



United States Department of Agriculture

Office of the Secretary

Washington, D.C. 20250

April 29, 2020

Mr. Stephen Etko
Midwest Dairy Coalition
1301 Hancock Avenue
Alexandria, VA 22301

Dear Mr. Etko:

Thank you for your letter of April 1, 2020, proposing the U.S. Department of Agriculture (USDA) use its authority to initiate a Strategic Dairy Product Purchase Plan for donation to food banks and other food donation programs, reopen the Dairy Margin Coverage (DMC) Program, and include additional accommodations for FSA direct and guaranteed loan borrowers to mitigate the impacts of the COVID-19 outbreak. Your comments and recommendations are appreciated.

We recognize these are uncertain times for all Americans and share your concerns about the effects of the coronavirus on your health and that of your family, as well as the effects on our work in the agriculture industry. Rest assured that we at the USDA are working around the clock to support our customers and the animals impacted by COVID-19.

USDA's commodity purchase programs, such as the Section 32 program and The Emergency Food Distribution Program (TEFAP), are partnerships between the Agricultural Marketing Service (AMS) and the Food and Nutrition Service (FNS) that facilitate purchases of 100% domestically produced and processed commodities from America's farmers and ranchers that feed the vulnerable communities across the Nation. USDA continues to assist TEFAP State agencies and Indian Tribal Organizations as they work to supply food needs in their communities.

Suppliers seeking to become a vendor for USDA are encouraged to work with AMS. More information about commodity procurement, such as how to become a vendor and current solicitations, is available on AMS's website at <https://www.ams.usda.gov/selling-food>. If a vendor is interested in adding a product to the FNS's regular purchases, please visit <https://www.fns.usda.gov/usda-fis/usda-foods-schools-how-get-your-product-considered>.

In addition to the Section 32 and TEFAP efforts, on April 17, 2020 I announced the Coronavirus Food Assistance Program (CFAP). Using the funding and authorities provided in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Families First Coronavirus Response Act (FFCRA), and utilizing USDA's existing authorities, the CFAP will use direct payments, and commodity purchases to provide certainty to farmers and consumers. Regarding purchases, USDA will partner with regional and local distributors, whose workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities, to purchase and distribute up to \$3 billion in fresh produce, dairy, and meat products. USDA estimates purchases of \$100

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million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products, and \$100 million per month in meat products. The commodities will be delivered to food banks, community and faith-based organizations, and other non-profits serving Americans in need. We appreciate your request to re-open the Dairy Margin Coverage Program. However, re-opening this program for re-enrollment at this time would be contrary to the intent of Congress in crafting such an insurance program in the first place. Moreover, it would undercut any future incentive for dairy producers to purchase such insurance. Instead direct payments to producers for a portion of losses incurred and costs expected was determined to be more consistent with how other producers were going to be supported using the CARES Act and Commodity Credit Corporation funding described above.

We will quickly be implementing the programs above. That said, I stand ready to work with you to implement solutions as appropriate that will help ensure the health and safety of American agriculture. Please visit <https://www.usda.gov/coronavirus> for additional resources.

Thank you for your continued support of American agriculture. If you have any questions, please have a member of your staff contact the Office of Congressional Relations at (202) 720-7095.

Sincerely,



Sonny Perdue
Secretary