

Trade Adjustment Assistance for Farmers

2014 Western Extension
Committee Meeting

Overview Findings



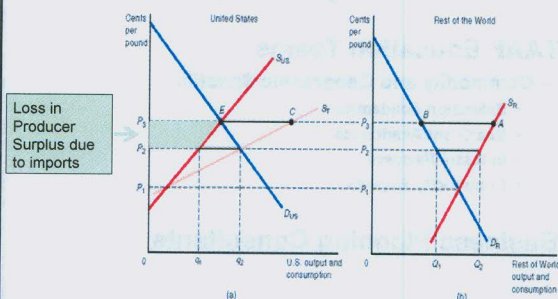
TAA Trade Adjustment Assistance for Farmers
Executive Order

TAAF Legislative History

- President John F. Kennedy proposes Trade Adjustment Assistance under **1962 Trade Expansion Act**
- Amendments
 - **Trade Act of 1974**
 - **Trade Adjustment Assistance Reform Act of 2002**
 - Established TAAF
- **American Recovery and Reinvestment Act of 2009**
 - Reauthorized and modified TAAF
 - Added certain classes of Fishermen
 - Added specific outcomes
 - Clarified eligibility and reporting
 - Intent purpose of the ARRA to stimulate the economy

TAA Trade Adjustment Assistance for Farmers
Executive Order

TAAF Classic Trade Economics



TAA Trade Adjustment Assistance for Farmers
Executive Order

TAAF Appropriations

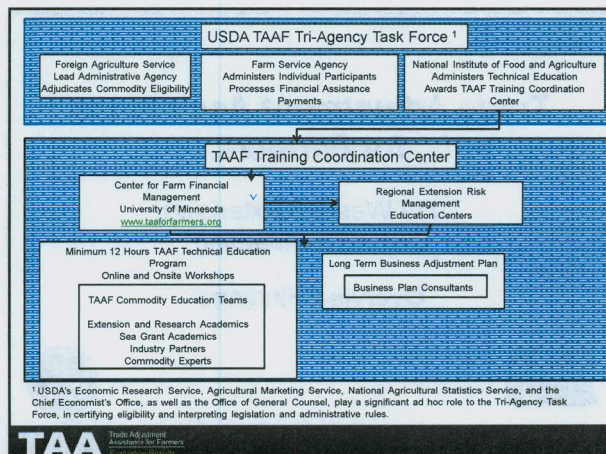
- Congressional appropriation for TAAF was \$220 million
 - \$90 M for 2009 and 2010, \$40 M for 2011
- Due to the time required for rule making and public notification, no commodities were approved in 2009 and \$65 Million of the 2009 appropriation was not expended

TAA Trade Adjustment Assistance for Farmers
Executive Order

TAAF Administration

USDA Tri-Agency Task Force

1. **Foreign Ag Service (FAS):** lead agency
 - Economic Research Service (ERS): helps review commodity petitions
2. **Farm Service Agency (FSA):** accepts individual applications, makes financial assistance payments
3. **National Institute of Food and Agriculture (NIFA):** administers technical assistance
 - CFFM competitively awarded TAAF Coordination Center
 - Partnered with ERME Centers for help in delivery



TAA for Farmers-Training Coordination



CFFM and ERME Training Delivery Partners

- **TAAF Education Teams**
 - **Commodity and Geographic Specific**
 - Extension Academics
 - Sea Grant Academics
 - Industry Partners
 - Commodity Experts
- **Business Planning Consultants**

TAAF Training Phases

1. Initial Orientation
2. Intensive Technical Assistance – at least 12 hours of intensive education
3. Initial Business Plan
4. Long-term Business Adjustment Plan

TAA Trade Adjustment Assistance for Farmers Evaluation Results

CFFM and ERME Objectives

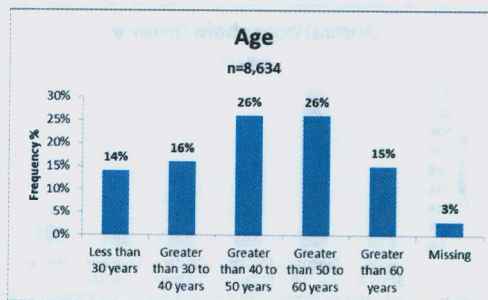
1. Excellence in training education
 - Innovative curriculum and program design
 - In-person and online
 - Add value to the financial assistance
2. Efficiency in producer achieving outcomes
 - 88% overall
3. Excellence in program evaluation
4. Report to ARRA objectives
 - Economic stimulus and employment
5. Continuous improvement

