FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

April 2011

Trade Adjustment Assistance (TAA) for Farmers

Overview

Producers of raw agricultural commodities and fishery products that are determined by the Foreign Agricultural Service (FAS) administrator to have been adversely affected by imports may apply for technical assistance and cash payments under the Trade Adjustment Assistance (TAA) for Farmers program. Producers establish eligibility for TAA for Farmers program benefits by submitting an application at their local Farm Service Agency (FSA) Service Center. The technical assistance is provided in several increments.

Initial Technical Assistance is a locally scheduled 2 to 4-hour program orientation that explains how the program can help producers improve the yield and marketability of the affected agricultural commodity, determine the feasibility and desirability of substituting one or more alternative agricultural commodities for the commodity adversely affected by import competition, and offer advice and assistance on how to adjust to import competition.

A producer who completes the orientation is eligible to participate in Intensive Technical Assistance, which is a series of workshops on marketing and production strategies, financial and business management, and alternative enterprises and business plan development. This training will prepare producers to develop an initial business plan and a long-term business adjustment plan to improve their competitiveness. Upon FSA's approval of the initial business plan, the producer is eligible to receive a maximum $4,000 cash payment to implement his or her plan or to further develop a long-term business adjustment plan.

Long-Term Business Adjustment Plan Training provides individual assistance to complete and implement a long-term business plan. Producers that complete a long-term plan are eligible to receive up to an additional $8,000 cash payment.

TAA Implementation

The TAA for Farmers program is administered by FAS with FSA responsible for processing applications and making payments to eligible producers. The Center for Farm Financial Management at the University of Minnesota schedules and administers local technical training. Most training will be conducted by local National Institute of Food and Agriculture (NIFA) specialists who also are responsible for reviewing business plans and recommending cash benefits provided under the program.

The American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) reauthorizes and modifies the TAA for Farmers program as established by Subtitle C of Title I of the Trade Act of 2002 (Pub. L. 107-210), which amended the Trade Act of 1974.

How Does a Commodity Qualify?

A group of producers (three or more) or commodity organizations may request a commodity to be certified as eligible for TAA for Farmers by submitting FAS-930, Petition for Certification, to FAS in Washington, DC. This form is available online at http://forms.sc.egov.usda.gov/eforms/mainservlet. For a commodity to qualify, the FAS Administrator must determine that increased imports of the agricultural commodity contributed significantly to a greater than 15 percent decline in its national average price, or quantity of production, or value of production, or cash receipts compared to the average of the three preceding marketing years.

To be eligible, a commodity must be in its raw or natural state as defined in chapters 1, 3, 4, 5, 6, 7, 8, 10, 12, 14, 23, 24, 41, 51, or 52 of the Harmonized Tariff Schedule of the United States. These schedules can be viewed at http://www.usitc.gov/tata/hts/bychapter/index.htm.

When a petition has been accepted for review, FAS will publish a notice in the Federal Register and initiate an investigation. Such The Federal Register notice shall identify identifies the agricultural commodity, including any similar or directly competitive commodities, the market-

ing year under investigation, data being used for comparison/determination, and production area covered by the petition. This The Federal Register notice also provides an opportunity for other producers of the commodity or related commodities to join or request a public hearing about the petition.
FAS will complete its review of each petition and announce no later than 40 calendar days after the petition has been accepted for review whether the commodity has been "certified" (approved for benefits) and the marketing year of such certification. The certification announcement will also be published in the Federal Register.

Applicant eligibility requirements

Application Submission: Producers of certified commodities may apply for benefits of the TAA for Farmers program by submitting a written application (FSA-229-1) to their local FSA Service Center within 90 calendar days after the application period is announced in the Federal Register. The application form is available at FSA offices or at: http://forms.sc.egov.usda.gov/eforms/mainservlet. If the application period ends on a weekend or holiday, the producer may apply the following business day.

Production and Price Requirements: To be eligible for technical assistance and cash payments a producer must: 1) have produced the commodity during the specific marketing year for which the commodity was determined eligible and at least one of the three marketing years preceding that year; and 2) certify or document compliance to establish compliance with one of the following three options. Option 1: Did the applicant produce less of the commodity during the marketing year for which the petition is certified than during the most recent marketing year preceding the petition marketing year. Option 2: Did the applicant or producers of the certified commodity in the same state or region receive a lower price for production of the petitioned commodity during the petition marketing year compared to the average price received during the prior three years in which the commodity was produced. Option 3: Is USDA's state or regional price for the petitioned commodity on the petition filing date less than USDA's average county price for the past three consecutive marketing years. Applicants selected for spot check must provide documentation of their compliance with these production and price requirements.

Adjusted Gross Income (AGI) and Payment Limit Requirements: To be eligible for both technical assistance and payments a producer must comply with AGI requirements. For 2008 commodities the total AGI limit is $2.5 million and the three years for which AGI is determined are 2005, 2006 and 2007. For 2009 and subsequent crops, the applicant's average adjusted gross nonfarm income must be $500,000 or less for the three taxable years immediately preceding the full taxable year for which the petition is certified. (Example: for a 2009-crop TAAF commodity, the AGI is averaged for 2005, 2006 and 2007.) An applicant whose income exceeds the applicable AGI limit is ineligible for any assistance under TAA for Farmers.

