



August 4, 2020

Thank you for the opportunity to spend time with you in late July. Although we missed seeing you in person, we welcomed the chance to visit with you virtually about issues important to Minnesota farmers.

As Congress continues to work on a Phase IV COVID-19 relief package, we hope you will continue to work to ensure that Minnesota priorities are included for agriculture.

Ensuring that the 2020 crop in the ground is covered under the relief package is absolutely vital because crop prices are at extremely depressed levels and farm families cannot cash flow without assistance. We believe that the mechanism used to make Market Facilitation Program II (MFP-II) payments is the best mechanism for providing COVID-19 related support to farmers with respect to the 2020 crop. The U.S. Department of Agriculture, both in Washington and on the ground in state and county offices, knows how to implement the program quickly and efficiently and the approach is equitable to all growers. The MFP-II mechanism simply needs to be adjusted to mitigate COVID-19 impacts. Absent an effective program along these lines, we are deeply concerned that many Minnesota farm families will not survive this seventh straight year of recession that has been compounded by trade disruption and now the pandemic. This approach to the 2020 crop year would provide some certainty and peace of mind as farmers head into the field for harvest.

We also believe it is critically important to provide relief to ethanol producers. The provision included in the House-passed HEROES Act (section 60305) and bipartisan legislation authored by Senators Chuck Grassley (R-IA) and Amy Klobuchar (D-MN) (S. 3756) both offer a good framework for inclusion in the Phase IV relief package. Minnesota has led the nation in homegrown, renewable fuels that promote jobs and economic development in rural America and reduces U.S. energy independence while also helping our nation meet important Clean Air Act objectives. However, Minnesota's ethanol producers are struggling to stay afloat right now and, absent relief, many may not survive.

We are very concerned that COVID-19 outbreaks could disrupt harvest and commodity processing and believe that Phase IV legislation ought to clearly grant the Secretary authority to address losses to producers and processors in this case. We appreciate and strongly support providing authority to assist producers forced to depopulate herds and aid to processing plants to ensure supply chain continuity as provided in the HEROES Act (section 60401) and we urge that this language be built upon to ensure that the Department of Agriculture has express authority to cover the losses of producers and processors in the event of harvest or processing disruption.

Correcting some of the shortcomings of the Coronavirus Food Assistance Program (CFAP) is also a priority. Cumbersome marketing rules and unworkable payment limitations have considerably reduced the expected help provided under this program, with current CFAP payments totaling just over \$6 billion out of an expected \$16 billion program. Agriculture's losses mount so high that no amount of help under this legislation will come close to offsetting them so rules and limits that further curb already limited help are not helpful to economic recovery in agriculture. Section 60306 of the HEROES Act generally does a good job of curing some of the biggest problems with CFAP while upholding the best parts of the program. These corrections to CFAP, along with ensuring that third and fourth quarter losses are covered, would make CFAP an excellent program for livestock, dairy, and specialty crop

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producers but, for the reasons stated above, we believe an MFP-II mechanism is best for corn and other row crops.

We appreciate the Senate including agriculture aid in its version of Phase IV COVID-19 relief. And, while we believe that the relief is fairly broad in order to encompass the many needs of agriculture in surviving this pandemic, we believe that Congress should provide more specifics as to what losses ought to be covered and the means for providing such coverage. General language with no specifics provides very little certainty to farmers.

Finally, with respect to a number of other important issues outside the Phase IV discussion, we hope you will continue to urge the Administration to deny the small refinery exemptions that threaten to frustrate its overall Renewable Fuels Standard commitments while also running afoul of a 10th Circuit Court of Appeals ruling. Moreover, we urge you to join Senator Joni Ernst (R-IA) and others in calling for the Administration to commence a rulemaking that would ensure the availability of E-15 nationwide. We hope you will continue to press for China to meet its agricultural purchase commitments made under the U.S.-China Phase I Agreement. And, finally, we commend you for the excellent, bipartisan work in putting together a Water Resources Development Act (WRDA). WRDA is the model of how legislation ought to be done.

Thank you once again for taking the time to meet with us in late July and for taking into consideration our views on issues of importance to Minnesota farm families.

Sincerely,

A handwritten signature in black ink, appearing to read "Les Anderson". The signature is written in a cursive, flowing style.

Les Anderson
President
Minnesota Corn Growers Association