

April 10, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
Washington, DC 20250

Dear Secretary Perdue:

We thank you for your strong and steady leadership, in these extraordinarily challenging times. And, we seek your help. Our organizations represent and support America's nursery and floriculture crop growers. The nursery and floriculture sector, which represents one-third of the value of all specialty crops¹, is experiencing serious economic harm resulting from COVID-19-related marketplace disruption. **The timing could not possibly be worse, as 60 to 80 percent of the industry's sales occur in a 10-week window stretching from mid-March to Memorial Day.** Early estimates suggest that nursery and floriculture live plant crop sales losses directly attributable to COVID-19 may exceed \$400 million, jeopardizing the very survival of many family farms, and the well-being of some of the industry's 275,000 full and part time employees.

The industry's ongoing losses are resulting substantially from state and local government-mandated business closures and restrictions on consumers. The most extreme impacts are being felt by producers of the most highly perishable "color crops" which also have some of the narrowest market windows. Data for these crops are reported in the USDA Floriculture Crop Summary, which for 2018 reported total wholesale sales of \$4.63 billion by growers producing at least \$10,000 worth of these crops. The worst-affected growers are literally being forced to dump hundreds of thousands and even millions of dollars' worth of finished, market-ready crops per week in recent weeks.

In an April 3 letter to you, Mr. Secretary, AmericanHort, the national horticulture industry trade organization, described growing operations in our industry which may "fall through the cracks" of current federal relief initiatives. This includes highly labor-intensive growing operations that have too many employees to qualify for the Small Business Administration's loan and grant programs, even though they are almost universally family-owned and multi-generational farms. It also includes farms for which H-2A seasonal labor comprises the majority of payroll; based on current guidance, H-2A payroll is excluded from Paycheck Protection Program loan relief.

The AmericanHort letter went on to describe relief approaches to help nursery and floriculture growers suffering crippling losses and a liquidity crisis. Possibilities include the following:

- The most impacted plant growers are losing a high percentage of their seasonal market and need a bridge to survive and sustain operations. The inclusion of our industry in any direct assistance

¹ Congress in the Agricultural Act of 2014, Public Law 113-79 (the Farm Bill) defines specialty crops as "fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops, including floriculture."

payments to these most affected producers, regardless of business size or the number of employees, may be the simplest approach. Payments could defray losses based on a set percentage of market value for finished plants for which markets or market access are lost, resulting in crop losses. The market values could be guided by the 2018 USDA Floriculture Report market value averages.

- Many growers producing perishable woody plant crops (e.g., shrubs and trees) need a backstop for their payroll in the absence of current revenue. A loan or grant program similar to SBA 7(a) that would allow funding of 2x average payroll would provide critical cash flow to avoid massive layoffs while maintaining the health of the plant inventory. A loan forgiveness feature, similar to the SBA Payroll Protection Program, would extend much needed liquidity to a supply chain which will be under constant pressure this year. We urge USDA to consider a parallel program to cover farms exceeding the under-500-employee eligibility threshold, or have a significant number of H-2A workers, for which payroll costs may be ineligible under PPP. Growers throughout the country have been severely impacted by the pandemic and eligibility for various federal assistance program options is critical for their economic survival.
- A third possibility is to leverage the existing federal nursery crop insurance program (both the Nursery policy and the NVS Pilot policy) managed by the Risk Management Agency. RMA can be a platform to fairly and equitably document and distribute aid to many horticultural businesses which have sustained COVID-19 losses simply by declaring COVID-19 as a covered peril. RMA is well-accustomed to dealing with catastrophic events and natural disasters and understands the record-keeping nuances unique to the horticultural industry. Inventories and losses in the form of discarded or dumped plants can easily be tracked by the current framework. This framework already establishes fair market prices for products (varieties) and is updated yearly. RMA already has the people and the systems in place to audit the fair execution of aid when losses have been sustained. We note not all nursery and floriculture growers are eligible; further, not all who are eligible may meet the COVID-19 related plant losses under their selected crop insurance coverages, so this approach needs to be supplemented by one or more of the above or other strategies.

