

## USDA Trade Retaliation Farmer Relief Program II Fact Sheet

On July 25, 2019, USDA announced details of its second program providing trade retaliation relief to American farmers. Like the 2018 trade aid program, the second relief package spans direct payments to producers, commodity purchases and export market development funds. The \$16 billion package breaks down as follows: 1) direct payments of up to \$14.5 billion; 2) commodity purchases of up to \$1.4 billion; and 3) additional export market development of \$100 million.

### Direct Payments for U.S. Pork Producers

- Eligible U.S. pork producers will receive \$11 per head based on inventory on a day selected between April 1-May 15, 2019.
- Payment rate determined by recent export conditions and an analysis of maximum exports possible based on trends over the last 10 years. Rate factored in recent developments such as the restoration of zero-tariff pork trade with Mexico.
- Producers with adjusted gross income of \$900,000 or less are eligible. Those producers with an adjusted gross income of greater than \$900,000 are eligible if they can demonstrate that 75 percent of their income is generated by agriculture.
- Payments will be made in three installments: August followed by payments in November 2019 and January 2020. The first payment will cover 50 percent of a producer's calculated payment. The second and third payments are subject to change based on market conditions at the time.
- Payments are capped at \$250,000 per person or legal entity. There is a \$500,000 cap across all three direct payment categories: 1) hogs and dairy, 2) non-specialty crops and 3) specialty crops
- Sign up begins Monday, July 29 and ends Dec. 6, 2019.

### Pork Purchases

- The USDA will purchase up to \$208 million of pork for distribution by the Food and Nutrition Service (FNS) to food banks, schools and other outlets serving low-income individuals.
- Pork purchases represent nearly 15 percent of total commodity purchases
- Purchases will begin after October 1, 2019, with first shipments planned for January 2020.

### Export Market Development

- As part of the Foreign Agricultural Service's Agricultural Trade Promotion Program, the USDA has awarded an additional \$100 million to 48 organizations to develop export markets through consumer advertising, public relations, point-of-sale demonstrations, participation in trade fairs and exhibits, market research and technical assistance.

### Trade Aid – 2018 Program

U.S. pork producers received the following relief through the first trade retaliation relief package announced last year:

- Direct payments: \$8 per hog, the second highest share among all commodities
- Pork purchases: a historic \$558 million, the largest share among all commodities
- \$200 million for export market development (across all commodities)

### Other Resources

- For more information on USDA trade retaliation relief program and to apply beginning July 29, visit: <https://www.farmers.gov/manage/mfp>.
- USDA press release: <https://www.usda.gov/media/press-releases/2019/07/25/usda-announces-details-support-package-farmers>
- NPPC press release: <http://nppc.org/nppc-statement-on-trade-aid-ii/>