

United States Senate

WASHINGTON, DC 20510

September 24, 2020

The Honorable Sonny Perdue
Secretary, United States Department of Agriculture
1400 Independence Ave SW
Washington, DC 20250

Dear Secretary Perdue:

As harvest begins in Iowa, we are writing out of concern that a key link in the agricultural supply chain is under serious financial pressure. On August 10, a derecho cut across the middle of Iowa damaging thousands of homes and impacting millions of acres of farmland.

We have received reports that 71 elevators were either destroyed or heavily damaged at seven different cooperatives across the state. This adds up to 57 million bushels of storage capacity that will not be available to farmers this fall. The attached letter led by the Iowa Institute of Cooperatives estimates that uninsurable costs including lost production and reduced grain handling will cost each location around \$700,000.

Agricultural cooperatives are farmer-owned businesses that allow members to benefit from economies of scale to lower their costs of acquiring inputs and while sharing in the costs of storage and transportation. When a cooperative loses money, our farmers lose out as well.

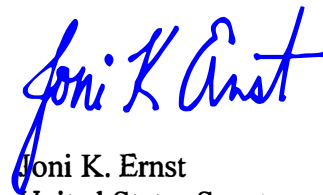
This devastating storm came at a difficult time for the cooperatives and their members. The current economic impact of the Coronavirus on the agriculture supply chain has lowered prices for Iowa's main commodities, corn and soybeans. Many Iowa farmers who make up the membership of Iowa cooperatives will be hurt by a combination of the Coronavirus, drought, and damage from the storm.

We appreciate your continued partnership with us and visiting our state to see the cooperative damage first-hand. We ask that you consider the needs of Iowa agricultural cooperatives as they recover from the storm. Iowa farmers rely on agricultural cooperatives to deliver grain for storage and drying, market their commodities, order feed for livestock, and buy their agricultural inputs. We look forward to hearing from you on how to best ensure cooperatives can bounce back to ensure the success of Iowa agriculture and Iowa's agricultural cooperatives into the future.

Sincerely,



Charles E. Grassley
United States Senator



Joni K. Ernst
United States Senator