

For: State and County Offices

Trade Adjustment Assistance (TAA) Program for Farmers

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Trade Act of 2002, as amended, establishes a Trade Adjustment Assistance (TAA) program for farmers that provides both technical assistance and cash benefits to eligible agricultural commodity producers.

The TAA program is currently in its first phase, the petition period. Groups of agricultural commodity producers in the United States or their authorized representative are currently petitioning FAS for TAA benefits by completing and submitting FAS-930, according to Notice SP-4.

For the second phase, FSA is currently preparing to accept applications for TAA benefits as soon as a petition is approved by FAS and a notice is published in the Federal Register.

B Purpose

This notice provides State and County Offices with the following:

- policy and procedures for FSA to implement the TAA program
- eligibility requirements
- procedure for applying for benefits
- instructions for completing new application form, FSA-229 (Exhibit 1)
- questions and answers related to the program (Exhibit 2).

Disposal Date	Distribution
January 1, 2005	State Offices; State Office relay to County Offices

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2 General Information

A Source of Authority

The source of authority for TAA is the Trade Act of 2002, Pub. L. 107-210, which establishes a program of trade adjustment assistance for farmers. The statute authorizes an appropriation of \$90 million of funds, less administrative expenses, for each fiscal year from 2003 through 2007 to provide both technical assistance and cash benefits to eligible producers.

B Program Availability

Any group of agricultural commodity producers may petition the Administrator of FAS for a determination of eligibility for TAA benefits, according to paragraph 4.

C HELC/WC Provisions

HELC/WC provisions are applicable to the TAA program according to 6-CP. Each producer applying for TAA benefits is required to complete and submit AD-1026 to be eligible for cash payments.

D Related Handbooks

Handbooks related to TAA include:

- 1-CM for signatures, estates, trusts, or minors
- 1-APP for appeals
- 1-FI for issuing payments
- 4-CP for scheme or device
- 63-FI for assignments and joint payments
- 1-PL for payment limitations
- 6-CP for highly erodible land conservation and wetland conservation.

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3 Responsibilities

A TAA Functions and Responsibilities

The following table provides the function of each Agency responsible for implementing the TAA program.

Responsible Agency	Function
FAS	Receive, analyze, review petitions, and determine eligibility to apply for TAA benefits.
ERS	Conduct a market study and economic analysis of each petition to determine whether or not increases in imports contributed to the decline in producer prices.
CSREES	Provide technical assistance to each producer of an approved petition who applies for TAA benefits.
FSA	Assist potential petitioners in completion of FAS-930.
	Provide outreach service to petitioners and producers providing information and services for the TAA program.
	Accept and approve/disapprove applications for TAA.
	Make payments to all eligible producers with approved applications.

B STC and COC Responsibility

STC's shall supervise and monitor TAA to ensure that policies and procedures in this notice are being uniformly followed by County Offices.

Except in Alaska, COC's shall:

- administer TAA at the county level under STC supervision
- inform producers about the eligibility requirements for TAA benefits
- approve or disapprove requested TAA payments according to this notice.

Note: COC may delegate the authority to approve or disapprove FSA-229's to CED.

Alaska State Office shall:

- administer TAA statewide
- inform producers about the eligibility requirements for TAA benefits
- approve or disapprove requested TAA payments according to this notice.

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4 TAA Petition Process

A Petition Process Period

Potential petitioners of TAA benefits may petition the FAS Administrator on FAS-930, anytime during the period of August 15 through January 31 of each applicable fiscal year. Petitions received after January 31 will be returned to the sender. If January 31 falls on a weekend, the petition will be accepted the next business day.

The FAS Administrator will publish a notification in the Federal Register when a completed petition has been received by FAS and that an investigation has begun. The date of publication of the Federal Register Notice is the official filing date.

B Petition Review and Certification

After a completed petition has been filed and accepted by FAS, the petition will be reviewed to determine whether it meets the qualifying requirements provided in the regulations at 7 CFR Part 1580. Petition determinations for TAA benefits will be made by the FAS Administrator and published in the Federal Register as soon as practicable but no later than 40 calendar days after the official filing date of the petition. Only producers covered by a petition certified by the FAS Administrator as eligible for TAA may apply for program benefits.

The date of publication in the Federal Register Notice:

- is the official certification date for petitions approved and certified as eligible for TAA by FAS
- starts the 90-day application process.

