

TRADE ADJUSTMENT ASSISTANCE (TAA)

US Department of Agriculture

In partnership with:
Connecticut Sea Grant
University of Connecticut, Department of Extension
Connecticut Farm Service Agency
Connecticut Department of Environmental Protection
Connecticut Lobstermen

www.taaforfarmers.org

WHAT IS TAA?

- TAA is a national program that provides **free technical training** and **cash benefits** for eligible farmers and fishermen whose businesses have been adversely impacted by foreign imports.
- TAA is designed to help individuals increase profitability, improve production efficiency, consider marketing opportunities and evaluate alternative enterprises.
- TAA is managed by several agencies within the US Department of Agriculture (USDA)

HISTORY OF TAA

- ◉ Trade Act of 1974 was created to provide business owners and their employees relief from hardships created by foreign import competition
- ◉ TAA for farmers and fishermen first authorized in Trade Act of 2002 which amended the Trade Act of 1974; subsequently reauthorized in America Recovery & Reinvestment Act of 2009
- ◉ TAA provides funding to numerous commodity producing groups affected by foreign imports

COMMODITY ELIGIBILITY

- ◉ A **commodity** (e.g. blueberries, lobster) must first be certified as eligible before producers can apply for benefits.
- ◉ A **group of producers** or their authorized representative may submit a **petition** describing the impact of foreign imports on the commodity.
- ◉ Petition forms are submitted to the USDA Foreign Agricultural Service (FAS) for an initial screening, then the petition is posted in the Federal Register.

