Trade Adjustment Assistance for Farmers

Producer Summary
TAA for Farmers

Purpose

To help agricultural producers & fishermen adjust to foreign import competition
TAA for Farmers

• Trade Act of 1974 was created to provide business owners and their employees relief from hardships created by foreign import competition

• TAA for Farmers first authorized in Trade Act of 2002 which amended the Trade Act of 1974

• Reauthorized in American Recovery & Reinvestment Act of 2009 (Stimulus Bill)

• TAA for Farmers has an annual appropriation of $90 million
TAA for Farmers

• Traditional TAA provides technical assistance & labor retraining services to non-agricultural businesses and employees

• TAA for farmers expanded these benefits to farmers & fishermen that have experienced significant price or production declines as a result of increased imports
TAA for Farmers

• USDA Agencies
  – Foreign Ag Service: lead agency
  – FSA: accepts applications, makes payments
  – NIFA: delivers technical assistance
  – ERS: helps review commodity petitions
Commodity Eligibility

• A commodity must first be certified as eligible before producers can apply for benefits.

• A group of producers or its authorized representative may submit a petition:
  – Usually a commodity organization
  – By any three unrelated producers of the commodity
Commodity Eligibility

• To be eligible for TAA

  – A commodity must have experienced greater than a 15% decline in the:
    • national average price or
    • quantity of production or
    • value of production or
    • cash receipts

  in the most recent marketing year compared to the previous three marketing years;

  – And imports must have “Contributed Importantly” to this decline
Commodity Eligibility

- A commodity may submit a state, regional, or national petition.

- If a specific state or region files, other states or regions can join the petition if they do so within 15 days, otherwise they must file a separate petition.
Commodity Eligibility

• Petitions are submitted to the USDA Foreign Agricultural Service (FAS)

• FAS does an initial screen. If the petition meets basic requirements, the petition is posted in the Federal Register
Commodity Eligibility

• FAS has 40 days to determine if the commodity is eligible – clock starts with Federal Register posting of grower’s petition

• USDA multi-agency team reviews the price and import information
Producer Applications

• If commodity group’s petition is certified, then..

• Individual producers or fishermen have 90 days after certification to apply to local FSA office

• Use FSA Form 229-1
Producer Eligibility

• Applicants must provide documentation that the quantity of the commodity the individual producer produced in the petition marketing year decreased from the most recent prior marketing year for which data is available OR...
Producer Eligibility

- The price received for the commodity by the producer during the petition marketing year decreased relative to the average price received by the producer in the three preceding marketing years OR…
Producer Eligibility

• When applying for TAA producers must also certify that:

  – Their average gross nonfarm income for the year in which the petition was certified does not exceed $500,000

  – Their average taxable adjusted gross farm income (Sch. F net) does not exceed $750,000
Focus of TAA Benefits - Education

- Four phases of education
  - Initial technical assistance
  - Intensive technical assistance
  - Initial business plan
  - Long-term business adjustment plan
TAA Benefits

• **Phase 1: Initial technical assistance**
  
  – A two to four hour workshop that provides:
    • An overview of TAA technical assistance
    • Commodity outlook
    • Short discussion on:
      – Opportunities to improve production
      – Alternative marketing opportunities
      – Evaluation of alternative enterprises

  – Must complete to proceed to next phase
TAA Benefits

• Phase 2: Intensive technical assistance
  – A series of workshops on topics relevant to improving the profitability of the commodity
    • 7 to 8 workshop topics will be delivered
    • Participants elect to attend three to four workshops
    • Must attend a minimum of 12 hours
TAA Benefits

• Phase 3: Initial Business Plan
  – After attending at least 12 hours of workshops, the producer is required to write an Initial Business Plan
  – The Initial Business Plan must:
    • Describe the skills gained by the producer from the Intensive Technical Assistance workshops
    • Describe how the producer will apply those skills to their business
TAA Benefits

• Phase 3: Initial Business Plan
  – An Initial Business Plan template is available
  – Upon completion and approval of the Initial Business Plan, participants are eligible to receive a maximum of $4,000 to help implement the Initial Business Plan or develop a Long-Term Business Adjustment Plan
TAA Benefits

• Phase 4: Long-term business adjustment plan
  – An individual business planning consultant will be assigned to each participant
  – Upon completion and approval of the plan participants will be eligible to receive a maximum of $8,000
TAA Benefits

• Phase 4: Long-term business adjustment plan must:
  – Outline the steps the business will take to adjust economically to changing market conditions
  – Take into consideration the interests of workers employed by the producer
  – Demonstrate that the producer will have sufficient resources to implement the business plan
TAA Benefits

• Phase 4: Long-term business adjustment plan must:
  – AgPlan will be the template used to develop business plans
  – [www.agplan.umn.edu](http://www.agplan.umn.edu)
  – There will also be PC and paper versions of AgPlan available
Timelines

• Phase 1: Initial Technical Assistance must be completed 180 days after certification

• All technical assistance must be completed within 36 months of certification

• Goal is to complete Phase 2: Intensive Technical Assistance within the first year
TAA for Farmers

• In summary TAA provides:
  – Educational opportunities
  – Partnering opportunities
  – Modest funding for participation
  – Challenges

• Thank you for your interest
TAA for Farmers

For more information

www.TAAforFarmers.org