C County Office Role During Petition Phase

During the petition phase of TAA, County Offices shall:

- instruct potential petitioners to submit FAS-930 to FAS according to the instructions provided on the petition form
- provide action according to Notice SP-4, subparagraph 1 D.

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5 TAA Application Process

A Submitting FSA-229

Eligible producers covered by a petition certified as eligible for TAA by FAS shall submit FSA-229 to apply for TAA benefits. FSA-229's cannot be submitted until there is a certified petition. FSA-229 can be submitted in person, by FAX, or electronically at the FSA office where the producer's records are maintained. If the producer has had no previous contact with FSA, the producer shall apply for TAA benefits at the nearest FSA County Office. Producers may request advice from FSA about the preparation and submission of TAA applications for benefits.

Exception: Producers in Alaska shall apply for TAA benefits through the Alaska State FSA Office.

Note: If the producer is returning FSA-229 by FAX, the producer must have FSA-237 on file in the County Office according to 1-CM. For Alaska residents **only**, FSA-237's are **not** required to submit FSA-229 for TAA benefits by FAX to the USDA servicing office.

A separate FSA-229 shall be filed for:

- each individual producer covered by a certified petition
- each certified petition that represents a specific group of agricultural commodity producers.

Producers must only use FSA-229 dated September 23, 2003, to apply for TAA benefits. Earlier versions of this form that may be in circulation will **not** be accepted. See Exhibit 1 for instructions on completing FSA-229.

B Availability of FSA-229

FSA-229 is available on the:

- eForms website at <http://forms.sc.egov.usda.gov/>
- FSA website at <http://165.221.16.90/dam/ffasforms/currentforms.asp>.

State Offices shall locally reproduce FSA-229.

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5 TAA Application Process (Continued)

C TAA Application Period

Eligible producers covered by a certified petition may apply for TAA benefits according to subparagraph A, anytime beginning on the date the approved certified petition notification is published in the Federal Register and ending **no later than 90 calendar days** after the publication date of the certified petition notification in the Federal Register.

Note: Producers are required to submit production evidence of the marketing year for which benefits are being requested at the time application is made in the County Office, or State Office in the case of Alaska.

If the 90-day application period ends on a weekend or legal holiday, the producer may apply the following business day.

County Offices will be required to verify that each TAA applicant is covered by a certified petition. Further information will be provided on this verification process.

D Manual Applications

TAA application software will not be in the field by the beginning of the application period for some eligible producers requesting TAA benefits. Therefore, County Offices shall take manual TAA applications, FSA-229's.

A future PS notice will be issued to provide instructions for recording and processing TAA applications, payments, and collections.

6 Eligibility Requirements

A Producer Eligibility

All producers applying for TAA benefits must:

- be covered by a certified petition approved by FAS
- provide acceptable documentation according to subparagraph 5 B to verify the production and quantity of the commodity entered on FSA-229 for the most recent marketing year certified as eligible by FAS
- complete and submit the applicable CCC-502, according to instructions provided in Notice PL-122

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6 Eligibility Requirement (Continued)

A Producer Eligibility (Continued)

- complete and submit either of the following according to 1-FI, Part 3:
 - SF-1199A for direct deposit
 - FFAS-12 for a hardship waiver request for EFT
- comply with HELC/WC provisions by completing and submitting AD-1026
- certify to the following:
 - technical assistance will be received from the Cooperative State Research, Education, and Extension Service (CSREES) before cash benefits are provided, according to subparagraph 5 C
 - cash benefits have not been received under any of the provisions of the Trade Act of 1974, as amended
 - TAA payments cannot exceed the payment limitations according to subparagraph 7 B
 - net farm or fishing income for year for which benefits are being requested must be less than that during the producer's pre-adjustment year according to subparagraph 6 D
 - average adjusted gross income (AGI) is according to 7 CFR Part 1400-G. See subparagraph 6 E.

B Acceptable Documentation

Acceptable documentation for TAA may include but is not limited to the following:

- copies of sales receipts
- ledgers
- income statements or tax returns
- deposit slips
- register tapes
- invoices for custom harvesting
- records to verify production costs
- contemporaneous diaries
- truck scale tickets
- contemporaneous measurements
- fish tickets.

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6 Eligibility Requirements (Continued)

C Certification of Technical Assistance From CSREES

Any producer of an agricultural commodity covered by a certified petition who applies for TAA is eligible to receive information and technical assistance from CSREES at no cost to the producer. Technical assistance from CSREES is mandatory before TAA payments can be issued. Each producer shall have the opportunity to meet at least once within a 180-day period from the official certification date of the petition to receive technical assistance from CSREES. CSREES will provide to producers written confirmation of all technical assistance meetings that may be used as supporting documentation to verify that technical assistance was received by CSREES as required by subparagraph A, before payment will be issued by FSA.

