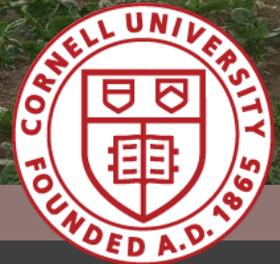


Vegetable News



Early Season Garlic Fertility

Crystal Stewart-Courtens, CCE Eastern NY Commercial Horticulture

The most important time to make nitrogen available to a garlic plant in order to increase yield is shortly after leaf emergence from the ground through early May. Success in providing optimal nitrogen will depend on the nitrogen source you are using and some well-timed assistance from soil biology.

Many organic growers as well as some conventional growers mulching with straw are opting to put down all of their fertility in the fall, leaving the garlic's cover undisturbed in the spring. This approach is fine as long as the behavior of your nitrogen source is taken into account. First, if making a fall application of N, make sure that the source is not a nitrate form (for example, ammonium nitrate is 51% nitrate nitrogen, while ammonium sulfate is 0% nitrate nitrogen). Waiting until soil temperatures are below 50 degrees to apply fall fertility will prevent most fall nitrification of both ammonium sulfate and organic nitrogen sources such as pelletized chicken manure. You want to keep your N in the ammonium form because it will not leach. Once it is converted to nitrate, nitrogen moves readily in water.

Second, remember that the nitrogen cycle is driven by biology, and biology is driven by temperature (and soil health!). Organic matter is decomposed partially into ammonium by a suite of microbes before nitrification (see Figure 1 for a handy visual). You want to make sure that your fall applied N source contains enough ammonium/urea nitrogen to provide adequate nutrition in the spring, because garlic starts

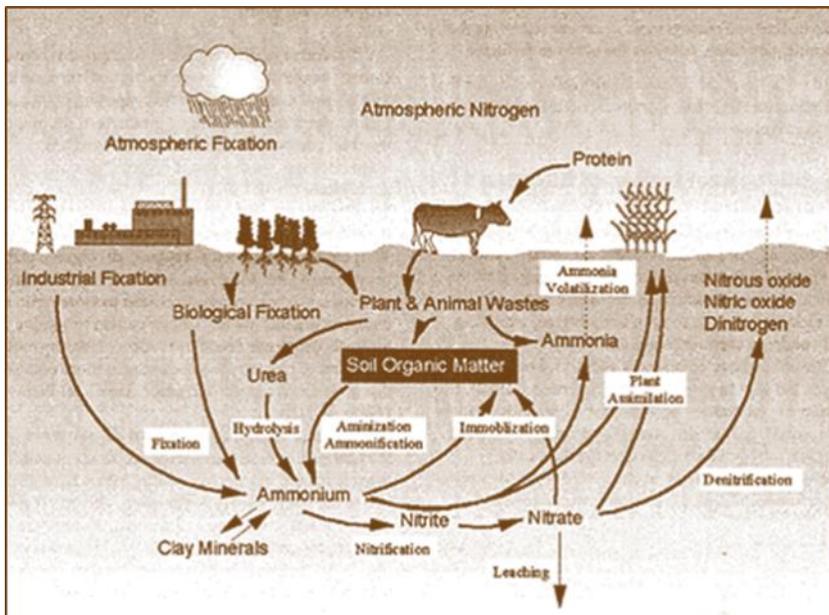


Figure 1: Nitrogen cycling, including organic and inorganic forms.

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growing and using N earlier than any other vegetable. As the soil warms, N that is bound in organic matter (slow release N) will be made available, and ammonium nitrogen will turn to nitrate nitrogen (Figure 2), which is easily taken up by plants.

Bare ground garlic growers can apply all their nitrogen in the spring using a variety of sources including nitrate-nitrogen forms. Side-dressing as soon as the ground is dry enough to work with either all or half of the needed nitrogen is best. If using half, come back 2-3 weeks later to apply the rest. Our latest research has repeatedly shown that garlic only needs 50 lbs (actual) of spring applied nitrogen, which is considerably less than we used to recommend.

