



March 21, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy, and Minority Leader Schumer:

On behalf of the nearly 200,000 family farmer, rancher, and rural members of the National Farmers Union (NFU), thank you for your work during this unprecedented crisis. As Congress considers legislation in response to the COVID-19 pandemic, NFU urges the inclusion of provisions that would provide prompt and appropriate assistance to family farmers and rancher and their rural communities. Immediate action must be taken to better prepare the rural health care system for the pandemic, and all links in our food supply chain, including family farmers and ranchers, must be able to function in this crisis.

NFU, along with other organizations that represent rural residents, sent a letter this week to the Trump Administration urging immediate action to address the dangerous situation in the struggling rural health care system. The coalition letter called for administrative action to expand the capacity of rural facilities, such as increasing the availability of necessary medical supplies and funding for hospitals, migrant health centers, and other community health providers. Such efforts will help rural Americans access necessary medical services during this crisis. Congress should also ensure that rural health concerns are not overlooked in the pandemic.

Efforts to provide more economic stability must include farmers. Assistance should be made available for all commodities directly and indirectly impacted by market disruptions. The economic shockwaves from this pandemic will likely result in volatile markets for all crops. Just as agricultural exports declined because of disputes with our major trading partners in the last two years, the economic impact of efforts to minimize the surge of COVID-19 cases will similarly disrupt the market. One of the first examples of this is the precipitous drop in demand for corn ethanol as fuel consumption has fallen dramatically in the last two weeks. Additionally, many farmers across the country are still recovering from 2019 weather disasters and will need economic assistance to continue farming through these very difficult times.

Ranchers have suffered record losses and bankruptcies in recent years, and market losses due to the pandemic may cause further harm. The gap between shelf prices for beef and prices for cattle widened in the last two weeks, and the decline in prices for live cattle is seriously affecting many ranchers. Although recent efforts to help other sectors of the farm economy have largely not included beef, assistance is now sorely needed. Such assistance should be directed to ranchers rather than to packers and processors.

Between 2014 and 2018, roughly 7,500 U.S dairy farms went out of business as low milk prices failed to cover the average cost of production. Dairy farmers were hopeful for 2020 to be a year of improved prices. However, economic and supply chain disruptions are likely to have serious impacts on the dairy market. Existing programs, such as the Dairy Margin Coverage (DMC) program, offers modest support for farmers but enrollment this year was low. The program should be strengthened, and farmers given another opportunity to enroll. Additional immediate assistance will be needed to reduce the loss and the ensure the viability of family dairy farms.

Farmers and ranchers face significant credit challenges from several years of low prices and weather disaster. This new economic reality adds even more financial pressure. Just as provisions have been made for small business loans, student loans, and mortgage relief, action must also be taken to extend credit and credit terms for farmers. Loan forbearance, loan forgiveness, extended repayment periods, and suspension of interest are some of the many ways to help farmers with credit. There will be many difficulties in the farm economy in 2020; farm foreclosures should not be among them.

Special attention must be paid to loss of market access for the many farmers who sell through their local and regional food systems. These farmers use a variety of marketing channels, including direct-to-consumer markets such as farmers markets, institutional partners such as schools and universities, and intermediaries such as food hubs. These farmers face heightened market uncertainty. Already, some jurisdictions have ordered farmers markets closed and many school systems have been shuttered. While some farmers are finding creative ways to continue to market their products during the pandemic, many will lose the preponderance of their revenue in the weeks and months ahead.

The needs of specialty crop producers must also be accounted for. Growers of fruits and vegetables cannot rely on the same farm safety net as commodity crop producers.

Throughout all these efforts, the integrity of farm programs must be maintained. In many cases, existing farm programs could be improved to avoid lengthy implementation processes for new initiatives. The assistance must be made available to farmers in a timely manner even as governmental operations are challenged during the COVID-19 pandemic. Furthermore, geographic disparities in payments and assistance levels should be minimized, although benefits should be based upon the direct and indirect damage to all crops and commodities. Payment limits and eligibility requirements should be enacted to ensure that assistance is appropriately directed to family farmers and ranchers and should reflect the limits set in the 2018 farm bill.

Thank you for your attention to these important matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Larew". The signature is fluid and cursive, written in a professional style.

Rob Larew
President