TAA for Farmers business plan payments count toward the limitations applicable to countercyclical and the Average Crop Revenue Election payments of $65,000 per crop year. Therefore, if an applicant has exceeded such payment limit for the marketing year of the TAA for Farmers petition, the applicant is ineligible for business plan payments and reimbursement of training-related travel expenses; however, that applicant is eligible for training and technical assistance.

According to rules established for the TAA for Farmers program, a producer who receives benefits for a certified commodity may not receive benefits under another TAA for Farmers petition or under the TAA for workers or firms programs. Applicants cannot receive more than $12,000 in a 36-month period immediately following the petition certification date. Travel reimbursements do not count against this $12,000 limit. Payments received under fiscal year 2004 through 2006 TAA programs do not limit eligibility for these new benefits.

Technical Assistance and Business Plan Requirements: Applicants meeting basic eligibility requirements for TAA for Farmers will have access to four training

components or phases: Initial Orientation; Intensive Technical Assistance; Initial Business Plan; and Long-Term Business Adjustment Plan Training. Attendance at the orientation training is a prerequisite for receiving intensive technical assistance and long term business adjustment plan training and cash benefits. Producers are required to attend orientation training within 180 calendar days of the petition certification date. Applicants may request reimbursement for travel expenses incurred to attend orientation training subject to federal travel guidelines. Travel costs are not reimbursed for attending any subsequent training.

Producers who complete the orientation are eligible for a series of workshops customized to address key topics for improving the profitability of producers of the eligible commodity. This training also will help participants develop an initial business plan. Participation in workshops is expected to require no less than 12 hours. Applicants who complete the required training and an approved initial business plan will be eligible for a cash payment of up to $4,000 to implement the plan or to develop a long-term business adjustment plan.

Upon FSA approval of the initial business plan, participants will be eligible to receive help developing a long-term business adjustment plan. Upon approval of the completed plan, the producer is eligible to receive an additional payment of up to $8,000 to implement the plan. Producers must complete their plan(s) within 36 months from the petition certification date. Criteria for approval of the business plans will be presented to producers during intensive technical assistance training sessions.

Program Funding Limitation

USDA may authorize reimbursement to applicants (at federal travel rates) for travel expenses incurred to attend Phase I training; however, because program funds are capped at $90 million for FY 2010 and $22.5 million for FY 2011, business plan payments ($4,000 for the initial plan and $8,000 for the long-term adjustment plan) may be reduced so disbursements do not exceed available funding.

USDA will not know the likelihood or severity of any such payment reduction until the close of all petition enrollment periods within a fiscal year. The $90 million appropriated for FY 2010, for example, is sufficient to disburse average travel expenses and maximum business plan payments for about 7,300 applicants. For example, if 20,000 producers enroll, participate and qualify for both plan payments, total payment to any one applicant could not exceed $4,500 inclusive of travel expenses.

Important Deadlines

Request for Commodity Approval: A group of individuals or their commodity representatives must submit petitions requesting certification of a 2008 or subsequent-crop commodity for benefits no later than the last day of the filing period announced in the Federal Register. Petitions received late will not be accepted.

Petition Filing Date: The petition filing date is the date the commodity petition (FAS 930) was received and determined acceptable by FAS. The petition filing date is important to applicants that are establishing their eligibility based on whether USDA's county price on the petition filing date is less than USDA's average county price for the three marketing years preceding the petition filing date.

Deadline for Request of Public Hearing about Petition: The FAS administrator will publish a notice in the Federal Register for each commodity petition accepted for consideration. Within 10 calendar days following the publication of such notice, interested parties may request a public hearing or submit comments in regard to that petition.

Request to Become Party to Petition: A group of producers outside of the state or region identified in any petition accepted for consideration may submit a request to become a party to that petition no later than 15 calendar days after the date that the notice announcing that a petition has been accepted is published in the Federal Register.

Certification of Eligibility Date: The certification date is the date when the FAS administrator announces in the Federal Register or by department news release, whichever comes first, that a petition has been certified and producers may apply for benefits. The certification date starts the 90-calendar-day application

period for producers of that commodity.

Producer Application Deadline: Producer applications (FSA-229-1) must be received by FSA no later than the last day of the 90-calendar-day application period announced for each approved commodity. Applications received late will not be approved for benefits.

Business Plan Completion Deadline: The initial and long-term business adjustment plans must be completed and approved within 36 months from the petition certification date.

Appeals

Producers may appeal any eligibility or benefit disapprovals under TAA for Farmers to the Deputy Administrator, Office of Trade Programs, FAS. Any final determination provided by FAS may be appealed to the United States Court of International Trade in New York City. Detailed instructions for submitting appeals are provided to producers whose requested benefits are denied or reduced.

For More Information

For more information on the TAA for Farmers program, visit FAS online at www.fas.usda.gov/, a nearby FSA Service Center office, or FSA online at www.fsa.usda.gov/.

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