



## **USDA Trade Assistance Programs: 2019 Impacts on Georgia Producers**

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Agricultural exports, valued at \$143 billion in 2018, critically support profitability of the farm economy and job growth in rural America (USDA-ERS, 2019). The current administration has been actively seeking to balance trade and enforce key provisions of existing trade agreements, such as reciprocal market access and intellectual property rights. However, enforcement through tariffs has created trade disputes with major trading partners, most notably China, who have placed retaliatory tariffs on U.S. agricultural products. These tariffs result in a significant cost to agriculture, which was discussed in a recent University of Georgia Policy Brief (see: The Costs to Agriculture from Recent Trade Disputes: A Georgia Perspective, available at <https://caed.uga.edu/content/dam/caes-subsite/caed/publications/center-reports/The%20Costs%20of%20Trade%20Disputes-UGA-CAED-Policy-Brief-June2019.pdf>).

In 2018, the U.S. Department of Agriculture (USDA) developed a trade-assistance program targeted towards agricultural products that have been adversely affected by these retaliatory tariffs. Trade assistance included the:

- Market Facilitation Program (MFP) that provided direct payments to agricultural producers,
- Food Purchase and Distribution Program (FPDP) that allowed the USDA to purchase unexpected surplus commodities, and the
- Agricultural Trade Promotion Program (ATP) that provided marketing assistance for organizations to engage in accessing new export markets.

When the retaliatory tariffs continued to impact agricultural trade in 2019, the Secretary of Agriculture announced that a second round of assistance would be provided again through the MFP, FPDP, and ATP programs. However, the 2019 MFP program differs from that in 2018 to remain compliant with World Trade Organization rules on providing support to agriculture.

In 2018, the MFP payment rate was determined for each impacted crop and payments were issued based on actual 2018 production. Since the MFP program was announced after planting occurred, payments were not expected to directly impact a producer's planting decisions. In 2019, the program was announced prior to plantings, and thus the implementation of the program needed to be redesigned in such a way as to minimize the impact on the decision to plant any particular crop. Thus, payments for non-specialty crops are to be based on the total number of acres planted for all of the covered crops and a county payment rate that was released on July 25, 2019. The timing of the announcement of the payment rate came after the last reporting date for crops, a clear attempt to decouple the MFP program from planting decisions. This payment rate is also known as the single-county payment rate.

The remainder of this publication details the eligible crops, how payments will work, the payment rates for Georgia, and other important information for producers.

## Non-specialty Crops and Payment Rates

Table 1 shows the list of all non-specialty crops eligible for the single-county payment rate. These crops must be planted by August 1, 2019, to be considered for payments.

Table 1. Non-specialty Crops Eligible for MFP Payments.

Alfalfa hay*	Dry peas	Mustard seed	Sesame seed*	Triticale*
Barley*	Extra-long staple cotton	Oats*	Small and large chickpeas	Upland cotton*
Canola*	Flaxseed	Peanuts*	Sorghum*	Wheat*
Corn*	Lentils	Rapeseed*	Soybeans*	
Crambe	Long-grain and medium-grain rice	Rye*	Sunflower seed*	
Dried beans	Millet*	Safflower	Temperate japonica rice	

\* These crops are included in the calculation of the total number of 2018 planted acres used in Table 2. Other crops are either not grown in Georgia or acreage data is not available.

To compute payments, the single-county payment rate is multiplied by a farm's total 2019 plantings of eligible crops. However, payments cannot exceed total 2018 plantings. Thus, in Table 2 we show the payment rate for each county, the total number of planted acres in 2018 for the crops identified with an asterisk in Table 1, and an estimated maximum of county dollars based on 2018 planted acres. Acres that were not planted in 2019 are not eligible for payments.

Table 2. 2019 County Payment Rate, 2018 Planted Acres, and Maximum Dollar Amount per County.

