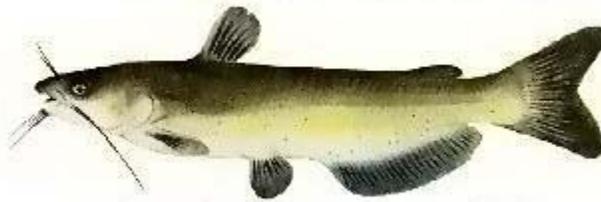


# Arkansas Farm Service Agency Trade Adjustment Assistance: Catfish

November 2003



The United States Department of Agriculture approved Arkansas commercial catfish producers to receive cash benefits under the new Trade Adjustment Assistance (TAA) program. Applications for this program are being accepted by the Farm Service Agency. Under the law \$90 million has been set aside for each fiscal year from 2004 through 2007 for TAA for catfish and all other eligible crops. The cash benefit amount all fishers and farmers receive will be prorated based on the number of applications received.

**Q: What is the Trade Adjustment Assistance (TAA) program for catfish?**

A: The TAA program will provide technical assistance and cash benefits to eligible catfish producers in recognition that increased imports have “contributed importantly” to a decline in prices. The Farm Service Agency (FSA) in cooperation with Foreign Agricultural Service (FAS) will administer the program for USDA, and the USDA Cooperative State Research, Education, and Extension Service (CSREES) will offer technical assistance programs.

**Q: How do I know if I am eligible for TAA assistance?**

A: You must be able to provide documentation that you were engaged in commercial catfish production during the 2002 marketing year. You must have marketed your production in one of the following approved states: Alabama, Arkansas, Florida, Georgia, Idaho, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Nevada, Ohio, Oklahoma, South Carolina, Texas or Utah. Your production must be edible and for human consumption. You must also present documentation that your net income from fishing has declined over the prior year and that your 3-year average adjusted gross income was below \$2.5 million.

**Q: Am I eligible for TAA if I had a permit but did not market fish in 2002?**

A: To be eligible for payments you must have marketed fish commercially in both 2001 and 2002.

# Arkansas Farm Service Agency

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**Q: When does sign-up begin? How long will it last?**

A: Sign-up for TAA for catfish in Arkansas began November 17, 2003 and will continue for 90 days through February 17, 2004.

**Q: How do I apply for assistance?**

A: The USDA - FSA will be accepting applications in person, by mail or by fax at the nearest FSA County Office or USDA Service Center to your place of residence.

**Q: What form is required to apply for TAA?**

A: You must submit a completed Form FSA-229, Application for Trade Adjustment Assistance to FSA by February 17, 2004, along with acceptable production documentation such as receipts, ledgers, income statements, etc., to verify the production of pounds of catfish sold from January 1, 2002 through December 31, 2002.

**Q: How do I apply if I don't live near an FSA Center?**

A: To accommodate the majority of fishers who live in remote locations the FSA will accept fax or electronically submitted forms sent to you local FSA Office.

**Q: What other documentation will I need to provide?**

A: You must provide FSA with supporting financial statements, balance sheets, and/or tax reports that prove your net income from fishing in 2002 is less than it was for the 2001 tax year, and that your average adjusted gross income for the 3 preceding taxable years (1999 – 2001) does not exceed \$2.5 million. You must also show proof that you have attended a required, free technical assistance program offered by the USDA Cooperative State Research, Education, and Extension Service (CSREES). If required, any additional documentation must be received by September 30, 2004.

**Q: What is the CSREES Technical Assistance?**

A: By regulation, you are also required to meet with an extension agent to receive technical assistance regarding your fishing operation. The Cooperative Extension Service will provide free TAA technical assistance workshops throughout the communities to all producers who apply for TAA within 180 days of the petition certification date. Training dates will be announced as they are scheduled. Check with your local Extension Service Office.

**Q: Do I have to receive my technical assistance before I turn in my TAA application?**

A: No. Turn in your completed application as soon as you can. Once you have attended a technical assistance session, you will receive an attendance certificate. Send a copy of this to the FSA office, and it will be added to your application records.

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**Q: How are payments calculated?**

A: The most any applicant can receive in a year cannot exceed \$10,000. Individual cash benefits are calculated by taking 80 % of the national 5-year average price and then subtracting the current market year price set for catfish. The resulting dollar amount is then divided in half. That new amount is what will be used when multiplied by the number of pounds of catfish sold to arrive at the maximum cash benefit for each fiscal year. Your maximum cash benefit may be adjusted based on the total number of people nationwide who are eligible to receive TAA benefits.

**Q: How soon can I expect to receive my payment?**

A: That is difficult to project at this time. It is expected, based on the number of potential applicants, that the earliest anyone might expect to receive TAA benefits is mid-2004.

**Q: Are TAA payments based on the year of production or the year of marketing?**

A: TAA payments are based on the year the commodity was marketed. For example, wild blueberries produced in 200, but marketed in 2002, are eligible for TAA if the applicant's documentation indicates marketing in 2002?

