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## United States Senate

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202-224-2035

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October 22, 2020

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

Dear Secretary Perdue,

We are concerned that USDA's new Coronavirus Food Assistance Program (CFAP 2) will unfairly disadvantage dairy and other livestock producers. Specifically, USDA made a significant change between the first version of CFAP and the new version that has unfairly excluded the value of the meat produced from breeding animals. This change will affect the livestock industry and will be particularly harmful to dairy farmers who often operate at extremely tight margins. The decision is even more troubling considering that USDA clearly has sufficient resources to cover these losses. Additionally, it is less complicated for both USDA and farmers to cover all livestock and avoid confusion about what animals are covered or excluded.

Even before the coronavirus pandemic, dairy farms have struggled with prolonged market uncertainty, unfair trade practices, and the Administration's chaotic trade policies. Unfortunately many farms, especially smaller operations, have had no choice but to sell their cows and exit the dairy business. While the value of the milk is the primary income stream for dairy farms, they are by nature diversified with significant income coming from the meat of cows as they are retired from milking and any crop production that exceeds the feed needs of their own animals. Considering the dairy industry's traditionally tight margins, USDA's decision to shift course and arbitrarily exclude dairy farm losses related to meat production is a significant blow.

We urge USDA to reverse this arbitrary decision and make breeding animals eligible for CFAP 2 like they were under the original relief program. It would not be difficult to estimate an average rate that dairy cows are removed from milking and sent to the meat supply. Should USDA determine that breeding animals are typically worth less per head than other cattle, a separate per head rate could also be established instead of completely excluding dairy cows and other breeding animals.

With respect to dairy losses due to the pandemic, we continue to encourage USDA to provide assistance to farmers that had to dispose of milk due to the pandemic's shock to the normal food supply. We also encourage USDA to be flexible and work with the dairy industry, as there may be different scenarios depending on how cooperatives and farmers managed the temporary surplus. A one-size-fits-all approach may unfairly exclude some losses.

While we are particularly concerned with barriers preventing dairy farms from accessing this critical assistance, the exclusion of breeding animals in the other segments will also create unnecessary inequities. In particular, some farmers have sought out opportunities to specialize and are arbitrarily excluded by the USDA decision. For example, some farms have focused on developing superior genetics and supplying animals to other farmers that breed them and produce the animals that go directly for meat or wool production. These producers will clearly be experiencing pandemic related losses as the farmers they supply have had to reduce purchases, but the breeding animal decision by USDA completely excludes any assistance for these specialized farms.

Finally, in addition to the unfairness of excluding losses from certain segments of meat production, USDA's decision to not cover all animals unnecessarily complicates the sign-up process for Farm Service Agency field staff and farmers. Setting a fair payment rate for all animals, including breeding animals, would largely avoid the difficult job of trying to define the 'intended use' of each calf, lamb, piglet or kid born and expecting farmers or USDA field staff to validate those determinations.

Thank you for considering our request for USDA to reverse the decision to exclude breeding animals like dairy cows from CFAP 2. Congress recently provided the requested early refill of the Commodity Credit Corporation borrowing authority in the Continuing Resolution enacted on September 30, providing USDA with sufficient resources to correct this unfair decision.

Sincerely,

/s/ Debbie Stabenow  
Debbie Stabenow  
United States Senator

/s/ Patrick Leahy  
Patrick Leahy  
United States Senator

/s/ Tammy Baldwin  
Tammy Baldwin  
United States Senator

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

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

/s/ Bernard Sanders  
Bernard Sanders  
United States Senator

/s/ Ron Wyden  
Ron Wyden  
United States Senator

/s/ Amy Klobuchar  
Amy Klobuchar  
United States Senator

/s/ Patty Murray  
Patty Murray  
United States Senator

/s/ Tina Smith  
Tina Smith  
United States Senator

/s/ Charles E. Schumer  
Charles E. Schumer  
United States Senator

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

/s/ Kirsten Gillibrand  
Kirsten Gillibrand  
United States Senator

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

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