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## 2020 CARES Act – Financial Supports for Small Business

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# Cornhusker Economics

## 2020 CARES Act – Financial Supports for Small Business

Market Report	Year Ago	4 Wks Ago	4-3-20
<b>Livestock and Products.</b>			
<b>Weekly Average</b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight. . . . .	*	*	*
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . . .	182.92	172.87	164.86
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . . .	153.59	141.38	124.56
Choice Boxed Beef, 600-750 lb. Carcass. . . . .	226.48	206.94	238.47
Western Corn Belt Base Hog Price Carcass, Negotiated . . . . .	74.38	*	*
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean. . . . .	80.45	65.60	59.59
Slaughter Lambs, woolled and shorn, 135-165 lb. National. . . . .	145.06	164.40	162.25
National Carcass Lamb Cutout FOB. . . . .	382.04	432.61	432.80
<b>Crops.</b>			
<b>Daily Spot Prices</b>			
Wheat, No. 1, H.W. Imperial, bu. . . . .	4.07	3.93	4.32
Corn, No. 2, Yellow Columbus, bu. . . . .	3.44	3.61	2.94
Soybeans, No. 1, Yellow Columbus, bu. . . . .	7.97	8.07	7.93
Grain Sorghum, No.2, Yellow Dorchester, cwt. . . . .	5.45	5.95	5.41
Oats, No. 2, Heavy Minneapolis, Mn, bu. . . . .	3.21	3.33	3.08
<b>Feed</b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. . . . .	*	*	*
Alfalfa, Large Rounds, Good Platte Valley, ton. . . . .	112.50	90.00	90.00
Grass Hay, Large Rounds, Good Nebraska, ton. . . . .	*	95.00	85.00
Dried Distillers Grains, 10% Moisture Nebraska Average. . . . .	153.50	139.25	195.50
Wet Distillers Grains, 65-70% Moisture Nebraska Average. . . . .	47.50	49.71	59.67
<b>* No Market</b>			

Whether a business is impacted by weather-related disasters, road construction or sudden economic downturns, having a plan to mitigate the impacts can be crucial to the immediate and long-term survival of the business. Unforeseen circumstances, such as the COVID-19 pandemic, may require owners to re-evaluate their business models, cut operating costs and seek outside financial supports – all to keep cash flowing and the business open.

To help small businesses during the pandemic, the Coronavirus Aid Relief, and Economic Security (CARES) Act was signed into law on March 27. It contains \$349 billion in relief for American small businesses and workers. Purpose and eligibility vary with each program so contact your local funder, [Nebraska Business Development Center](#) or the [Small Business Administration \(SBA\)](#) for the latest information on the CARES Act and application assistance.

Paycheck Protection Program (PPP) provides loan forgiveness for retaining employees or independent contractors during the COVID-19 crisis. SBA PPP loan amounts will be forgiven as long as the loan proceeds are used to cover payroll costs, mortgage interest, rent and utility costs over the 8-week period after the loan is made and employee and compensation levels are maintained. Seventy five percent of the loan must be used for payroll expenses and amounts are based on average monthly payroll costs. Loan forgiveness is also based on number of retained employees and if laid off, employees are hired back by June 30, 2020.

PPP is available to all businesses, including non-profits, Veterans organizations, Tribal business

concerns, sole proprietorships, self-employed individuals, and independent contractors with 500 or fewer employees in operation on February 15, 2020. Application is made through a SBA approved lender or any participating federally insured depository institution, federally insured credit union, or Farm Credit System. PPP is open until June 30, 2020; however businesses are encouraged to apply as soon as possible. Visit SBA online for a list of Nebraska SBA [approved lenders](#).

Economic Injury Disaster Loan (EIDL) & Emergency Economic Injury Grant provides an emergency advance up to \$10,000 to small businesses and non-profits harmed by COVID-19. Business owners are to first apply for an EIDL and then request the advance grant support. The advance does not need to be repaid and may be used to keep employees on the payroll, pay for sick leave, meet increased production costs due to supply chain disruptions, pay business obligations such as debts, rent and mortgage payments.

EIDL funds are available to sole proprietorships, with or without employees, independent contractors, cooperatives and employee-owned businesses, and Tribal small businesses with less than 500 employees. At this point, agricultural businesses (farmers/ranchers) are ineligible to apply for these funds. Businesses must have been in operation prior to January 31, 2020. Emergency Economic Injury Grants are available until December 31, 2020. Application for EIDL is made online at [SBA Disaster Loan Assistance](#) or contact a local Nebraska Business Development Center, SCORE Chapter or microlender in your area for assistance.

SBA Express Bridge Loan allows a business owner who has a current relationship with an SBA lender to secure a quick turnaround loan of up to \$25,000. The loan can be used to bridge financial gaps while your business is applying for an EIDL.

Small Business Debt Relief provides a financial reprieve to small businesses with non-disaster SBA loans during the COVID-19 pandemic. Under the Debt Relief program, the SBA will cover all SBA loan payments, including principal, interest and fees for six months. Relief also applies to new borrowers who secure a 7(a), 504 or microloan within six months of the March 27 bill authorization. Prior disaster loans are not eligible for the Debt Relief program. Again, contact a [SBA resource partner](#) to assist with your loan application process.

Small Business Tax Provision provides tax relief for employers subject to closure or economic hardship due to government order limiting commerce, travel or group

meetings or experiencing a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis. Additional relief may be available to allow businesses to defer paying the employer portion of some federal taxes. Work with your tax consultant to determine your tax obligations and if these provisions apply to your business.

Although application paperwork has been reduced for most of the above programs, documentation will be needed such as payroll records, payroll tax filings, 1099-Misc forms, three years of tax records and other sources of business verification. More information on each of the programs and the required documentation is available at <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>.

In addition to CARES funds, small business support may also be available through your local community revolving loan fund or other local efforts. Contact your Economic Developer or City Administrator for information on local funding options, including options beyond debt obligations such as marketing assistance, employee sharing or other non-cash resources.

#### Sources:

U.S. Small Business Administration, <https://www.sba.gov>

Coronavirus emergency Loans Small Business Guide and Checklist, U.S. Chamber of Commerce, <https://www.uschamber.com>

The Small Business Owner's Guide to the CARES Act, U.S. Senate Committee on Small Business & Entrepreneurship, <https://www.sbc.senate.gov/public/index.cfm?p=guide-to-the-cares-act>

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