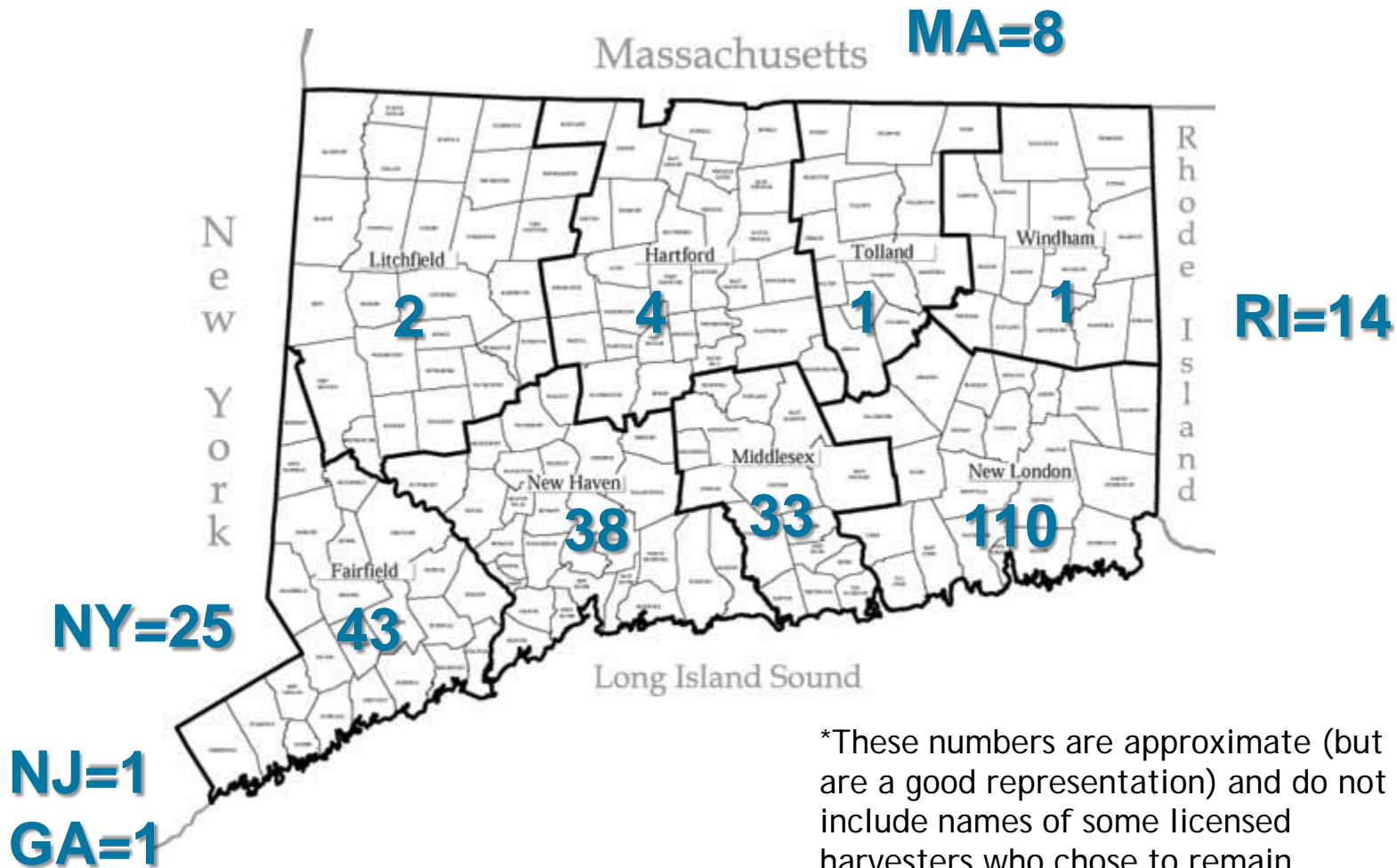
COMMODITY ELIGIBILITY

- ◉ To be eligible for TAA, a commodity must have experienced **greater than a 15% decline** in the:
 - ◉ national average price; OR
 - ◉ value of production; OR
 - ◉ quantity of production; OR
 - ◉ cash receipts (individual)in the most recent marketing year compared to the previous three marketing years;
- ◉ And **imports** must have “**contributed importantly**” to this decline.

THE LOBSTER TAA PETITION

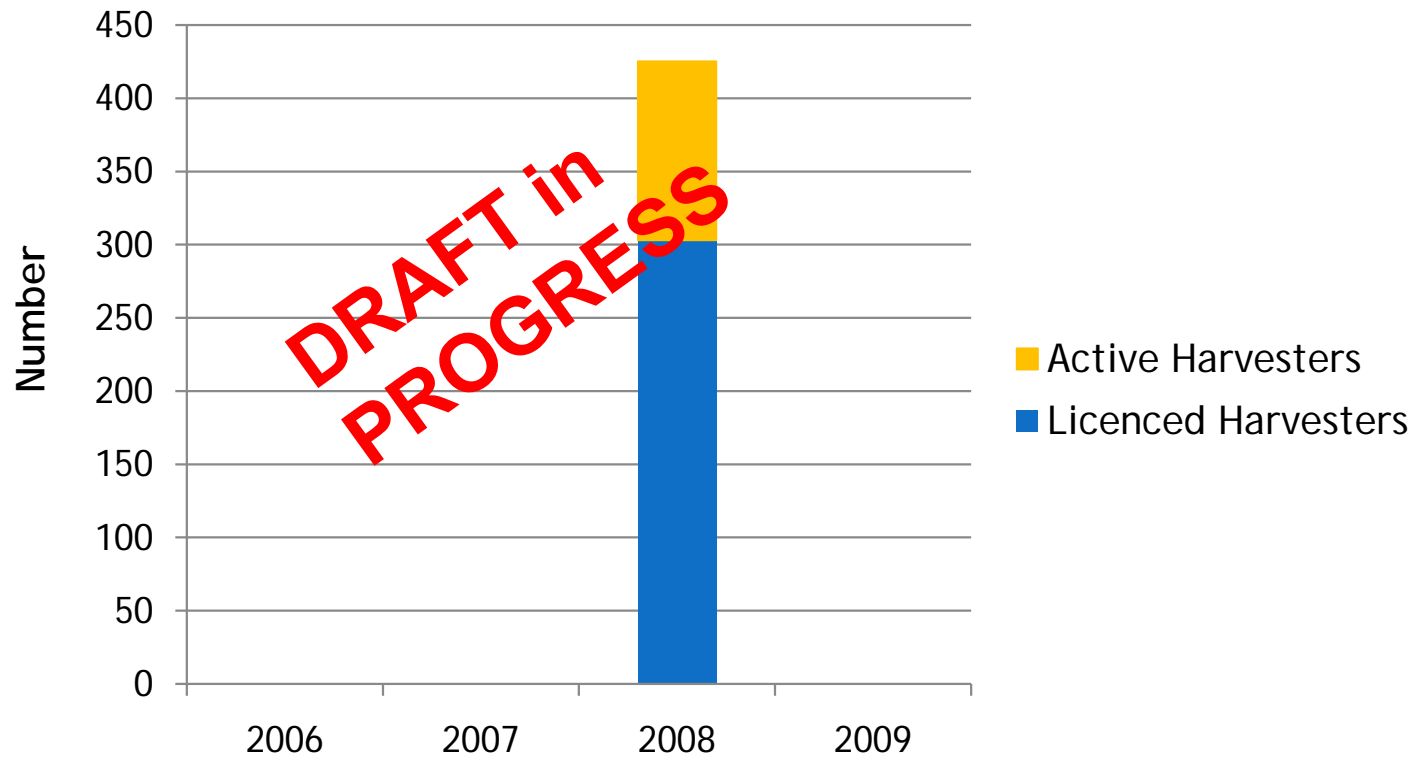
- ◉ Connecticut Sea Grant and the Connecticut Commercial Lobsterman's Association filed a petition under the USDA TAA program on behalf of all Connecticut lobstermen.
- ◉ Evidence was provided to support the claim that the **State's lobster industry was negatively affected by foreign imports** in 2009.
- ◉ Four other states (ME, NH, MA, RI) filed similar petitions.