County	2019 County Per Acre Payment Rate	2018 Planted Acres*	Max Dollars Based on 2018 Planted Acres	County	2019 County Per Acre Payment Rate	2018 Planted Acres*	Max Dollars Based on 2018 Planted Acres
Appling	\$119	47,479	\$5,649,965	Butts	\$19	N/A	N/A
Atkinson	\$135	32,360	\$4,368,533	Calhoun	\$99	53,897	\$5,335,783
Bacon	\$119	25,752	\$3,064,429	Candler	\$107	18,931	\$2,025,638
Baker	\$103	27,948	\$2,878,603	Carroll	\$28	121	\$3,401
Baldwin	\$15	N/A	N/A	Catoosa	\$35	31	\$1,085
Banks	\$21	505	\$10,614	Charlton	\$32	15	\$480
Barrow	\$36	N/A	N/A	Chatham	\$79	195	\$15,410
Bartow	\$103	6,995	\$720,450	Chattooga	\$44	3,172	\$139,551
Ben Hill	\$137	25,061	\$3,433,330	Cherokee	\$39	N/A	N/A
Berrien	\$118	57,449	\$6,778,935	Clarke	\$30	900	\$26,992
Bibb	\$23	1,439	\$33,103	Clay	\$104	15,949	\$1,658,665
Bleckley	\$114	27,086	\$3,087,815	Clinch	\$68	1,839	\$125,070
Brantley	\$71	2,247	\$159,521	Coffee	\$128	73,047	\$9,349,952
Brooks	\$150	68,288	\$10,243,215	Colquitt	\$149	86,675	\$12,914,560
Bryan	\$80	1,505	\$120,427	Cook	\$122	32,426	\$3,955,935
Bulloch	\$127	81,037	\$10,291,699	Coweta	\$29	85	\$2,465
Burke	\$96	71,696	\$6,882,845	Crawford	\$53	1,867	\$98,967

(continues)

Table 2. continued.

County	2019 County Per Acre Payment Rate	2018 Planted Acres*	Max Dollars Based on 2018 Planted Acres	County	2019 County Per Acre Payment Rate	2018 Planted Acres*	Max Dollars Based on 2018 Planted Acres
Crisp	\$145	54,922	\$7,963,719	Jefferson	\$86	48,537	\$4,174,156
Dade	\$45	513	\$23,063	Jenkins	\$122	35,649	\$4,349,154
Dawson	\$19	10	\$190	Johnson	\$62	10,714	\$664,268
Decatur	\$118	82,999	\$9,793,847	Jones	\$36	N/A	N/A
Dodge	\$126	39,004	\$4,914,454	Lamar	\$34	4,602	\$156,468
Dooly	\$150	117,605	\$17,640,750	Lanier	\$129	14,341	\$1,850,002
Dougherty	\$123	4,562	\$561,169	Laurens	\$64	32,969	\$2,110,010
Early	\$118	79,412	\$9,370,651	Lee	\$94	49,785	\$4,679,752
Echols	\$87	2,269	\$197,436	Liberty	\$39	43	\$1,684
Effingham	\$98	12,285	\$1,203,940	Lincoln	\$15	N/A	N/A
Elbert	\$44	4,143	\$182,310	Long	\$40	678	\$27,112
Emanuel	\$107	33,716	\$3,607,601	Lowndes	\$133	18,182	\$2,418,233
Evans	\$106	7,435	\$788,135	Lumpkin	\$15	87	\$1,310
Fannin	\$22	185	\$4,060	Macon	\$111	50,511	\$5,606,743
Fayette	\$18	10	\$182	Madison	\$21	2,972	\$62,414
Floyd	\$116	7,783	\$902,818	Marion	\$64	7,302	\$467,308
Forsyth	\$24	N/A	N/A	McDuffie	\$26	1,095	\$28,460
Franklin	\$30	2,611	\$78,328	Meriwether	\$28	N/A	N/A
Gilmer	\$27	409	\$11,035	Miller	\$114	74,130	\$8,450,820
Glascocok	\$88	2,314	\$203,665	Mitchell	\$146	115,469	\$16,858,474
Gordon	\$48	8,477	\$406,895	Monroe	\$55	2,308	\$126,938
Grady	\$135	44,240	\$5,972,360	Montgomery	\$95	9,959	\$946,106
Greene	\$35	1,507	\$52,761	Morgan	\$45	6,126	\$275,648
Habersham	\$32	4	\$128	Murray	\$32	2,103	\$67,295
Hall	\$27	799	\$21,562	Newton	\$41	495	\$20,295
Hancock	\$150	45	\$6,750	Oconee	\$53	920	\$48,746
Haralson	\$24	829	\$19,907	Oglethorpe	\$29	3,618	\$104,915
Harris	\$41	N/A	N/A	Peach	\$85	11,105	\$943,942
Hart	\$36	7,131	\$256,725	Pickens	\$58	N/A	N/A
Heard	\$44	317	\$13,963	Pierce	\$111	34,825	\$3,865,575
Henry	\$44	867	\$38,134	Pike	\$27	1,024	\$27,660
Houston	\$128	15,394	\$1,970,458	Polk	\$91	4,695	\$427,287
Irwin	\$124	65,420	\$8,112,068	Pulaski	\$150	10,842	\$1,626,285
Jackson	\$15	1,231	\$18,470	Putnam	\$33	2,332	\$76,948
Jasper	\$74	255	\$18,874	Quitman	\$85	2,200	\$186,992
Jeff Davis	\$126	34,136	\$4,301,123	Rabun	\$55	N/A	N/A

