133 HART SENATE OFFICE BUILDING (202) 224–5344 Website: http://www.King.Senate.gov



COMMITTEES:
ARMED SERVICES
BUDGET
ENERGY AND
NATURAL RESOURCES
INTELLIGENCE
RULES AND ADMINISTRATION

December 4, 2019

Hon. Robert Lighthizer United States Trade Representative 600 Seventeenth Street, NW, Room 215 Washington, DC 20508 Secretary Sonny Perdue United States Department of Agriculture 219A Whitten Building 1400 Independence Avenue Washington, DC 20250

Dear Ambassador Lighthizer and Secretary Perdue:

The wild blueberry, an iconic Maine agricultural product, has lost a piece of its future. Squarely to blame are the President's disastrous Chinese trade war and his farm bailout, which has favored some agricultural exports while leaving others – like wild blueberries – without support to find new markets. I ask that you include wild blueberries in the Market Facilitation Program ("MFP") immediately to compensate producers for the trade war losses that they have sustained.

Maine people have exported wild blueberries from our state since before the Civil War. In recent years, the wild blueberry business has not been a lucrative one, but it is a proud family tradition in Maine – and one that has weathered turbulent market conditions for generations. During the past decade, an influx of Canadian wild blueberries and the incursion of cultivated blueberries into the freezer aisle diminished the market share on which Maine's growers depend.

Undaunted, the Maine people who grow wild blueberries turned to the east to find new markets for their crop. In addition to promoting wild blueberries in South Korea, Japan, and Southeast Asia, they developed China's nearly 1.4 billion-person market. In recent years, the Maine Wild Blueberry Commission spent more than half of its export budget on cultivating Chinese consumers. The Commission's investment in China yielded promising results. Between 2014 and 2017, Maine wild blueberry exports to China quadrupled, reaching \$2.5 million in 2017. All signs indicated that the Chinese export market would continue to expand rapidly.

Then, in 2018, the Trump Administration caused Maine wild blueberry producers to all but forfeit the investment of time and treasure that they had made in growing their Chinese business. Today, China assesses an 80 percent retaliatory tariff on frozen wild blueberry imports from the United States. As of September, Maine blueberry farmers have sent only \$61,000 of their crop to China this year. If the trend continues through this month, the President's trade war will lead to a 96.75 percent decrease in the value of my state's wild blueberry exports to China since 2017.

Maine's wild blueberry export crop is not the only agricultural product that the Administration's Chinese trade policies have harmed. Wheat, soybean, and cranberry farmers also have seen dramatic declines in their Chinese sales.

Unlike wild blueberry producers, however, those who grow these agricultural products have enjoyed the benefits of an unprecedented farm bailout, which has ballooned to almost triple the size of the 2009 automobile bailout. The most recent farm bailout round has seen several farms receive \$1 million in direct payments from the Department of Agriculture, and at least 45 farms have received payments of \$500,000. Meanwhile, wild blueberry growers have received no additional federal trade mitigation assistance to compensate them for the substantial losses that President Trump's trade war with China has caused them.

The Administration knows that Maine wild blueberry producers are suffering. On July 15, I wrote with the Maine Congressional Delegation to Under Secretary Northey. In our letter, we said that wild blueberry growers "have faced tremendous strain due to ongoing trade retaliation" and requested "that the USDA take every appropriate action, in accordance with all applicable laws and regulations, to include wild blueberries within the Market Facilitation Program."

Despite knowing that the trade war had eviscerated wild blueberry exports to China, the Administration failed to provide a cent of funding to help these hardworking Mainers open new export markets. Instead, the USDA suggested that the wild blueberry growers seek assistance through continued involvement in the Food Purchase and Distribution Program, which purchases excess supply to distribute for school lunch programs and other nutrition assistance programs. Additionally, the USDA stated that frozen wild blueberries had already frequently benefited through Section 32 Program Bonus Buy program. However, as the USDA is distinctly aware, neither of these programs directly finance the growers themselves.

The USDA's reason for denying Market Facilitation Program ("MFP") funding for wild blueberries is plainly spurious. Cranberries also are eligible for USDA school lunch and food bank purchases. Yet, a cranberry grower with a 100-acre cranberry bog is eligible for up to \$64,113 in MFP payments while a Maine wild blueberry grower with a 100-acre barren is not eligible to receive a single penny in MFP assistance.

I know Maine wild blueberry producers. Like their hearty plants, wild blueberry growers are tenacious, and they love the land that their families have tended for generations. They will prevail over the harsh trade environment that the Administration has created, but only after suffering enormous – and unnecessary – hardship.

You can and should improve the business climate for the Maine people who grow wild blueberries. Especially given the President's recent announcement that the Chinese trade war may extend beyond the 2020 election, I urge you to include wild blueberries in the MFP program today; to resolve the trade war with China quickly; and to fairly, transparently, and rationally administer agricultural assistance programs meant to compensate producers for the trade war losses that this Administration has caused.

Sincerely,

ANGUS S. KING, JR. United States Senator