

United States Senate

WASHINGTON, DC 20510

September 2, 2020

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

Dear Secretary Perdue:

As Members of Congress representing wheat-producing states, we write regarding the deteriorating economic conditions being experienced by wheat farmers across the country who are already nearly complete with this year's harvest. Whether it's wheat farmers who wrapped up harvest in May, those in the field harvesting their crops now, or those looking ahead to harvest in the coming weeks, COVID-19 and other factors outside their control continue to depress the price of wheat. We ask that you use the resources available through the CARES Act to provide support for wheat farmers that includes assistance for all classes of wheat.

The Coronavirus Food Assistance Program (CFAP) is providing critical assistance to many producers impacted by COVID-19, including at-risk 2019 crop losses for hard red spring and durum wheat. While this assistance remains important to those producers, these classes of wheat represent approximately 30 percent of 2019 production, leaving the majority of wheat farmers without access to assistance through the CFAP program. The economic impact of COVID-19 has been experienced and felt by all wheat farmers across the country.

Wheat farmers producing hard red winter, soft red winter, and white wheat have also suffered lower commodity prices due to the pandemic. For example, from mid-January to the first full week of August, average weekly futures prices for the September 2020 contract have dropped 18 percent for hard red winter; 12 percent for soft red-winter; and 14 percent for hard red spring. As was shown in the USDA August World Agricultural Supply and Demand Estimates (WASDE) report, demand for wheat for food use has been negatively affected by COVID-19, given a drop in food consumption away from home.

Additionally, COVID-19 has also affected markets all over the world, which has directly impacted U.S. wheat farmers. The USDA August WASDE projects world ending stocks at a record of 316.8 million tons. Record world ending stocks, caused in part by the impacts of COVID-19, are expected to significantly depress wheat prices. This is demonstrated by USDA reducing the estimated season average farm price by \$0.10 per bushel to \$4.50 per bushel, as compared to the July WASDE estimate. Moreover, the season average farm price of \$4.50 per bushel is \$0.30 below USDA's baseline projection, which was released in February 2020.

Apart from the 2016 marketing year at the height of the recession in the farm economy, the average price for wheat in 2020 is shaping up to be the worst in the last 13 years, including both 2018 and 2019 when the Market Facilitation Program (MFP) provided much-needed relief.

In fact, the average price of wheat in 2020 is projected to be approximately 22 percent below the average price over the last 13 years.

Wheat farmers have experienced significant economic harm from COVID-19. We request that you use funding provided in the CARES Act to immediately begin providing assistance for COVID-19 losses for all classes of wheat. Thank you for your attention to this matter that's critical to U.S. wheat farmers during this unprecedented time.

Sincerely,



Senator Pat Roberts



Senator Amy Klobuchar



Senator James E. Risch



Senator Michael F. Bennet



Senator Mike Crapo



Senator John Cornyn



Senator Steve Daines



Senator Jeffrey A. Merkley



Senator Jerry Moran



Senator Patty Murray



Senator Ron Wyden



Senator Tina Smith



Senator Richard J. Durbin



Senator Cory Gardner



Senator James M. Inhofe



Senator John Hoeven



Senator Ben Sasse



Senator Jon Tester



Senator M. Michael Rounds



Senator Maria Cantwell



Senator John Thune