LICENSED LOBSTERMEN IN 2008



*These numbers are approximate (but are a good representation) and do not include names of some licensed harvesters who chose to remain anonymous.

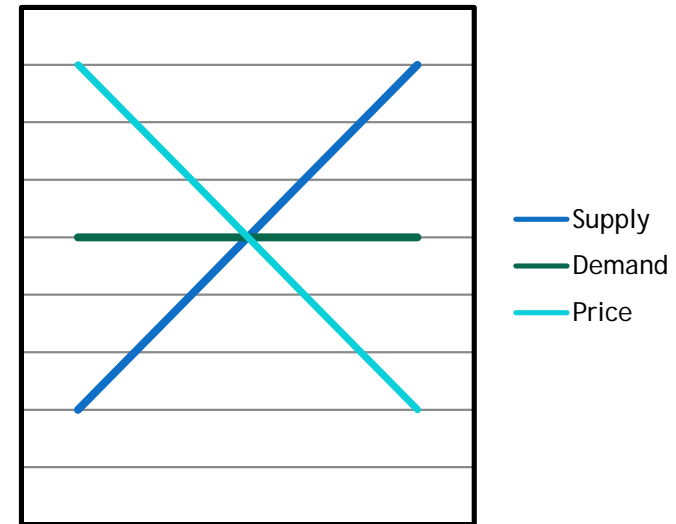
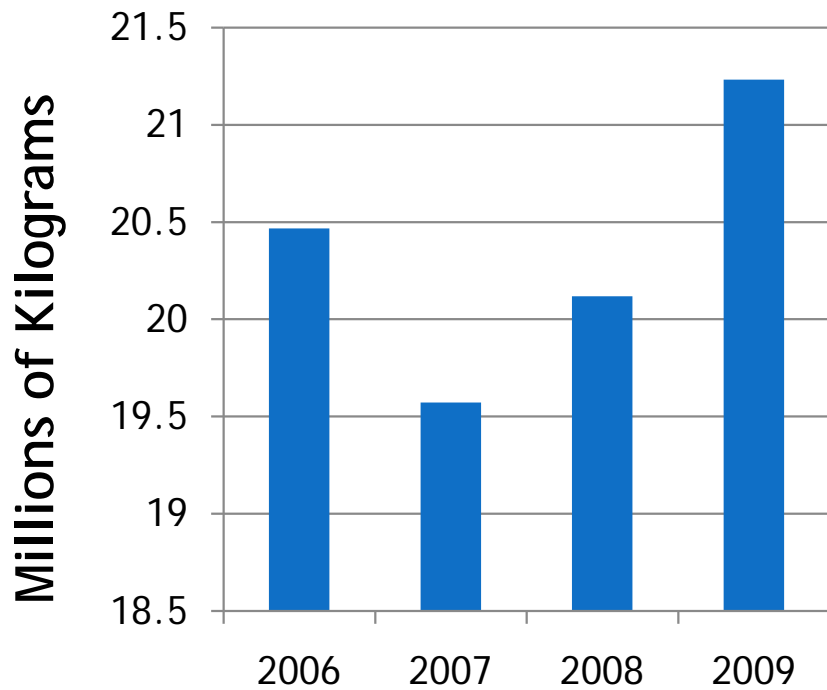
INDUSTRY DEMOGRAPHICS



