

COLLIN C. PETERSON, MINNESOTA,  
CHAIRMAN

DAVID SCOTT, GEORGIA  
JIM COSTA, CALIFORNIA  
MARCIA L. FUDGE, OHIO  
JAMES P. MCGOVERN, MASSACHUSETTS  
FILEMON VELA, TEXAS  
STACEY E. PLASKETT, VIRGIN ISLANDS  
ALMA S. ADAMS, NORTH CAROLINA,

VICE CHAIR

ABIGAIL DAVIS SPANBERGER, VIRGINIA  
JAHANA HAYES, CONNECTICUT  
ANTONIO DELGADO, NEW YORK  
TJ COX, CALIFORNIA  
ANGIE CRAIG, MINNESOTA  
ANTHONY BRINDISI, NEW YORK  
JOSH HARDER, CALIFORNIA  
KIM SCHRIER, WASHINGTON  
CHELLIE PINGREE, MAINE  
CHERI BUSTOS, ILLINOIS  
SEAN PATRICK MALONEY, NEW YORK  
SALUD O. CARBAJAL, CALIFORNIA  
AL LAWSON, JR., FLORIDA  
TOM O'HALLERAN, ARIZONA  
JIMMY PANETTA, CALIFORNIA  
ANN KIRKPATRICK, ARIZONA  
CYNTHIA AXNE, IOWA  
XOCHITL TORRES SMALL, NEW MEXICO

# U.S. House of Representatives

## Committee on Agriculture

Room 1301, Longworth House Office Building

Washington, DC 20515-6001

(202) 225-2171

June 9, 2020

K. MICHAEL CONAWAY, TEXAS,  
RANKING MINORITY MEMBER  
GLENN THOMPSON, PENNSYLVANIA  
AUSTIN SCOTT, GEORGIA  
ERIC A. "RICK" CRAWFORD, ARKANSAS  
SCOTT DESJARLAIS, TENNESSEE  
VICKY HARTZLER, MISSOURI  
DOUG LAMALFA, CALIFORNIA  
RODNEY DAVIS, ILLINOIS  
TED S. YOHO, FLORIDA  
RICK W. ALLEN, GEORGIA  
MIKE BOST, ILLINOIS  
DAVID ROUZER, NORTH CAROLINA  
RALPH LEE ABRAHAM, LOUISIANA  
TRENT KELLY, MISSISSIPPI  
JAMES COMER, KENTUCKY  
ROGER W. MARSHALL, KANSAS  
DON BACON, NEBRASKA  
NEAL P. DUNN, FLORIDA  
DUSTY JOHNSON, SOUTH DAKOTA  
JAMES R. BAIRD, INDIANA  
JIM HAGEDORN, MINNESOTA

ANNE SIMMONS,  
STAFF DIRECTOR  
MATTHEW S. SCHERTZ,  
MINORITY STAFF DIRECTOR

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

Dear Mr. Secretary:

We write to share concerns that we are hearing in regard to the implementation of the Coronavirus Food Assistance Program (CFAP) payments to agricultural producers.

These direct payments are meant to be a lifeline to American farmers and ranchers whose production has lost significant value due to acute coronavirus-related market shifts. In an April report, researchers at the Food and Agriculture Policy Research Institute estimate that aggregate net farm income will drop by more than \$20 billion this calendar year due to this public health emergency.

Even as the prices for some agricultural products rebound, longer term changes to processing practices and shifts in consumer behavior are likely to continue to impact farmer and rancher income for months to come. Already, we are hearing forecasts of third and fourth quarter impacts, including farm income impacts of reduced stocking density in the livestock and poultry sector, where producers have had to depopulate animals when faced with no accessible market because of the severe impact of COVID-19 and are not fully supported by CFAP.

And, we remain concerned that USDA does not have sufficient agency staff in the county Farm Service Agency offices to meet the producer needs related to enrollment in CFAP, other administrative programs, WHIP+ disaster assistance, and existing farm bill programs. We look forward to continuing our work together to ensure USDA has adequate resources for field staff and fully utilizes those resources.

In addition to the concerns outlined below, we ask for your continued collaboration towards investing in long-term solutions to support resiliency in the food supply chain, instead of expensive short-term infusions of cash that do not address underlying long-term needs.

The following are the CFAP implementation issues that we wanted to share:

- CFAP does not include commodities under contract, even though several of the most impacted crops are typically grown under contract, including potatoes and malting barley.

- USDA chose to cover livestock sales between January 15<sup>th</sup> and April 15<sup>th</sup> when COVID-19-related livestock market declines did not begin until February 2020 and some of the lowest market prices persisted well beyond April 15<sup>th</sup>, effectively arbitrarily picking winners and losers based solely on when livestock was sold without regard to actual market conditions.
- CFAP does not recognize the cost premium of organic crops, by differentiating organic prices for certified organic producers.
- USDA used data not fully representative of the farmgate value of some specialty crops to determine their eligibility for CFAP and CFAP payment rate.
- CFAP payments do not distinguish between livestock raised for restaurant or higher value market chains, such as heritage breeds or grass-fed.
- It remains unclear how producers of products that are not sold in cash markets with publicly reported prices (e.g., commodities that sell primarily to retail, farmers' markets, fast food, and restaurant markets) and suffered significant market losses will meet the price data requirements of the CFAP Notice of Funding Availability. Impacted sectors include domestic aquaculture, bison, poultry, cut flowers, nursery products, and potatoes.
- CFAP payments do not distinguish for the higher value given to crops that are marketed directly through restaurants, farmers' markets, and other alternative markets.

We encourage you to address these situations for this and any future financial assistance distributed through the CFAP final rule to respond to the ongoing public health emergency. We look forward to working with you to develop effective solutions that strengthen the resiliency of our domestic food system.

Sincerely,




---

Collin C. Peterson,  
Chair,  
House Committee on  
Agriculture




---

Jim Costa,  
Chair,  
Livestock and Foreign  
Agriculture Subcommittee,  
House Committee on  
Agriculture




---

Stacey E. Plaskett,  
Chair,  
Biotechnology, Horticulture,  
and Research Subcommittee,  
House Committee on  
Agriculture




---

Filemon Vela,  
Chair,  
General Farm Commodities  
and Risk Management  
Subcommittee,  
House Committee on  
Agriculture