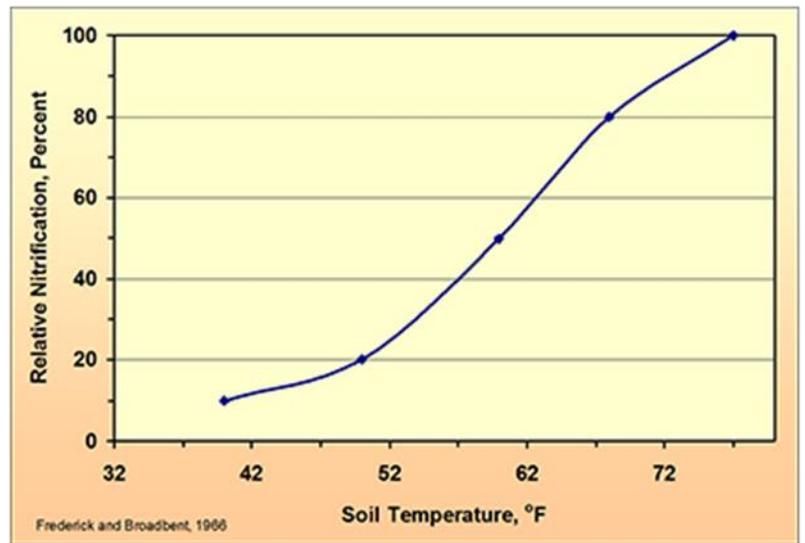


Figure 2: Relationship of nitrification to soil temperature. As temperatures climb, nitrifying bacteria more quickly convert ammonia forms of N to nitrate forms, which are more plant available but also more prone to leaching.

Starter Solution Fertilizers at Transplanting

Teresa Rusinek, CCE Eastern NY Commercial Horticulture

Cool spring temperatures, as we have been experiencing, can set back growth in newly transplanted fields. One way to give transplants a boost through sub optimal temperatures is by using a starter fertilizer solution. Starter solutions are dilute mixtures of water-soluble or liquid fertilizer and water used to stimulate growth of young transplants such as tomato, eggplant, pepper, melons, cucumbers and cabbage. Soluble fertilizer easily dissolves in water and the nutrients are readily available for plant uptake (regular field grade fertilizers will not completely dissolve). Starter solutions minimize transplant shock when plants are moved from a protected environment to an open field and help the recovery of disturbed root systems. Response to starter solutions is most likely when soils are cool and wet and tests indicate low phosphorous and potassium. There is little risk of plant injury (burning) when using starter solutions. Dry fertilizers at planting need to be placed carefully to avoid close contact with plant roots that can result in serious injury, while starter solutions can be added directly to plant roots.

Phosphorus promotes root growth. Even though this element is distributed throughout the soil, it is not readily available to plants when the soil temperature falls below 60°F. Because soil temperatures are often below this threshold in early spring, the addition of a starter solution at transplanting can give plants a boost by making phosphorus readily available. Additional phosphorus can compensate for low soil temperatures; however, there is a limit. For example, tomato growth will not be improved with additional phosphorus if the soil temperature is below 56° F. But if the phosphorus is already near the plant, it will be available when the soil temperature rises to 58 - 60° F.

Many different analyses of water-soluble fertilizers are available (e.g. 10-52-17, 14-28-14, 23-21-17, 20-20-20, 6-24-6, and 10 -34-0). They are generally used at a concentration of about three pounds per 50 gallons of water and about one-third this strength on squash, melon and cucumber plants. For vegetable production, it is generally recommended that starters contain 2 to 3 times as much phosphorus as nitrogen or potassium. Application of high nitrogen starters could result in excessive vegetative growth. Always carefully read the fertilizer label for recommended rates. Values here are only given as general guidance whereas the label is based on product testing.

Starter solutions can be applied several ways. Some growers soak the root system with starter solution either by dipping trays or watering in overhead before transplants are set in the field. Dipping trays is not an ideal method in my opinion because of the potential for moving and spreading pathogens from plant to plant and tray to tray. If starter solution gets on leaves be sure to rinse the leaves with water to avoid burn. Another method of application is at the time of transplanting by using starter solution in the water wheel transplanter tank. The primary concern is that roots have immediate access to a readily-available source of phosphorus. However you do it, the goal is to soak the entire root system uniformly with starter solution (about ½ pint per plant).

Note: Do not apply starter solutions when soils are excessively dry since such conditions could result in root damage. Irrigating the field before planting will help avoid root burn.

Sources: 2019 Cornell Integrated Crop and Pest Management Guidelines for Commercial Vegetable Production

Tips for Starting Quality Brassica Transplants

Jan van der Heide, Bejo Seeds, Geneva, NY

Growing transplants of Brassicas/Cole Crops is really not that hard. In general, the seed has plenty of vigor and Brassicas are pretty hardy and can take some stress. Nonetheless, there are things that can go wrong, of course. Here are some tips to avoid disappointment.

