

USDA Response to Tariff Retaliation

On August 30, 2018, the U.S. Department of Agriculture (USDA) announced its Trade Mitigation Package in response to unjustified retaliation surrounding the U.S. agricultural industry.

The Trump administration chose to employ a safeguard for America's producers who have been negatively impacted. Thus, implementing a 3-pronged program that offers up to \$12 billion to help subsidize farmers and stimulate the agricultural economy as a result of lost export sales, diminishing markets, and lower commodity prices.

The short-term package is broken down into three parts, including the Market Facilitation Program (MFP), the Food Purchase and Distribution Program, and the Agricultural Trade Promotion Program.

ADDITIONAL TIPS

- Acreage reports for crop commodities must be on file at local FSA office for payment eligibility
- Crops grown for seed are currently not eligible
- Dairy producers not currently enrolled in MPP are still eligible for payments and will follow MPP rules for new dairy operations and complete CCC-781 to establish production history
- Producers who farm in multiple counties should apply in only their control county
- Examples of production evidence include receipts of sale, income ledgers, custom harvesting invoices, truck scale tickets, and breeding, inventory, or vet records
- Payment Calculation Example (Soybeans)
 $(10,000 \text{ bu.} \times 50\%) \times \$1.65 = \$8,250$



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Market Facilitation Program

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FARM MANAGEMENT PROGRAM

WHAT IS THE MARKET FACILITATION PROGRAM?

The Market Facilitation Program (MFP) will be offering up to \$4.7 billion in direct payments to producers of cotton, corn, dairy, pork, soybeans, sorghum, and wheat. Payments will be administered under USDA's Farm Service Agency (FSA).

WHERE IS THE MONEY COMING FROM?

The MFP program is established under the authority of the Commodity Credit Corporation (CCC) and it was founded in 1933 to provide price support within limits set by Congress.

The CCC has the authority to indefinitely borrow up to \$30 million (current limit) from the U.S. treasury without any additional authorization from Congress to fund mandatory spending programs within the Department of Agriculture.

COMMODITY PAYMENTS

Crops

Cotton, corn, soybeans, sorghum, and wheat will be based off 2018 actual harvested production

Pork

Hogs will be based off number of live head on a date chosen by the producer between July 15 and August 15, 2018.

Dairy

Active dairy operations as of June 1, 2018 will be based off highest annual milk production marketed during 2011, 2012, or 2013 as reported by MPP (includes bumps)

Commodity	Payment Rate*
Cotton	\$0.06 / lb.
Corn	\$0.01 / bu.
Dairy (milk)	\$0.12 / cwt.
Pork (hogs)	\$8.00 / head
Soybeans	\$1.65 / bu.
Sorghum	\$0.86 / bu.
Wheat	\$0.14 / bu.
Sweet Cherries	\$0.16 / lb.
Shelled Almonds	\$0.03 / lb.

*Initial payment rate on 50% production

The possibility of a second round of payments for the remaining 50% of actual production will be announced on or near December 3, 2018 if necessary

PAYMENT ELIGIBILITY

- Must have an ownership interest in the commodity
- Be actively engaged in farming
- Average adjusted gross income (AGI) from 2014, 2015, and 2016 must be less than \$900,000
- Must comply with the Highly Erodible Land and Water Conservation provisions

PAYMENT LIMITATIONS

MFP payments are capped per person or legal entity for:

- A combined **\$125,000** for eligible crop commodities AND
- A combined **\$125,000** for dairy production and hogs AND
- A combined **\$125,000** for fresh sweet cherries and almonds

HOW TO APPLY

Submit applications in person, by email, fax, or by mail after harvest is 100% complete

**MFP Signup:
September 4, 2018
To
January 15, 2019**

Applications available at www.farmers.gov/mfp or your local FSA office