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April 3, 2020

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

Dear Secretary Perdue,

The New York Farm Bureau (NYFB), New York State's largest general farm organization, respectfully requests the U.S. Department of Agriculture (USDA) act swiftly to provide assistance to farmers impacted by the outbreak the Coronavirus across the country. While no one could have predicted the extent of this virus on the country or its food supply, the impacts have been real and unprecedented for America's farmers, including those in New York. Not only have farmers experienced the loss of markets, dumping of products, and labor disruptions, also there remains uncertainty of when they may see any type of recovery.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed last week, provides an opportunity to give some certainty to farmers across the country and provided much needed resources to assist farmers. The CARES Act included a \$14 billion replenishment for the Commodity Credit Corporation (CCC) and allocated \$9.5 billion to the USDA to assist specialty crops, dairy, livestock, and direct market enterprises. NYFB believes that these funds will expressly help New York's agricultural industry made up of over 33,000 farms which represent a highly diverse sector. These commodities include dairy, fruits, vegetables, livestock, field crops, aquaculture, horticulture, floriculture, and timber. They also represent all production methods, from conventional to organic, and all farms sizes from less than an acres to several thousand acres. All have felt the impact of COVID-19 and will greatly benefit from direct support as quickly as possible.

Direct Support to Farmers

It is imperative that support and funds provided by USDA be directed as assisting farmers impacted by COVID-19. This can be done through a number of means as outline below, but the overall request is to help those with the greatest necessity.

Dairy Industry

As you are well aware, dairy farmers across New York and across the country have faced unprecedented market swings and have seen significant drops in milk prices in the past several weeks, well below the cost of production. As New York's largest agricultural commodity, dairy is essential, but it is facing significant uncertainties as prices have been low for five years and market losses in exports and domestic food sector due to restaurants and institutional closures is causing milked to be dumped. NYFB offers the following recommendations to assist the dairy industry:

1. Crafting a special direct payment to dairy farmers. While the option has been discussed to re-open Dairy Margin Coverage (DMC), NYFB believes a direct payment at least equivalent to the financial support provided by DMC would provide immediate financial support to dairy farmers further, it would not burden the local FSA offices who would have to facilitate DMC sign-ups;
2. To offset the decline in demand of dairy products in food service and school meals, USDA should immediately make purchases of dairy products including but not limited to fluid milk, butter, cheeses and dry milk powders. Additional support could be provided through export assistance programs and direct commodity support;
3. The creation of a voucher program through the Milk Donation Program, as authorized under the 2018 Farm Bill, to facilitate the distribution of donated milk through grocery stores and other venues since some food banks are not geared for highly perishable products;
4. Consider activating a milk loss program similar to the 2019 Wildfires and Hurricanes Indemnity and Milk Loss (WHIP-ML) Program to indemnify eligible dairy operations for milk that was dumped or removed without compensation from the commercial milk market due to COVID-19;
5. Ensure that any milk disposed of or dumped, counts towards a Dairy Revenue Protection policy holder's total milk marketings.
6. Allow school lunch programs still operating to purchase whole milk; and
7. Section 32 dairy purchases to the greatest extent possible.

Specialty Crops

The specialty crop industry (both fruit and vegetables) has faced significant challenges due to decreases in sales to the food service industry, particularly the restaurant sector, and don't have other major avenues to sell products into. Specialty crops, as defined by the USDA, are a critical part of New York's agricultural industry as we are ranked high in apples, cabbage, grapes, etc., and it is critical that these industries receive direct support to help offset losses. Several New York cabbage farmers have reported that they typically sell 5-6 tractor trailer loads of cabbage per week, but many haven't sold any loads in over two weeks. Many have several hundred thousand of dollars' worth of cabbage sitting in cold storage that will remain unsold and be forced to be dumped. NYFB offers the following suggestions to help offset the market losses:

1. Direct payments are needed for all specialty crop growers that are dumping products and experiencing income losses due to restaurant and retail closures.
2. It will be important to assure that funds allocated to specialty crop growers get to all producers, regardless of size, experiencing immediate impacts.
3. With the steep decline in purchases in the food service sector, USDA should consider developing a purchase program that would quickly provide stability to all impacted fresh produce growers through the duration of the COVID-19 public health emergency.
4. The labor demands in fruit and vegetable production are acute. We want to continue to work with USDA, DOL and DOS in providing maximum accessibility to the workforce and flexibility in labor operations.