Seed Quality and Seed Health

Most Brassica seed is good for a few years but do a quick towel test to make sure that seed is still viable before planting older seed. The germination % listed on the seed package is only valid for 6 months.



Uneven germination of old seed. Notice the misshapen cotyledons.

Seed Testing and Seed Treatments.

Seed from most commercial companies has been tested for the presence of diseases, such as Alternaria and Black Rot. If the seed was found to be contaminated the seed will have been treated by the seed company. Hot water treatment is an effective way to kill the bacteria that causes Black Rot and the fungal spores that could start Alternaria in your crop. The label on the seed packet will mention that the seed was hot water treated.

Seed that was not hot water treated has still been tested. No hot water treatment means that the seed was found to not be contaminated with Black Rot, so there is really no need for growers to hot water treat the seed themselves. Hot water treatment can damage the seed, so be careful!

Sometimes seed is treated with a fungicide (listed on the package), and this treatment forms a barrier to seedborne and soilborne fungi that could attack the young seedling.

Organic seed is produced without any chemical fertilizers or chemical crop protection materials and is obviously not treated with fungicides and insecticide seed treatments. Not Chemically Treated (NCT) seed is available for those varieties that are not produced as organic seed. Organic and NCT seed is tested like conventional seed. (Contaminated seed is destroyed, not sold.)

Be aware that seed from other sources (smaller companies, seed savers, etc.) may not have been tested or treated. Ask your supplier about their testing methods, or get the seed tested (and treated) yourself.

Precision seed

The best Brassica seed is not the largest seed and also not the smallest seed. The middle fraction (precision seed) is the best. Small seed will produce smaller and weaker plants. The largest seed often produces abnormal seedlings (often the cotyledons are misshapen). These abnormal plants often do not produce good plants.

Transplant production

Seed can be sown directly into the field, in a seedbed for production of bare-root transplants, or in plug trays in a tunnel or greenhouse.

Most Brassicas are produced in plug trays with 200 – 300 plugs per tray. Smaller plugs make the most use of limited greenhouse space, but the plants become rootbound quickly, and need to be watered frequently. Larger plugs will be more forgiving and allow for more even growth. Some Brassicas can be susceptible to early bolting and too much stress in the transplant tray can trigger pre-mature bolting (Chinese cabbage, cauliflower).

At our research farm in Geneva we produce plants in 98 cell trays. Most commercial growers use smaller plugs, but we really want strong plants for our research trials and prefer the larger plugs.

Some growers like to use germination chambers, and this makes good sense for crops that take a long time to germinate (leeks, onions, celery, celeriac, etc.). Most Brassicas are quite vigorous and will germinate quite well without any time in the germination chamber. When cabbage seed comes up in a dark germination chamber the seedling will twist around, looking for light. Too much time in the germination chamber will make for a messy tray of twisted cabbage seedlings.



After 3 days in the germination chamber, these seedlings hardly knew which side was up anymore.

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Fertility

Brassicas are quite efficient feeders. We use a Peters 13-2-13 fertilizer at 100 ppm when the plants are 2 weeks old, and again when the plants are 4 weeks old. When the plants are 6 – 7 weeks old they are ready to go outside to harden off, and into the field. The nitrogen and potash (potassium) will grow a nice and hardy top, and the low phosphorus content will prevent the plants from getting root-bound too quickly. You can stimulate the development of the root system with a high-phosphorus starter fertilizer at transplanting.

It is always good to have a conductivity meter to double-check the concentration of the fertilizer in your irrigation water. Sometimes injectors are out of adjustment, or the stock solution is not prepared correctly. When using organic fertilizers or composts, a conductivity meter can be used to check the salt levels in the soil. Too much fertilizer (salts) can burn the roots and hurt the plants. When plants are not growing well we tend to feed them, but that can make the problem worse. Better to measure first, then feed. Might as well get a reading of the pH, while you're at it.

Pests and Diseases

Be on the look-out for pests and diseases. Once the sides on the tunnel are rolled up the butterflies of cabbage pests come flying in. Some Dipel works well to control them.

Keep an eye out for thrips. Not a big problem in early spring, but a later transplant crop can be at risk.

Diseases like Alternaria and Downy Mildew are easily controlled with fungicides, but letting plants dry out between irrigations and venting the house from time to time are good ways to prevent problems.