(continues)

Table 2. continued.

County	2019 County Per Acre Payment Rate	2018 Planted Acres*	Max Dollars Based on 2018 Planted Acres	County	2019 County Per Acre Payment Rate	2018 Planted Acres*	Max Dollars Based on 2018 Planted Acres
Randolph	\$85	42,969	\$3,652,357	Turner	\$134	46,946	\$6,290,804
Richmond	\$64	1,140	\$72,986	Twiggs	\$108	8,251	\$891,158
Schley	\$73	2,368	\$172,884	Union	\$35	369	\$12,903
Screven	\$110	47,364	\$5,210,007	Upson	\$39	998	\$38,931
Seminole	\$132	62,814	\$8,291,422	Walker	\$42	4,669	\$196,113
Spalding	\$23	621	\$14,276	Walton	\$38	2,480	\$94,251
Stephens	\$15	N/A	N/A	Ware	\$104	5,210	\$541,802
Stewart	\$81	8,370	\$677,968	Warren	\$93	4,243	\$394,562
Sumter	\$104	54,924	\$5,712,127	Washington	\$68	15,960	\$1,085,246
Talbot	\$35	114	\$3,990	Wayne	\$122	21,898	\$2,671,544
Tattnell	\$108	24,305	\$2,624,886	Webster	\$90	19,842	\$1,785,789
Taylor	\$51	1,687	\$86,024	Wheeler	\$62	9,287	\$575,811
Telfair	\$89	19,463	\$1,732,189	White	\$18	1,341	\$24,141
Terrell	\$118	57,857	\$6,827,126	Whitfield	\$33	1,165	\$38,437
Thomas	\$150	46,974	\$7,046,040	Wilcox	\$144	52,850	\$7,610,386
Tift	\$132	43,043	\$5,681,623	Wilkes	\$16	660	\$10,558
Toombs	\$96	19,823	\$1,902,979	Wilkinson	\$57	1,347	\$76,780
Towns	\$58	10	\$604	Worth	\$142	104,763	\$14,876,346
Treutlen	\$103	5,570	\$573,662				

Note: 2018 planted acres are from author calculations using NASS crop acreage as of January 28, 2019, for crops listed with an asterisk in Table 1. Max dollars are author calculations using the 2019 county per-acre payment rate and the 2018 county planted acres. N/A indicates data not available. Georgia counties not included in this list do not have non-specialty crop production eligible for the MFP program.

**Based on these estimates, a maximum of \$320 million could be paid for non-specialty crops in Georgia.** Figure 1 shows a Georgia map with the county per-acre payment rates shaded in green. Figure 2 is a map of Georgia with county maximum payments shaded in blue. The darker colors on the map indicate a higher payment rate per acre or higher maximum payment, respectively. One can see that the highest payment rates and the highest total payments are in the peanut and cotton producing counties in Georgia.