Note: County Offices shall **not** issue TAA payments to producers who have not met at least once with a CSREES employee or their representative to receive technical assistance and provided evidence to the satisfaction of COC that such technical assistance was received as required.

D Certification of Net Farm or Fishing Income

Each producer applying for TAA benefits will be required to certify on the FSA-229 that their net farm or fishing income for the year for which benefits are being requested is less than that for the latest year in which no adjustment assistance payment was received. Supporting documentation of this certification **must** be submitted **before** application approval or disbursement of TAA benefits.

Net **farm** income means net farm profit or loss reported on IRS Schedule F (Form 1040) and Form 4835 for the tax year that most closely corresponds with the marketing year under consideration.

Net **fishing** income means net profit or loss reported on IRS Schedules C or C-EZ (Form 1040) for individuals or taxable income, excluding TAA payments reported on Form 1120 for corporations during the tax year that most closely corresponds with the marketing year under consideration.

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6 Eligibility Requirements (Continued)

E Certification of AGI

Each producer applying for TAA benefits on FSA-229 will be required to certify, according to 7 CFR Part 1400-G, that either:

- their average AGI for the 3 preceding tax years was \$2.5 million or less
- their average AGI is less than 75 percent from farming, ranching, or forestry operations and does not exceed \$2.5 million.

Note: CCC-526 is not required.

FSA-229's may be approved based on a producer's average AGI certification. However, producer tax records may be requested to verify the producer's AGI certification if:

- selected by the county (or State Office in Alaska) for spot check
- it is determined by FSA that further verification is needed.

F Further Certifications and Documentation

The County Office shall determine whether further verification is needed to confirm producer certifications on FSA-229. If further verification is needed before approval of FSA-229, County Offices may require the producer to submit:

- supporting documentation from a certified public accountant or attorney
- relevant documentation and other supporting financial data for verification, such as:
 - financial statements
 - balance sheets
 - reports prepared for or provided to IRS or another U.S. Government agency.

Failure to provide the required documentation requested by the County Office will result in denial of TAA benefits.

Note: All documentation requested by the County Office to confirm or support producer certifications on FSA-229 must be received in the applicable FSA County Office by COB September 30 of the same fiscal year in which application is filed. There are **no** exceptions.

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6 Eligibility Requirements (Continued)

G Ineligible Producers

A producer is ineligible for TAA benefits if the producer:

- is not covered by a petition certified by FAS
- did not have a farming or fishing income in the year preceding application
- does not receive technical assistance from CSREES
- does not provide all documentation required by FSA by September 30
- does not apply for TAA benefits by the application deadline.

7 TAA Payments

A TAA Payment Calculation

Eligible TAA applicants will be issued a payment that is:

- equal to the product of the amount of the agricultural commodity produced in the most recent marketing year
- multiplied by one-half the difference between:
 - an amount equal to 80 percent of the average of the national average prices of the agricultural commodity covered by the petition for the 5 marketing years preceding the most recent marketing year
 - the national average price of the agricultural commodity for the most recent marketing year.

B Payment Limitation

Each eligible producer may receive up to a maximum TAA payment of \$10,000 per year. The amount of the TAA payment combined with counter-cyclical payments shall not exceed \$65,000 per year.

Example #1: If a producer receives a total of \$65,000 in counter-cyclical payments for the year, the producer will be ineligible to receive a TAA payment for that same crop year.

Example #2: If a producer receives a total of \$60,000 in counter-cyclical payments, the producer will be eligible for an amount not to exceed \$5,000 in TAA payments.

Note: Producers must certify on FSA-229 that they understand that their TAA payments cannot exceed the \$10,000 payment limitation and that total TAA and counter-cyclical payments cannot exceed the \$65,000 payment limitation.

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7 TAA Payments (Continued)

C Timing of Payments

Payments may not likely be disbursed until the summer months after all applications are processed and it is determined if funds need to be prorated.

D Advance Payments

Advance payments will not be issued for TAA.

E Assignments

Eligible producers may assign their rights to a TAA payment according to 7 CFR Part 1404.

F Offsets and Withholdings

TAA payments are:

- **not** subject to withholding and/or offset
- **cannot** be reduced to pay an established claim or receivable.