Black Rot is not always obvious. Look for yellowing leaves, and black veins. Black Rot is caused by bacteria that spreads easily with water and from plant to plant. It takes a few days after infection before plants show symptoms, and you could be transplanting infected plants into your fields. Buy clean seed and wash your hands often!



Watch for signs of Black Rot: yellow lesions and black veins.

Another Yo-yo Start

Chuck Bornt, CCE Eastern NY Commercial Horticulture

As I look back on the weekend that just passed and 60° degree temperatures, I could see why wanting to get out and start planting like mad is on many of your minds. However, consider this – what's your soil temperature? Even though air temps (at least on Saturday) were warm, the day before we had flurries and even Sunday's rain had some sleet and a cold rain to. So how does all this impact our vegetable seeding?

I know sweet corn has been planted in some places for almost two weeks or longer and rowcovers are out (hopefully still laying on the soil and not up in a tree somewhere with the winds lately) trying to warm the soil enough to get things germinated. On average, sweet corn needs at least 50° soil temperatures to get good, uniform germination. In some fields around my house where corn might be planted, the soil temps are still in the low 40's, so not probably optimal for sweet corn plantings, especially those of you planting supersweet varieties that require even warmer soil temperatures (60° F). Those temperatures might be fine for field corn, but sweet corn is a completely different beast and is just not as hardy.

When soil temperatures are cold and not optimal for crop specific germination requirements, the seed can sit in the soil for longer than we would like it to. During this extended time, the seed is more

susceptible to seedling diseases (dampening off organisms), insects such as seed corn maggots and may use valuable food reserves to sustain itself until it can break through the surface of the soil and starts to make energy. Nutrients such as phosphorous can be limited because it is less readily available in cold soils as are others and those relying on organic fertilizers might see additional nutrient deficiencies until the soils warm and the microbes start working on breaking those inputs down for their nutrients. All of this can lead to poor or uneven germination, lack of vigor and down the road uneven ripening or maturity of the crop which may require additional harvest labor.

I realize that the early bird gets the worm or in this case, the early crop gets the extra buck, but below is a list of minimum soil temperatures (remember that's not the only variable to worry about) for seeds. Another interesting resource that I found on-line from the University of California at <http://sacmg.ucanr.edu/files/164220.pdf>, were these tables that not only give you the minimum and maximum temperatures for various vegetable seeds, but also the time it takes for seeds to germinate at various temperatures. If you have time,

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take a look and you might answer some questions you have had about some of crops not germinating properly.

The following temperatures represent vegetable seedling survival tolerance, not necessarily best performance: (Source: Rick VanVranken, April 21, 2020, Plant and Pest Advisory, Rutgers Cooperative Extension).

Average Minimum Spring Soil Temperatures	Vegetable Crop Tolerance for Reliable Germination
40°F	Beet, Cabbage, Potato, Spinach, Turnip
45°F	Pea, Mustard, Leek
50°F	Carrot, Lettuce, Onion, Sweet Corn
60°F and above	Bean, Cucumber, Pumpkin, Squash
70°F and above	Eggplant, Watermelon

2020 Allowances for Respirator Fit Testing, But Not for PPE or WPS Training

Ethan Grundberg, CCE Eastern NY Commercial Horticulture

Demand by the general public and the health care sector has caused serious supply chain disruptions for personal protective equipment (PPE) like nitrile gloves and N95 respirators commonly used on farms. Though this is a rapidly evolving situation, it is important to note that there currently is no flexibility from the Environmental Protection Agency at the federal level or the New York State Department of Environmental Conservation for farms encountering challenges sourcing PPE for pesticide applications. **Pesticides may not be mixed or applied without using the PPE specified on the label; the label is the law!** The PPE requirements on the pesticide label are designed to protect you, the user, from potential injury from using the product; those risks do not change despite the shortage of PPE.

What should you do if you are facing challenges locating appropriate PPE? Jon Jonson, the Director of Pesticide Education at Penn State University Extension, advises growers to consider the following:

1. Plan ahead: Many agricultural suppliers still have some PPE in stock, but with modified requirements for procuring them or are not currently accepting new accounts. Inventory the PPE that you have, check the labels of pesticides that you intend to use for PPE requirements, and plan for sourcing to take much longer than usual.
2. Adapt to shortages: The reality is that it will be nearly impossible to source N95 masks at the moment. If you plan to use products that require the use of N95 masks, you have two primary options:
 - a. Find an alternative product- Occasionally, it is possible to find other pesticides with similar modes of action labeled for the target pest on the target crop that have different PPE requirements. This is especially true if the product is available in multiple formulations (WP, EC, WDG, etc) with the same active ingredient.
 - b. Use PPE that exceeds the labeled requirement- Some farms may have half- or full- face respirators with suitable cartridges that can be used for products requiring a simple dust mask style N95 respirator. However, make sure the check that the cartridges being used comply with the minimum standards on the pesticide label. For example, an organic vapor cartridge that does not have the N95 particulate filter adaptor can not be used in place of an N95 respirator. See the “N95 Alternatives for Pesticide Handling” chart for more details.