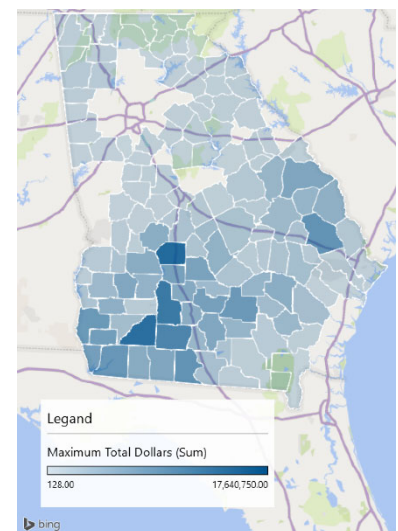
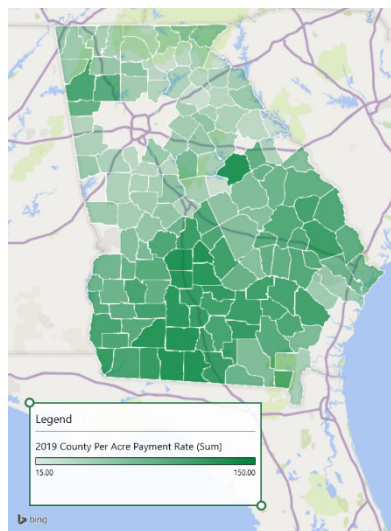


Figure 1. Map of Georgia County Payment Rates Per Acre Figure 2. Map of Georgia County Maximum Total Dollars

### Specialty Crops and Payment Rates

A total of five specialty crops are also eligible for payments. These are listed below in Table 3. Payments on specialty crops will be based on 2019 acres of fruit or nut bearing trees/plants that are at least nine years old.

Table 3. Specialty Crop Payment Rates

Nuts (almonds, hazelnuts, macadamia nuts, pecans, pistachios, and walnuts): \$146 per acre	Sweet cherries (fresh): \$0.17 per pound at 9,148 pounds per acre
Cranberries: \$.03 per pound at 21,371 pounds per acre	Table grapes: \$0.03 per pound at 20,820 pounds per acre
Ginseng: \$2.85 per pound at 2,000 pounds per acre	

Based on the above referenced rates, we can calculate potential payments for Georgia producers using the most recent acreage estimates provided by the USDA National Agricultural Statistics Service (NASS).

Pecans are the nut produced in Georgia eligible for MFP payments. A total of 133,786 acres of nut-bearing pecan trees were reported in the 2017 Census of Agriculture. However, one needs to consider that after the census the region was impacted by Hurricane Michael in October 2018. UGA estimated hurricane losses to pecan tree acreage to be 17%.<sup>1</sup> If we adjust the 2017 acreage by 17%, we obtain 111,042 acres of nut-bearing pecan trees in Georgia. **At a rate of \$146 per acre, this would total just over \$16.2 million in potential payments to Georgia pecan producers.**

Grapes are the other specialty crop produced in Georgia, with NASS reporting 1,861 acres in production in 2017. **At a rate of 3 cents per pound and 20,820 pounds, grape producers in Georgia would receive payments totaling about \$1.16 million.**

### Livestock and Payment Rates

Both hogs and dairy have also been adversely impacted by retaliatory tariffs. Thus hog and dairy producers are eligible for payments on these products, as shown in Table 4.

Table 4. Payments Rates for Dairy and Hogs

Dairy (milk): \$0.20 per hundredweight based on production history. Dairy producers must have been in business as of June 1, 2019.
Hogs: \$11 per head for the number of live hogs owned on a producer-selected day between April 1 and May 15, 2019.

