

Trade Adjustment Assistance for Farmers

The USDA announced on Friday, June 25, 2010 that shrimp, catfish, and asparagus had been certified as part of the Trade Adjustment Assistance (TAA) program. Producers of those commodities can apply to participate in the financial assistance and technical training opportunities associated with the TAA program. To become certified, commodity organizations must have petitioned the Foreign Agricultural Service (FAS) to participate and show that the production, price, or income generated from their commodity declined by more than 15 percent from the previous three year average. In addition, the commodity must show that increased imports played a significant role in the decrease.

The USDA initially placed a deadline for a commodity to petition the Foreign Agricultural Service of April 27, 2010. However, another petition period has been established by USDA and will run through July 16, 2010. The petition must be filed by a group of producers or commodity organization and must specify which regions or states are to be considered under the petition. Again, the petition must show that production, price, or income generated from the commodity has declined significantly from previous levels.

The two commodities that have become certified that are relevant to Louisiana are shrimp and catfish. For shrimp, the petition certified covers production in 2008 and includes producers in a 8 state region including Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Texas. For catfish, the petition covers production during the 2009 year and is a nationwide petition.

Does A Commodity Becoming Certified Make Producers Fully Eligible To Participate?

A commodity becoming certified is only the first hurdle that must be surpassed in order for producers to be fully eligible to participate in the TAA program. All the certification does is to allow the producers of the commodity within the region specified under the petition to apply to participate in the program. Individual producer requirements must also be met to make that producer fully eligible to participate in the program. The individual producer requirements that must be met to be fully eligible are:

- The producer's non-farm Adjusted Gross Income was less than \$500,000 during the petition year,
- The producer's farm Adjusted Gross Income was less than \$750,000 during the petition year,
- The producer has not received benefits under the Trade Adjustment Assistance programs for Workers or for Firms,
- The producer has not received benefits under the Trade Adjustment Assistance for Farmers for other commodities,
- The producer was in operation during the year the petition year,
- The producer was in operation in at least 1 of the previous 3 marketing years,
- The producer experienced a decrease in:
 - Production during the petition year, or,
 - The price received by the producer during the petition year as compared to the average price received by the producer in the three years prior to the petition year, or,

- The county (parish) price approved by the Farm Service Agency (FSA) on the date on which the petition was filed as compared to the average county (parish) price in the three previous years.

The Farm Service Agency (FSA) will be the agency responsible for administering the TAA program and for determining the eligibility of individual producers. As such, producers will need to apply to participate in the TAA program at their local Farm Service Agency office (Contact information for Farm Service Agency offices serving each parish in the state can be found at <http://offices.sc.egov.usda.gov/locator/app?state=la&agency=fsa>). The application form for the TAA program has been included in this newsletter under Appendix I.

Producers will have to provide documentation to prove their eligibility either initially at the application time or at some other time as determined by the Farm Service Agency. At this time, the type and amount of documentation that the Farm Service Agency will require and accept is still not fully known. Once known, a supplement to this newsletter outlining that information will be made available.

What Is Available to Eligible Producers?

For those producers of a certified commodity that have met the individual producer requirements, the TAA program makes technical training and financial assistance available. As mentioned earlier, the TAA program will be administered by the Farm Service Agency which includes providing financial assistance to eligible producers. However, in order for producers to receive financial assistance, they must complete technical training. This technical training will be provided by a combination of the Cooperative Extension Service in the producer's state and the National and Regional Trade Adjustment Assistance program centers.

The technical training component of the TAA program is a three phase process. Producers must complete each phase in order to be eligible to participate in subsequent phases as well as to receive the financial assistance tied to the program. The three phases that comprise the technical training component of the TAA program are as follows:

- Phase I: Initial Technical Assistance – This phase will be administered by the Cooperative Extension Service and will consist of a 2 to 4 hour meeting/workshop. This workshop will provide producers with additional details of the TAA program as well as provide a general commodity market and production outlook which may include issues focused on improving production efficiency and exploring alternative marketing opportunities.
- Phase II: Intensive Technical Assistance – This phase will also be administered by the Cooperative Extension Service and will consist of 12 hours of training in 7 to 8 topics relevant to the commodity. These topics will include issues such as improving yields and marketing, evaluating alternative enterprises, and business plan development. At the end of this training, producers will be required to develop an initial, short term business plan. This business plan will be submitted to the national and regional TAA centers for approval. The business plan must be approved prior to the producer being eligible to request and participate in Phase III.
- Phase III: Long-Term Business Planning – This phase will be administered by the National TAA Center and will consist of consultants working with producers to develop long-term business plans. Producers requesting this level of training will have a consultant assigned to that producer who will work with the producer in developing a long-term business plan. Once the plan is developed and submitted, it will be approved by a committee of consultants established by the National TAA center.