Though there is no flexibility for PPE requirements for pesticide application, there have been some allowances announced by the DEC for respirator fit testing in 2020. The April 8, 2020 publication of the LI Fruit & Vegetable Update included the following information:

The NY Center for Agricultural Medicine and Health, NYCAMH, normally provides respirator fit testing clinics to be sure safety equipment is properly protecting farm employees from pesticides. Due to the increased risk of spreading COVID-19 during respirator fit testing and the urgent need to preserve fit-testing resources for health professionals, NYCAMH’s upcoming fit test clinics have been cancelled until further notice.

The Worker Protection Standard (WPS) requirement of annual respirator fit testing for agricultural workers who handle pesticides is being deferred for some in 2020, according to a representative of the New York Department of Environmental Conservation (DEC). This discretion will not extend beyond the 2020 season, and handlers are encouraged to get fit-tested as soon as resources allow.

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Who is Temporarily Exempt:

Pesticide handlers fit-tested during the 2019 season meet WPS requirements for the 2020 season unless:

- the person has gained or lost 20 pounds or more, or
- has had dental/face surgery since the prior year’s fit test

Handlers not fit-tested during the 2019 season are not exempt from the WPS fit testing requirement in 2020. **If you or a worker do not meet the 2020 temporary exemptions, contact NYCAMH for assistance: 800-343-7527 or e-mail FitTest@bassett.org.**

However, there have been no changes to the other requirements of the EPA WPS so far. A full checklist of WPS requirements from the “How to Comply” manual is available on the ENYCH website at https://enych.cce.cornell.edu/submission.php?id=561&crumb=food_safety|food_safety

N95 Alternatives for Pesticide Handling
 Due to PPE shortage during the current COVID-19 crisis, DPR has compiled a list of respirators and exposure controls that offer the same or better protection for employees who are required to use N95 respirators.

If the label requires an N95, you may also use these respirators

Filtering facepiece respirators with the following designations

- N99, N100
- R95, R99, R100
- P95, P99, P100

If product contains oil, do not use “N” series masks

Powered Air Purifying Respirators (PAPRs)

- All PAPR cartridges have HEPA filters that provide more protection than N95 respirators

Elastomeric respirators (half-face or full-face) with particulate filters or combination cartridge/filters

- N, R, or P filters with 95, 99, or 100 efficiency
- Filter can be part of cartridge, an attachment, or stand-alone
- Some chemical cartridges can also filter particulates, which is indicated by a magenta or purple color on the cartridge

If product contains oil, do not use “N” series

Self-Contained Breathing Apparatus (SCBA)

- Not the same thing as SCUBA
- See 3 CCR 6739 (k) for air quality requirements

Can't find a respirator?

1. Ask your PCA if there is a product that doesn't require respiratory protection
2. Mix/load pesticides in a closed system † (see 3 CCR 6746 and 6738.4 (c) & (d))
3. Apply pesticides from an enclosed cab † (see 3 CCR 6738.4 (e))

NOTE: #3 is only applicable to particulate respirators and only if the enclosed cab has a functioning ventilation system

† the required PPE must still be available

Respirators must be NIOSH approved. Before wearing any respirator required by label, permit conditions, regulations, or employer policy, users must be medically able to wear a respirator, be trained, and fit tested. Employers must have a written respiratory protection program as detailed in 3 CCR 6739. https://www.cdpr.ca.gov/docs/whs/ind_hygiene_ppe.htm

Gloves for Handling Pesticides
 Glove-safety tips during times of personal protective equipment shortages.

If you use reusable gloves, they must be same material as label-required disposable gloves.

Chemical resistant gloves must be at least 14 mil thick†, so substitute for thicker gloves of the same material.