Payments for dairy producers are based on production history. The 2018 MFP program used the historical production reported from the Dairy Margin Protection Program, since renamed in the 2018 farm bill as the Dairy Margin Coverage (DMC) program. The DMC established production history in

<sup>1</sup> <https://site.extension.uga.edu/pecan/2018/10/preliminary-acreage-and-crop-loss-values-for-georgia-pecans-after-hurricane-michael/>

Georgia is 1,467,490,025 pounds.<sup>2</sup> **At a rate of 20 cents per hundredweight, dairy producers in Georgia have the potential to receive about \$2.93 million.**

Turning our attention to hogs, NASS reports that Georgia producers had an inventory of 72,000 hogs as of December 1, 2018. To estimate payments, we assume this inventory number is the same during the producer-selected dates defined in the MFP program. **At a rate of \$11 per head, estimated payments to Georgia hog producers could total \$792,000.**

### **Cover Crops and Payment Rate**

Producers who were affected by natural disasters and filed prevented planting claims, but then subsequently planted an MFP-eligible crop, have the potential to qualify for a \$15 per-acre payment. This provision is expected to result in very little, if any, payments in Georgia.

### **Payment Timeline**

Similar to the 2018 MFP program, the total payment is to be split into multiple portions that are dependent upon the continued existence of retaliatory tariffs affecting agricultural products. **For the 2019 program, the first payment will be in mid-to-late August. The second payment is expected in November and the third payment in January,** assuming conditions warrant the full implementation of the program.

To estimate the first payment to a producer, take the higher of either 50% of the producer's calculated payment or \$15 per acre. For example:

If a producer has 100 acres with a \$40 payment rate per acre, then the first payment will be  $\$40 \times 0.5 = \$20 \times 100 \text{ acres} = \$2,000$ .

If a producer has 100 acres with a \$20 payment rate per acre, then the first payment will be  $\$20 \times 0.5 = \$10$ , however, the \$15/acre minimum now applies so  $\$15 \times 100 \text{ acres} = \$1,500$ .

### **Eligibility**

Eligible applicants must either have an average adjusted gross income of less than \$900,000 for tax years 2015-2017 or derive at least 75% of their adjusted gross income from farming or ranching. Producers also must comply with conservation compliance provisions from the Highly Erodible Land and Wetland Conservation regulations.

### **Payment Limits**

MFP payments for non-specialty crops are limited to \$250,000 per person or legal entity. Payments are also limited to \$250,000 for dairy and hog producers and \$250,000 for specialty crops. However, in total, no applicant can receive more than \$500,000.

### **Methodology to Determine County Payment Rates**

As of the writing of this publication, the USDA has not released its methodology on how payment rates were established. This publication will be updated once that information is available.

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<sup>2</sup> Reported by the Farm Service Agency in the 2019 Dairy Margin Coverage Program update on July 29, 2019.

## How to Apply and Where to Find Official USDA Information

Additional information and an application can be found at <https://www.farmers.gov/manage/mfp>. Applications are being accepted by the USDA Farm Service Agency (FSA) between July 29, 2019 and December 6, 2019.

## Conclusions

The ongoing trade disputes between the U.S. and major trading partners have adversely affected prices and market access for U.S. agricultural products. As a result, the USDA is providing trade assistance to producers of specific agricultural products to help mitigate these losses and lessen the impact on farm profitability. This publication presents details of the MFP program and estimates the potential payments to Georgia producers if all three portions are ultimately paid and 2019 acreage equals 2018 acreage.

**Under these assumptions, about \$341 million in assistance may be provided to Georgia agricultural producers to alleviate negative impacts from retaliatory tariffs.** Given the payment limits and potential differences in acreage and inventory in 2019, the actual payments to Georgia producers may be lower and thus, these estimates represent an upper bound on potential payments.

## References

USDA Market Facilitation Program <https://www.farmers.gov/manage/mfp> accessed on July 29, 2019.

USDA ERS Outlook for U.S. Agricultural Trade, AES-108, May 2019.

USDA FSA Crop Acreage Data <https://www.fsa.usda.gov/news-room/efoia/electronic-reading-room/frequently-requested-information/crop-acreage-data/index> accessed on July 29, 2019.

USDA NASS Quick Stats <https://quickstats.nass.usda.gov/> accessed on July 30, 2019.

## Disclaimer

The information provided in this publication is based on the authors' reading of the program details and, where noted, the authors' own calculations. Producers must consult with the USDA Farm Service Agency for official information.

