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August 7, 2018

The Honorable Sonny Perdue Secretary U.S. Department of Agriculture 1400 Independence Avenue SW Washington, DC 20250

Dear Secretary Perdue,

On behalf of the U.S. Canola Association (USCA), I write to request that canola be listed as an eligible commodity under the proposed \$12 billion package to aid producers whose markets have been disrupted due to retaliatory tariffs on U.S. agricultural goods.

While it is true that a tariff has not been imposed on canola by any major importing countries, this does not mean canola growers have not suffered a severe drop in prices. Historical price charts indicate a strong relationship between canola and soybean prices. And canola prices have fallen sharply in concert with the recent decline in new crop soybean prices:



In North Dakota, which produces over 80 percent of the U.S. crop, the local cash price at the ADM Velva crushing plant for new crop canola dropped from \$17.31 on June 1 to \$15.21 by mid-July. Similar price drops have occurred in Minnesota, Montana, Idaho, Washington, Oklahoma, and Kansas.

Using the 2017 national average yield of 1,558 pounds/acre, US canola growers are facing an average loss of \$32.70 per acre, or \$67 million in lost revenue, when applied to the 2 million acres of canola planted in 2018.

The USCA requests that canola be included in the Market Facilitation Program as an eligible commodity to help mitigate the loss in revenue canola growers will suffer as a result of the ongoing trade dispute.

Respectfully yours,

And bying

Robert Rynning President, U.S. Canola Association

CC: Deputy Secretary Steve Censky Under Secretary Ted McKinney