† except laminate and polyethylene gloves

dpr Glove Category Selection Key

Label Code	Materials Required by Law	Material Code
A	1,2,3,4,5,6,7,8	1: Laminate
B	1,2	2: Butyl
C	1,2,3,4,7,8	3: Nitrile
D	1,2	4: Neoprene
E	1,3,4,8	5: Natural
F	1,2,3,8	6: Polyethylene
G	1,8	7: PVC
H	1,8	8: Viton

All but Laminate and Polyethylene must be 14 mils or thicker

Caring for Reusable Gloves

1. Inspect your gloves before putting them on. **Never wear damaged chemical resistant gloves!**
2. Wash your hands with soap and water before you put them on.
3. Wear your gloves throughout the entire task where you need them.
4. Wash your gloved hands with soap and water before removing gloves.
5. After removing gloves, wash your hands with soap and water.
6. Do not touch contaminated gloves with bare hands.
7. Store your gloves away from pesticides, in a cool dry place, and away from direct sunlight.

Be sure to follow 3 CCR 6738. For more information go to: https://www.cdpr.ca.gov/docs/whs/ind_hygiene_ppe.htm

Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) Fact Sheet #4

Elizabeth Higgins, CCE Eastern NY Commercial Horticulture; Nicole Tommell, Central NY Dairy, Livestock and Field Crops Program; and Myron Thurston, CCE Madison County

PPP Update

The Paycheck Protection Program and Health Care Enhancement Act was signed on April 24th. So as of April 27th, the Paycheck Protection Program was back in business with \$310 billion more in appropriated funding. A new interim final rule was issued by SBA/Dept of Treasury on April 24th <https://home.treasury.gov/system/files/136/Interim-Final-Rule-on-Requirements-for-Promissory-Notes-Authorizations-Affiliation-and-Eligibility.pdf> and the Treasury Department also issued an updated FAQ as of April 26th <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>.

In order to make this factsheet more efficient a summary of the PPP program can be found at <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>, and we have included links to earlier fact-sheets which provide more in-depth analysis of the PPP program. In summary, the Paycheck Protection Program PPP is a low interest (1%) loan authorized in the CARES Act designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive up to 100% of PPP loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. The last day for SBA to approve a PPP loan is June 30, 2020.

The Paycheck Protection Program and Health Care Enhancement Act did not significantly change the PPP. The biggest change in the Act was a set aside of \$60 billion of the \$310 billion authorized PPP funds to be distributed through minority serving and smaller banks – with the intent of helping small businesses that had “banked locally” to have a better shot at receiving a PPP loan. One criticism of earlier rounds of PPP funding was that an applicant’s ability to get funded depended more on *who* they banked with than their need for the program.

Because of the speed with which the first round of PPP funding disappeared, it is also clear that Congress will be looking at *who* gets PPP funding. Prior to the authorization of additional funds, there was widespread outrage about small businesses being squeezed out of the funding program, while large companies, with relationships with banks and the ability to raise money by issuing shares, received tens of millions of dollars. Shake Shack notably returned their loan and several hundred million more will likely to be made available to the PPP fund from large companies returning loans made in earlier rounds.

Although the recent Act did not place additional explicit constraints on large businesses, the updated April 24th interim final rule and April 26th FAQ do make it clear that need for the loan matters. The rule included Section 5, Limited Safe Harbor with Respect to Certification Concerning Need for PPP Loan Request which states ... *“Consistent with section 1102 of the CARES Act, the Borrower Application Form requires PPP applicants to certify that “current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”* And in the April 26th FAQ, the Treasury Department further stated: *“In addition to reviewing applicable affiliation rules to determine eligibility, all borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application. Although the CARES Act suspends the ordinary requirement that borrowers must be unable to obtain credit elsewhere (as defined in section 3(h) of the Small Business Act), borrowers still must certify in good faith that their PPP loan request is necessary. Specifically, before submitting a PPP application, all borrowers should review carefully the required certification that “current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.” Borrowers must make this certification in good faith, taking into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business...”*

What does this mean for you? First the good news is that Congress is now making more effort to better target the PPP funding to small businesses. Some of the kinks of the first round are being addressed and an attempt is being made to better reach small businesses. Small farm businesses in New York State are unlikely to be the primary focus of programmatic scrutiny and Congressional belt tightening so if you have real concerns about your markets and labor this season, you can apply for a PPP loan in good faith, even if you haven’t experienced a significant loss in income yet. COVID-19 economic impacts are likely to be long lasting and should times get hard, accessing affordable credit could be a challenge for many small businesses. That is what these programs can help with.

