

Congress of the United States
Washington, DC 20510

July 7, 2020

The Honorable Sonny Perdue
Secretary
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC

RE: Docket ID FSA-2020-0004

Dear Secretary Perdue,

We write you to express our concerns with the United States Department of Agriculture's (USDA) Coronavirus Food Assistance Program (CFAP). We believe that specialty crops are at a disadvantage because the terminal and shipping point data USDA used to determine whether they qualify under the CFAP does not accurately reflect the price loss these growers actually experienced during the COVID-19 pandemic. We encourage USDA to consult with our growers and use price data that accounts for the actual prices growers' received. In addition, we believe USDA should consider the crop supply and the grower-buyer contracts that were cancelled due to the pandemic. As of July 2, 2020, only 53 specialty crop applications to the CFAP have received support in Washington State. This compares to the over 1,082 applications that received similar economic support from USDA's Market Facilitation Program and would be eligible of CFAP. This demonstrates that CFAP calculations do not work for our specialty crop growers, but a more accurate calculation can. Washington's specialty crop growers have provided comments to the Federal Register under Docket ID FSA-2020-0004 in response to the CFAP Notice of Funds Available (NOFA). We share our support of these comments and urge USDA to change its eligibility requirements for specialty crop growers.

As you may know, agriculture is a major part of the Washington economy, supporting 164,000 jobs and producing \$10.6 billion in annual revenue from over 39,000 farms of all sizes. Washington growers produce over 300 commodities, many of them specialty crops. Washington ranks first in the United States for our production of apples, pears, hops, and sweet cherries and second for potatoes, grapes, and onions. We have always worked in a bipartisan effort to support our growers, and today is not any different. Given today's challenges, our growers are struggling to continue operating. We appreciate the investment by USDA to assist Washington's growers during the COVID-19 pandemic. However, we believe, along with our growers, the CFAP in its current form does not adequately account for the market losses that Washington specialty crop growers experienced from January 15, 2020, through April 15, 2020.

After reviewing comments from growers and stakeholders, we compiled a few examples where our growers have shown significant losses during the program period. For example, Washington is the number one apple and pear producing state in the country. According to the apple industry, losses calculated by the Agriculture Marketing Service (AMS) were not accurate to current industry measurement tools. Approximately 95% of apple sales nationwide are made between packer/shippers and supermarket chains. USDA concluded the apple industry did not reach the 5% price decline within the specified program time. Thus, apples were not included in category one direct payments under CFAP. However, industry data, as provided in comments from growers, show price declines ranging from 6% to almost 25%. The apple and pear industry in Washington estimates they will see a nearly \$190,000,000 loss this year, with little to no CFAP assistance. We also share the CFAP modification request made by

our growers to include payments for each eligible producer based on the volume of production sold or in inventory during the CFAP eligibility period between January 15, 2020, and February 15, 2020.

Potato producers have also seen significant losses across their dynamic growing and production industry that we feel USDA may not have taken into account when deciding qualification factors. Over 1.5 million pounds of fresh potatoes-for-processing and potato products remain in storage, leaving many growers with no ability to sell their 2019 or 2020 crop, and many contracted growers have seen their contracts canceled. The industry also heavily depends on the food-service industry as intrinsic to their sales, with 60% of all potatoes used for processing, which was not factored into the CFAP formula. In the National Potato Council's NOFA comments, they point out that AMS data shows Washington potato growers during the CFAP period saw a carton price drop from \$17.50 to \$13.00 or a 26% loss.

These are just a few examples of the impact COVID-19 has had on the Washington agriculture industry. Many other specialty crops, such as mint, berries, wine grapes, and others, are struggling to stay in business. We understand USDA must implement parameters to the CFAP. However, we ask that USDA reconsider qualifying factors so that specialty crop growers are able to receive much-needed relief.

Thank you for your consideration.

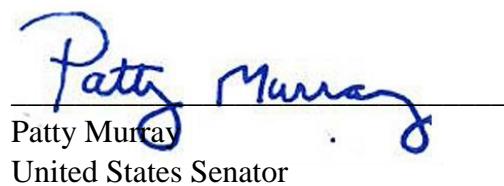
Sincerely,



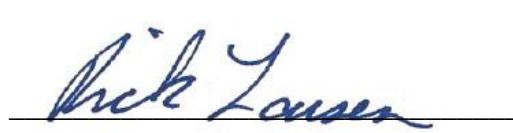
Maria Cantwell
United States Senator



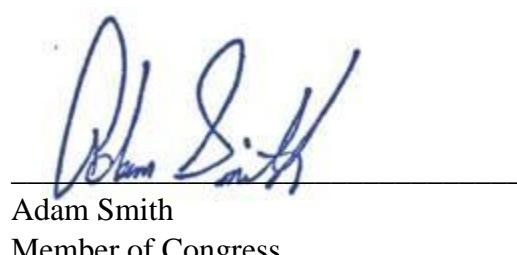
Dan Newhouse
Member of Congress

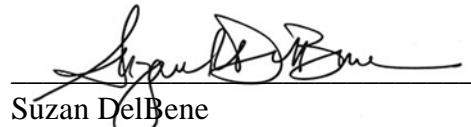

Patty Murray
United States Senator

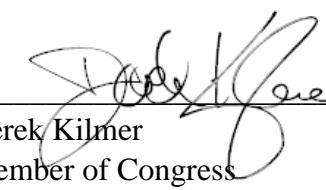
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