What Is The Financial Assistance Associated With the TAA Program?

The other component of the TAA program is the financial assistance component. The financial assistance available to eligible producers is tied to the completion of each phase of the technical training component. While no direct financial assistance is associated with Phase I of the technical training, the USDA may authorize reimbursements payments to producers to help offset the travel expenses associated with attending the Initial Technical Assistance program.

After completing Phase I, producers would then be eligible to participate in Phase II. After obtaining the 12 hours of training associated with Phase II, producers will develop and submit an initial, short-term business plan. Once this plan has been approved by the Regional and National TAA Centers, notification of the approval will be sent to the Farm Service Agency. At that time, the Farm Service Agency will be able to provide the producer with the initial financial assistance payment of up to \$4,000. The payment is a flat rate and is not dependent on the producer's size of operation or the amount of the producer's production during the petition year.

After completing Phase II, including submitting and getting approval for an initial business plan, producers would then be able to request to participate in Phase III. After producers request to participate in Phase III, an consultant will be assigned to the producer who will assist in developing a long-term business plan for the producer. At the completion of the business plan, the producer will submit the plan for approval to the National TAA Center. Once approved, the Farm Service Agency will be notified and will then be able to provide the producer with the financial assistance payment of up to \$8,000. Again, this payment is a flat rate and is not dependent on the producer's size of operation or the amount of the producer's production during the petition year.

Are There Any Limits To Financial Assistance Available?

In general, a producer can not receive more than \$12,000 under the TAA program during a three year period. This would include a maximum payment of \$4,000 after the development and approval of the initial, short term business plan and a maximum payment of \$8,000 after the development and approval of the final, long term business plan. This limit is across all commodities so that if a producer was a producer of two certified commodities, he would not be eligible to receive \$12,000 for one commodity and another \$12,000 for the second commodity.

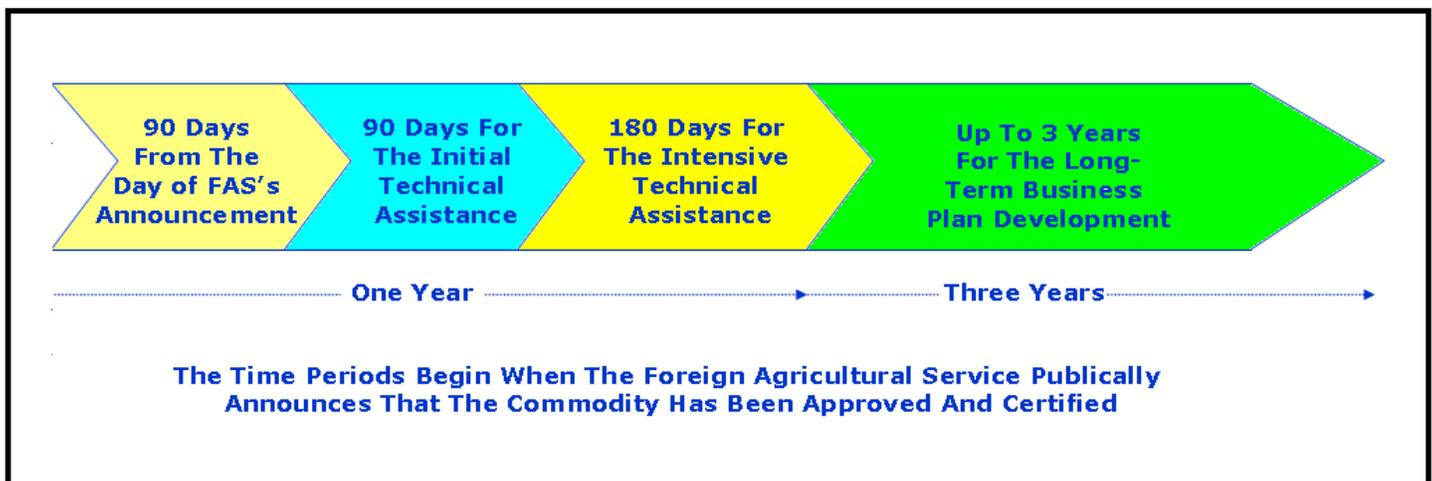
While the general payment limit is \$12,000 per producer, there are a few more issues that may limit the amount the producer is actually able to receive under the TAA program. The first issue is related to producers that are also producers of program commodities that receive payments under the Counter Cyclical Payment Program or the ACRE program. For those producers, any payments received under the TAA program would be added to any Counter-Cyclical or ACRE payments and would be subject to payments limits associated with those programs. So, for example, if a producer was close to reaching payment limits associated with the Counter-Cyclical or ACRE payment programs, it could limit the amount of assistance that could be received under the TAA program.

