

United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION AND FORESTRY
WASHINGTON, DC 20510-6000
202-224-2035

January 9, 2019

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

Dear Secretary Perdue:

I write today to raise concerns and obtain information about the impact of the government shutdown on programs within the U.S. Department of Agriculture (USDA). As you know, the lapse of funding for USDA is now on day 19 – the second longest shutdown on record.

I am deeply concerned that the shutdown is having a devastating impact on USDA's operations, hurting many American farmers and families.

The shutdown has closed thousands of Farm Service Agency county offices across the country, prohibiting farmers from getting information necessary for farming operations, signing up for Farm Bill programs, and getting needed loans. The shutdown has also delayed tariff relief payments that were supposed to be provided to compensate producers for losses caused by retaliatory tariffs.

Specifically with regard to USDA's role as a direct lender and partner on guaranteed loans, how many farm ownership and farm operating loans were in process at the time of the shutdown? How many direct and guaranteed loans were scheduled to close during the shutdown and are now delayed? Have any direct or guaranteed loans fallen through due to the shutdown? Please provide details on the types of loans and value.

It appears that different agencies have used different strategies to remain operational during the shutdown. For example, the Farm Service Agency remained open for some time, and is now closed, but the Natural Resources Conservation Service has remained open longer. Please provide details on what authority and funding has been used to continue operations. In some cases, has USDA drawn on funding that could have been used for farmers and program participants? If so, will these funds be reimbursed once funding is restored?

Additionally, Congress passed and the President signed the 2018 Farm Bill, a strong bipartisan piece of legislation that makes many improvements and will help farmers struggling with low prices, growing trade concerns, and unpredictable weather. Careful and quick implementation of the Farm Bill is critical to the well-being of American farmers and families. This shutdown will

greatly slow implementation of this important bill, making it even more difficult for farmers to make planting decisions for this new crop year.

Importantly, the Farm Bill's significant improvements and premium refunds for dairy farmers are effective at the beginning of 2019, but implementation is being delayed by the shutdown. Dairy farmers will be asked to select coverage levels that could trigger payments as soon as USDA is able to implement the provisions. Does USDA anticipate any ability to make up for the lost time for implementation caused by the shutdown?

Moreover, the government shutdown will delay the release of several agricultural market and production reports – adding more uncertainty to the markets and creating more burdens for farmers planning for the new year.

Press reports indicate that a variety of important Forest Service activities are on hold, pending resolution of the budget stalemate. Whether protecting a small rural community from wildfire through a forest health project or prescribed burn, or completing stakeholder analysis for outfitters and ski areas to continue operating on public lands and driving the outdoor recreation economy; this shutdown is hurting rural forested communities.

How many forest management and wildfire mitigation projects are currently on hold during the government shutdown? How many special use permit decisions – whether they be for a ski area, a river guide service, or another user group – remain pending during the government shutdown?

At a time when the rural economy is slowing, this shutdown means struggling communities that rely on USDA loans and grants for affordable housing, clean water infrastructure, high-speed internet, and small business activities are virtually left in the dark. For the near future, thousands of low- and moderate-income homebuyers who have applied for mortgages guaranteed or made directly by USDA Rural Housing Service are out of luck. This shutdown creates disastrous uncertainty for millions of people living in our small towns and rural communities.

Specifically with regard to Rural Development's role as a direct lender and partner on guaranteed loans, how many direct loans, guaranteed loans, and grants were in process at the time of the shutdown? How many loans were scheduled to close during the period of the shutdown and had to be delayed? Have any loans or guarantees fallen through due to the shutdown? What guidance, if any, did USDA provide to communities and individuals in line for receiving financing?

I am also concerned with the impact of this shutdown on American families who receive food assistance. The Supplemental Nutrition Assistance Program (SNAP) helps over 38 million people feed their families. I appreciate the Administration's action ensuring that SNAP dollars and other nutrition assistance will remain available through the end of February. However, I remain concerned that food banks are no longer receiving funds to distribute and store food at the local

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level and tribes will soon lack federal administrative funds for food assistance. It is unconscionable to let those most in need go hungry.

Finally, USDA's employees are not being paid, hindering them in paying their bills and causing personal financial hardships. Our dedicated public servants, who have committed their careers to furthering USDA's mission of assisting America's farmers and families, deserve better than this.

This shutdown is threatening our farmers, our rural communities, the food supplies of those in need, and putting USDA employees in a hard spot. I have and will continue to ask the President to end this shutdown.

Thank you for your prompt responses to these questions and for your consideration of this letter.

Sincerely,



Debbie Stabenow
Ranking Member