

Trade Adjustment Assistance for Farmers

TAA Overview For Extension Educators



Today's Topics

- Review of TAA
- Role of Extension in mandatory technical assistance
- Intensive technical assistance

Trade Adjustment Assistance

Purpose

To assist agricultural
producers & fishermen
adjust to foreign import
competition

Trade Adjustment Assistance

- Trade Act of 2002 (Chapter 6)
- Amended the Trade Act of 1974
- Trade Act of 1974 was created by Congress to provide business owners and their employees relief from hardships created by foreign import competition

Trade Adjustment Assistance

- Traditional TAA has provided technical assistance & labor retraining services to non-agricultural businesses and employees
- TAA for farmers expands these benefits to eligible farmers & fishermen that have experienced significant price declines as a result of increased imports
- USDA Foreign Ag Service (FAS) is the lead agency for implementation

Eligibility Requirements

- Commodities must be certified eligible before producers can apply for benefits
- Average price during most marketing year must be less than 80% of the average price during past 5 years
 - Inadequate price data has been one of primary reasons commodities not approved

Eligibility Requirements

- Imports of directly competing products must have increased during the most recent 12 month period
- Increase in imports has to have “contributed importantly” to the price decrease

Who May Petition

- A group of raw agricultural commodity producers, or their duly authorized representative.
- Can be as few as three (3) unrelated individuals.

Who May Petition

- Can be on behalf of a state, region or the nation as a whole.
- If a specific state or region files, other regions can join the petition if they do so within 10 days, otherwise they must file a separate petition.
 - difficult to do
 - need to evaluate payments for separate vs. joint applications

Petition Submission

- Petitions are submitted to the USDA Foreign Agricultural Service (FAS)
- FAS does an initial screen. If the petition meets basic requirements, the petition is posted in the Federal Register

Petition Submission

- FAS has 40 days to determine if the commodity is eligible – clock starts with Federal Register posting of grower's petition
- USDA Economic Research Service (ERS) reviews the price and import information

Grower Time Line

- If grower group's petition is certified, then..
- Individual grower has 90 days after certification to apply to FSA for benefits
- Grower has 180 days after certification to obtain 'mandatory technical assistance' (at no cost to the producer) from Extension.

Producer Benefits

- Technical assistance training
 - Phase I (mandatory) and Phase II (intensive)
 - provided by Extension Service
- Up to a \$10,000 cash payment
 - USDA Farm Service Agency (FSA)

Producer Benefits

- Career retraining & education assistance
 - Department of Labor
- 50% cost sharing (\$75,000 from govt.) for projects like developing business plans, creating new marketing strategies, etc.
 - Department of Commerce
 - Requires a separate application

What Grower Must Certify

- Completion certificate for technical assistance
- Production documentation
- Net farm income was less than the last year in which no TAA assistance was received
- That average gross revenue was less than \$2.5M for preceding 3 years

Role of Extension

- Development of mandatory TAA Technical Assistance program
- Train educators to deliver
- Provide mandatory Technical Assistance to producers
- Develop and provide optional Intensive Technical Assistance (ITA) to producers who request it

Extension Time Line

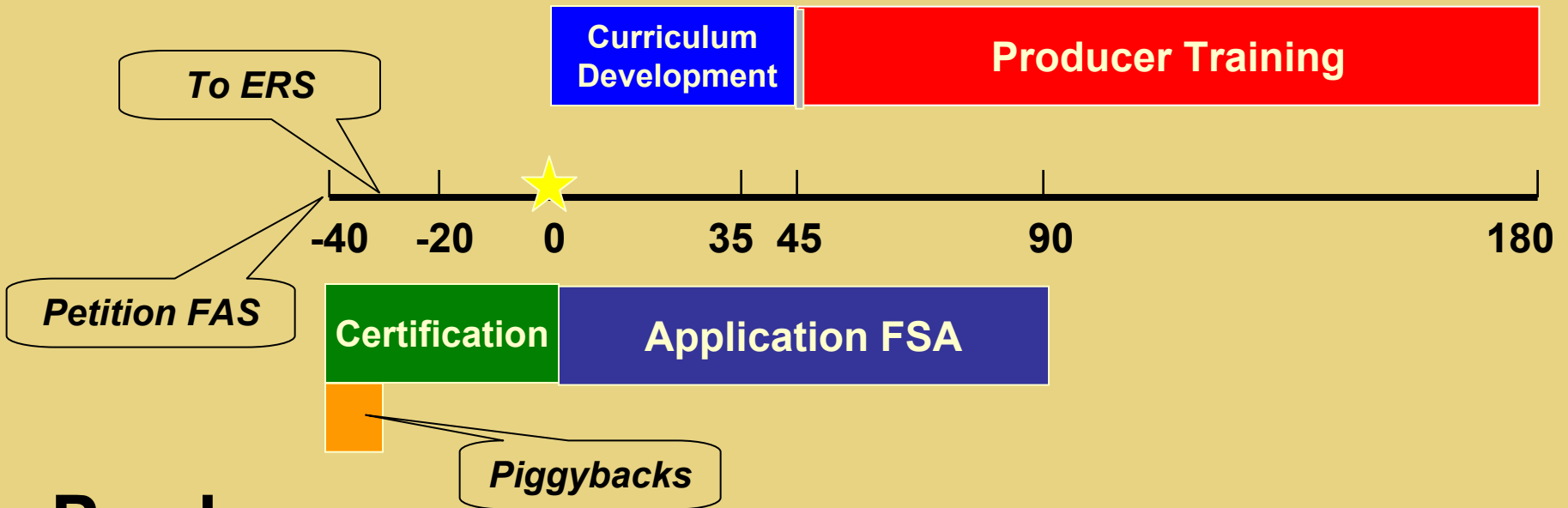
- Secretary approves a petition.
- Extension has 45 days from the time a commodity is certified as approved to develop the mandatory 'technical assistance' package.