PETITION - POINT 1

- ◉ US International Trade Commission Tariff & Trade data show that the **national** average annual unit **price** of US lobster and **value** of production were **adversely affected** by international imports.
- ◉ All other things being equal, an increase in supply causes a decrease in price.

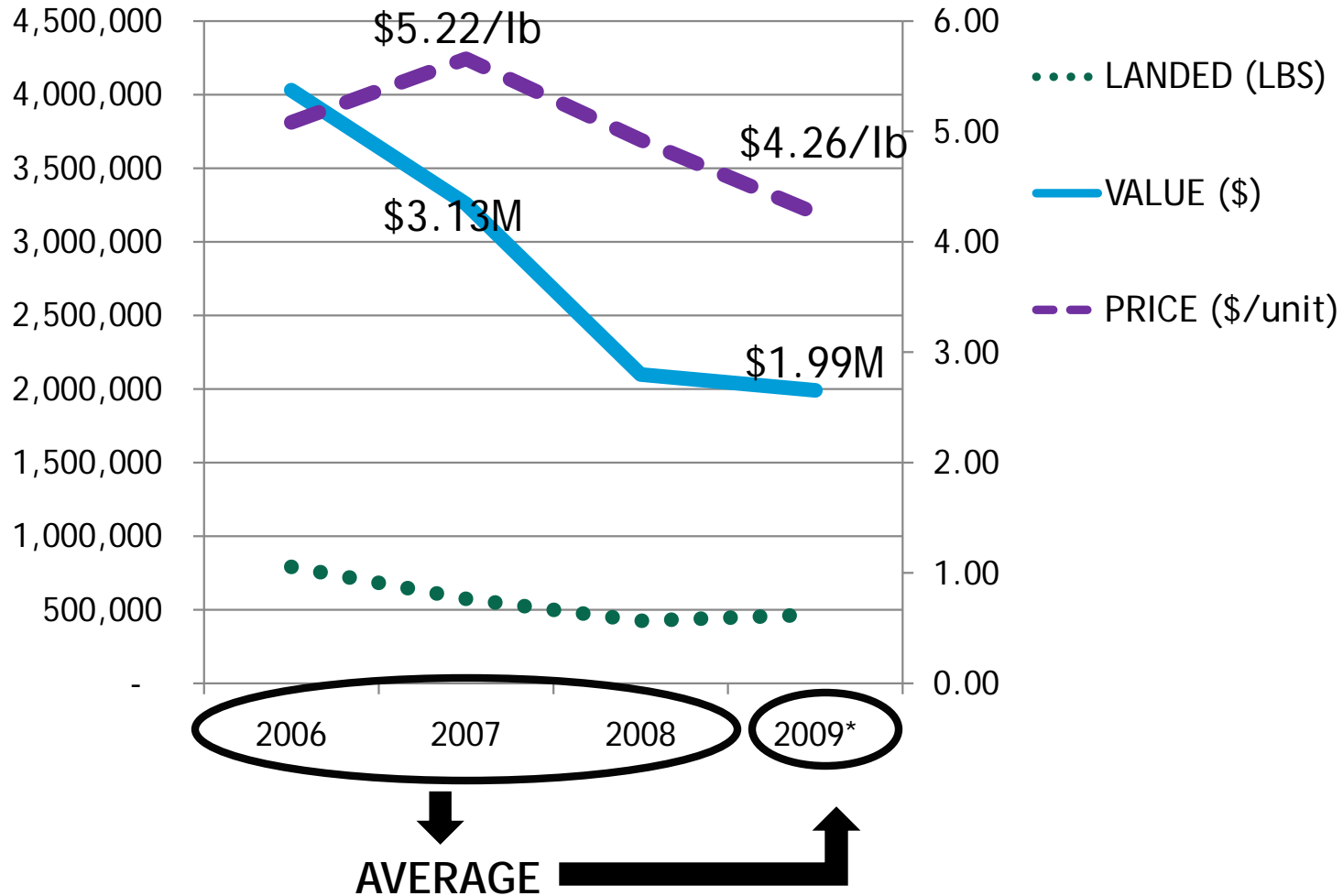
US IMPORTS OF AMERICAN LOBSTER 2006-2009



