

April 17, 2020

## USDA Secretary to Hold Press Conference at 9 PM EDT to Announce Aid for the Food Industry

Secretary Purdue is likely to announce that the Trump administration would like to make purchases of milk and meat products as part of a \$15.5 billion initial aid package to farmers rattled by the coronavirus, said Agriculture Secretary Sonny Perdue. Perdue said he also wants to include direct financial assistance to farmers in the bailout, which may be announced as soon as this week.

The combination of direct payments to farmers and bulk government purchases of commodities parallels the approach the Trump administration followed in its \$28 billion agriculture trade bailout over the past two years. That aid included \$1.2 billion in bulk purchases in the first year including pork, beef, dairy and fruits and vegetables and an additional \$1.4 billion for such purchases the second year.

Many farm groups say they will need even more assistance to make it through the coronavirus pandemic. Hog farmers have asked the U.S. Department of Agriculture to purchase \$1 billion in pork products, compared with \$559 million in the first round of trade aid and \$208 million in the second year.

In addition to milk purchases, dairy farmers have urged the Trump administration to impose a temporary supply management program in which farmers would be paid for reducing milk production. Perdue didn't address that request in the interview.

The closure of restaurants, school cafeterias and other commercial food service operations has upended the market for agricultural products, particularly dairy, meat and produce. Food service is a disproportionate buyer of cheese, butter, meat and fresh fruits and vegetables. Dairy farmers are dumping as much as 8% of their milk, according to the Dairy Farmers of America cooperative.

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A shutdown of several slaughterhouses because of virus outbreaks for employees of the facilities has further disrupted hog and cattle farmers' ability to sell their livestock.

The coronavirus relief bill Congress passed last month includes \$23.5 billion in aid for farmers. Speaking at a news conference last week, Trump said his administration will develop a program with at least \$16 billion initially for farmers, ranchers and producers.

Farmers and rural communities are a critical part of Trump's political base as he seeks re-election this year.

**For more information check our past alerts for a detailed summary of the bill.**

The House adjourned until next Tuesday, March 31. Schedule still remains fluid but they will begin working on the framework for Phase 4. Reminder – the Senate is in recess until April 20.

### **Next Steps**

Congress is expected to convene after Easter to consider a Coronavirus Phase IV bill.

### **Related People**

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