Horticulture/ Floriculture

Due to the closure of retail garden centers and stay-at-home order, horticulture, floriculture, and nursey businesses have been severely impacted. At a time when they may be making the

majority of their sales for the year, they have seen sales dwindle down to nothing. This is because people are not purchasing plants for the Spring season, the Easter season or will not be purchasing items for Mother's Day. These businesses cannot be forgotten when USDA is developing its response and assistance programs for the agricultural community.

Livestock

The livestock industry including beef, poultry, swine, sheep, goat, duck, and aquaculture have seen drastic swings in the market in recent weeks. Futures prices have plummeted for live cattle, feeder cattle and lean hogs by as much as thirty percent. USDA should do its utmost to cover the significant losses livestock producers have incurred. NYFB also encourages USDA to provide support for the equine industry which have experienced losses due to reduction in the ability to hold events, provide training lessons, and operate their businesses as normal. In addition, NYFB urges USDA to:

1. Crafting a special direct payment to livestock producers impacted by market changes.
2. Aquaculture producers, including seafood producers, should be eligible for assistance since many of their sales goes to restaurants.
3. Utilize where appropriate existing authorities under the Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish; and
4. Cooperate and share information with the Commodity Futures Trading Commission and Chicago Mercantile Exchange to monitor and prevent price manipulation in the spot or futures market.
5. Traditionally equine operations are often not able to take advantage of USDA programs so it is imperative that any support provided to livestock producers include equine operations as well.

Craft Beverage Industry

The New York craft beverage industry has felt the impact of COVID-19 as many are not able to have their tasting room open or their restaurants at full service which can be a lifeline for their businesses. It is critical that these businesses are able to receive assistance as well as some have stepped up to help make sanitizers and other products during this time of need.

Maple

While the U.S. maple industry may be small, they are an important part of the agriculture industry. The peak season for maple production is February and March, just as COVID-19 began to impact the country. This meant that maple producers lost out on sales at their maple shops and were not able to host events at their farms. It is important that these producers be included in any support programs as well.

It is important that these funds help the self-employed farmers and sole proprietors as they are the very lifeline of our agricultural industry. While these individuals may not have payroll obligations, they are under equal financial stress and should be covered under all programs. They may not have the traditional eligibility under SBA programs and need assistance. In addition, local fresh market farmers whose local fresh markets are no longer operating due to stay-at-home orders issued by state or local government and will need some way to capture their losses in revenue.

Whether under the special appropriation of \$9.5 billion to the Secretary or under the CCC reauthorization, financial support must be provided to all these important production sectors listed above, which are often the backbone of a rural community and a rural economy:

Meeting needs immediately

Many farmers are increasingly desperate. They include dairy, specialty crop, livestock, nursery, horticulture and others such as those listed above. As soon as realistically possible, these growers should be given clear, unequivocal guidance on:

- What USDA and other government assistance programs are available including clarity for Small Business Administration (SBA) programs.
- Where to go for assistance.
- How to apply
- Clear eligibility criteria for each program including individual commodity and business size clarification.

At the same time, farm retail outlets (either on- or off-farm) must be provided information about where to go to get relief resources (such retailers have lost markets due to stay-in-place orders).

Additionally, USDA should seek to expand the Supplemental Nutrition Assistance Program (SNAP) Online Purchasing Program to allow qualified vendors at farmers markets, food hubs, farm stands to accept SNAP purchases, fulfill food orders and comply with social distancing and other mitigation order aimed at reducing spread of COVID-19. These markets are vital for many New York farmers who directly sell to consumers. Additionally, if there are ways to provide additional vouchers for the purchase of products at grocery stores, these are also welcome.

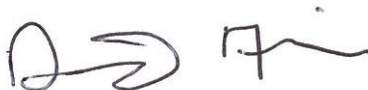
Continuity and supply chain issues

These remain critically important components of a successful program to aid the agricultural sector. NYFB continues to urge USDA to work aggressively with our trading partners to assure that critical trade relations remain intact to the greatest extent possible. Specifically:

- a. Dairy, livestock and other agricultural trade with Canada and Mexico must be maintained.
- b. Chemicals and other farm inputs from foreign nations should continue to flow so that farmers do not lose these critical components of agriculture production. This is affecting availability of fertilizer and other commodities.

NYFB thanks you for the opportunity to share these ideas that will assist farmers during this unprecedented times. NYFB respectfully requests that USDA act as quickly as possible to provide direct relief and resources to farmers.

Sincerely,



David Fisher
President, New York Farm Bureau