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United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
COMMERCE

HEALTH, EDUCATION, LABOR, AND PENSIONS

July 12, 2019

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I write to you today concerned by your ongoing trade wars and the promises you have failed to keep to farmers in Wisconsin and across the country.

In June, you announced that Mexico had agreed to buy agricultural products from the United States but it has become clear that claim is simply not true. I'm concerned that you are once again not being honest with American farmers. Last week, following your meeting at the G-20 you said, "China is going to be buying a tremendous amount of food and agricultural product . . . very soon, almost immediately" but that has not borne out. I fear that your comments sent mixed signals to farmers and introduced inaccurate information into agricultural markets, which could contribute to financial losses or bankruptcies for Wisconsin farms. I ask that you immediately clarify your comments in order to reduce the uncertainty facing farmers during this extremely challenging time.

We are facing a substantial dairy and livestock feed shortage in Wisconsin this year, and farmers are in the midst of making tough choices about how to feed their animals and market their crops this fall. In addition, farmers have been hit hard by your trade wars with China, Mexico, Canada and the European Union. In fact, U.S agricultural exports to China dropped from over \$25 billion in 2015 under President Obama to a projected \$6 billion this year. Some uniquely Wisconsin products have been included in China's retaliatory lists, most notably dairy, cranberries, and ginseng—all of which have suffered as a result. You noted in your same remarks at the G-20 that your Administration would be giving the Chinese "lists of things we'd like them to buy." If there is in fact a list, you should make that list public so farmers can plan and I would strongly encourage you to include support for the dairy, cranberry and ginseng industries as these crops have suffered tremendously from your trade war with China.

I believe that China's unfair trade practices have hurt American workers. However, Wisconsin workers and farmers need a better trade deal with China, not an ongoing trade war. Your efforts to provide aid to farmers affected by your trade war may be well-intentioned, but they have done little to make up for the dramatic losses impacting farmers and the rural economy they support. The first round of Market Facilitation Payments made last fall provided Wisconsin farmers \$10.4

<sup>&</sup>lt;sup>1</sup>https://www.nytimes.com/2019/07/10/us/politics/us-china-trade-war.html; https://www.scmp.com/news/china/diplomacy/article/3017315/all-eyes-huawei-ban-us-and-china-try-break-trade-war-deadlock

million in trade aid, which came out to an average of \$2,143 per farm.<sup>2</sup> In contrast, dairy farmers are expected to lose up to \$2.8 billion per year due to lost sales and lower milk prices resulting from retaliatory tariffs, and the dairy industry is projected to face up to \$800 million in export losses per year.<sup>3</sup> Wisconsin has lost over 1,600 dairy farms since you took office, and many of our farm families are looking at the next several months and wondering if they will make it through, or if this storm of challenges and uncertainty will push them out of business or into bankruptcy.

Wisconsin farmers deserve honesty and it is crucial that you clarify your comments about promised Chinese agricultural purchases, and stick to sharing trade details that farmers can bank on.

Farmers have enough uncertainty from weather, markets, and the challenges of growing food to feed our nation and the world. Your trade wars, broken promises and exaggerated claims about export opportunities make it even more difficult for them to do business. The decisions that are made over the next few weeks could be the difference between Wisconsin farms remaining open and our proud dairy farming tradition continuing to a stronger future, or many of those farms confronting the terrible choice of closing or facing bankruptcy.

Sincerely,

Tammy Baldwin

U.S. Senator

<sup>&</sup>lt;sup>2</sup> Source: Environmental Working Group. Compiled from USDA Data. <a href="https://www.ewg.org/news-and-analysis/2018/11/ewg-analysis-trump-s-farm-bailout-payments-flowing-city-slickers">https://www.ewg.org/news-and-analysis/2018/11/ewg-analysis-trump-s-farm-bailout-payments-flowing-city-slickers</a>

<sup>&</sup>lt;sup>3</sup> https://blog.usdec.org/usdairyexporter/eight-dairy-export-signposts-for-2019-0