The other issue that could limit the financial assistance available to producers is the total number of producers eligible to receive payments. A total of \$90 million is made available for the TAA program for the 2010 fiscal year and \$22.5 million for the 2011 fiscal year. According to USDA, the \$90 million funding level for 2010 would allow for travel reimbursement and maximum payments of \$12,000 for about 7,300 producers. If more producers apply and meet all requirements, then the maximum payment of \$12,000 would be reduced so that total payments to all producers do not exceed the \$90 million funding level.

What Is The Timeline For Receiving Technical Training and Financial Assistance?

Figure 1 shows the general proposed timeline for the application process and the technical assistance under the TAA program. Once the Foreign Agricultural Service publically announces that the commodity has been officially approved and certified under the TAA program, producers have 90 days to apply with their local Farm Service Agency office to participate in the program. The announcement for shrimp and catfish was made on June 25, 2010 and producers will have until September 23, 2010 to apply for the program.

Figure 1. Trade Adjustment Assistance Timeline



After the initial 90 day signup period, there will be another 90 day period for the Initial Technical Assistance Program to be offered and completed by the producer. Following the Initial Technical Assistance period, there will be a goal of 180 days to offer and complete the Intensive Technical Assistance Program. Given that producers must complete Phase I of training (Initial Technical Assistance) prior to being able to participate in Phase II of training (Intensive Technical Assistance) and given the proposed timeline, it is likely that the initial financial assistance payment would not be made available to producers until roughly one year from the date that the commodity was certified.

Again, for producers to participate in the final phase of training (Long Term Business Development), they must have completed the first two phases of training. With the first two phases taking upwards of one year to be completed, the USDA has placed a 3 year time period from the time the commodity is certified to complete and submit the long term business plan for approval.

As with any timeline, this is an approximation of the timeframe during which each of the phases of the TAA program will likely be completed. The ability of the Cooperative Extension Service and the National and Regional TAA Centers to establish and advertise the required training sessions opportunities will influence how quickly within the timeline that training will be able to be completed and, as a result, how quickly financial assistance will be made available.

Additional Information

As additional information becomes available regarding the location and dates for technical training sessions, the Cooperative Extension Service will make this available to all potential producers. Producers are also encouraged to visit their local Farm Service Agency office for additional information. Finally, producers can also keep up with TAA program developments by visiting the official Trade Adjustment Assistance website at <http://www.taaforfarmers.org/>.

APPENDIX I

Trade Adjustment Assistance

Producer Application

FSA-229-1 (05-18-10) TRADE ADJUSTMENT ASSISTANCE (TAA) FOR FARMERS PROGRAM APPLICATION	U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency	1A. State and County Codes	2. Application Number
		1B. Congressional District	
		3. Announced Application Deadline	4. Date Received by FSA

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1580 and the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). The information will be used to determine eligibility for benefits provided by the Trade Adjustment Assistance for Farmers program. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for participation in the Trade Adjustment Assistance for Farmers program.*

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0551-0040. The time required to complete this information collection is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR FSA COUNTY OFFICE.***

Instructions: Producers use this form to apply for training and cash benefits under the Trade Adjustment Assistance Program for Farmers.

PART A – APPLICANT INFORMATION

5A. Applicant's Name and Address (Including Zip Code)	6. Name and Address of Farm Operation (If different from Item 5) (Including Zip Code)
5B. Applicant's E-Mail Address:	
5C. Applicant's Telephone Number (Include Area Code):	

PART B – TAA FOR FARMERS PETITION FOR WHICH BENEFITS ARE REQUESTED

7. Commodity/State	8. Petition Number	9. Petition Filing Date	10A. Petition Certification Date
			10B. Deadline for Completion and Approval of Business Plans

PART C – APPLICANT ELIGIBILITY INFORMATION – To establish eligibility, an applicant must answer Items 11A through 11D and complete entries under 1 of the 3 eligibility options listed in Item 11 below:

11. Production, Price and TAA benefit information to be completed by the Applicant:	YES	NO
A. Has applicant received benefits under another TAA for Farmers Program?		
B. Has applicant received benefits under either the TAA for Workers or FIRMS Programs?		
C. Did the applicant produce the petition commodity in the petition marketing year (MY)?		
D. Did the applicant produce the commodity in one of the 3 years prior to the petition MY?		
OPTION 1: Is applicant's production quantity in petition year less than production in the most recent prior year?		
E. Production quantity for the petition MY.		
F. Production quantity for the most recent year of the 3 years prior to the petition MY.		
OPTION 2: Is applicant's average price in petition marketing year less than average price received from the 3 most recent prior years?		
G. Average price received by producer for production from petition MY.		\$
H. Price received by producer for production from most recent year prior to petition MY.		\$
I. Price received by producer for production from 2 nd most recent year prior to petition MY.		\$
J. Price received by producer for production from 3 rd most recent year prior to petition MY.		\$
K. Sum of prices received from the 3 MYs most recently prior years (add entries from Items 11H, 11I, and 11J).		\$
L. Average of 3 prices: Divide entry in Item 11K by 3.		\$
OPTION 3: Was the County price for producers on petition filing date less than the average price for the prior 3 marketing years?		
M. USDA county price (or other price if USDA price not available) for the commodity on the petition filing date.		\$
N. Average USDA county price (or other price if USDA price not available) for the 3 MYs immediately prior to the petition filing date.		\$

