

United States Senate
WASHINGTON, DC 20510

August 27, 2012

The Honorable Thomas Vilsack
United States Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Vilsack,

In the face of the historic drought sweeping the country, we want to thank you for your ongoing efforts to assist producers impacted by this natural disaster. In particular, we want to thank you for the recently announced bonus purchase of \$50 million of chicken products, as well as your efforts to expedite the declaration of counties facing an emergency drought situation, as well as for lowering loan rates for the Emergency Loan Program.

As you know, this is the only program currently available to assist poultry producers impacted by the drought and resulting high corn prices. While we expect this program to provide critical financing to poultry producers, more assistance is needed to help mitigate damage to the industry. As you know there are no insurance or emergency assistance programs available to poultry producers or companies. As Senators from poultry-producing states, we urge you to do everything you can to provide tools and assistance for the poultry industry to manage risk during this crisis.

We encourage you to use your existing authority to explore as many options as possible, including reprogramming funds, providing additional loan options, providing compensation for economic losses, enhancing corn supplies, compensating for feed and poultry transportation costs, and a bonus purchase of turkey products in order to assist poultry producers and companies. Additionally, we welcome the opportunity to work with you to modify existing programs, or those likely to be reauthorized, in order to provide you with the authority you need to assist the poultry industry. We also recognize that there may be a need to create a temporary emergency disaster program to address the needs of the industry, and would welcome your advice and feedback on the matter.

We are pleased to hear that the President recently convened the White House Rural Council to address the drought crisis, and we urge you to continue interagency initiatives that will help our poultry industry during these difficult times. We encourage you to continue discussions with EPA Administrator Jackson to explore options for assistance. We also urge you to work with Secretary Panetta to explore the possibility of increasing purchases of poultry through the Department of Defense's extensive food purchasing system. These types of solutions can provide relief at a critical time for the industry.

Given the August 10th reports from the National Agricultural Statistics Service (NASS) and World Agricultural Supply and Demand Estimates (WASDE) showing that corn yield estimates have declined further to 123.4 bushels per acre, corn prices are expected to be between \$7.50 and \$8.90 per bushel, and poultry production is expected to decline in 2013, it is critical that we provide a safety net for the poultry industry and protect jobs and rural economies across the country. Further, given previous estimates that the drought could result in an above-normal food price inflation of 3 to 4 percent next year, which could be higher for meat products, it is vital that we seek solutions that can mitigate these price increases to consumers.

Thank you again for your rapid response to this crisis and for your consideration of our request. We look forward to working with you in the months ahead.

Sincerely,



Christopher A. Coons
United States Senator



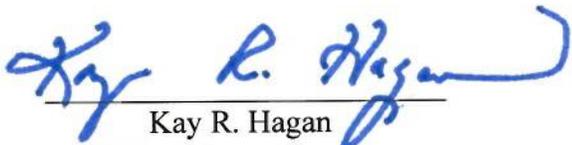
Thomas R. Carper
United States Senator



Barbara A. Mikulski
United States Senator



Benjamin L. Cardin
United States Senator



Kay R. Hagan
United States Senator