## Congress of the United States Washington, DC 20515

October 06, 2023

The Honorable Tom Vilsack Secretary of Agriculture U.S. Department of Agriculture 1400 Independence Avenue, SW Washington, D.C. 20250

Dear Secretary Vilsack:

As you know, the 2022 crop year was especially challenging for farmers and ranchers across the country. Agriculture producers struggled to manage the costs associated with producing the commodities the world relies on as prices for fertilizer, fuel, feed, and seed reached historic levels. These rising input costs strained producers' bottom line, while countless natural disasters also created complications throughout production.

As a part of the Consolidated Appropriations Act, 2023, Congress appropriated \$3.7 billion in financial assistance for agricultural producers affected by natural disasters in 2022.<sup>1</sup> On May 19, 2023, the United States Department of Agriculture (USDA) announced its plan to continue using the Emergency Relief Program (ERP) and Emergency Livestock Relief Program (ELRP) to expeditiously distribute this assistance.<sup>2</sup> While we were pleased to see your department finally release a plan to begin distributing \$465.4 million in ELRP disaster assistance payments for 2022 losses, the farmers in our states have yet to be informed on when the USDA will deliver ERP payments for 2022 crop losses—despite your department's commitment to have proactive communication and outreach to keep producers and stakeholders informed as program eligibility, application, and implementation details unfold.

The cost of production remaining near record highs for the 2023 crop year combined with weakening prices for major crop and livestock commodities is going to cause farm profitability to decrease significantly. U.S. net farm income is projected to decrease by as much as \$41.78 billion, resulting in a 22.8 percent drop compared to the year prior.<sup>3</sup> Additionally, farm sector debt is expected to increase 4.9 percent to over \$520 billion this year as the Federal Reserve has raised interest rates 11 times since March of last year to as much as 5.5 percent, the highest level in 22 years.

These economic factors underline the significant headwinds our agricultural producers are facing this year. While disaster assistance payments should never be a long-term risk management solution, many times they allow farmers and ranchers to continue production into the next year. The Trump administration understood the impact delays in disaster assistance payments would

<sup>&</sup>lt;sup>1</sup> Consolidated Appropriations Act, 2023

<sup>&</sup>lt;sup>2</sup> <u>USDA Previews Emergency Relief Assistance for Agricultural Producers Who Incurred Losses Due to 2022 Natural Disaster Events</u>

<sup>&</sup>lt;sup>3</sup> Highlights from the August 2023 Farm Income Forecast

have on the health of America's farm sector, which is why they developed the Wildfire and Hurricane Indemnity Program (WHIP) to distribute assistance—less than two months after funds were appropriated. Yet, your department has been unable to distribute any funds for crop losses in 2022, over nine months after funds were appropriated, despite reportedly intending to use similar methodology to what was used to calculate 2020 and 2021 disaster payments. To help provide transparency for our agricultural producers, we respectfully request answers to the following questions by October 20, 2023:

- 1. When does the USDA expect to begin sending pre-filled applications to eligible crop producers?
- 2. What lessons learned from the development and implementation of ERP and ELRP for previous years will help to distribute assistance for 2022 losses?
- 3. While producers and stakeholder groups were extremely pleased with the Phase 1 implementation of ERP and ELRP, Phase 2 was much less successful. Why did the USDA decide to continue requiring producers to disclose tax information to prove allowable gross revenue loss rather than explore avenues to prove production loss?

While we will continue to work to strengthen the farm safety net and help producers manage risks in this year's Farm Bill reauthorization process, we respectfully ask that the USDA swiftly distribute the disaster assistance that was appropriated for the 2022 crop year. Thank you for your time and consideration of this very important issue.

Sincerely,

Ronny L. Jackson Member of Congress

John Cornyn U.S. Senator

Austin Scott Member of Congress

Steve Scalise Member of Congress

Mike Johnson Member of Congress

Eric A. "Rick" Crawford Member of Congress

Glen "GT" Thompson Member of Congress

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Frank D. Lucas Member of Congress

Doug LaMalfa Member of Congress

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David Rouzer Member of Congress

Dusty Johnson Member of Congress

Mary E Miller

Mary Miller Member of Congress

MUPMONO

Marc Molinaro Member of Congress

Mark Alford Member of Congress

Garret Graves Member of Congress

Troy E. Nehls Member of Congress

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Don Bacon Member of Congress

Baina Imis N.

James R. Baird Member of Congress

Barry Moore Member of Congress

Monica De La Cruz Member of Congress

Vi Chanez DeRemer

Lori Chavez-DeRemer Member of Congress

August Pfluger Member of Congress

Mike Flood Member of Congress

Mike Bost Member of Congress

Tracey Mann Member of Congress

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Brad Finstad Member of Congress

Much h. Long

Nick Langworthy Member of Congress

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Jim Banks Member of Congress

Clay Higgins Member of Congress

C. Scott Franklin

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Julia Letlow Member of Congress

Keith Self Member of Congress

Jake Ellzey Member of Congress

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David G. Valadao Member of Congress

Dan Meuser Member of Congress

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Greg Pence Member of Congress

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Roger Williams Member of Congress

James Moylan Member of Congress

Byron Donalds Member of Congress

Jake LaTurner Member of Congress

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Dan Newhouse Member of Congress

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Lauren Boebert Member of Congress

Dan Crenshaw Member of Congress

Wesley Hunt Member of Congress