Extension Time Line

- At this point, 135 days remain in which producers must meet with an Extension educator to receive the mandatory technical assistance. (This may be in a group or one-on-one.)

Time Line Summary

Extension



Producers

Technical Assistance Funding

- Costs are fully reimbursed to your Extension program for:
 - Development of the technical assistance package for the region
 - Educator training
 - Cost of delivery to producers

Technical Assistance Content - Bill Language

- ` (i) information regarding the feasibility and desirability of substituting 1 or more alternative commodities for the adversely affected agricultural commodity; and
- ` (ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

Mandatory Technical Assistance Outline

- Where am I?

- Commodity world outlook commodity
- Financial Viability general*
- Resource & Talent Inventory general

* draft of general sections have already been developed

Mandatory Technical Assistance Outline

- Where do I want to be?
 - Business options general
 - Goals general
 - Production efficiency commodity
 - Marketing opportunities commodity
 - Alternative enterprises commodity
 - Transition resources general

Mandatory Technical Assistance Outline

- How can I get there?
 - Generally becomes part of the Intensive Technical Assistance

Mandatory Assistance Training Materials

Three Components of a TAA Package

- PowerPoint presentation
- Printed materials
- Online course (optional)

Technical Assistance Package Development

Development website

- Tools to help content development team will be available at:

<http://www.agrisk.umn.edu/taadeveloper/>

Technical Assistance Package Development

Development website resources:

- Proposed outline of technical assistance package
- Templates – PowerPoint, online, printed
- Five general sections – example materials

- National website site for Extension's TAA effort. For each commodity:
 - Overview
 - Deadlines
 - Available educators
 - Training sessions
 - Online course
 - Dept. of Labor retraining information
 - Resources for educators
 - Other resources

Intensive Technical Assistance

- New this year Intensive Technical Assistance (ITA) provides the opportunity to offer additional educational assistance to producers and fishermen who want more help

Intensive Technical Assistance

- Phase I – Mandatory technical assistance
- Phase II – Intensive technical assistance (optional)

Intensive Technical Assistance

- \$3 million available annually for ITA
- Funds will be allocated based on:
 - Number of commodities certified eligible for TAA
 - Number of producers or fishermen that apply for each commodity

Intensive Technical Assistance

- Is available as an option to those producers or fishermen who want more in-depth, customized assistance to improve their profitability and ability to compete with imports
- Can be delivered over a two year time period versus 135 days for mandatory

Intensive Technical Assistance

- All farmers and fishermen who apply for standard TAA are eligible for Intensive Technical Assistance
- Applicants from last year who didn't apply this year are not eligible

Intensive Technical Assistance

- ITA will help individual farming and fishing businesses:
 - Analyze potential changes to their businesses
 - Implement viable alternatives to improve their competitiveness

Intensive Technical Assistance

- ITA will give farmers and fishermen:
 1. An individual initial assessment or an initial workshop
 2. Assistance analyzing their business and their options
 3. A written technical assistance plan

Intensive Technical Assistance

1. Individual initial assessment or an initial workshop will:
 - Provide a starting point to receive ITA
 - Ensure that ITA is meeting priority needs of individual businesses

