

United States Senate

WASHINGTON, DC 20510

April 9, 2020

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

Dear Secretary Perdue:

The COVID-19 pandemic has disrupted local food systems and caused losses for farmers who sell their products to local markets. We urge you to account for the scale of these losses as the U.S. Department of Agriculture (USDA) provides relief and direct payments to farmers.

The recently-passed Coronavirus Aid, Relief, and Economic Security (CARES) Act made \$9.5 billion available for USDA to provide support for agricultural producers who are struggling because of the COVID-19 pandemic. The CARES Act specifically includes “producers that supply local food systems, including farmers markets, restaurants, and schools” among those eligible for the assistance. We write today to emphasize the high level of damages being experienced by local food producers and to provide comments on fair allocation of the CARES payments.

Communities across the country have responded to the spread of COVID-19 by shutting down schools, universities, and other institutions. Many farmers markets have closed or postponed the start of the season to prevent crowds from gathering during the outbreak, and restaurants have closed or are operating on a limited basis. These closures and delays have cut off the usual outlets for producers who sell directly to into local and regional food systems. One study estimates that these market disruptions could lead to a \$1.1 billion loss of sales for these producers through the end of 2020.

The growth of the local food economy over the last decade has nurtured a diverse group of small and medium size producers who depend on direct markets to reach consumers. Consumers benefit from having more choices and a deeper connection to where their food comes from and how it is grown. Unfortunately, these losses, compounded by increased sanitization and transportation expenses, threaten the survival of many of the farms that supply local food systems.

We urge you to protect the rich diversity of American agriculture by working with producers who supply local markets to tailor USDA relief efforts to their needs. To do this, we respectfully request that you provide payments to local food producers for lost revenue and additional cost incurred by the COVID-19 disaster.

We urge you to administer these payments through the Farm Service Agency in response to the industry's projected \$1.1 billion loss in revenue. To be eligible to receive a direct payment, local food producers should derive at least 25 percent of total farm income from sales that are locally purchased, including food sold directly to consumers, schools, institutions, food hubs or regional distribution centers, retail markets, farmers markets or restaurants. Further, to be eligible, these producers should meet standard AGI limitations as directed by the Farm Bill and maintain conservation compliance if currently required to have a plan.

For those local food producers making between \$1000 and \$300,000 in annual revenue in recent years, the USDA direct payment for COVID relief should at a minimum equal 25 percent of annual revenue or at maximum equal \$25,000.

For those local food producers who can provide information regarding actual COVID revenue loss and added costs, additional disaster assistance should be made available. Information regarding revenue loss could include a 2020 crop year business plan, a record of approved loans, a record of 2019 crop year revenue, contracts, receipts, or other agreements that can demonstrate a loss of revenue or additional costs incurred by a farmer as a result of the COVID-19 disaster. Payments for these actual losses and costs should be capped at \$100,000 per producer or at a minimum should be equal to 50 percent of the total lost revenue and additional costs incurred by producers as a result of the COVID-19 disaster and 60 percent of total lost revenue and additional costs for producers who donate a significant amount to food banks or other charitable causes.

As the ramifications of the COVID-19 emergency continue to unfold, we encourage you to consider whether additional payments will be needed in the future to support local food economies affected by the disaster.

We respectfully request that for crop year 2020, the Farm Service Agency waive farm number requirements for local food producers and new farmers who currently do not have them. We ask that USDA carefully consider an outreach strategy that specifically reaches small, beginning, and socially disadvantaged local food producers, including those with limited internet access or exposure to FSA services. We urge USDA to establish a national hotline to manage incoming producer inquiries, simplify the application process, and make information about the program available in multiple languages.

Thank you for consideration, and please know that we stand ready to work with USDA on relief efforts.

Sincerely,

/s/ Sherrod Brown
Sherrod Brown
United States Senator

/s/ Lisa Murkowski
Lisa Murkowski
United States Senator

/s/ Debbie Stabenow
Debbie Stabenow
United States Senator

/s/ Susan M. Collins
Susan M. Collins
United States Senator

/s/ Richard Blumenthal
Richard Blumenthal
United States Senator

/s/ Christopher S. Murphy
Christopher S. Murphy
United States Senator

/s/ Robert Menendez
Robert Menendez
United States Senator

/s/ Catherine Cortez Masto
Catherine Cortez Masto
United States Senator

/s/ Jeffrey A. Merkley
Jeffrey A. Merkley
United States Senator

/s/ Cory A. Booker
Cory A. Booker
United States Senator

/s/ Tom Udall
Tom Udall
United States Senator

/s/ Elizabeth Warren
Elizabeth Warren
United States Senator

/s/ Tina Smith
Tina Smith
United States Senator

/s/ Patrick Leahy
Patrick Leahy
United States Senator

/s/ Mazie K. Hirono
Mazie K. Hirono
United States Senator

/s/ Kirsten Gillibrand
Kirsten Gillibrand
United States Senator

/s/ Angus S. King, Jr.
Angus S. King, Jr.
United States Senator

/s/ Brian Schatz
Brian Schatz
United States Senator

/s/ Jeanne Shaheen
Jeanne Shaheen
United States Senator

/s/ Robert P. Casey, Jr.
Robert P. Casey, Jr.
United States Senator

/s/ Patty Murray
Patty Murray
United States Senator

/s/ Joe Manchin III
Joe Manchin III
United States Senator

/s/ Tammy Duckworth
Tammy Duckworth
United States Senator

/s/ Richard J. Durbin
Richard J. Durbin
United States Senator

/s/ Bernard Sanders
Bernard Sanders
United States Senator

/s/ Tim Kaine
Tim Kaine
United States Senator

/s/ Tammy Baldwin
Tammy Baldwin
United States Senator

/s/ Martin Heinrich
Martin Heinrich
United States Senator

/s/ Gary C. Peters
Gary C. Peters
United States Senator

/s/ Amy Klobuchar
Amy Klobuchar
United States Senator

/s/ Chris Van Hollen
Chris Van Hollen
United States Senator

/s/ Mark R. Warner
Mark R. Warner
United States Senator

/s/ Jack Reed
Jack Reed
United States Senator