



July 10, 2020

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

Dear Secretary Perdue:

I write in follow up to my June 1, 2020, letter/comments regarding assistance made available to help farmers impacted by COVID-19 through the Coronavirus Food Assistance Program (CFAP). The program provides important assistance to producers of hard red spring (HRS) and durum wheat, production of which comprised about 30% of all 2019 wheat production. Other classes of wheat were left out of the program, despite farmers facing historically low prices. We appreciate your reply, dated June 17, 2020, acknowledging our disagreement with elements of CFAP and noting that the Department attempted to address COVID-19 impacts equitably across the industry. We also noted that your July 9, 2020, announcement of eligibility of additional commodities for CFAP stated the Department expects additional eligible commodities to be announced in the coming weeks. As such, we continue to urge you to make assistance available for all classes of wheat. Additionally, as the CARES Act included \$14 billion in replenishment for the Commodity Credit Corporation, which would become available in July, I urge you to begin providing aid for economic losses experienced for the 2020 crop.

Winter wheat harvest is well underway and even wrapped up in some areas of the south. As of Friday, July 10, 2020, hard red winter wheat harvest has wrapped up in Texas and Oklahoma and is 90% complete in Kansas, 53% in Colorado, and 42% in Nebraska; test cutting is starting in the Pacific Northwest. Soft red winter wheat harvest has worked its way from the south and east and into Ohio. Soft white wheat harvest has started in parts of Washington and Oregon and will soon start in Idaho. Spring wheat harvest across northern tier states will start later this summer. Farmers have been selling new-crop wheat and are being affected by depressed prices resulting in part from COVID-19. Local cash prices have been affected, as have futures prices.

All classes of wheat are being affected, and so any aid program, including CFAP, should provide assistance to farmers of all classes of wheat. If USDA is going to continue evaluating price impacts by comparing a pre-COVID timeframe to another timeframe, we urge you to look at cash price changes as well, as farmers are generally faced with lower prices locally than the price on futures markets and the futures markets do not reflect the adverse price impacts being felt directly by wheat farmers. From a sampling of cash prices from most wheat growing regions we found an average price of approximately \$5.30 per bushel during January 13-17, 2020. That sampling also shows an average price during June 15-19, 2020, as approximately \$4.68 per bushel. This represents a drop of \$0.63, or 11.8%. For just winter wheat producing areas, the local cash price drop was \$0.73, or 14.2% during those same timeframes. Economic impacts are being experienced by wheat farmers right now.

We understand that the Department will undoubtedly require additional resources in order to address COVID-19 economic losses for the 2020 crop. As we did during development of the CARES Act, we will continue to ask Congress to provide additional resources. In the meantime, we request that you utilize existing authorities and funding at your disposal to begin providing assistance for farmers being affected right now and in the coming weeks and months.

Sincerely,

A handwritten signature in cursive script that reads "David J. Milligan". The signature is written in a dark ink and is centered below the word "Sincerely,".

David Milligan, President
National Association of Wheat Growers