

Congress of the United States
Washington, DC 20515

July 29, 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 leadership overseeing the U.S. Department of Agriculture (USDA). We write today in support of USDA purchases of California walnuts and encourage utilizing all purchasing authorities, including Section 32 and the Food Purchase and Distribution Program, to provide much-needed support to California's walnut industry.

The COVID-19 pandemic has come on top of an already difficult time for our 4,500 California walnut producers who have, and continue, to suffer from the effects of retaliatory tariffs in India, Turkey and China. From tariff actions alone, what was a \$1.5 billion industry just two years ago, has declined by more than 41 percent to \$878.8 million. Producer prices have been near or below the costs of production for the last two years (0.65/cents per pound) and the outlook is bleak. The continued impacts of COVID-19 have resulted in excess inventories, with a record carry-out of nearly 90,000 tons from the current crop compounded by an anticipated record crop in excess of 700,000 tons which will begin harvest in September. The California Walnut Board estimates initial farm gate losses from COVID-19 at nearly \$300 million, and as with this pandemic, are evolving and eroding quickly.

Global walnut demand has slowed resulting from port disruptions, distribution challenges, the sharp decline of the food manufacturing and food service sectors, and consumer economic uncertainty. With the trajectory of COVID-19 lasting well into 2021, walnut producers are in need of assistance from any and all programs available to protect the 85,000 full-time jobs attributable to the walnuts industry. Our California's walnut farmers represent ninety-nine percent of U.S. production of walnuts, were the 5th leading export from the state prior to these challenges. Despite falling to the 13th leading export from the state, the California walnut industry contributes over \$6 billion to the state's economy.

Demand for nutrition programs has grown immensely, with Feeding America reporting that 98 percent of food banks reported an increase in need for food assistance. In California alone, food bank demand has grown by 73 percent, while farmers and ranchers have seen market declines of over 50 percent. Walnuts provide a shelf stable source of protein and essential omega-3 fatty acids, providing nutrition to feed America's hungry through meal inclusion and snacks, while also aiding our farmers.

We appreciate your previous support for the industry, through purchases and the Market Facilitation Program, and hope your support will continue through this pandemic. We thank you for your continued support during this unpredictable time and urge you to give all due consideration to California's walnut industry's purchase request.

Sincerely,



Josh Harder
United States Representative (CA-10)



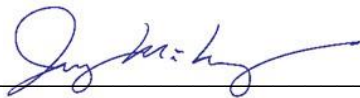
Jim Costa
United States Representative (CA-16)



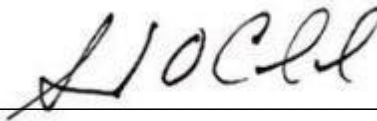
John Garamendi
United States Representative (CA-03)



TJ Cox
United States Representative (CA-21)



Jerry McNerney
United States Representative (CA-09)



Salud Carbajal
United States Representative (CA-24)



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