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

April 22, 2020

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Perdue:

Thank you for your continued leadership as our agriculture industry faces unprecedented challenges due to COVID-19, including the establishment of USDA's Coronavirus Food Assistance Program (CFAP) to support America's farmers, food supply, and nutrition programs. This is a welcome step forward in providing much-needed relief to our agriculture industry through direct payments to producers and commodity purchase programs. However, there are serious concerns regarding CFAP payment limitations as well as the timeliness of the purchase programs that may end up leaving many of our specialty crop producers behind.

Florida's $137 billion agriculture industry is the state's second largest economic driver, and its first in times of financial downturn, like we are currently experiencing due to COVID-19. With Florida being the second largest producer of seasonal specialty crops in the United States, the well-being of this sector is not only paramount for our state but the entire nation – both for the strength of our economy and food supply. Unfortunately, seasonal producers are suffering major losses due to the closures of restaurants, schools, and other foodservice establishments, which are highlighted in the Florida Seasonal Crop COVID-19 Impact Assessment enclosed here. The report's findings are startling, with projected Florida seasonal crop losses through mid-April topping $522 million. Yet out of the $16 billion in direct aid allocated for producers through CFAP, the specialty crop sector nationwide is only provided $2.1 billion. Furthermore, with payment limitations of $125,000 per commodity with an overall limit of $250,000 per individual or entity, specialty crop producers will only be eligible to receive assistance covering a small fraction of their losses. I have heard from many producers across the state that their daily losses can be as high as the program's lifetime payment limitation, with some small and large producers already having lost or plowed under millions of dollars worth of fresh fruit and vegetables.

The major losses the specialty crop industry has been experiencing on a daily basis is why in March, I called for the USDA to utilize its Section 32 purchasing authority to slow the bleed for local producers by expanding their access to federal feeding programs – a call that was echoed by bipartisan members of Florida's congressional delegation. I thank you for announcing that USDA will now be utilizing $873.3 million in available Section 32 funding along with standing up a new $3 billion purchase and distribution program to make sure our food banks and nutrition programs have the products needed to feed families struggling during this difficult time. However, I fear that by the time these purchases move forward it will be too late in the season for many of our producers to participate with so much of their harvests already lost.

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As USDA continues to issue further CFAP guidance, I strongly urge you to increase the payment limitation to better support our farmers and keep our food supply chain safe and strong. Additionally, when the $14 billion in funding provided by the CARES Act to replenish the Commodity Credit Corporation's borrowing authority becomes available in July, I hope to see the USDA quickly move funds to bolster CFAP, including increasing the payment limitations and prioritizing the needs of specialty crop producers who have been particularly hard hit by COVID-19 market disruptions and may not see benefits from the purchase program.

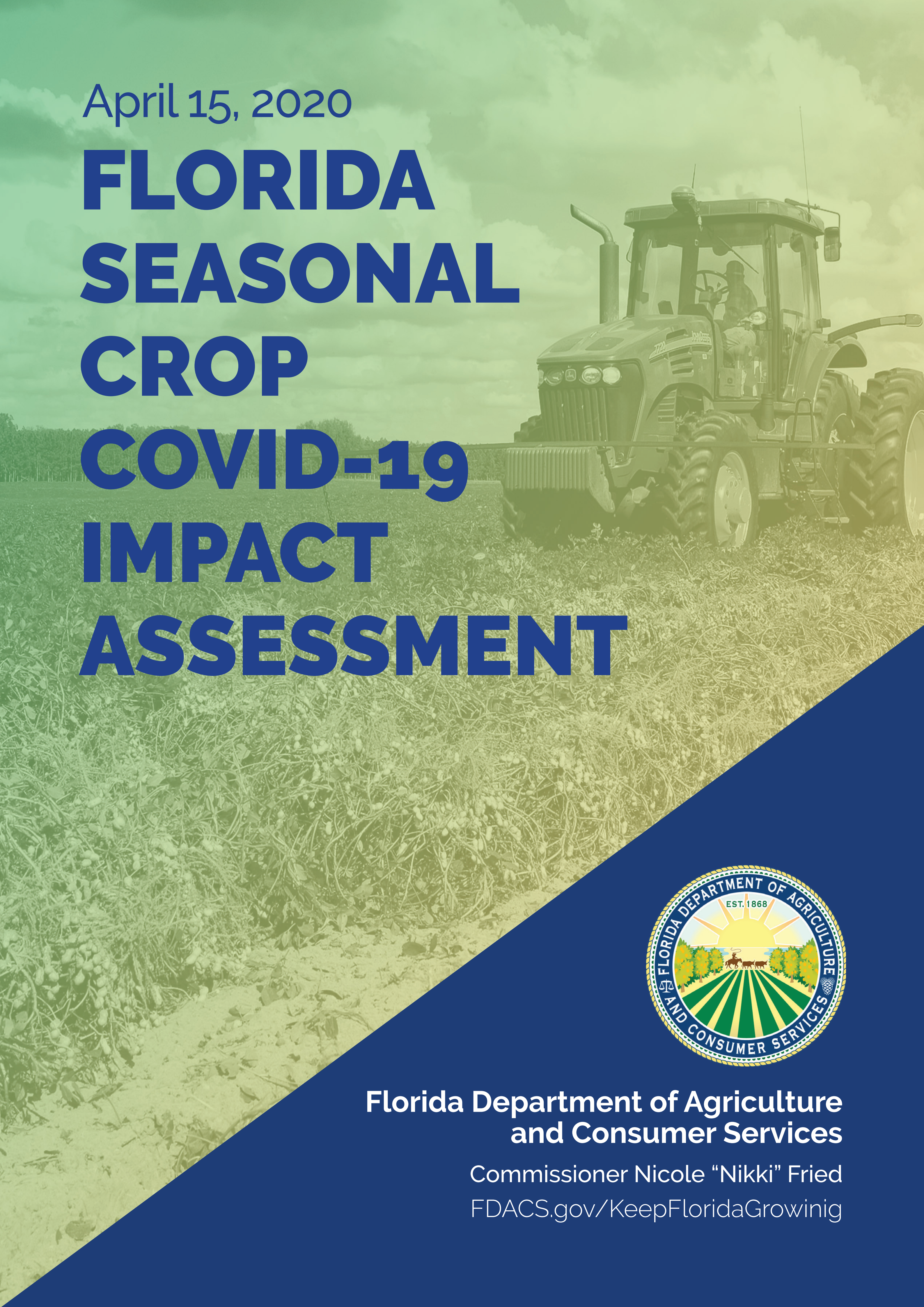
I also want to take this opportunity to share concerns regarding the April 13th announcement from USDA that for a 60-day period, Country of Origin Labeling (COOL) enforcement actions will be suspended. While I appreciate the intention of allowing our producers to redirect sales to retail establishments due to COVID-19 market disruptions, I am very concerned about the unintended consequences of opening the door to potential abuse by foreign competitors. Ongoing illegal dumping of seasonal produce has devastated Florida's farmers for decades, resulting in a 551 percent increase in specialty crop imports from Mexico between 2000-2019, costing Florida agricultural producers an estimated annual loss of $1.1 billion to $2.2 billion and 18,590 to 37,180 lost Florida jobs. These unfair trade practices are already being felt more during the COVID-19 crisis, and I continue to implore USDA along with the U.S. Trade Representative to put safeguards in place to crack down on this dumping and protect our seasonal producers from further harm.

Please find enclosed a copy of the Florida Seasonal Crop COVID-19 Impact Assessment that I hope will help inform further USDA actions to provide adequate relief and resources to our Florida producers.

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 loss-es 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.**