



February, 2019

Subject: Policy Priorities for 2019

Dear Member of Congress:

Pulses are trending! Plant based foods are more popular with over 1100 products being announced in 2018. The North American social media campaign pushing the half cup habit has exceeded all goals with over 2 Billion impressions. Pulses provide plant-based protein and nutrients that Americans need like fiber and iron. The demand for pulses is growing in North America. The industry is working hard to build these markets and it is paying off.

However, pulse growers are facing very challenging times. Tariffs and uncertainty in the international marketplace have created disastrous market conditions. Tariffs in place in India and retaliatory tariffs in China have shut out US product to our two biggest international markets for dry peas and lentils. Chickpea prices have dropped radically due to the loss of India as a market. Dry beans are impacted by retaliatory tariffs in Europe. Meanwhile, all trading partners are looking to other sources because of the uncertainty with US sources. As a result, farmgate values have declined 35-60% over the past eight months. Producers are looking for reasons to plant pulse crops as they evaluate their income projections.

As a result, ***we are asking for certainty.*** Here is a list of our priorities for 2019:

1. Pass the FY 2019 Budget.

- a. Pulse Crop Health Initiative (PCHI) Funding.** The budget bill includes \$3 Million for the PCHI. This would increase certainty for research funding.
- b. Add funding for the School Nutrition Pulse Crop Products Program (PCPP).** This program is a great way for the industry to encourage use of pulse products in the School Nutrition Program. Request additional \$2 Million.

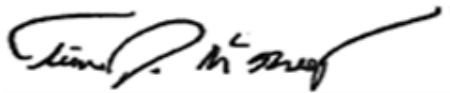
2. Appropriations for FY 2020

- a. Pulse Crop Health Initiative (PCHI)**—Funding for this research initiative authorized by the new 2018 Farm Bill would provide enhanced research in Nutrition and Health, Functionality and Sustainability/Productivity of pulse crops. The authorized amount is \$25 Million.
- b. Pulse Crop Products Program (PCPP)**—Funding for this program, also authorized by the 2018 Farm Bill, would assist school nutritionists to introduce pulse products into school menus, improving nutrition and quality of meals provided to school children across the nation. This program is authorized at \$2 Million per year.
- c. Provide permanent funding for Agriculture Trade Program (ATP).** Agriculture Trade Program funding should be made permanent to provide mitigation for uncertainty brought about by trade disruptions like tariffs. Funding currently is \$400 Million.

- d. **Increased funding for IR-4.** IR-4 is a critical program for specialty crops like pulses, which attribute 90% of their crop protection tools to IR-4. IR-4 conducts research and prepares needed dossiers to EPA for approval as a labelled use. **Request an additional appropriation of \$7.2 Million for IR-4.**
3. **Include Pulse Crops in Trade Damages Mitigation Programs (TDMP).**
 - a. **Market Facilitation Program.** Producers have not received any Market Facilitation Program (MFP) payments. Pulse producers have faced significant market disruptions due to tariffs. Congress should encourage USDA to compensate pulse growers equally.
 - b. **Food Purchase and Distribution Program (FPDP) /Section 32.** To date, the FPDP/Section 32 purchases of pulses have equaled \$76.1 Million. The industry estimates a total loss of over \$500 Million. Congress needs to encourage USDA to continue Section 32/ FPDP acquisition of pulses to help alleviate the increased stocks due to loss of export markets.
 - c. **Agriculture Trade Program (ATP).** This year the Pulse Industry requested \$8.5 Million in ATP funding. The purpose was to expand international marketing overseas into markets that are not our traditional customers. In addition, the program would establish a social media presence for US Pulses around the world. Congress needs to encourage USDA to continue this support in light of continued disruptions due to trade disputes.
4. **Approve the USMC Agreement.** Market disruptions and resulting uncertainty is not good. The US Mexico Canada Trade Agreement is a favorable replacement for NAFTA. Two of our best trading partners are Canada and Mexico so the agreement needs to be approved to facilitate continued trade with them.
5. **Implementation of the 2018 Farm Bill.** The pulse industry would like to thank the Congress for approving the 2018 Ag Improvement Act before the end of 2018 for the first time in 20 years. Now that it is passed, implementation of the following measures would provide certainty and are our priorities:

Pulse crops are grown or processed in 35 U.S. states and play an important role in creating jobs for rural America. Furthermore, pulses have a nutrition profile that makes them a true *superfood*, improving the health and nutrition of our nation. We invite you to review the policy priorities of the USADPLC and the APA on our website at www.usapulsemovement.org. Thanks for your support for the Pulse Industry and your support of the Pulse Revolution!

Sincerely yours,



Tim McGreevy, CEO
American Pulse Association
USA Dry Pea & Lentil Council

