Florida Department of Agriculture and Consumer Services
Commissioner Nicole "Nikki" Fried
The Capitol

April 22, 2020

Dear Florida Congressional Delegation Members:

Thank you for your continued partnership as we work together on behalf of our agriculture industry to keep Florida growing and families fed during this challenging time. From calling on the U.S. Small Business Administration (SBA) to expand eligibility to include our small agriculture businesses to urging the U.S. Department of Agriculture (USDA) to utilize its Section 32 purchasing authority to expand local producer access to federal feeding programs, Florida's agriculture industry is fortunate to have such strong, bipartisan representation in Congress.

As you are aware, on April 17th, the USDA announced its Coronavirus Food Assistance Program (CFAP) utilizing funding authorized by Congress in the CARES Act to provide $16 billion in direct relief to producers along with $3 billion for food purchase and distribution needs. While this announcement was welcome news to our farmers who have been desperately awaiting relief, as the details continue to emerge, there are serious concerns with the payment limitations along with the purchase programs coming too late in the season for Florida's fruit and vegetable producers to benefit.

On behalf of Florida's agriculture industry, I am requesting that USDA increase the initial payment limitations of $125,000 per commodity and $250,000 per individual or entity. As you can see in the enclosed Florida Seasonal Crop COVID-19 Impact Assessment, Florida's seasonal crop losses through mid-April are expected to surpass $522 million with some growers reporting daily losses higher than the payment limitations highlighting the urgent need to increase the payment caps to provide adequate support for our farmers. Understanding that the $14 billion in CARES Act funding to replenish the Commodity Credit Corporation (CCC) will become available in July, I have also urged the USDA to quickly utilize CCC resources at that time to bolster CFAP, increase its payment caps, and prioritize our seasonal produce industry that has been hard hit by COVID-19 market disruptions.

In addition to needed changes to CFAP, it is clear that more needs to be done to support our agriculture industry during this challenging time. As Congress moves forward additional COVID-19 relief, it must include further agriculture funding to allow USDA to expand relief and to prioritize the needs of specialty crop producers highlighted in the enclosed report. The Commodity Credit Corporation will likely need to be replenished again, and I would encourage Congress to take this opportunity to also increase its borrowing authority, which has been set at $30 billion since 1987. Lastly, I would encourage the delegation to support a proposal from Senator Tammy Baldwin to create block grants for state departments of agriculture to better address the unique needs of the agriculture industry in individual states.

I also want to take this opportunity to share with you two troubling actions taken by the USDA last week that I fear will exacerbate the hardships our farmers are already feeling on the ground due to COVID-19 by allowing more foreign produce into our domestic markets. On April 13th, the USDA announced it would be exercising enforcement discretion of Country of Origin Labeling (COOL) requirements for 60 days. While meant to allow producers to redirect sales to retail establishments, I fear the unintended consequences if foreign competitors use this opportunity to increase their dumping of produce into the domestic market – an issue our seasonal producers have been fighting for decades that is already being felt more during this current crisis.

Additionally, USDA-APHIS announced on April 14th, it will now allow the importation of five types of commercially produced citrus from China. For years, the Florida Department of Agriculture and industry partners have opposed such a move due to the extreme risks of invasive pests and diseases carried by Chinese citrus that pose a threat to Florida's citrus industry and several other crops, along with the harm caused by increased foreign competition in an already challenging marketplace due to COVID-19. I have shared with USDA Secretary Sonny Perdue my serious concerns with both of these decisions and encourage the delegation to continue standing strong against unfair trade practices hurting our seasonal producers.

Thank you again for fighting for Florida's farmers. We will get through this together.

Sincerely,

Nicole Fried

Nicole Fried
Commissioner of Agriculture

April 15, 2020

FLORIDA SEASONAL CROP COVID-19 IMPACT ASSESSMENT

Florida Department of Agriculture and Consumer Services

Commissioner Nicole “Nikki” Fried

FDACS.gov/KeepFloridaGrowinig

ESTIMATED CROP LOSS

$522.5 Million

BASED ON PROJECTED LOSSES IN THESE PROFILED CROPS, TOTAL ESTIMATED CROP LOSSES IN FLORIDA THROUGH MID-APRIL 2020 ARE UPWARDS OF $522.5 MILLION.

The Florida Seasonal Crop COVID-19 Impact Assessment was assembled utilizing phone interviews with growers on April 15, 2020. It must be noted that markets as well as selling and purchase strategies change rapidly, almost daily, for most crop sectors with the current conditions of the market. Fluctuations for some of the projected figures could be expected.

In addition to domestic crop losses, foreign, unfairly priced high volumes of Mexican imports continue to surge across the border, oversaturating the U.S. market and driving prices below the economical point to harvest, pack, cool and ship the domestic product.