Mr. Secretary, the American horticulture industry certainly finds itself as others at the front end of a crisis the likes of which we have never seen in our lifetimes. Yet it is a crisis for our nation's nursery and floriculture growers that could not be more ill-timed, hitting just as our peak season is underway. We cannot overstate the level of anxiety and depth of concern about our growers' future. We join to sincerely urge any forthcoming USDA assistance includes nursery and floriculture crop farmers devastated by this unprecedented COVID-19 crisis.

Sincerely,

AgCredit
AgChoice Farm Credit AgFirst Farm Credit Bank
AmericanHort
ArborOne Farm Credit
Carolina Farm Credit

Certified American Grown
Colonial Farm Credit
Farm Credit East
Farm Credit of the Virginias
Irrigation Association
MidAtlantic Farm Credit
National Christmas Tree Association
National Council of Agricultural Employers
National Council of Farmer Cooperatives
Southern Nursery Association
Western Nursery & Landscape Association

Alabama Nursery & Landscape Association
Arizona Nursery Association
Arkansas Green Industry Association
Agricultural Council of California
California Farm Bureau Federation
Butte County Farm Bureau
Monterey County Farm Bureau
Orange County Farm Bureau
Riverside County Farm Bureau
San Diego County Farm Bureau
Solano County Farm Bureau
Yolo County Farm Bureau
Plant California Alliance
California Cut Flower Commission
California Landscape Contractors Association
California Seed Association
California State Floral Association
California Strawberry Nursery Growers Association
Associated Landscape Contractors of Colorado
Colorado Farm Bureau
Colorado Nursery & Greenhouse Association
Connecticut Farm Bureau Association
Connecticut Nursery and Landscape Association
Farm Credit of Florida
Farm Credit of Northwest Florida
Florida Farm Bureau Federation
Florida Fertilizer & Agrichemical Association
Florida Nursery, Growers and Landscape Association
Turfgrass Producers of Florida
Georgia Agribusiness Council
Georgia Farm Bureau
Georgia Green Industry Association

Georgia Urban Ag Council
Hawai'i Farm Bureau Federation
Idaho Nursery & Landscape Association
Illinois Green Industry Association
Illinois Landscape Contractors Association
Indiana Nursery & Landscape Association
Iowa Nursery & Landscape Association
Kansas Nursery & Landscape Association
Louisiana Nursery and Landscape Association
Maine Landscape and Nursery Association
Maryland Nursery, Landscape, and Greenhouse Association
Massachusetts Farm Bureau Federation, Inc.
Massachusetts Flower Growers Association
Massachusetts Nursery and Landscape Association
Michigan Farm Bureau
Michigan Greenhouse Growers Council
Michigan Green Industry Association
Michigan Nursery and Landscape Association
Minnesota Nursery & Landscape Association
Mississippi Farm Bureau Federation
Mississippi Nursery and Landscape Association
Missouri Green Industry Alliance
Montana Nursery and Landscape Association
Nebraska Nursery & Landscape Association
Nevada Farm Bureau Federation
New Jersey Farm Bureau
New Jersey Green Industry Council
New Jersey Landscape Contractors Association
New Jersey Nursery & Landscape Association
New Mexico Farm & Livestock Bureau
New York Farm Bureau
New York State Flower Industries
North Carolina Farm Bureau Federation
North Carolina Nursery & Landscape Association
Ohio Farm Bureau Federation
Ohio Landscape Association
Ohio Nursery and Landscape Association
Oklahoma Farm Bureau
Oklahoma Nursery & Landscape Association
Oregon Association of Nurseries
Oregon Farm Bureau
Pennsylvania Farm Bureau
Pennsylvania Landscape & Nursery Association
Rhode Island Nursery & Landscape Association

Tennessee Farm Bureau
Tennessee Nursery & Landscape Association
Texas Farm Bureau
Texas Nursery & Landscape Association
Utah Nursery & Landscape Association
Northern Virginia Nursery & Landscape Association
Virginia Agribusiness Council
Virginia Nursery & Landscape Association
Washington State Nursery & Landscape Association
West Virginia Nursery & Landscape Association
Commercial Flower Growers of Wisconsin
Wisconsin Landscape Contractors Association

###