otherwise applicable fees shall not be required for a direct loan under this subsection.

(4) CERTAIN APPLICANTS.—To the extent practicable, notwithstanding paragraph (3)(B)(i), the Secretary shall accept applicants with lower credit scores, as necessary to ensure that eligible entities that are socially disadvantaged, small businesses, or located in underserved communities that have a high poverty rate have an opportunity to receive a direct loan under this subsection.

(5) MAXIMUM AMOUNT.—The amount of a direct loan under this subsection shall be not more than $50,000.

(f) GUARANTEED LOANS.—

(1) IN GENERAL.—The Secretary may guarantee a loan under subsections (a)(2)(A) and (g) of section 310B of the Consolidated Farm and Rural
Development Act (7 U.S.C. 1932) to an eligible entity that verifies that the amounts under the loan will be used for—

(A) the purpose described in subsection (c); and

(B) any of the uses described in paragraphs (1) through (10) of that subsection.

(2) REQUIREMENTS.—Notwithstanding any otherwise applicable requirements under subsections (a)(2)(A) and (g) of section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), the following provisions shall apply to guaranteed loans under this subsection:

(A) NONAPPLICABILITY OF RURAL REQUIREMENTS.—The Secretary shall guarantee loans under this subsection without regard to any requirement under any other provision of law that an eligible entity be located in, or serve, a rural area.

(B) 1-TIME FEE.—Notwithstanding section 310B(g)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(5)), the Secretary may assess a 1-time fee for a guaranteed loan under this subsection in an
amount that does not exceed 1 percent of the
 guaranteed principal portion of the loan.

(C) MAXIMUM AMOUNT.—The amount of a
 loan guarantee under this subsection shall be
 not more than—

(i) 100 percent of the amount of a
 loan that is not more than $5,000,000; and

(ii) 90 percent of the amount of a
 loan that is more than $5,000,000 and not
 more than $25,000,000.

(D) LIMITATION.—The Secretary shall not
 guarantee a loan under this subsection that is
 more than $25,000,000.

(E) INTEREST RATE.—The interest rate
 for a loan guaranteed under this subsection
 shall be not more than 4 percent.

(F) OTHER FEES.—Except as provided in
 subparagraph (B), the Secretary shall waive
 any otherwise applicable fees for a loan guaran-
teed under this subsection, including—

(i) an initial guarantee fee (other than
 the fee described in subparagraph (B))
 that is paid at the time the loan note guar-
antee is issued;
(ii) an annual renewal fee on the outstanding balance of a loan guarantee; and

(iii) any customary borrower or lender fees.

(G) WORKING CAPITAL LOANS.—In the case of a guaranteed loan under this subsection for the financing of working capital—

(i) the Secretary shall waive any otherwise applicable collateral requirements; and

(ii) the maximum term of the loan shall be 10 years.

(H) UNDERWRITING REQUIREMENTS.—

The Secretary shall waive the following underwriting requirements for loans guaranteed under this subsection:

(i) Any required feasibility studies by independent consultants.

(ii) Any requirements for applicants to provide a tangible balance sheet equity position of 10 percent or more for existing businesses at loan closing or project completion.

(g) TECHNICAL ASSISTANCE GRANTS.—The Secretary shall award competitive grants to land-grant col-
leges and universities, local offices of the Cooperative Extension System, State departments of agriculture, and other technical service providers to provide to eligible entities technical assistance, rapid training, and outreach to develop new food products or adjust business models to respond to the COVID–19 emergency.

(h) EXPIRATION OF AUTHORITY.—The authority of the Secretary to provide a grant, direct loan, or guaranteed loan under this section shall remain available until the date on which the COVID–19 emergency is lifted.

(i) FUNDING.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use $5,500,000,000 to carry out this section.

(2) GRANTS.—Of the amount made available under paragraph (1), the Secretary shall use $2,000,000,000 to provide grants under subsection (d).

(3) RAPID RESPONSE DIRECT LOANS.—Of the amount made available under paragraph (1), the Secretary shall use $1,000,000,000 to provide direct loans under subsection (e).

(4) GUARANTEED LOANS.—Of the amount made available under paragraph (1), the Secretary
shall use $2,500,000,000 to guarantee loans under subsection (f).

(5) TECHNICAL ASSISTANCE GRANTS.—Of the amount made available under paragraph (2), the Secretary shall use 5 percent to carry out subsection (g).

SEC. 6. ADMINISTRATION.

(a) IN GENERAL.—The administration of this Act, including the promulgation of regulations to carry out this Act, shall be without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code; and

(2) chapter 35 of title 44, United States Code.

(b) AUTHORITIES.—The authorities in this Act are in addition to other authorities of, and amounts administered by, the Secretary.