

Administrator Brandon Willis  
Risk Management Agency  
Room 6092-South  
1400 Independence Ave. SW  
Washington, D.C. 20250

September 22, 2016

Administrator Willis,

The undersigned organizations and agencies representing wheat growers across the Pacific Northwest write today to urge you to consider waiving the Risk Management Agency's (RMA) procedure regarding falling numbers impacting an insured's future actual production history. The Falling Number test was developed to determine starch activity and discounts are applied when results are under 300. The quality discounts taken at the elevator are currently negatively affecting future Actual Production History (APH) average yields for wheat producers.

The Pacific Northwest is experiencing unprecedented Falling Numbers from late maturity alpha amylase resulting from widespread daily temperature fluctuations. For example, as of September 13, 42 percent of the soft white wheat; 43 percent of club wheat; 20 percent of hard red winter and 10 percent of hard red spring samples collected and tested by Washington State Grain Inspection for official grades in Washington have resulted in a Falling Numbers of 300 or lower. A regional elevator is reporting as high as 73 percent of soft white wheat samples with Falling Numbers below 300. We feel an exception in procedure will alleviate the burden many growers are facing in regards to a quality issue.

While many in the Pacific Northwest are experiencing low Falling Numbers, a particular sector of growers experiencing difficult economic times are the young and beginning farmers. With lower relative commodity prices than we have experienced since the Great Depression, additional and extreme discounts (up to 50 percent in many cases) pose the risk of many farmers going out of business due to low APH average yields in future crop years. Multiple years of drought followed by low prices and quality discounts cause a great threat. While production is high in 2016, the Falling Number quality issue adds to the financial burden growers are facing.

Because of the high yields this year, many farmers are not submitting a crop insurance claim when the Falling Number tests between 200-300. Yet, even though a claim is not made, the procedure requires the crop insurance company to reduce the actual yield (based on the falling number discounts) ultimately having a negative impact on next year's crop insurance guarantee. This impact will be felt for a period of at least 10 years which is when the current year's actual yield falls out of the APH database.

We urge you to consider waiving the RMA procedure so that farmers are allowed to report their actual production without including a Falling Number discount, if there is not a crop insurance claim. USDA has a long history of overcoming obstacles to serve farmers across the country and implementing this exemption for the current crop year will alleviate one burden our farmers are facing. Thankfully, there is no statutory impediment that would prevent you from taking this important action. Thank you for your consideration and please contact our organizations if you need additional input on this time sensitive and important matter.

Cc: Honorable USDA Secretary Tom Vilsack  
Congressional Delegations of Undersigned Organizations  
Spokane Regional RMA Office

AGVENTURES NW, LLC  
CENTRAL WASHINGTON GRAIN GROWERS  
CHS PRIMELAND  
CONOVER INSURANCE  
COOPERATIVE AGRICULTURAL PRODUCERS  
DAVENPORT UNION WAREHOUSE  
FAR WEST AGRIBUSINESS ASSOCIATION  
HIGHLINE GRAIN, LLC  
IDAHO BARLEY COMMISSION  
IDAHO FARM BUREAU FEDERATION  
IDAHO GRAIN PRODUCERS ASSOCIATION  
IDAHO WHEAT COMMISSION  
MCCOY GRAIN TERMINAL, LLC  
MID COLUMBIA PRODUCERS, INC  
MORROW COUNTY GRAIN GROWERS, INC  
NATIONAL ASSOCIATION OF WHEAT GROWERS  
NORTHWEST FARM CREDIT SERVICES  
NORTHWEST GRAIN GROWERS, INC  
OREGON WHEAT COMMISSION  
OREGON WHEAT GROWERS LEAGUE  
PACIFIC NORTHWEST DIRECT SEED ASSOCIATION  
PACIFIC NORTHWEST GRAIN & FEED ASSOCIATION  
POMEROY GRAIN GROWERS  
PACIFIC NORTHWEST FARMERS COOPERATIVE  
REARDAN SEED COMPANY  
RITZVILLE WAREHOUSE COMPANY  
THE MCGREGOR COMPANY  
TOMCO SEED  
TRI-CITIES GRAIN LLC  
TRI-STATE SEED CO., LLC  
WASHINGTON ASSOCIATION OF WHEAT GROWERS  
WASHINGTON FARM BUREAU  
WASHINGTON GRAIN COMMISSION  
WHEAT MARKETING CENTER  
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WASHINGTON STATE DEPARTMENT OF AGRICULTURE