PART D – APPLICANT CERTIFICATION AND SIGNATURE(S)

The undersigned producer hereby applies for benefits under the Trade Adjustment Assistance for Farmers (TAAF) Program and agrees to comply with the eligibility requirements established by the TAAF statutory authority and program regulations in 7 CFR Part 1580 to obtain program benefits. The applicant acknowledges that eligibility may be denied based on one or more of the following requirements: (1) the applicant must have had adjusted gross farm and non-farm income within statutory limits and must have complied with cash-rent tenant, conservation compliance, and controlled substance regulations; (2) business-plan disbursements are limited by statutory payment limits and may be reduced by a uniform factor established by CCC so that total program outlays do not exceed statutory limits; (3) payments are subject to provisions of the Debt Collection Improvement Act; (4) eligibility is governed by Federal Crop Insurance Fraud provisions; (5) provisions regarding permitted entity, person determinations, and state and local government entity determinations may apply; (6) receipt of business-plan payments is contingent upon the approval by the Farm Service Agency of an initial and/or final business plan by the date shown in Item 10B; and (7) any TAAF application must be received no later than the deadline date announced for each certified commodity and shown in Item 3 of this application. The undersigned applicant certifies that: (1) all the information entered on this application is true and correct and that the applicant was a producer of the petition commodity during the petition crop year and one of the immediate preceding 3 crop years; and (2) the applicant did not receive cash benefits under the TAA for Workers or TAA for Firms programs, or TAAF benefits under another commodity petition. The applicant understands that providing a taxpayer identification number and type is voluntary but that benefits cannot be provided without this information. The applicant agrees, if requested, to provide: (1) any documentation required to determine program eligibility to the satisfaction of the County FSA Committee, and (2) responses to program evaluation of impacts on employment and business changes. The applicant understands that providing a false certification to the U.S. Government is punishable by imprisonment, fines or other penalties. The criminal and civil fraud statutes that apply to this certification, may include 15 USC 286 714m, 18 USC 286, 297, 371, 641, 651, and 1001; and 31 USC.

12. Applicant's Signature	13. Alternative Family Member or Entity Representative Authorized to Attend Training (P) Primary : (S) Secondary	14A. Tax ID Number	14B. Tax ID Type	15. Date Signed (MM-DD-YYYY)	16. Refused Payment?	
					YES	NO
	(P)					
	(S)					

PART E - CCC REVIEW OF SUBMITTED PRODUCTION AND PRICE INFORMATION

17. Review Item 11 and enter a checkmark for Items A, B, and C and complete one of the 3 options listed as D, E, and F below:	YES	NO
A. Was application filed within the 90-day application period? (See dates entered in Items 3 and 4.)?		
B. Did applicant have production in the petition MY (See Item 11C)?		
C. Did the applicant produce the commodity in one of the 3 years prior to the petition MY (See Item 11D)?		
OPTION 1.		
D. Is the quantity in Item 11E less than the quantity in Item 11F?		
OPTION 2.		
E. Is the price in Item 11G less than the 3-year average price in Item 11L?		
OPTION 3.		
F. Is the price in Item 11M less than the price in Item 11N?		

PART F – CCC DETERMINATION OF APPROVAL FOR TRAINING

18. For application approval, the answers to the following questions in Items 11 and 17 must be:		
A. "YES", for questions "A", "B", and "C" in Item 17.		
B. "YES", to at least one of questions "D", "E", or "F" in Item 17.		
C. "NO", for both questions "A" and "B" in Item 11.		
19. Application Status: APPROVED <input type="checkbox"/> REFER TO FAS <input type="checkbox"/> (If not approved, complete Item 20)		
20. Justification for Referral to FAS:		
21A. Name and Address of County FSA Office (Including Zip Code)		21B. Telephone Number (Including Area Code)
22A. Signature of COC Representative	22B. Title of COC Representative	22C. Date Signed (MM-DD-YYYY)
23A. Signature of Second-Party Reviewer	23B. Title of Second-Party Reviewer	23C. Date Signed (MM-DD-YYYY)

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