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August 26, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1280 Maryland Avenue S.W.
Washington, D.C. 20250

Dear Secretary Perdue,

I write today to express my deep concern about the inequitable distribution of direct payments to farmers under the Coronavirus Food Assistance Program (CFAP). There have been recent reports detailing the fact that many farms have not received adequate relief under the Program. In a NBC report titled “Small farmers left behind in Trump administration's COVID-19 relief package”, it was found through a Freedom of Information Act (FOIA) request, “almost 7,000 farms got less than \$200, and nearly 200 got less than \$20. The lowest payout was 7 cents.”¹ This disparity among relief is not only unacceptable, but unfair to our small farmers who are also facing devastating losses due to coronavirus. Many small farmers are facing economic devastation as markets shuttered and they were left with millions of pounds of crops rotting in their fields. The low payouts from CFAP, coupled with having to apply crop by crop, have put a significant strain on small farmers when trying to benefit from the Program.

Future CFAP payments need to be more equitable for smaller and historically underserved producers to more accurately address their market losses. One way to do this would be to set aside at least 50 percent of all assistance funds specifically for small and mid-scale operations, with payment amounts calculated the same for all producers, based on revenue losses. While I certainly appreciate the intention of CFAP, and understand that not everyone can be made whole in regards to their losses due to the pandemic, the relief that we can provide to farmers can be more equitable and accessible.

Corporate agribusinesses have consistently reaped the largest share of benefits from USDA’s agricultural relief efforts in recent years compared to smaller farms, even though 91 percent of farms in the United States are classified as “small” by USDA.² For example, data compiled by the American Enterprise Institute revealed that the top 20 percent of farms, as measured by crop sales, received 73 percent of all Market Facilitation Program payments in 2018 and 69 percent in 2019.³ Another separate, but equally alarming fact that was released as part of the NBC FOIA request, is

¹ <https://www.nbcnews.com/business/economy/small-farmers-left-behind-trump-administration-s-covid-19-relief-n1236158>

² <https://www.washingtonpost.com/business/2020/07/16/cfap-ppp-farmers-coronavirus/>

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that larger-scale foreign-owned farms have received millions of dollars through CFAP.¹ Federal relief money, particularly in time of crisis, should prioritize American family farmers, our rural communities, and our local food systems, not foreign corporations.

Due to the documented struggles of CFAP in providing adequate relief to small producers, I request responses to the following:

- Is USDA considering options to retool CFAP to make it more equitable for small farmer's ranchers and local system producers? If so, what are those options?
- Is USDA collecting data on the farm size and demographics of farmer applications and USDA approvals and denials for CFAP? If so, does USDA plan on releasing an aggregation of that data?
- Explain why USDA has not established set asides for small and mid-size operations and historically underserved producers with money allocated for CFAP.
- Publish details on the allocation of payments by farm size and commodity in order to be transparent with taxpayers about who is being helped by this program, and who is not.
- Explain if USDA will continue to allow foreign-owned corporations to benefit from CFAP.
- Provide information on the number of farm foreclosures and loan defaults on loans under USDA's jurisdiction since March 1, 2020, and how much debt is held by small-scale and historically underserved producers under USDA's jurisdiction.

With no end in sight for coronavirus, and given the results of how CFAP has been implemented so far, immediate action is needed to not only save small farms and homes, but the rural way of life. According to a 2019 USDA National Agricultural Statistics Service report, America lost 5,800 farms from 2018-2019.⁴ This decrease in farms has been happening for decades, and the coronavirus has potentially only exacerbated that problem. We must do everything we can to ensure that our current, and next generation of farmers are able to stay in business both during and after this pandemic.

In this time of national crisis we must support the agricultural industry nationwide rather than just the corporate agribusinesses that dominate this sector. Small farms are essential to the economic health of both the citizens and economy at large of the United States as they provide jobs, food, and economic support to their local communities. While thousands of new, beginning, and small-scale farmers are struggling to keep their farms afloat, it is our duty to give them the support they deserve. We must not forget them as we attempt to relieve the economic burden this pandemic has caused. Thank you for your consideration and I look forward to your response.

Sincerely,



Kirsten Gillibrand
United States Senator

³ <https://www.aei.org/articles/how-the-biggest-farms-are-getting-more-per-acre-in-trade-war-subsidies/>

⁴ https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnlo0220.pdf