G Prompt Payment Interest

The Prompt Payment Act is not applicable to the TAA program. Therefore, TAA payments are not subject to late payment interest.

H Direct Deposit

The Debt Collection Improvement Act of 1996 requires any recipient of Federal payments who becomes eligible for that payment after July 25, 1996, to receive the payment by electronic funds transfer.

All producers receiving benefits under TAA must file SF-1199A or FFAS-12, according to 1-FI, Part 3.

I DCIA

TAA payments are not subject to DCIA provisions.

FSA-229, Application for Trade Adjustment Assistance (TAA) for Individual Producers

A Instructions for Completing FSA-229

Item	Instructions
1A	Enter the name and address, including ZIP Code, of producer applying for TAA benefits.
1B	Enter the producer ID number or taxpayer identification number.
1C	Enter the producer's e-mail address, if available.
1D	Enter the telephone number, including area code, of the producer applying for TAA benefits.
1E	Enter the production from the most recent marketing year.
1F	Enter the unit of measure of production (lbs., tons, cwt., bu., etc.) entered in item 1E.
2	Enter the applicable crop year. (For FSA use only)
3	Enter the applicable commodity. (For FSA use only)
4	Enter the application number assigned by the automated system. (For FSA use only)
5	Enter the State code. (For FSA use only)
6	Enter the county code. (For FSA use only)
7	Enter the name, address, and telephone number of the County FSA Office. (For FSA use only)
8A, B	After reading the certification statement in Part B, enter signature and date.
9A	Enter response to the question, "Has the producer provided verifiable documentation of production of the commodity identified in item 3 and the production entered in items 1E and 1F?" (For FSA use only)
9B	Enter response to the question, "Has the producer provided supporting documentation verifying that the net farm or fish income declined from the latest year in which no adjustment assistance payment was received?" (For FSA use only)

FSA-229, Application for Trade Adjustment Assistance (TAA) for Individual Producers

A Instructions for Completing FSA-229 (Continued)

Item	Instructions
9C	Enter response to the question, "Has the producer provided supporting documentation, if requested, that the Adjusted Gross Income is in accordance with regulations at 7 CFR Part 1400.601?" (For FSA use only)
9D	Enter your response to the question, "Has the producer provided proof that technical assistance from CSREES has been received?" (For FSA use only)
10A, B	COC or designee shall enter signature and date.
11	COC or designee shall check the appropriate box regarding the application status.

FSA-229, Application for Trade Adjustment Assistance (TAA) for Individual Producers

B Example of FSA-229

This form is available electronically. Form Approved - OMB No. 0551-0040

FSA-229
(09-23-03) U.S. DEPARTMENT OF AGRICULTURE
Farm Service Agency

APPLICATION FOR TRADE ADJUSTMENT ASSISTANCE (TAA) FOR INDIVIDUAL PRODUCERS

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 USC 7333 and 7 CFR Part 1580. The information will be used to determine program eligibility. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

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 5 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. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

PART A - APPLICATION

1A. Name and Address of Producer (Include Zip Code)		1B. Producer ID No.:	1C. E-mail Address:
		1D. Telephone No. (Include Area Code):	
		1E. Production	1F. Unit of Measure (lbs., tons, cwt., etc.)

FOR FSA USE ONLY

2. Crop Year	3. Commodity	4. Application No.	5. State Code	6. County Code	7A. Name and Address of County FSA Office (Include Zip Code)
					7B. Telephone No. (Include Area Code):

PART B - PRODUCER CERTIFICATION

I certify that: (1) all information entered on this application is true and correct; (2) I am submitting this application solely to receive trade adjustment assistance for farmers, and have not received, nor plan to receive any cash benefits for trade adjustment assistance from the Departments of Labor or Commerce; (3) I reported on the applicable Schedule F (Form 1040), Schedule C or EZ 1040 or Form 4835 that my net farm or fishing income declined from the latest year in which I did not receive an adjustment assistance payment; (4) my Adjusted Gross Income (AGI) is in accordance with regulations at 7 CFR Part 1400-G. I understand that before payments can be made I must: (1) provide acceptable documentation to verify the production quantity entered in Item 1E; (2) provide documentation to support that I have received technical assistance from the Extension Service; (3) provide verifiable documentation of the net farm or fishing income; (4) submit all required documentation on or before September 30 of the current fiscal year. Failure to timely file required documentation will result in denial of payment. I further understand that: (1) FSA will be conducting spot-checks for this program and I authorize FSA access to records held by elevators, processors, etc. or any other agency or organization maintaining records or other substantiating evidence for which I am certifying production as applicable; (2) my maximum payment cannot exceed \$10,000 per year and my total TAA payment and counter-cyclical payment cannot exceed \$65,000 in any year; (3) I must retain records supporting my application for two years after the date of my final trade adjustment payment and that I may be required to furnish such records on a confidential basis to FSA; (4) knowingly making a false certification is punishable by a fine of not more than \$10,000 or imprisonment for not more than 1 year, or both. All information provided herein is subject to verification by the Farm Service Agency. The provision of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 297, 371, 641, 651, 1001 and 1014; 15 USC 714m; and 31 USC 3729.