TAA Trade Adjustment Assistance for Farmers Evaluation Results

PRODUCER DEMOGRAPHICS

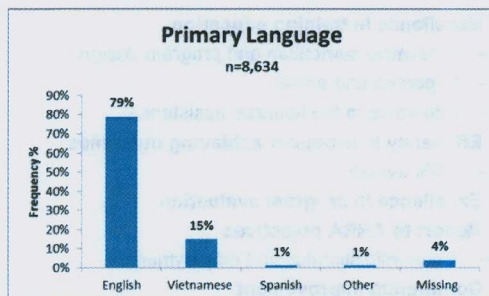
TAA Trade Adjustment Assistance for Farmers Evaluation Results

Producer Demographics



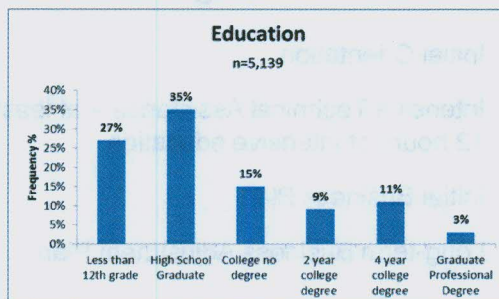
TAA Trade Adjustment Assistance for Farmers Evaluation Results

Producer Demographics



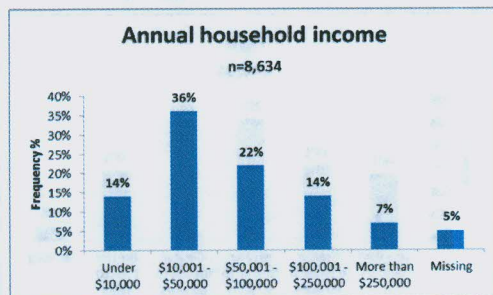
TAA Trade Adjustment Assistance for Farmers
Evaluation Report

Producer Demographics



TAA Trade Adjustment Assistance for Farmers
Evaluation Report

Producer Demographics



TAA Trade Adjustment Assistance for Farmers
Evaluation Report

PRODUCER EVALUATIONS

TAA Trade Adjustment Assistance for Farmers
Evaluation Report

Producer Evaluations of TAA

- Producers were evaluated:

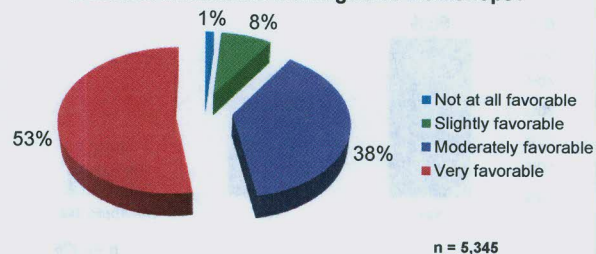
- Prior to training
- After Initial Orientation
- After each completed workshop
- After completing Initial Business Plan
- After completing Long Term Business Plan
- One year after completing LTBP



TAA Trade Adjustment Assistance for Farmers Evaluation Program

Finished Intensive Training

How favorable would you rate the overall TAA technical assistance trainings and workshops?



TAA Trade Adjustment Assistance for Farmers Evaluation Program

One year follow up

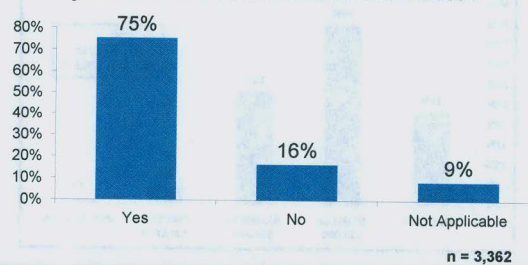
How favorable would you rate the overall TAA technical assistance trainings and workshops?



TAA Trade Adjustment Assistance for Farmers Evaluation Program

One year follow-up

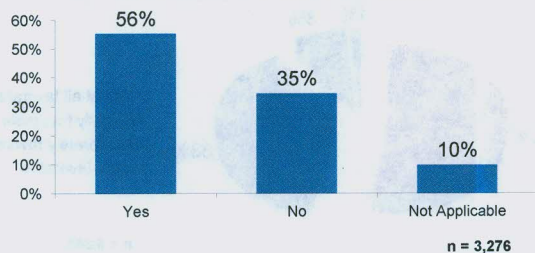
As a result of participating in the TAA program is your business better situated to succeed?



