Dear Secretary Perdue,

I am writing to share concerns regarding the operation of the crop and dairy provisions Administration’s Market Facilitation Program (MFP).

The agricultural economy is in rough shape. Farmers in my district and around the country have faced several years of low commodity prices, adverse weather conditions during planting and harvest seasons, and the loss of export markets through trade disputes. And continued uncertainty over the implementation of the Renewable Fuel Standard is causing further market impacts, biofuel plant shutdowns, and production cutbacks.

I agree that farmers need support to withstand this uncertain economic time. That need is being met, in part, by MFP payments that are being delivered on an ad hoc basis. However, I am hearing from producers in my district regarding the inequities that have been created in the operation of the MFP program.

The current program has created winners and losers among neighbors who find themselves facing the same market situations, meaning that some producers may remain viable while others may be forced out of business.

Several issues have been brought forward in recent months:

- Acres that were not certified or enrolled in farm programs in 2018 are ineligible for 2019 MFP. If a farm recently changed hands and the previous owner of farmland had not participated in farm programs or the acreage on the farm wasn’t certified for 2018, the new farmer cannot receive 2019 MFP payments. This frustration was further highlighted by the fact that you didn’t announce this requirement until after the date had closed to potentially late certify 2018 acreage.
• Depending on the year in which an MFP-ineligible crop was planted, crop rotations have prevented farmers from receiving MFP payments.

• MFP payments do not account for the impact on basis that have resulted from disruptions to trade flows. County-by-county effects on basis are not uniform and harm some farmers, particularly those far from ports or those who were the main suppliers to China, much more than others.

• Forage growers’ eligibility for MFP hinges on the seed blend, and a mix that is too heavily weighted to grass rather than alfalfa may not be eligible while others who happened to choose a blend with more alfalfa will receive payments.

• Dairy farmers have many questions about why MFP payments were based on their established farm program production history while all other MFP-eligible crops are based on actual production, especially when their actual production is readily available via their milk checks.

• While 2019 MFP includes many more crops and varieties of production than 2018 MFP, some crop and livestock sectors that were affected by trade disputes or whose markets are impacted by covered crops remain ineligible for 2019 MFP.

I would encourage you to strongly consider rectifying these situations as you contemplate the next rounds of assistance under the MFP program. I also stand ready to work with the Administration on long term fixes to our commodity safety net.

Sincerely,

Collin C. Peterson