COMMODITY	IMPACT DESCRIPTION	TOPLINE IMPACT
Lettuce	Growers report that circumstances have driven sales down by at least 60% for the season, with estimates of 75% or more of the crop being passed and plowed under. A conservative value loss estimate for the lettuce industry is $5-7 million. Some growers still have one month of harvest left to complete and report that a more precise estimate will be available once the season ends in mid-May.	**Sales down by at least 60% for the season. Estimates of 75% or more of the crop being passed and plowed under. Loss estimate: $5-7 million.**
Green Beans	Estimated crop loss of green beans ranges from 50-75%, prices have fallen from $16-18 per box to $6-8 per box in one week. This crop loss cumulatively could range from 75-100% in Central and North Florida where harvest season has just begun. Industry estimates approach $40-50 million in overall losses. This crop is approaching heavy scheduled volumes and peak production in coming weeks.	**Crop loss ranges from 50-75%, 75-100% in Central and North Florida. Loss estimate: $40-50 million.**
Cabbage	Overall demand for cabbage has fallen to almost zero following the loss of processed product markets for food service. Estimates of crop losses approach $24 million for the Florida cabbage industry.	**Demand has fallen to zero. Loss estimate: $24 million.**
Zucchini & Squash*	Growers are harvesting only where pre-existing contracts are in place or for the purpose of keeping plants alive. With 25% of the product still remaining in fields, prices have dropped from $28 per box to as low as $3 per box. Estimated losses on Florida zucchini and squash are $17 million for each crop. These crops are approaching heavy scheduled volumes and peak production in coming weeks.	**Prices have dropped from $28 per box to as low as $3 per box. Loss esttimate: $17 million (for each crop).**
Peppers*	It is estimated that up to at least 25% of the overall pepper crop has yet to be picked as, growers are harvesting only to cover pre-existing contracts, and then are shutting down production quickly to minimize further losses. Each crop is typically only seeing one to two picks, resulting in approximately 20% of the total pepper business being plowed under this season. Estimated losses are at least $10 million on Florida peppers.	**20% of crop plowed under. Loss estimate: $10 million.**

*Notes that a crop is facing intensified chalenges due to unfair foreign competition.

COMMODITY	IMPACT DESCRIPTION	TOPLINE IMPACT
Cucumbers*	Many South Florida companies grow cucumbers for the spring market, and 100% of that spring market crop will now be plowed under Industry estimates approach $33-38 million in overall losses. This crop is approaching heavy scheduled volumes and peak production in coming weeks.	**100% of spring market will be plowed under. Loss estimate: $33-38 million.**
Sweet Corn	Estimated crop losses for sweet corn are upwards of 50% for this season, representing approximately 10,000 acres and a loss of $48 million over the spring season. Growers and marketers of Florida sweet corn have seen dramatic increases in stored inventory due to the zeroing out of demand at retail at an early point in their season. This crop is approaching heavy scheduled volumes and peak production during all of April and May.	**Crop loss upwards of 50%. Loss estimate: $48 million.**
Watermelon	To date, an estimated 25% of watermelon plantings have been lost. It is conservatively estimated that 60% of the season's watermelon crop could be lost. If circumstances do not change, that loss could surge up to 75% of the Florida watermelon crop, with a projected monetary loss of approximately $95 million by the end of the season. This crop is approaching heavy scheduled volumes and peak production in coming weeks.	**Crop loss upwards of 25%, estimated that 60% could be lost. Loss estimate: $95 million.**
Tomatoes	Over end of March, tomato growers were left with approximately 29 million pounds of unsold product, which was left unharvested or packed and left unsold. This loss of demand was exacerbated by lower prices on tomatoes that were sold. Total direct losses, combined with the opportunity cost had COVID-19 not occurred, are estimated at $32 million for the month of March. The losses in April and May, which are typically the biggest harvest months for tomatoes, are expected to be even worse if the current situation remains unchanged. The crop has already been planted to produce about 300 million pounds in those two months, but demand is estimated to have decreased by 84%. Up to 254 million pounds of tomatoes could be left unharvested. This would represent a loss of about $51 million, not including any profit that tomatoes normally produce. The opportunity cost of not selling those tomatoes in a normal market environment (using pre-crisis pricing from early March) would be $82 million. Therefore, the total April-May loss could total $133 million.	**March losses with projected April and May losses:** **March: $32 million** **April: $66.5 million** **May: $66.5 million** **Total loss estimate: $165 million.**

COMMODITY	IMPACT DESCRIPTION	TOPLINE IMPACT
Blueberries*	To date, approximately 40% of the blueberry crop remains to be harvested. At mid-season, growers report that prices are down at least 35% from previous years. At the beginning of the season, growers expected to harvest a total of 24 million pounds of blueberries, but they now expect to finish the season a few weeks early because of decreased demand and the challenge of Mexican imports flooding the American market. Blueberry sector dollar losses of $45-50 million are expected for the season.	**40% of crop remains to be harvestted. Loss estimate: $45-50 million.**
Radishes	The radish market is experiencing an estimated loss of $1.5 million this season. Radishes have experienced a significant decrease in demand with the closure of food service marketing channels.	**Loss estimate: $1.5 million.**