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May 20, 2019

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, Southwest
Washington, D.C. 20250

Dear Secretary Perdue:

I write to you regarding troubling reports that the U.S. Department of Agriculture (USDA) has spent millions of taxpayer dollars subsidizing multi-national corporations affected by the Administration's trade policies, rather than to support and protect struggling American farmers bearing the economic brunt of President Trump's trade war with China. I urge you to immediately cease any existing or future bailout payments to foreign-owned corporations, like the Brazilian-owned meatpacker JBS, and remove them from your approved and eligible vendors list.

In August, 2018, the USDA announced plans to subsidize farmers suffering from retaliatory trade practices, resulting from the Administration's trade war. This "relief strategy" included authorizing up to \$12 billion in assistance to help American farmers to continue to compete internationally. This strategy includes using the USDA's Market Facilitation Program, the Food Purchase and Distribution Program, and the Agricultural Trade Promotion Program to mitigate the estimated impacts.¹

Last week reports surfaced that USDA has recently issued multiple million dollar bailouts—totaling over \$62 million in taxpayer dollars—to JBS USA, a subsidiary of JBS SA—the largest meatpacker in the world, headquartered in Brazil. JBS is owned by Joesley and Wesley Batista, brothers who have been involved in bribery and corruption scandals in Brazil and whose meatpacking business is currently under investigation by the U.S. Department of Justice for potential violations of the U.S. Foreign Corrupt Practice Act.² Valued at \$2.9 billion each according to Bloomberg's Billionaire Index, the Batista brothers are far from struggling

¹ "USDA Announces Details of Assistance for Farmers Impacted by Unjustified Retaliation." USDA. August 27, 2018. <https://www.usda.gov/media/press-releases/2018/08/27/usda-announces-details-assistance-farmers-impacted-unjustified>.

² Sommerfeldt, Chris. "Trump Administration Showers Brazilian Crooks with \$62M Bailout Money Meant for Struggling U.S. Farmers." May 16, 2019. <https://www.nydailynews.com/news/politics/ny-trump-administration-bailout-farmers-brazilian-criminals-20190516-6rdb3ithvfe7fitem7qrny54y-story.html>.

financially and should not be subsidized by the United States, particularly at the expense of hardworking American families.³

This comes to light months after the USDA received backlash last year for planning to send bailout money to a Chinese-owned pork producer, Smithfield Foods based in Virginia. This agreement was ultimately cancelled amid public pressure.

It is simply unconscionable that corrupt foreign-owned companies like JBS, currently qualify for assistance under USDA's approved vendor criteria. USDA must swiftly cancel any existing or future agreements with JBS, and any other foreign-owned corporations and work to return taxpayer dollars to affected American farmers who continue to suffer.

Additionally, in order to restore faith in the USDA's vendor selection process and increase transparency, USDA's selection criteria and a list of all vendors who receive money from USDA should be made public. It is nothing short of a slap in the face to divert bailout money from American farmers who have been targeted with retaliatory tariffs from this Administration's trade war with China.

Thank you for your attention to this important matter. I respectfully request a response by June 3, 2019.

Sincerely,



Senator Richard Blumenthal
United States Senate

³ Freitas, Gerson, Jr., and Vinicius Andrade. "JBS Is Market Darling Again After Scandal That Haunts Brazil." May 17, 2019. <https://www.bloomberg.com/news/articles/2019-05-17/on-joesley-day-jbs-is-stronger-but-brazil-continues-to-hurt>.