TAA Trade Adjustment Assistance for Farmers Evaluation Program

One year follow-up

As a result of participating in the TAA program is your business more profitable?



TAA Trade Adjustment Assistance for Farmers Evaluation Results

What was the ONE main way you used the training/cash

Training

- 19.2%-Made needed changes in business operations
- 14.9%-Made business more efficient
- 6.7%-Made changes in business to expand
- 6.2%-Reduce Costs

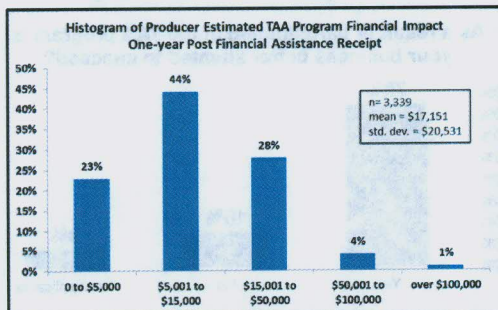
Cash

- 22.3%-Made needed changes in business operations
- 10.3%- Made business more efficient
- 10.1%-Other
- 7.2%-Made changes to expand operations

n = 3,575

TAA Trade Adjustment Assistance for Farmers Evaluation Results

Estimated Financial Impact



TAA Trade Adjustment Assistance for Farmers Evaluation Results

Employment Impact

Ability to Retain or Hire Workers

| Response | Were you able to retain workers as a result of the TAAF program? | | Were you able to hire workers as a result of the TAAF program? | |
|----------------|--|------------|--|------------|
| | Number of Respondents | Percentage | Number of Respondents | Percentage |
| Yes | 1,448 | 45% | 424 | 12% |
| No | 1,752 | 55% | 3,010 | 88% |
| Not Applicable | 1,931 | | 1,743 | |
| Total | 5,313 | | 5,177 | |

- 45% were able to retain workers as a result of the TAA program
- 12% reported being able to hire workers as a result of the TAA program

TAA Trade Adjustment Assistance for Farmers Evaluation Results

Employment Impact

Number of Workers Retained or Hired by TAAF Producer Participants

| | How many workers were you able to retain? | How many workers were you able to hire? |
|----------------------|---|---|
| Number reporting | 1,425 | 418 |
| Number of workers | 3,430 | 1,085 |
| Average per response | 2.41 | 2.60 |
| Median response | 2.0 | 2.0 |
| Mode response | 1.0 | 1.0 |
| Range | 0 to 42 | 0 to 40 |

- Average number retained was 2.4 and hired 2.6
- The mode response was 1.0 for both number retained and hired

Concluding thoughts

- The financial assistance cash payment **was more than a simple transfer payment** due to TAA training and producer reported investments in business operations and employment.
- Overcame numerous challenges: distance, language, education, different backgrounds, initial apprehension, **consultants need to establish initial rapport with clients**, etc.

Concluding thoughts

- All aspects of the TAA for Farmers program were successful and were evaluated highly, **but we are analyzing and reporting areas where improvement can be made.**
- The program was driven by the belief that people need to do planning.
 - Used a similar tool – ag plan format

Concluding thoughts

- Developed innovative curriculum that was **tangible to producer implementing operation improvements.** Able to make some big differences in the gulf and on direct marketing.
- Producers gained tremendously from interaction with consultants and likewise created opportunity for consultants to develop and stretch their work.

Concluding thoughts

- The program assistance cash payment was a significant factor in the success of the program.
- TA training and financial support was instrumental in business operations and growth.
- Overcome numerous challenges, setbacks and learn education, financial, and business skills.
- It is time to move forward and start a new business.

TAA Trade Adjustment Assistance for Farmers
Department of Agriculture

Employment impact

Number of jobs created or saved by the program

| Category | Number of jobs |
|---------------------|----------------|
| Direct employment | 1,200 |
| Indirect employment | 3,600 |
| Total employment | 4,800 |

Source: USDA, Economic Research Service, 2013

Concluding thoughts

- Did indeed receive assistance that was helpful in the early stages of the business.
- Also provided a significant boost in the early and on-going marketing efforts.
- Producers gained tremendously from the action with consultants and the program as an opportunity for a business to grow and start their work.

TAA Trade Adjustment Assistance for Farmers
Department of Agriculture

Concluding thoughts

- All aspects of the TAA for Farmers program were successful and were received highly.
- The program was a key factor in the success of the business.
- The program was a key factor in the success of the business.

TAA Trade Adjustment Assistance for Farmers
Department of Agriculture