

Congress of the United States
House of Representatives
Washington, DC 20515-1501

June 24, 2019

The Honorable Secretary Sonny Perdue
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Perdue,

We write to express our growing concern for American agriculture and the far-reaching effects of China's retaliatory tariffs on the Midwestern states we represent. While we hope that both nations will resolve their differences soon, we need a long-term strategy to create new market opportunities abroad for American agriculture. Until then, our farmers need fair and adequate trade assistance and, as a first step, we urge you to modify the 2019 Market Facilitation Program to better support our commodity crop farmers.

Trade is vitally important to the agriculture economy. Iowa leads the nation in exports of corn, soybeans, pork, and other industry sectors affected by the retaliatory tariffs. With net farm income down 50 percent since 2013 and debt at the highest levels since the 1980s farming crisis, family farmers—and the future of many rural communities—are in jeopardy. Corn growers have lost an estimated \$6.3 billion as the result of ongoing negotiations with China, which has severe implications for other businesses that rely on a strong agriculture export market, such as manufacturers, food processors, and shipping industries. From the farm to the factory line, the damaging effects of this breakdown in trade relations are being felt across the country.

While encouraged that the U.S. Department of Agriculture will provide additional aid to our farmers and ranchers, we support changes to the Market Facilitation Program in order to ensure fair compensation for farmers. Under the first round of aid, some farmers received lower payments than expected. For example, the Department paid farmers one cent per bushel of corn. By failing to account for lost market share of other corn products hit by the tariffs—specifically ethanol and distillers' dried grain with solubles (DDGS)—the payments hardly offset corn growers' losses. As such, these products must be included in the calculation of future payment rates for corn.

The Department should also consider the devastating weather conditions in Midwestern states. For example, historic-levels of flooding and rain in Iowa have forced farmers to delay, if not abandon, planting their crops. As of May 23, 2019, 24% of corn acres in the state were unplanted. Only 19% of soybean acres had been planted, compared with the average of 47% for previous years. By awarding payments based on the acres planted in 2019, many corn, soybean, and other crop growers will be categorically left out of millions of dollars in much-

needed relief. We urge the Department to account for unplanted acres in their calculations to ensure farmers—regardless of where they live or what they grow— receive the appropriate aid.

Lastly, we encourage the Department to consider additional flexibilities to help farmers manage their losses, such as the option for delayed or rolling certification if a farmer plans to plant late. Our farmers are already facing a downturn in the agriculture economy, and corn farmers have the added challenge of navigating a weakened ethanol market after the misuse of small refinery waivers decreased demand by hundreds of millions of gallons. As such, we hope these changes to the Market Facilitation Program address the economic pressures facing our growers.

Thank you for your time and consideration of our growing concerns. We stand ready to work with you to provide farmers with much-needed assistance. I look forward to your timely response to this crucial matter.

Sincerely,



Abby Finkenauer
Member of Congress



Jim Hagedorn
Member of Congress



Cynthia Axne
Member of Congress



Don Bacon
Member of Congress