

9/16/2020

The Honorable Sonny Perdue  
Secretary  
U.S. Department of Agriculture  
1400 Independence Ave, SW  
Washington, D.C. 20250

Dear Secretary Perdue:

The undersigned organizations request immediate action to address the dire situation farmers, agribusinesses and rural communities are facing across Iowa as they recover from the August derecho.

As the Iowa Institute for Cooperatives, we represent over 1.4 million member-owners, nearly 11,000 employees and all cooperatives across the state of Iowa. After the recent derecho, our members are picking up the pieces of destruction, doing their best to aid their local members, but now more than ever they need your assistance. As you probably know, our grain cooperatives are owned and operated by their farmer-members. The nearly 700 elevators across the state are located in rural communities and are key economic drivers in some of our most vulnerable areas, in many cases, they are the primary employer in the community. Grain cooperatives pay nearly \$32 million in property taxes each year and are dedicated to giving back to the communities.

During the derecho, 14 million acres of crops were decimated, and 71 elevators were either completely destroyed or heavily damaged at 7 different cooperatives. Utilizing three years of data, our co-ops were able to calculate the uninsurable losses including lost production, reduced grain handling, etc. They then subtracted costs that would not be incurred when these facilities shut their doors—utilities, employee wages, etc. and the projected net loss is \$700,000 per location. Not only is each location expected to lose \$700,000, but those co-ops will be forced to cut positions and employment. We estimate that 142 positions would be lost across the state without a cash infusion.

The Iowa Institute for Cooperatives has calculated that our members are at a cumulative \$49.7 million shortfall because of the derecho.

At a time when our cooperatives were in the middle of working to recover from recent floods and the current economic impact of covid-19, this derecho has devastated our cooperative members, their communities and our local farmers. With no crop, equipment, or revenue the negative impact of this disaster has created an economic nightmare for co-op employers, farmer members and rural communities in which they are located. We are working to ensure Iowa cooperatives are able to continue to conduct business providing farmers a place to deliver grain for storage and drying, market their commodities, order feed for their livestock and purchase their agronomy needs. The last few months have been very challenging for our farm producers, and we continue to strive to service their needs and provide them with some stability during a year of chaos.

Our communities are the life blood of rural Iowa and we have been fortunate to be able to contribute to local students through scholarships, hold fundraisers for food drives and provide full-time employment for more than 8,000 Iowans. We are truly concerned that without direct and immediate assistance, the impact in Iowa will cause a domino effect across the state, further impacting rural communities and farmers we both serve.

We look to you for support and guidance on how best to address this massive shortfall and potential collapse in Iowa agricultural economy.

Thank you for your consideration,

**David Holm**

*Executive Director*

[dholtm@iowainstitute.coop](mailto:dholtm@iowainstitute.coop)

O: 515-292-2667, C: 515-231-1167



Iowa Institute for Cooperatives, Ames, IA

CHS Inc., Inver Grove Heights, MN

CoBank, Denver, CO

Community 1<sup>st</sup> Credit Union, Ottumwa, IA

GROWMARK, Bloomington, IL

Heartland Cooperative, West Des Moines, IA

Innovative Ag Services, Monticello, IA

Iowa Association of Electric Cooperatives, West Des Moines, IA

Iowa Corn Growers Association, Johnston, IA

Iowa Credit Union League, West Des Moines, IA

Iowa Soybean Association, Ankeny, IA

Key Cooperative, Roland, IA

Landus Cooperative, Ames, IA

Linn Co-op Oil Company, Marion, IA

Mid-Iowa Cooperative, Beaman, IA

National Council of Farmer Cooperatives, Washington D.C.

River Valley Cooperative, Davenport, IA

Tama-Benton Cooperative, Dysart, IA

Two Rivers Cooperative, Pella, IA