

Congress of the United States
Washington, DC 20510

May 16, 2019

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

Dear Secretary Perdue,

Although a resolution to the trade dispute with China is our top priority, we write to express our support for equitable short-term economic relief for our agricultural producers.

Producers are aware that China has taken advantage of U.S. innovation and technology far too long, and they are supportive of the Trump Administration's efforts to strike a fair deal that increases market access for American agricultural products. They prefer competitive unrestricted access to global markets in lieu of any short-term government assistance program; however, until that goal is achieved we support the administration's efforts to provide appropriate relief during this challenging agricultural economic climate.

South Dakota producers are resilient and have survived one of the harshest winters on record, followed by devastating spring flooding and now a delayed planting season. However, operating their farms with successive years of declining commodity prices and falling net farm income is critically jeopardizing the sustainability of their operations. Because the 2018 Market Facilitation Program (MFP) provided only production-based assistance, we ask you to consider the following changes to provide a more robust equitable safety net for the next iteration of MFP.

We request that any future MFP assistance does not incentivize non-market based planting decisions and we strongly encourage you to develop a program that fairly and equitably addresses producers' trade-related losses across all commodities. We were encouraged to see Undersecretary Northey's recent remarks encouraging farmers to "Plant for the market. Don't plant for trade aid."

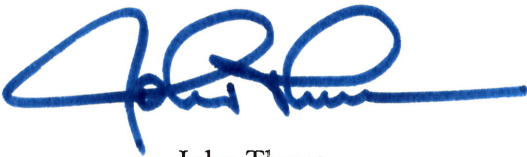
Additionally, we encourage you to consider allocating 2019 crop-year assistance based on a producer's 2018 planted and considered acreage of each eligible crop, and that each crop's payment yield would be calculated based on the higher of the county average yield for the county in which the land is physically located or the producer's Actual Production History (APH) in the crop insurance unit in which that crop was grown in 2018. We believe the 2018 crop acreage would be reflective of each crop's acreage likely to be planted for the 2019 crop year and that calculating future MFP payments based on 2018 certified acreage and the higher of county average yield or APH would allow USDA to provide immediate assistance to producers.

Finally, when determining the MFP payment rate for individual commodities, we strongly encourage you to account for the substantial indirect effect retaliatory tariffs are having on all commodities and all producers. Though not all commodities have been retaliated against directly, the overall effect on the market has occurred across the entire agricultural sector in the form of depressed prices. Additionally, all farmers are negatively impacted by higher costs for inputs and equipment that have been caused by the trade dispute and tariffs.

We appreciate your steadfast attention to rural America, our farmers and ranchers, and your desire to expeditiously provide relief from trade inequities. We appreciate your prompt attention to this matter because rural America needs economic assistance as soon as possible.

Thank you for your efforts on behalf of U.S. agriculture.

Sincerely,



John Thune
United States Senator



M. Michael Rounds
United States Senator



Dusty Johnson
Member of Congress