Intensive Technical Assistance

2. Examples of business analysis assistance and options might include:
 - Development of business/marketing plan
 - Financial analysis of business
 - Evaluation of potential alternatives
 - Evaluation of new products, production methods, direct marketing, business expansion or recreational enterprises

Intensive Technical Assistance

3. A short written technical assistance plan will be expected for each producer or fisherman describing:
 - Existing situation and discussion of potential alternatives
 - Opportunities evaluated and selected
 - Description of how business will implement changes

Extension ITA Team Responsibilities

- Commodity development team will have an initial planning meeting with the Regional Center and the Digital Center
- Initial meeting will describe responsibilities, expectations, and funding

Extension ITA Team Responsibilities

- Determine ITA content
 - Identify the primary topics on which producers or fishermen want additional assistance (by surveys or equivalent methods)
 - Select topics (three to ten) on which you will develop content, tools, and training for intensive assistance

Extension ITA Team Responsibilities

- Identify, modify, and develop tools to deliver ITA
- Conduct train-the-trainer program to equip educators and consultants
- Deliver ITA to producers/fishermen

Extension ITA Team Responsibilities

- Tools
 - Identify new or existing tools and training programs that you want to use to deliver ITA
 - Develop a plan to use them as they currently exist, to modify, or to develop these tools and programs

Extension ITA Team Responsibilities

- Tools
 - General tools such as:
 - Business plan
 - Financial planning
 - Strategic planning
 - Commodity specific tools

Extension ITA Team Responsibilities

- Train-the-trainers on:
 - Overview of TAA and ITA and the quality expected for ITA
 - General tools available for ITA
 - Specific tools for individual commodities
- And
 - When needed, identify and recruit consultants with specific skills, ie. attorneys or engineers, and provide informational training about TAA
 - Provide ongoing training and support via distance education and online refresher courses

Extension ITA Team Responsibilities

- Deliver ITA
 - Determine the primary delivery methods you plan to use for ITA; individual consultations, workshops, distance education, or other delivery methods.
 - Deliver ITA to producers and fishermen within two years

Extension ITA Team Responsibilities

- Describe how you will notify all producers or fishermen eligible for ITA about this TAA benefit so that they have equal access
- Write a budget narrative that includes 1) start up costs, 2) development costs, and 3) delivery costs

Results Expected from ITA

- ITA must help businesses change in response to import competition
- How do you know if ITA produces change?
 - Can you document what each business did as a result of receiving ITA?
 - The short written technical assistance plan is important

Results Expected from ITA

- To accomplish behavioral change:
 - Delivery should be a blend of individual consultations, workshops, and other forms of assistance
 - Just conducting workshops is not sufficient
 - Some one-on-one assistance is important
 - As with Risk Mgmt Education – we are investing in results

Results Expected from ITA

- A website will be developed to help track accomplishments and facilitate evaluations

ITA Leadership

- Coordinated by the Digital Center for Risk Management Education at the University of Minnesota in cooperation with:
 - The four Regional Risk Management Education Centers
 - CSREES National Program Leader

Extension TAA Leadership Team

- Mark Bailey, National Program Leader
 - CSREES, Washington, D.C.
- Western Center for Risk Management Education
 - Washington State University
- North Central Risk Management Education Center
 - University of Nebraska
- Southern Region Risk Management Education Center
 - Texas A&M University
- Northeast Center for Risk Management Education
 - University of Delaware
- Digital Center for Risk Management Education
 - University of Minnesota

What's In It for Extension?

- Not every state or every Extension educator will be involved in TAA
- When a commodity in your state is approved, you will have the opportunity to be involved in a major education program
- You will need to move quickly and effectively to deliver both mandatory and intensive technical assistance

What's In It for Extension?

- Teachable moment
- Opportunities for funding
- Opportunity for educators to have contact with producers

2005 Shrimp TAA

- Alabama 133 applicants
- Georgia 92
- Louisiana 730
- Mississippi 267
- North Carolina 77
- South Carolina 74
- Texas 1056
- Total 2429

2005 Shrimp TAA

- Currently \$500,000 allocated for Shrimp Intensive Technical Assistance
- Allocated based on number of shrimp applicants per state

2005 Shrimp TAA

- Given the impacts of Katrina:
 - Are there opportunities/needs to help shrimp fishermen evaluate their alternatives and assess their future in the industry?
 - Is there an opportunity to use the ITA funds with business planning for the future
 - Should we allocate more funding to shrimp

Parting Thought....

TAA For Farmers is not simply another method of distributing money to farmers and fisherman, but rather an opportunity to provide them with management and information that can help them be more competitive in the market place.