**Q: Are TAA payments based on the State of production or State where marketed?**

A: TAA payments are available for approved commodities if marketed in the approved State. Eligible commodities produced outside the approved State, but marketed in the approved State, are eligible for TAA payments.

**Q: Can producers who barter or gift fish or other commodities request TAA payment for such bartered commodity?**

A: No. Gift or barter does not demonstrate marketing of the commodity or evidence of income. Eligible commodities must be sold for cash to be considered as marketed for eligibility for TAA payment. However, payment applicants who are determined ineligible because of bartering or gifting the eligible commodity may receive technical assistance training and must complete FSA-229 within the 90 calendar day application period.

**Q: Is it sufficient for a TAA applicant to certify net-farm or fishing income, or must documentation be provided?**

A: The TAA regulations provide that an applicant shall provide documentation to support their certifications that:

- net farm or fishing income for the most recent tax year was less than during the prior year
- Adjusted gross income for the 3 preceding tax years does not exceed \$2.5 million.

The initial certifications for these 2 measures may be provided by either supporting documents from a certified public accountant or attorney, or by providing relevant documents such as those provided to IRS. Income is reported to IRS on Schedule C, C-EZ, or F. If any producer is selected as part of an audit for compliance with TAA, income tax forms must be provided if requested.

Therefore, certification without documentation is insufficient. Acceptable documentation are financial statements, tax records, or statements from a certified public accountant, or attorney and must be submitted no later than September 30 of that fiscal year to be eligible for payment.

**Q. When making a “person” determination will the County Office make their determinations based upon the status of the producer in the crop year that the application is being filed or the crop year the commodity was marketed?**

A: The person determination will be based on the producer status in the year the crop was marketed—the year in which the loss occurred and the year for which benefits are being requested. Even though an application for a 2002 TAA payment may be accepted in calendar year 2003, the “person” determination will be based on the conditions, circumstances, and representations about the operation that were in place during the year of marketing.

**Q: Are TAA payments available to a producer who had a negative net income for both 2001 and 2002?**

A: Maybe. The statutory authority for this program and the current regulation do not specifically address negative net farm income or net income from fishing. The current interpretation of the regulation is that the producer’s farm or fishing income must have declined for the payment eligible year. Thus, a producer who had a negative income in 2 consecutive years would need to show a greater loss for the payment year. If the loss was less for the payment year than the loss for the prior year, the applicant would be ineligible.

**Q: Does the \$10,000 payment limit apply per application or, in the case of a partnerships and corporations, to each individual having a share in, or represented by, the application?**

A: The payment limitation applies to each person. A separate payment limitation of \$10,000 is available to each “person” as defined for administering direct and counter-cyclical payments (DCP) under other programs. The “person” definitions apply to TAA.

**Q: To what crop year does the counter-cyclical payment limitation apply for TAA payments?**

A: The \$65,000 limitation applies to the crop year the commodity was marketed. TAA payments are approved for the year a commodity was marketed, and are made without regard to the year of production, the year of the TAA request, or the year when the TAA payment occurs. **Example:** If an applicant applies for TAA benefits during fiscal year 2004 based upon a loss of income on a 2002 crop, County Offices shall apply the \$65,000 limitation based upon TAA and DCP received for the 2002 crop year.

**Q: Is eligibility for catfish, shrimp, or salmon TAA payments limited to only wild catch?**

A: No. The method of production, or method of catch, are not eligibility factors. Thus, pond raised catfish and shrimp, or trap-raised salmon, or wild catch salmon are eligible in approved States.

**Q: For the purpose of TAA eligibility, is net fishing income defined as the net income from only the approved commodity, such as salmon or shrimp, or does it include net income from non-TAA eligible catch, such as flounder, etc.?**

A: Net fishing income includes income from all catch and is not limited to the net income from the TAA approved catch. Net fishing income is the net profit or loss reported on IRS Schedules C or C-EZ. For example a Georgian shrimper who derives income from both shrimp and flounder would provide a net income certification for the entire fishing enterprise, not merely the net income from only the shrimp activities.

**Q: Will FSA provide a “Determination of Entitlement” to approved TAA applicants for their use in applying for Department of Labor (DOL) benefits?**

A: When FSA-229 has been approved by the County Committee or designee, based on the applicant have been fully certified and eligible for TAA payments or benefits, the County Office shall provide a photocopy of the approved FSA-229 to the applicant to use in applying for any DOL benefit. DOL has agreed to accept this form from the produce as evidence of payment eligibility from FSA.

**Q: Are catfish fingerling eligible for TAA?**

A: No. The petition approving payment for catfish was approved for full sized catfish. Also, payments for fingerlings would result in a double payment on the same fish.

**Q: How can I get more information?**

A: You can contact your local FSA office or check the web page at:

<http://www.fas.usda.gov/itp/taa/taaindex.htm> - FAS website

<http://www.fsa.usda.gov/ar/aboutus/COF.htm> - Arkansas FSA website for County Offices

<http://www.fsa.usda.gov/ar/Programs/PS/CatfishTAA.htm> -Arkansas State FSA TAA website

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