

August 8, 2019

The Honorable John Hoeven
Chair
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jeff Merkley
Ranking Member
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman and Ranking Member Merkley:

The undersigned organizations representing producers, handlers, warehouse operators and marketers of dry beans, cotton, grains and oilseeds, peanuts, and rice write to urge you to include the \$4.454 million increase requested in the President's fiscal year 2020 budget for the USDA Agricultural Marketing Service for U.S. Warehouse Act (USWA) activities.

This funding will support crucial information technology (IT) system updates and enhancements that will support the fundamental purpose of the USWA, which is to protect producers who choose to store their commodities in facilities which are licensed under the Act. The Act also serves taxpayers by requiring food aid to be stored in USWA-licensed facilities and protecting the Commodity Credit Corporation's security interest in commodities pledged as collateral for Marketing Assistance Loans.

The relocation of USWA administration from the Farm Service Agency to the Agricultural Marketing Service led to the need for IT enhancements to comply with federal cybersecurity laws and further exacerbates a funding shortfall, which has resulted in a recently-announced 10% increase in USWA fees effective October 1, 2019. We are concerned that if appropriated funds are not provided to support these IT enhancements, AMS may need to increase fees again next year. Ultimately, these fees are passed on to producers who, given current commodity market conditions, cannot afford higher costs.

We urge you to favorably consider the request for this funding, as the warehouse system provides broad societal benefits to consumers and taxpayers who benefit from U.S. agriculture's ability to provide affordable food and fiber to the nation. We stand ready to respond to any questions you or your staff may have.

Sincerely,

American Cotton Shippers Association
American Peanut Shellers Association
Cotton Growers Warehouse Association
Cotton Warehouse Association of America
National Barley Growers Association
National Grain and Feed Association
National Sunflower Association
National Cotton Council
National Grain and Feed Association

National Peanut Buying Points Association
National Sunflower Association
Panhandle Peanut Growers Association
Southern Peanut Farmers Federation
US Canola Association
USA Dry Pea & Lentil Council
USA Rice Federation
U.S. Rice Producers Association
Western Peanut Growers Association