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FIFTH DISTRICT, MISSOURI

FINANCIAL SERVICES COMMITTEE  
HOUSING AND INSURANCE SUBCOMMITTEE  
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OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE



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## Congress of the United States House of Representatives

September 4, 2018

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

Dear Secretary Perdue,

I write to express concern with the trade mitigation programs announced by USDA on August 27, 2018, and to encourage your department to consider ongoing and recent disaster declarations in the current payment allocations. These new trade mitigation programs aim to assist farmers who are negatively affected by retaliatory tariffs. The payments will provide some relief from the current trade disruption, but not enough to make most of the farmers in my Fifth Congressional District whole.

The bulk of the assistance package will come from the Market Facilitation Program (MFP) administered by the Farm Service Agency (FSA). This program will provide payments to producers of corn, cotton, dairy, hogs, sorghum, soybeans and wheat. Payments will be issued on only *50 percent of the producer's total production*, multiplied by a MFP rate for the specific commodity. Furthermore, MFP payments are capped at \$125,000 combined for corn, cotton, sorghum, soybeans, and wheat per person or legal entity.

The disparity between the effects of the tariffs and this program will fall well short of bridging the price gaps. As you know, of the \$12 billion authorized for the trade mitigation programs, only \$4.7 billion will be part of the initial MFP program for row crop, dairy, and pork producers. According to USDA's National Agriculture Statistics Service (NASS), U.S. corn growers produced 14.6 billion bushels and soybean growers produced 4.39 billion acres in 2017. Soybeans now fetch \$2.00 less per bushel compared to the beginning of the year, and the National Corn Growers Association asserts that corn prices have already dropped by 44 cents per bushel this year. Corn producers will only receive one penny (\$0.01) per bushel in assistance.

Furthermore, the current aid package does not account for recent or ongoing disaster declarations. According to the National Integrated Drought Information System, 65% of the state of Missouri is affected by abnormal dryness or drought, causing significant shortfalls in production this year. The drought and price loss from tariffs are double hits on Missouri farmers and many farmers may see no aid at all. Moreover, many farmers sell their crops over two or three years. The current price affects more than the 2018 harvest for many farmers, but they will see no aid for previous years' production sold this year. If there is a second round of payments, I urge you to consider a multi-year yield formula to make up for the current assistance gap.

PLEASE REPLY TO:

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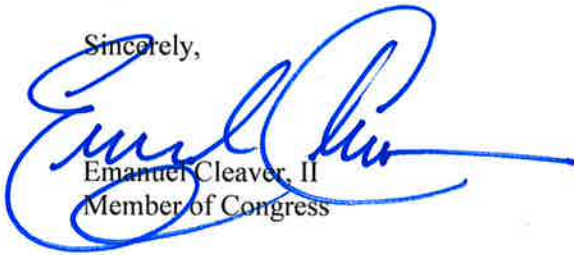
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The negative effects of the tariffs and trade uncertainty will have lasting consequences, including the loss of foreign markets. I can promise you this, farmers in my district and across the country consider the tariffs and trade uncertainty a disaster that could cost them their livelihood. Farmers in this country are not responsible for this trade war and are telling me that they prefer trade, not aid. My desire is to simply allow Missouri's farmers to receive benefits from this program in an equitable way and to encourage the Administration to resolve the current trade disputes.

Sincerely,

A handwritten signature in blue ink, appearing to read "Emanuel Cleaver, II". The signature is stylized and cursive, with a large initial "E" and a long horizontal flourish extending to the right.

Emanuel Cleaver, II  
Member of Congress