



April 23, 2020

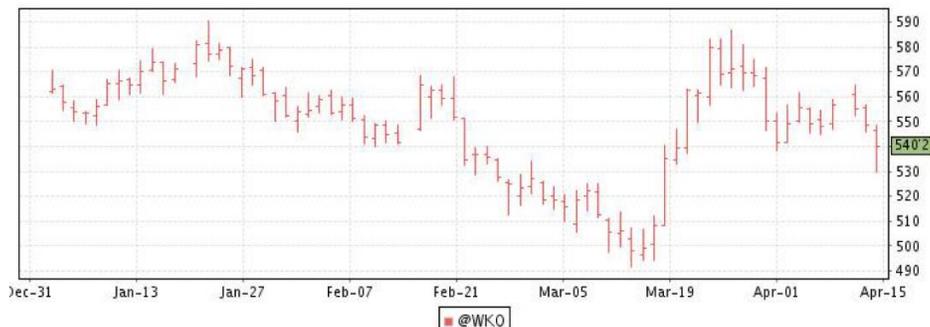
The Honorable Sonny Perdue  
Secretary  
U.S. Department of Agriculture  
1400 Independence Ave, SW  
Washington, D.C., 20250

Dear Secretary Perdue:

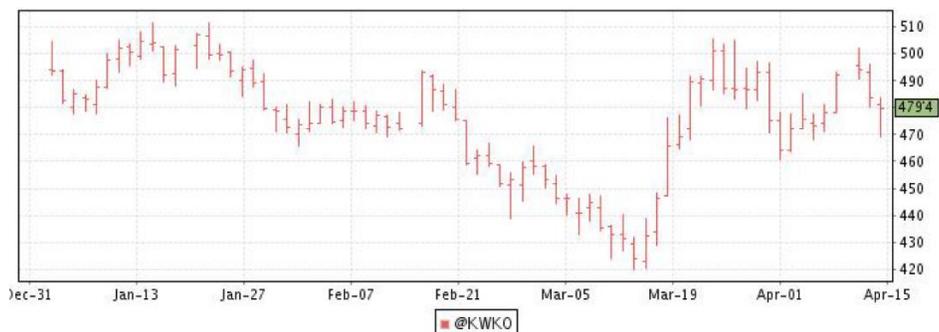
Thank you for the announcement on April 17, 2020, of the Coronavirus Food Assistance Program (CFAP). As we understand from subsequent communications with USDA since the announcement, the program will provide assistance for row crop producers that experienced price loss from January to April, 2020, and will be available for 2019 production that had not been marketed by that point in time. We also understand that USDA intends to use futures prices for commodities when available.

As we've shared previously with USDA, we strongly urge you to incorporate price volatility during the January to April timeframe in order to capture the full market conditions during which wheat farmers were marketing their crop. Looking at the May contract on all three exchanges saw substantial price drops and partial recoveries during the January – April time period. An overview of those contracts is below, with charts pulled from FarmDocDaily's market prices webpage utilizing data from DTN. It is clear that wheat producers experienced substantial price losses during the designated timeframe and should be eligible for assistance under CFAP.

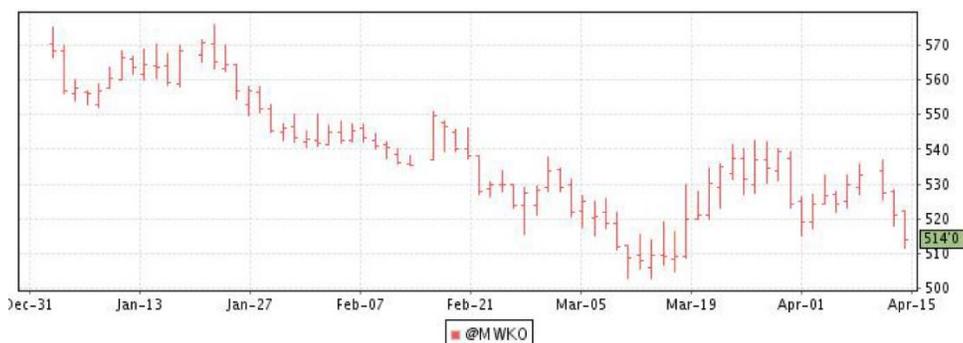
The May futures contract for Soft Red Winter wheat on the Chicago Board of Trade ranged from a high of \$5.77 a bushel in January to a low of \$4.98 per bushel in March.



The Hard Red Winter wheat May futures contract on the Kansas City Board of Trade ranged from \$5.07 per bushel in January to \$4.23 per bushel in March (chart on next page).



And the Hard Red Spring May futures contract on the Minneapolis Grain Exchange ranged from \$5.70 per bushel in January down to \$5.08 per bushel in March.



Each of these futures contracts experienced a more than 10% price decline during the designated time period, and farmers marketing 2019 production during this timeframe should be eligible for assistance as they were impacted by the price volatility. While wheat futures prices partially rebounded in mid-March due to a short-term increase in demand for grocery staples such as flour, bread, and other wheat food products, this rebound wasn't necessarily translated into higher prices that farmers received or long-lasting.

In addition to CFAP, we believe there are additional options available for getting assistance out to growers quickly, including finalizing implementation of quality loss coverage in the Wildfire and Hurricanes Indemnity Program Plus (WHIP+). We appreciate the continued engagement we've had with FSA officials and staff over the past few months as they have worked to implement this important program. We urge the Department to finalize quality loss coverage quickly and to process applications for quality loss, excessive moisture, and drought as soon as possible to help producers who experienced losses with the 2019 crop.

Additionally, we believe USDA should provide additional flexibility in the crop insurance program for wheat growers who face excessive moisture and prevent plant conditions during critical winter and spring wheat planting periods. Such options should include, but not necessarily be limited to, flexibility in requirements for haying and grazing of cover crops on prevent plant ground as well as additional considerations for unit structure minimum planting requirements when conditions make it impossible to get in the field. We also urge you to apply any flexibilities on the crop year and not on the calendar year, as the 2020 crop year winter wheat crop was seeded in the fall of 2019.

Moving forward, we urge you to keep in mind that winter wheat harvest will begin in a matter of weeks in the southern Plains and start to work its way north, and farmers have already been marketing their 2020 crop. We anticipate that COVID-19 will have long-term impacts on wheat farmers and we will be closely monitoring issues that arise including challenges during harvest, availability of adequate storage capacity, and possible market impacts. As such, we look forward to working with you to address the immediate and future needs of wheat farmers.

Thank you for your consideration of our requests. We would be happy to discuss these and other issues with you as you finalize implementation of CFAP and as you look ahead to the potential for additional assistance to farmers.

Sincerely,

A handwritten signature in blue ink that reads "David Milligan". The signature is written in a cursive style with a large, stylized 'D' and 'M'.

David Milligan, President  
National Association of Wheat Growers