

**Congress of the United States**  
**House of Representatives**

April 6, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue N.W.  
Washington, DC 20220

Dear Secretary Mnuchin,

Even before the COVID-19 outbreak, farmers in Wisconsin were experiencing dire circumstances. Last year, Wisconsin was losing an average of two dairy farms every day, and the COVID-19 pandemic has only exacerbated this situation. It is of the utmost importance that the Small Business Administration (SBA) provide immediate clarity on eligibility definitions for agriculture in the paycheck protection program (PPP) that was recently passed in the Coronavirus Aid, Relief, and Economic Security (CARES) Act [P.L. 116-136], particularly for the purposes of land rent.

Congress used an expansive definition for eligible uses in PPP to allow for small businesses, including farms, to tailor the program to their immediate needs. However, many entities that have to administer these loans have provided mixed messages on eligibility for agricultural entities. With nearly forty percent of farmland in the contiguous United States being rented, there is no time for delay and SBA must immediately clarify that land rent is an eligible use of funds in PPP.

In SBA's interim final regulations for the PPP, it laid out eligible uses for proceeds of a PPP loan, including rent payments. Congressional intent was for the PPP to be available for small businesses to meet financial obligations during the COVID-19 outbreak, including farmers needing to pay rent on land used for growing crops. However, there are reports of local SBA field offices erroneously telling agricultural entities that they are ineligible for the crucial assistance offered in the PPP, despite clear congressional intent to the contrary. This lack of clarity must be addressed by the SBA to adhere to congressional intent, including allowing for farmers to utilize the program for land rent.

Without this immediate assistance, small farmers who rent land to grow crops may be forced to end production. Further, many who lease land to those who are willing and able to farm on the land rely on this rent income to pay the bills. Small farms are the backbone of the rural economy, and now more than ever, their efforts are needed to ensure steady domestic food production. I look forward to working with you and the SBA to ensure small farmers are able to get the critical assistance they need and deserve to get through this crisis.

Sincerely,



Ron Kind  
Member of Congress

Cc: The Honorable Jovita Carranza, Small Business Administration