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United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION AND FORESTRY
WASHINGTON, DC 20510–6000
202–224–2035

July 24, 2012

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The Honorable Thomas J. Vilsack Secretary of Agriculture 1400 Independence Avenue, SW Washington, DC 20250

Dear Mr. Secretary:

Thank you for your attention to producers suffering from drought conditions across the country. While several states are experiencing the effects for a second year, today's drought impacts reach a larger portion of our nation's agricultural producers, rural communities, and the agricultural supply chain. As Secretary, you have the authority and ability to provide assistance to those in need. We write to highlight several opportunities to deliver such relief and ask for the Administration to take action.

First, it will be critical throughout the coming months for USDA to keep producers apprised of the crop insurance prevent plant rules for drought situations, provide guidance to producers and elevators on aflatoxin, and to direct crop adjusters to those areas most in need. Additionally, because crop insurance indemnities in drought-stricken areas are likely going to greatly exceed normal levels, the Risk Management Agency (RMA) should consider increasing the threshold for triggering an automatic claims audit. RMA utilized similar flexibility last year, and additional increases seem prudent given the number of unnecessary audits that could otherwise be triggered. Further, the RMA office in Topeka, Kansas has been working diligently on a limited irrigation crop insurance policy. Given the severity and widespread nature of this year's drought, we urge RMA to expedite the process for implementing this policy. Additionally, using your discretion to allow for a later-than-normal purchase of coverage under the noninsured crop assistance program for grazing lands could also provide great relief in the livestock sector.

Second, recognizing the historical scope of this drought, we strongly recommend looking at all of your existing authorities and budgetary options, including reprogramming funds, to assist domestic livestock production. While most commodity crops are protected from the drought through crop insurance, there is a real and growing concern that livestock operations do not have similar tools readily available to enable them to manage this risk.

Our livestock operations need assistance to sustain their herds. We encourage you to determine if it is possible to provide assistance to these producers, including reimbursement for transportation and handling of feed, reimbursement for transportation of livestock to new grazing locations, and for various means of getting water to livestock.

USDA has several options under conservation programs to provide regulatory relief to producers that are suffering from the drought. Existing authorities, such as the Emergency

Conservation Program, could also be a basis for assistance to livestock operations. Additionally, we request that you release all Conservation Reserve Program (CRP) acres for emergency haying and grazing by waiving the nesting period restrictions that remain in place in certain states. We also request that you facilitate the donation of hay harvested on CRP acres to livestock producers seeking forage by paying for the transportation cost of delivering the hay. We ask that you work with your counterparts across the Administration to identify any other federal lands that could be opened up for haying by producers affected by the drought.

Furthermore, as the transportation of both feed and livestock becomes even more important to our nation's livestock producers, we request that USDA work with the Department of Transportation to temporarily waive weight and length limits for any trucks transporting feed or livestock in an area that has been designated as a disaster area.

Third, working with all producers on the elements of their existing contracts will be important during the drought. We ask that you look at providing waivers for producers who cannot implement all the requirements of their conservation program contracts or other USDA contract obligations due to drought conditions. Flexibility in meeting contract requirements is needed to provide relief to producers adversely impacted by weather conditions.

Finally, as the drought continues, transportation issues along major waterways have begun to arise and will only continue to grow. The U.S. Army Corps of Engineers is working to dredge waterways to keep barge traffic moving and prevent problems with the orderly marketing of crops. USDA must work with the Corps to ensure that problems do not arise with transporting the crops that are available to their needed markets and to be prepared to act if disruptions occur. These types of issues have occurred in the past, and USDA was able to use a variety of tools to help producers and grain marketers operate effectively in this most challenging environment.

Thank you for your prompt and thoughtful consideration of these opportunities. We look forward to your thoughts and, more importantly, to your action in response to our concerns.

Sincerely,

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