

May 15, 2019

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

Dear Secretary Perdue:

We are writing to urge you to include the crops our farmers produce in the trade assistance programs that the Department is currently developing. We would appreciate the opportunity to meet with you and appropriate staff before these decisions are made to discuss the impacts of the ongoing tariff war between the U.S. and China on producers of our crops.

Public comments by you and other Administration officials have indicated that the Department is planning to provide Market Facilitation Payments and/or other forms of assistance to producers of agricultural commodities that are being impacted by retaliatory tariffs in 2019. While the MFP payments provided in 2018 were limited to commodities that were directly subject to tariffs, it is vital for USDA to provide assistance to other crops whose prices and demand are tied to prices and markets for the crops that are subject to tariffs.

For example, demand and prices for barley are tied to supplies and prices of wheat, and demand and prices for canola and sunflower are tied to supplies and prices of soybeans. A look at the markets and prices for our crops clearly demonstrate the impacts that are occurring.

The most recent WASDE report shows the average farm price of barley has dropped from \$4.60 to \$4.20 per bushel, or about 9.5%, in the past year. Non-contracted barley has declined an additional \$1.00 per bushel since December. For reference, wheat dropped from \$5.20 to \$4.70 per bushel, or 14.9%, in the same time period.

In early 2018, prior to tariffs being imposed, North Dakota cash prices for soybeans and canola ranged between \$9.00-\$11.00 per bushel. Since that time, they have both declined in lock step to levels of \$8.00 per bushel and below. In North Dakota, which produced over 80 percent of the U.S. canola crop, the cash price at the Velva crushing plant for canola has dropped from \$17.78 per cwt. (\$8.89 per bushel) on June 15, 2018 to \$15.00 per CWT (\$7.50 per bushel) as of May 15, 2019, a decline of 16 percent. Using the 2018 national average yield of 1,861 pounds per acre, U.S. canola producers are facing an average loss of \$51.74 per acre in 2019, equal to \$103 million in lost revenue if applied to the 1.99 million acres of canola planted in 2018.

In North and South Dakota, which produce over 80 percent of the U.S. sunflower crop, the cash price at the Enderlin crushing plant for sunflower has dropped from \$18.90 on June 15, 2018, to \$17.35 as of today. Similar price drops have occurred for sunflower producers in Colorado, Kansas, Minnesota, Nebraska, Oklahoma, and Texas. Using the 2018 national average yield of 1,731 pounds/acre, U.S. sunflower producers are facing an average loss of \$26.83 per acre in 2019, equal to \$35 million in lost revenue if applied to the 1.3 million acres of sunflower planted in 2018.

Since the imposition of tariffs by China in July 2018, prices for dry peas have declined \$0.50-\$1.50 per cwt., lentil prices have declined \$8.00-\$10.00 per cwt., and chickpea prices have

fallen \$20.00-\$22.00 per cwt. (a 50 percent drop in price).

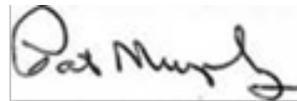
Two major classes of dry beans have also experienced price declines over the past year. Prior to fall 2018 pinto bean prices were at \$25.00 per cwt for 2017 crop and current prices to the producer are now between \$20.00-\$21.00 per cwt. Prior to fall 2018 navy bean prices were \$26.00-\$27.00 per cwt for 2017 crop and current prices to the producer are now approximately \$21.00 per cwt.

Furthermore, public comments by the Administration on the potential for additional assistance have impacted planting decisions currently being made by farmers, including for the crops we represent. As farmers hear these announcements and speculate that assistance to producers in 2019 could be consistent with the 2018 Market Facilitation Program payments, they are incentivized to plant based on the expectation of a payment rather than on market and agronomic factors.

Again, we strongly urge you to take these impacts into account as you consider the structure of an assistance program for 2019, and to include our crops among those needing that assistance.



Dwight Little, President  
National Barley Growers Association



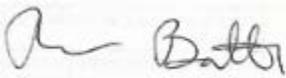
Pat Murphy, President  
U.S. Canola Association



Clark Coleman, President  
National Sunflower Association



Tim McGreevy, Chief Executive Officer  
USA Dry Pea & Lentil Council



Rebecca Bratter, Executive Director  
U.S. Dry Bean Council

cc:

The Honorable Stephen L Censky, Deputy Secretary, USDA  
The Honorable Bill Northey, Under Secretary for Farm Programs and Conservation, USDA  
The Honorable Ted McKinney, Under Secretary for Foreign Agriculture Services, USDA