8A. PRODUCER'S SIGNATURE	8B. DATE (MM-DD-YYYY)
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PART C - COC DETERMINATION (COUNTY OFFICE USE ONLY)

	YES	NO	DATE DOCUMENTATION RECEIVED
9A. Has the producer provided verifiable documentation of production of the commodity identified in Item 3 and the production in Items 1E and 1F?			
9B. Has the producer provided supporting documentation verifying that the net farm or net fish income declined from the latest year in which no adjustment assistance payment was received?			
9C. Has the producer provided supporting documentation, if requested, that the Adjusted Gross Income is in accordance with regulations at 7 CFR Part 1400-G.			
9D. Has the producer provided proof that technical assistance from the Extension Service (CSREES) has been received?			

10A. Signature of COC or Designee	10B. Date (MM-DD-YYYY)	11. Application Status <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved
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The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

Questions and Answers

The following table lists questions and answers related to TAA.

Question	Answer
When does an application start for TAA?	Producers will be allowed to retrieve and submit FSA-229 after a petition has been certified. Applications cannot be filed until after certification.
When are petitions filed with FAS?	A group of agricultural commodity producers or qualified fishermen may file a petition for TAA benefits August 15 through January 31 of each year commencing in the 2003 fiscal year.
Regarding the Alaskan fish industry, did all petitions have to be submitted to FAS by August 31, 2003?	No. Petitions can be filed each year as stated in the previous question. However, to receive TAA payments based upon FY 2003 funds, petitions must have been filed before August 31, 2003.
Can petitions for the 2003 marketing year be accepted after September 30, 2003?	Yes, producers can petition FAS after September 30 for the 2003 marketing year.
When are petitions for the 2004 marketing year accepted?	Petitions for the 2004 marketing year must be filed with FAS August 15 through January 31, 2005.
Since TAA payments must be compared to counter-cyclical payments and the adjusted gross income, will person determinations be required?	Yes, producers will be required to complete and submit CCC-502.
Will petitions for the 2002 marketing year be eligible for TAA?	Yes, petitions for the 2002 marketing year will be eligible for TAA payments; however, payments will not be made until the 2004 FY.
Is there MOU between FAS and FSA specific to administrative costs that FSA will incur during a FY?	Yes. MOU has been signed by both agencies that covers the cost of delivering TAA benefits to producers/fishermen. As part of the reimbursable agreement, FSA is to provide IT development/support/maintenance, customer service at the county level, notify beneficiaries of program availability, and outreach.

Questions and Answers (Continued)

Question	Answer
What is the role of ERS?	ERS will conduct a market study of each petition to verify the decline in producer prices and to assess possible causes, taking due account of any special factors which may have affected prices of the commodity in the petition. Special factors may include imports, exports, productions, changes in consumer preferences, weather conditions, or diseases. ERS will report its findings to the Administrator, FAS who will determine whether or not the group is eligible for TAA.
How is the amount equal to 80 percent of the average of the national average prices going to be determined?	The petitioners must provide their price series for the last 5 years, and the most current year must be no more than 80 percent of the 5-year average.
When will FSA County Offices expect the application period to begin?	An application period will begin after the petition certification date but no later than 90 days after the certification date. However, FSA cannot predict the determinations made on a petition or the certification date.
Will FAS provide FSA with a list of producers for the purpose of notifying eligible producers of TAA?	Yes, FAS will provide FSA with a list of producers eligible to apply for TAA benefits.
What are the commodities that TAA will cover?	All agricultural commodities in their raw natural state are eligible for TAA as long as they meet the price and import triggers.
Will applications received on FSA-229, proposal 15 version be accepted?	No, only the final version of the form will be accepted by the FSA County Offices after a petition is certified.