

KIRSTEN GILLIBRAND

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United States Senate

WASHINGTON, DC 20510-3205

September 4, 2018

The Honorable Sonny Perdue
Secretary
United States Department of Agriculture
1400 Independence Ave, S.W.
Washington, D.C. 20250

Dear Secretary Perdue,

In January 2018, the Administration took unilateral action to erect tariffs on non-agricultural imports which prompted our trading partners to levy extensive and damaging retaliatory tariffs on US agricultural exports. Successive rounds of measure and countermeasure have resulted in billions of dollars in losses to our farmers in crop value and future trade opportunity.

While the impact of these tariffs has been felt across all agriculture commodities, dairy farmers were perhaps most vulnerable as these producers already faced four years of persistently low milk prices, contracting global demand, increasing labor instability, and fewer pathways to market the milk they produce. Current estimates show that US dairy exports may drop \$115 million in 2018 and \$415 million in 2019 as a direct result of tariffs. Farmers would see this in their milk checks as farm-gate prices fall roughly \$0.64 per hundredweight below forecasts.

To compensate farmers for a measure of their loss, the President has directed USDA to authorize up to \$12 billion in support for producers. Last week, you provided some details on actions USDA will take to address the economic harm to American farmers including programs and payment rates for many commodities.

Without knowing the formula used to calculate payment rates, it is difficult to determine whether or not they are fair and support farmers proportionally. What is certain is that the payments to dairy farmers should be issued immediately. Unlike row crop farmers that must wait to the completion of their harvest to their know yields and prices, dairy producers market their product every day, their production volumes are known, and the price they receive is well documented.

Therefore, I request that you begin distribution of Market Facilitation Program payments (\$127,400,000) to dairy farmers immediately, using existing payment mechanisms, to ensure that producers receive payments without delay.

I look forward to your prompt action in this matter to provide dairy farmers much needed, and well-deserved, aid.

Sincerely,

A handwritten signature in blue ink that reads "Kirsten Gillibrand". The signature is written in a cursive style with a prominent initial 'K'.

Kirsten Gillibrand
United States Senator