

March 27, 2023

The Honorable Tom Vilsack
Secretary
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Vilsack:

Thank you for your efforts to implement disaster relief provided by Congress for wheat farmers who experienced severe weather-related crop losses in 2020 and 2021. There is no doubt that the disasters of the past few years created unique challenges and hardships across many wheat-producing regions. As the U.S. Department of Agriculture (USDA) works to implement the crop disaster assistance provided by the Consolidated Appropriations Act of 2023 (HR 2617), the National Association of Wheat Growers (NAWG) appreciates the departments' accessibility and engagement in working to implement a program which delivers fair and adequate assistance for wheat farmers. Wheat farmers across the country were pleased by the streamlined and effective approach of the Emergency Relief Program (ERP) Phase I roll-out. Meanwhile, the fundamental changes made in Phase II have received more criticism. As USDA considers implementation strategies for the 2022 disaster assistance, we urge you to use the approach taken under Phase I for all eligible losses, including those that did not trigger underlying insurance indemnities, and avoid the Phase II methodology, except where a unique approach for a commodity is required.

Phase I provided straightforward relief where farmers suffered verified crop losses – consistent with the statutory directives. It also built upon and provided positive incentives for crop insurance and minimized the paperwork burden for FSA employees and the producers they serve. Going forward, we urge you to rely again upon the Phase I methodology for both growers who suffered verified crop losses triggering crop insurance indemnities and those who had insured shallow losses which were not captured in the original Phase I payments. Unfortunately, many wheat growers have reported instances of suffering crop losses due to eligible disaster events but not qualifying for a payment under either Phase I or Phase II because they did not trigger an insurance indemnity or meet the unrelated threshold for assistance under Phase II.

Phase II presented a stark reversal from the gains made in Phase I. It is extremely complicated, making Phase II less precise and unrelated to verifiable crop losses. Even if the producer's all-crop revenue by tax year were to correlate perfectly with crop year losses, which it does not in most cases, the threshold for providing disaster assistance is far less generous. While alternate approaches may be necessary for certain commodities, from a wheat perspective, Phase I provided an intuitive and simplistic approach for growers and should be used for determining disaster payments for all insured acres which are eligible.

In addition to concerns about the methodology, the unique circumstance for winter wheat growers exists where some 2022 crop losses have received assistance through the 2021 program and others have not. Due to the structure of the previous ERP, some winter wheat growers received assistance for the 2022 crop year losses because their crop insurance adjustment occurred on or before December 31, 2021. In many cases, neighboring growers impacted by the same disaster event have not received any assistance due to an adjustment date that occurred in early calendar year 2022. This existing inequity within the program provides an additional reason to provide comparable assistance for wheat growers for 2022 calendar year losses through the Phase I methodology. This disparity within the program has significantly impacted farmer relationships with local FSA offices and crop insurance agents.

If there is one thing the disasters of the past few years have shown, it is that we need to be less reliant on ad hoc disaster assistance and instead bolster the traditional farm safety net programs in the farm bill like crop insurance which NAWG has been advocating for as Congress seeks to reauthorize the Farm Bill in 2023. We believe it is imperative that disaster assistance programs continue to encourage the use of crop insurance. Until such a time that the safety net is improved, the importance of delivering timely and adequate disaster assistance as approved by Congress will remain a top priority. As the USDA works to implement the Congressionally appropriated disaster aid for 2022, we respectfully ask the USDA to utilize an improved methodology developed in Phase I to ensure fair and adequate delivery of needed assistance.

Thank you for your work to address the crop losses of our farmers and ranchers who are essential to America's food security.

Sincerely,

A handwritten signature in cursive script that reads "Brent A. Cheyne". The signature is written in dark ink and is positioned above the typed name and title.

President
National Association of Wheat Growers