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May 11, 2020

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

Subject: Onion compensation program request

Dear Secretary Perdue:

The USDA has created monumental aid programs to help agriculture, including the most recent \$3 billion Farms to Families food box program. While this is a step in the right direction for most agricultural produce and farmers, it does not help the bulb onion industry. The program as submitted by the USDA requires large distribution networks in centralized hubs, that frankly, those in the onion industry cannot afford to access. Transportation costs alone will eat up the bulk of the money, which will not filter down to the grower level. By the time the onions come out of the ground, the bulk of the overhead has been spent.

At present onions are not available for purchase in the USDA's food aid programs, including the Commodity Supplemental Food Program, Food Distribution Program on Indian Reservations, The Emergency Food Assistance Program, and the USDA Foods in Schools. This, in addition to the new programs recently announced, creates a disproportionate advantage to other agricultural producers, indirectly harming the bulb onion industry, which used to represent at \$1.8 billion farmgate value and a \$9 billion-plus market value in the American marketplace.

While much of our industry enjoyed substantial sales on the retail side this spring, that wasn't the case with growers supplying the food service industry. With the COVID-19 pandemic shutting down the food service industry, onion growers have sustained a massive hit. The food service industry represented half of our business; our processors' business as well are down more than 40 percent.

Onions are complicated. A little over 50% of onions are grown for the food service industry with the rest for the retail market. Growers grow very large onions for the food service industry because they're supplying food in bulk. Smaller onions supply the retail industry, which are considered more palatable for consumer needs. Simply moving those larger, bound-for-foodservice onions into the retail market does not work because the onions are too large for consumer wants and needs. A popular 3-pound bag of onions could have only 2 onions in it with these food service sizes. That has resulted in growers having to dump onions that they've already spent substantial fortunes on getting from field to table.

For that reason, the National Onion Association proposes an onion specific program, whereby the USDA pay assistance money directly to onion growers. Farmers would be paid \$5 per 50-pound unit of onions for farmers who:

- Have documentation they have had to dump deteriorated crops - because of lack of market and no other viable options - retroactive to March 16.
- Are having to dump deteriorated onions at present.
- Donate onions for use as livestock feed.
- Who donate onions to food banks.

To make this program transparent with proper checks and balances, we suggest a USDA inspector visually certify all documentation, lots, bins, etc. for the program. No onions paid for by the program could be put on the commercial market in any way. Any onions found to be moved to the market will subject the grower to steep fines and penalties and/or jail.

We suggest a cap of \$16 million for this program to be administered on a first-come, first-served basis. It would be and open to all U.S. onion growers, shippers and packers. All payments must be tied to farmers, growers, and/or producers.

The onion industry has never faced anything like this in the past. The farmers need direct financial assistance to weather this economic storm. We must be able to continue to feed the country after this is over. In turn, we must help these farmers so that they can continue to feed America in the future. This is truly a national security issue.

Any questions you may have please let us know. Thank you for your assistance.

Sincerely,



Greg Yielding
Executive Vice President
National Onion Association



Doug Bulgrin
President
National Onion Association