The bad news is that it is not clear what additional requirements or restrictions there will be for PPP loan forgiveness. The PPP is a new program put together quickly. It is kind of like building an airplane while flying. As the program unfolds, the program rules seem to be establishing the groundwork the SBA to hold businesses to a standard of suffering economic harm in order to receive loan forgiveness, especially as obvious issues with funding allocation are identified. There could be more documentation of economic harm required or more restrictions placed on forgivable uses of the funding. Right now, loan forgiveness in the PPP is based on hiring at the same level you had in

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2019 and being able to pay out most of the grant in the first 8 weeks after you receive funding. Some businesses are having trouble meeting this standard because of worker shortages or changes in how they are operating right now. This is something you as a business owner should be prepared for. Our recommendation is if you are applying to the PPP because, like many farms you are unsure of how your season will unfold, be prepared to pay the loan back if your season goes well and consider your PPP funds as a low interest, safety net. If you operate this way you protect yourself from short term cash-flow problems. If you are ultimately eligible for loan forgiveness then you will be ahead and if you are not, you will not be worse off. Even if you must pay the PPP loan back, at 1% interest and no fees it is a very affordable loan and might be worth having for peace of mind.

Neither the April 24th Interim Rule nor the April 26th FAQ included any new guidance to lenders about using the Schedule F or alternative sources of documentation for assessing owner income for the PPP. We are hearing that farms with negative net income reported on their Schedule F, line 34 are being denied owner income for the PPP, which is consistent with the guidance that was given to lenders for using the Schedule C in the April 14th Interim Rule. In the interim rule SBA did state that for businesses with no paid employees, if the 2019 Schedule C showed \$0 or a negative net income, you are not eligible for a PPP loan. So, if you do not have paid employees and you reported net negative income on your 2019 Schedule F, you probably will not qualify for PPP funding. You should contact your lender to verify your eligibility prior to applying.

We had said that H2A employee eligibility for PPP was a grey area. It still is. The April 26th FAQ Question 33 did add some clarifying language about how a lender should determine whether an employee's principal place of residence is in the United States, but it is not really that helpful for H2A employers. The answer is *"PPP applicants and lenders may consider IRS regulations (26 CFR § 1.121-1(b)(2)) when determining whether an individual employee's principal place of residence is in the United States."* So, this is the applicable CFR language (26 CFR § 1.121-1(b)(2)):

2) Principal residence. In the case of a taxpayer using more than one property as a residence, whether property is used by the taxpayer as the taxpayer's principal residence depends upon all the facts and circumstances. If a taxpayer alternates between 2 properties, using each as a residence for successive periods of time, the property that the taxpayer uses a majority of the time during the year ordinarily will be considered the taxpayer's principal residence. In addition to the taxpayer's use of the property, relevant factors in determining a taxpayer's principal residence, include, but are not limited to—

- (i) The taxpayer's place of employment;*
- (ii) The principal place of abode of the taxpayer's family members;*
- (iii) The address listed on the taxpayer's federal and state tax returns, driver's license, automobile registration, and voter registration card;*
- (iv) The taxpayer's mailing address for bills and correspondence;*
- (v) The location of the taxpayer's banks; and*
- (vi) The location of religious organizations and recreational clubs with which the taxpayer is affiliated.*

The Treasury Department/SBA are punting on this one and it will be up to a farmer and their lender to determine if any of their H2A employees meet this test and this could vary quite a bit depending on how the farm uses H2A workers and how much time the H2A worker had spent in the US in the past few years.

EIDL and Advance Update

The Paycheck Protection Program and Health Care Enhancement Act made the SBA Economic Injury Disaster Loan available to farms for the first time. EIDL is the SBA's primary disaster assistance program to businesses. It provides low interest loans (3.75%) for working capital that are intended to help a business keep going during a period of business interruption due to a disaster. Businesses can apply for up to \$2 million. The terms for repayment of the loan can be quite long (up to 30 years) with the intention that the repayment costs are low enough to help the business stay economically viable after the disaster.

The CARES Act also added the ability for businesses applying for EIDL Loans to receive up to \$10,000 as an advance to "provide economic relief to business experiencing a temporary loss of revenue." The Advance does not have to be repaid and businesses that receive the advance, but ultimately are turned down for the loan, do not have to return or repay the advance if they were otherwise eligible to apply for EIDL and the purpose of the loan was eligible. Because of demand for EIDL, SBA had been limiting the Advance to the number of employees that the business had – so businesses with fewer than 10 employees were receiving less than \$10,000. There has been some

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pushback from Congress about this reduction in the Advance, so it is unclear as to whether that reduction will continue with the new round of funding. Right now, \$50 billion of the new appropriation is to fund loans under EIDL and \$10 billion is for the Advance.

