

April 16, 2020

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

Dear Secretary Perdue:

The COVID-19 pandemic presents an urgent challenge to our nation's farmers and food companies, who are continuing to provide the nation with a safe, abundant, and affordable food supply. This crisis is especially pressing for producers of perishable food, such as dairy farmers who milk cows and deliver milk to processors every day and do not have the option of pausing production.

Although the dairy industry has noted that the milk supply remains safe and production continues across the country, dairy farmers are enduring a massive drop in sales due to restaurant closures, school closings, and food-service order cancellations. Some processing plants that supply these businesses have temporarily closed or reduced production. This decline has translated to an estimated \$5.7 billion loss at the farm level in just the last five weeks, with several billion dollars lost in the supply chain. Despite efforts by dairy cooperatives and processors to shift milk supplies to other plants, wholesome, high-quality milk is being dumped in some locations as processing bottlenecks continue. Further disruptions could be possible, especially if some of the essential workers at processing plants fall ill.

To respond to the damage that farmers have already incurred and to prepare for further losses, Congress included in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* a \$9.5 billion emergency response fund for agriculture, to equip the Department to prepare for, prevent, and respond to COVID-19 through direct support to producers. Dairy producers are specifically supported within this fund. The law also partially replenishes the borrowing authority for the Commodity Credit Corporation by \$14 billion, which can be used to assist producers whether or not they have been impacted by the pandemic. I urge the Department to act quickly and build off of existing programs and recently appropriated funds to deliver direct assistance to dairy farmers and support dairy processors and others in the supply chain.

Furthermore, dairy industry stakeholders have recently proposed a comprehensive action plan to address many of the key marketplace challenges created by the pandemic. I urge you to give these recommendations your immediate consideration and develop an appropriate approach that would provide producers the relevant support to align supply with the ongoing reduction in

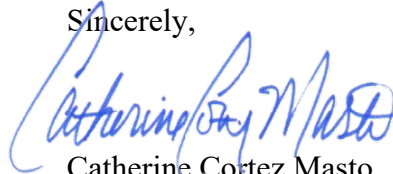
demand. Additionally, I ask that you concentrate your efforts on products that have lost their normal restaurant, foodservice, and export markets that can be repurposed for nutrition programs or utilized by other consumer venues, such as food banks and other programs that have seen an increased demand for milk and other dairy products.

Even with improved risk protection and an effort to shore-up markets, dairy farmers will face significant losses on both milk and other production, such as the beef value of their cull cows and dairy steers. I urge the Department to take such losses into account as you develop your plan in providing assistance to these agricultural producers.

While many of the recommended actions should reduce the imbalance between milk supply and demand in certain segments of the dairy industry caused by COVID-19, it is urgent for the Department to work quickly to ensure that there is a clear plan, incentives, and support structures in place in order to avoid both long-term harmful impacts to the industry and waste of valuable dairy products.

I thank you for the Department's ongoing efforts to help our nation's producers and food companies through this unique and difficult crisis, and look forward to continuing to partner with you over the coming months on behalf of our dairy farmers, businesses, and workers as our nation endures this unprecedented public health and economic crisis.

Sincerely,



Catherine Cortez Masto
United States Senator