

Congress of the United States
Washington, DC 20515

April 8, 2020

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

Dear Secretary Perdue:

We applaud the work you and your team at the U.S. Department of Agriculture (USDA) are doing to help support agriculture producers in our districts and across the country during the COVID-19 pandemic.

The State of California is the largest agriculture producer in the United States and is where nearly 90% to 100% of many specialty crops are grown in the country. This produce feeds our communities, nation, and the world, and is why it is important to help ensure our specialty crop growers have the resources and assistance they need during these tough economic times resulting from the pandemic.

Building on your Department's work, in the recently-enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress provided \$9.5 billion to the USDA to provide "support for agricultural producers impacted by coronavirus, including producers of specialty crops, producers that supply local food systems, including farmers markets, restaurants, and schools, and livestock producers, including dairy producers," as well as \$14 billion to replenish the Commodity Credit Corporation. As the USDA develops a spending plan for these funds, we believe it is important that programs be developed specifically for and to help specialty crop growers.

Accordingly, enclosed is a letter we received from the American Pistachios Growers, California Almond Alliance, California Citrus Mutual, California Farm Bureau Federation, California Fresh Fruit League, California Table Grape Commission, California Walnuts, Kern County Farm Bureau, Tulare County Farm Bureau, Sunkist Growers, and Western Growers Association that outlines California specialty crop growers' top priorities as USDA implements the CARES Act. The groups on the letter represent nearly all the specialty crop growers in California.

Specifically, California's specialty crop industry is requesting USDA support through the CARES Act for direct payments to growers, the purchase of food and produce, and the guarantee of payments for "all legitimate Perishable Agricultural Commodities Act (PACA) trust claims filed against bankrupt firms." The enclosed letter goes into detail on each of these requests, including explaining why this assistance is requested and how it would help the specialty crop industry of California survive during the pandemic.

In addition, we are concerned that payment limitations or adjusted gross income (AGI) limitations could be included in agriculture support programs that USDA develops to implement the CARES Act. If current payment and AGI limitations used in other USDA programs are applied to CARES Act programs, it would make CARES Act programs significantly less

effective for California's specialty crop growers. This is because specialty crops are not only high-value produce, but also many growers have to plant significant acreage of multiple-specialty crops to generate economies of scale – while their gross income may exceed existing AGI limitations, they also have very high expenses that likely significantly lower their net income. Thus, we believe that any CARES Act programs designed to assist agriculture producers must exclude specialty crop growers from any payment or AGI limitations.

We respectfully ask that USDA works to ensure these requests are addressed as CARES Act programs to support agricultural producers are developed and implemented. In addition, signatories of the enclosed letter have informed us that they are not only ready and willing, but eager to work with you and the USDA to ensure the largest agriculture producing state in the Union has a seat at the table as the CARES Act is implemented by the Department.

Thank you for your time and attention on this important issue. Please do not hesitate to contact us directly if you have any questions. If your staff have questions, they can contact Kyle Lombardi with Rep. McCarthy at kyle.lombardi@mail.house.gov or Ian Foley with Rep. Nunes at ian.foley@mail.house.gov.

Sincerely,



KEVIN McCARTHY
House Republican Leader



DEVIN NUNES
Member of Congress

Enclosure