Unlike PPP, which you apply to through a commercial lender, you apply directly to SBA for the EIDL. SBA had closed their application portal for EIDL when funding was fully obligated on April 15th. They have not yet reopened the application portal because they had a backlog of applicants. According to the SBA website <https://www.sba.gov/disaster-assistance/coronavirus-covid-19> (as of April 28th): “SBA is unable to accept new applications at this time for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.”

It appears that because of the backlog in applications that no new applicants will be able to apply, effectively closing the EIDL to farms. However, because the EIDL is a long-standing program, with fewer glitches than PPP, further rounds of funding if there is enough demand and demonstrated need could be forthcoming. We advise you to keep trying to apply. Small Business Development Center (SBDC) staff are a great resource to help guide you through this process as they are very experienced with EIDL loans. You can find your local SBDC center at <https://americassbdc.org/>

Next Steps

If more funding becomes available for EIDL you can apply for both the PPP and the EIDL programs. However, you cannot use the funds for the same purpose. So, if you do receive a PPP loan, it would be to your benefit to first use the PPP loan funds for salary because that use of the PPP is forgivable and uses of the PPP are more restricted. EIDL loans, for example, can be used to pay vendors and pay other operating costs. Many local areas are also developing emergency loan and grant programs for businesses, so it may be worth looking closer to home – especially if the amount of funding you need is more in the under \$10,000 range.

Here is a chart summarizing the differences between the two assistance programs:

	EIDL + Advance	PPP
Max Loan Amount	\$2 million	2.5 x average monthly payroll, up to \$10 million
Interest Rate	3.75% (2.75% for non profits)	1%
Maximum Forgivable Amount (aka Grant)	up to \$10,000 – even if EIDL loan is not approved	The first 8 weeks of payroll immediately after you receive PPP funds + (rent, utilities, mortgage interest) BUT the total amount forgiven for non-payroll expenses is capped at 25% of the total amount forgiven.
Repayment Period	up to 30 years	2 years
Allowable Uses	working capital	payroll, mortgage interest, rent, utilities
Who is the Lender?	SBA	commercial banks

Prior Fact Sheets:

Fact Sheet #1: **CARES Act’s Emergency Resources for Farm Businesses: Paycheck Protection Loan Program**, April 2, 2020
<https://bit.ly/358Q3Ye>

Fact Sheet #2: **April 8th Update to the Paycheck Protection Program (PPP) – Where the Only Constant is Change!**, April 8, 2020
<https://bit.ly/2Yamx2Y>

Fact Sheet #3: **A New Interim Rule, The First Round of Funding is Depleted. What Does the Future Hold?** April 14, 2020
<https://bit.ly/2Scv7pr>

Upcoming Events

2020 Spring Turn Out Grazer Meeting

May 7, 2020

6:00 pm—8:00pm, Online Zoom Meeting

How to decrease feed, fencing, and machinery costs. How do you think about spending money for your business? Financial management perspectives for long-term profitability, fencing advice from contractors, calculate your own machinery costs for forage production, and much more. Join for PowerPoint presentations, discussion, ask questions, and share your experience. Upon registering, you will receive information on how to participate in the zoom meeting. Register here: <https://tinyurl.com/SpringTurnOut2020>

Online Spotted Lanternfly Workshop

May 13, 2020

9:30 am—12:00pm

This is a meeting to update farmers and the general public about spotted lanternfly (*Lycorma delicatula*), a new invasive species that has the potential to cause severe economic injury to many important crops in Ulster County and New York State. This meeting will provide information on the biology of SLF, its preferred hosts, as well as economic injury sustained in Pennsylvania as a result of its introduction. This workshop will also cover some of the regulatory restrictions in place to limit the spread of SLF. *There is no cost to attend this meeting, however, pre-registration is required. CCEUC has applied for DEC pesticide credits. Register: <http://ulster.cce.cornell.edu/events/2020/05/13/online-spotted-lanternfly-workshop>*



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Accepting pre-submitted photos and questions at vegofficehours@gmail.com

Cornell Cooperative Extension
Eastern New York Commercial Horticulture



Cornell Cooperative Extension
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