

April 7, 2020

Dear Member of Congress,

The COVID-19 pandemic is causing enormous disruption and harm to the nation's family farmers and rural communities. The recent federal aid packages, and the fourth bill that is under consideration, are important steps toward responding to this crisis. But as member-based organizations in four Midwest agriculture states, and two national organizations, we want to ensure that the public money allocated through these aid packages actually makes it to people and the rural communities they live and work in, not multinational corporations that are, in some cases, reporting record profits.

The Coronavirus Aid, Relief and Economic Security (CARES) Act allocates substantial resources to family farmers. It adds an additional \$14 billion to the Commodity Credit Corporation (CCC) and \$9.5 billion as part of a special program designed to go directly to farmers selling into local markets, specialty crop, and livestock and dairy producers. While the resources are substantial, the CARES Act provides no clear guidance as to how the U.S. Department of Agriculture should allocate these public dollars. Given the USDA's recent disbursement of trade-related aid through the Market Facilitation Program (MFP) payments, we have deep concerns that these resources won't get to those who need it the most. And worse, if these payments are largely directed to the biggest players in agriculture, they could continue to prop up a factory farm system that has pushed family farms off the land, polluted rural waterways and air, and allowed a handful of multinational corporations to extract wealth from rural communities as they control more and more of the nation's food production.

It is critical that Congress set up guardrails to ensure that the USDA doesn't repeat the mistakes of the MFP and other tariff relief spending. In that case, most of our public dollars went to the largest farms, many farmers (such as those growing fruits and vegetables) were excluded from the program, and a portion of the program's purchases sent billions to multinational meat firms – not the farmers who needed help the most.

We are calling on Congress to ensure that CARES Act resources get to the farmers who need it most by requiring the following:

- No public money, through grants or new loan guarantees, should be spent on new or expanding Concentrated Animal Feeding Operations (CAFOs). These CAFOs, whether beef, pork, poultry or dairy, are flooding our markets, pushing prices down and independent family farmers out and depressing rural economies. The increase in CAFOs is also directly tied to rising levels of harmful water and air pollution and negative health impacts in rural communities all over the country.

- The tariff relief program sent billions in taxpayer dollars to highly profitable multinational meat corporations through the food purchase program paid for with Commodity Credit Corporation funds. Multinational corporations should be prohibited from accessing agriculture funding created by the CARES Act to ensure that independent family farmers receive the full benefits of the program.
- The program created by the CARES Act to disburse \$9.5 billion to specialty crop, local market, livestock and dairy producers should prioritize support for independent and small-scale producers and easy access to operating loans so producers who have lost access to markets can bridge the gap until those markets reopen.

A fourth pandemic response bill to create the next round of coronavirus-related aid is an opportunity to directly address several structural failures in agriculture markets that prevent farmers from making a fair living, and should include measures to:

- Increase funding for direct and guaranteed loans, while prohibiting any of these loans going to new or expanding CAFOs.
- Suspend debt payments (both principal and interest) for two years on new loans.
- Adapt all credit, funding and program implementation requirements to meet the evolving needs of food producers through measures such as extending deadlines, waiving cost-share requirements, ensuring effective outreach, or other actions.
- Ensure that farm and food businesses can easily access social safety net response programs including Small Business Administration lending programs, unemployment insurance, funding for paid sick leave and other programs.
- Prohibit crisis profiteering and corporate consolidation by enacting an immediate moratorium on mergers and acquisitions in the seafood and food and agriculture sectors and enforcing antitrust laws to stop anti-competitive conduct in agriculture markets. Cattle markets should be investigated immediately by antitrust regulators.
- Support fair agricultural contracts, producers' rights, and competitive markets by reissuing and finalizing the USDA Farmer Fair Practice Rules.
- Increase transparency in the food system and allow eaters to support American farmers, ranchers, and fishermen by reinstating and expanding mandatory Country of Origin Labeling (COOL) for meat, dairy, and seafood.

The COVID-19 pandemic is an emergency situation. But it has also exposed existing market conditions and the unchecked corporate control of all steps in the food chain that were already hurting our farmers and rural communities. It is critical that government aid quickly reaches the

farms, workers and communities who need it most, and does not serve as a slush fund for multinational agribusiness to fuel growing consolidation of our food system into fewer and fewer hands.

Sincerely,

The Campaign for Family Farms and the Environment

Dakota Rural Action

Food & Water Watch

Institute for Agriculture and Trade Policy

Iowa Citizens for Community Improvement

Land Stewardship Project

Missouri Rural Crisis Center