

Congress of the United States
Washington, DC 20510

July 11, 2018

The Honorable Donald J. Trump
President of the United States
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Trump:

Over the past several months, we have expressed serious concern that the steep drop in commodity and livestock prices linked to current U.S. trade policies and recently effectuated sanctions could push an alarming number of our state's farms, ranches, and rural areas to the brink of economic collapse.

According to a recent CoBank news release, "uncertainty around trade presents escalating concern to U.S. agriculture. Seventy percent of U.S. agriculture exports are to destinations that are in current negotiation or trade disputes, according to the most recent Rural Economic Review from CoBank's Knowledge Exchange Division." Further, a July 2, 2018, U.S. Department of Agriculture (USDA) Economic Research Service (ERS) report provides, "Lower commodity prices in the near future could likely further reduce farm receipts, making it more difficult for some farmers to meet their loan obligations and pay for production expenses."

Against this backdrop, the 2018 winter wheat harvest has begun in South Dakota, with other crop harvests to continue over the next four to five months. Harvest typically marks the beginning of a very critical period of economic uncertainty for farmers and ranchers in a normal year, as operating loans and production and harvest expenses are coming due before year's end. Unfortunately, this uncertainty is now unnecessarily exacerbated by U.S. trade policies.

Agriculture is South Dakota's number one industry and the cornerstone of its economy. South Dakota ranks in the top ten states in producing cattle, hogs, corn, wheat, and soybeans with more than 11 million acres of these three crops planted in 2018. Because of our state's dependency on agriculture exports, our producers can no longer continue to "wait and see" what happens with U.S. trade in the global arena. Trade uncertainty over just the past few months has cost South Dakota farmers and ranchers hundreds of millions of dollars they could not afford to lose.

We appreciate and support your administration's efforts to address a broad spectrum of trade inequities. We do not support, however, making agriculture exports, which have been the exception to such trade inequities, bear the brunt of retaliatory actions in response to current U.S. trade policies.

Although you have stated that the agriculture sector will be taken care of through some form of USDA assistance, please keep in mind that U.S. export market share is diminishing daily at an alarming rate, and history has proven that once lost, export markets can take years, even decades to recapture. Given the already difficult market conditions for farmers and ranchers over the past several years, long-term damage to agricultural export opportunities is the last thing the industry needs.

As you continue to pursue trade negotiations to address unfair trade practices and other trade barriers, we strongly urge you to make U.S. agricultural exports a priority of those negotiations and to negotiate with our trading partners to protect agriculture products from all existing and future tariffs.

Sincerely,



JOHN THUNE
United States Senator



M. MICHAEL ROUNDS
United States Senator



KRISTI NOEM
Member of Congress