PETITION - POINTS 2 & 3

- The **production value** of the CT lobster industry decreased **36%*** in 2009 as compared to the average annual value during the previous three years.
- During the same timeframe, the **average annual statewide price** for this commodity dropped nearly **20%***.
- Landings were not used as evidence, as the decline over the time period was attributed to the continuing “die-off” rather to imports.
- *Eligibility necessitates greater than 15%.

PETITION - POINTS 2 & 3



PETITION - POINT 4

- ◉ In addition to the negative impacts resulting from imports, in 2009 lobstermen faced dramatic rises in fuel and bait costs.
- ◉ The increased cost of doing business and higher productivity were not reflected in the value of this U.S. commodity.
- ◉ Instead, steadily increasing imports, among other factors, drove the price of U.S.-caught American lobster to all time lows.

THE RESULT

- Connecticut's TAA petition (along with those of the other states) was certified on September 24, 2010, paving the way for lobstermen to receive benefits through the TAA program.
- Connecticut Sea Grant and the University of Connecticut Cooperative Extension are working with other partners in the state to develop and deliver information and programming to fishermen who are accepted into the TAA program.
- USDA's Farm Service Agency (FSA) is responsible for the application and payment process.

WHO IS ELIGIBLE FOR TAA?

- Individuals who can provide documentation (e.g. sales receipts, tax records) that they commercially harvested & sold lobsters in CT in 2009 and at least one year between 2006 and 2008.
- Applicant is not required to be a CT resident.
- When applying for TAA producers must also certify that:
 - Average gross non-farm/fishing income in 2009 did not exceed \$500,000.
 - Average taxable adjusted gross farm/fishing income (Sch. F net) in 2009 did not exceed \$750,000.

HOW DO I RECEIVE TAA BENEFITS?

- ◉ There are four phases for the TAA program:
- ◉ Phase 1: Initial orientation
- ◉ Phase 2: Intensive technical assistance
- ◉ Phase 3: Initial business plan
- ◉ Phase 4: Long-term business adjustment plan

TAA PHASE 1: INITIAL ORIENTATION

- ◉ Attend a one to three hour orientation workshop that provides an overview of TAA.
- ◉ Participants may request reimbursement for travel expenses incurred to attend orientation training (travel costs are not reimbursed for any subsequent training)

TAA PHASE 2: INTENSIVE TECHNICAL ASSISTANCE

- ◉ Attend a **minimum of twelve hours** of technical training.
- ◉ Training workshops will generally be 2-3 hours each with a variety of business planning topics to choose from.
- ◉ Face-to-face, as well as online workshops will be available.

TAA PHASE 3: INITIAL BUSINESS PLAN

- ◉ Write a brief description (using a 2-page template provided by instructors) of what was learned from the training and how it will be used in the operation business plan.
- ◉ Upon completion participants are qualified to receive **up to \$4,000***.

*Payment may be prorated depending on the number of applicants. Applicants will be notified of payment level prior to the initiation of each program phase. Payment is considered as taxable income and will take six to twelve months to be processed.

TAA PHASE 4: LONG TERM BUSINESS ADJUSTMENT PLAN

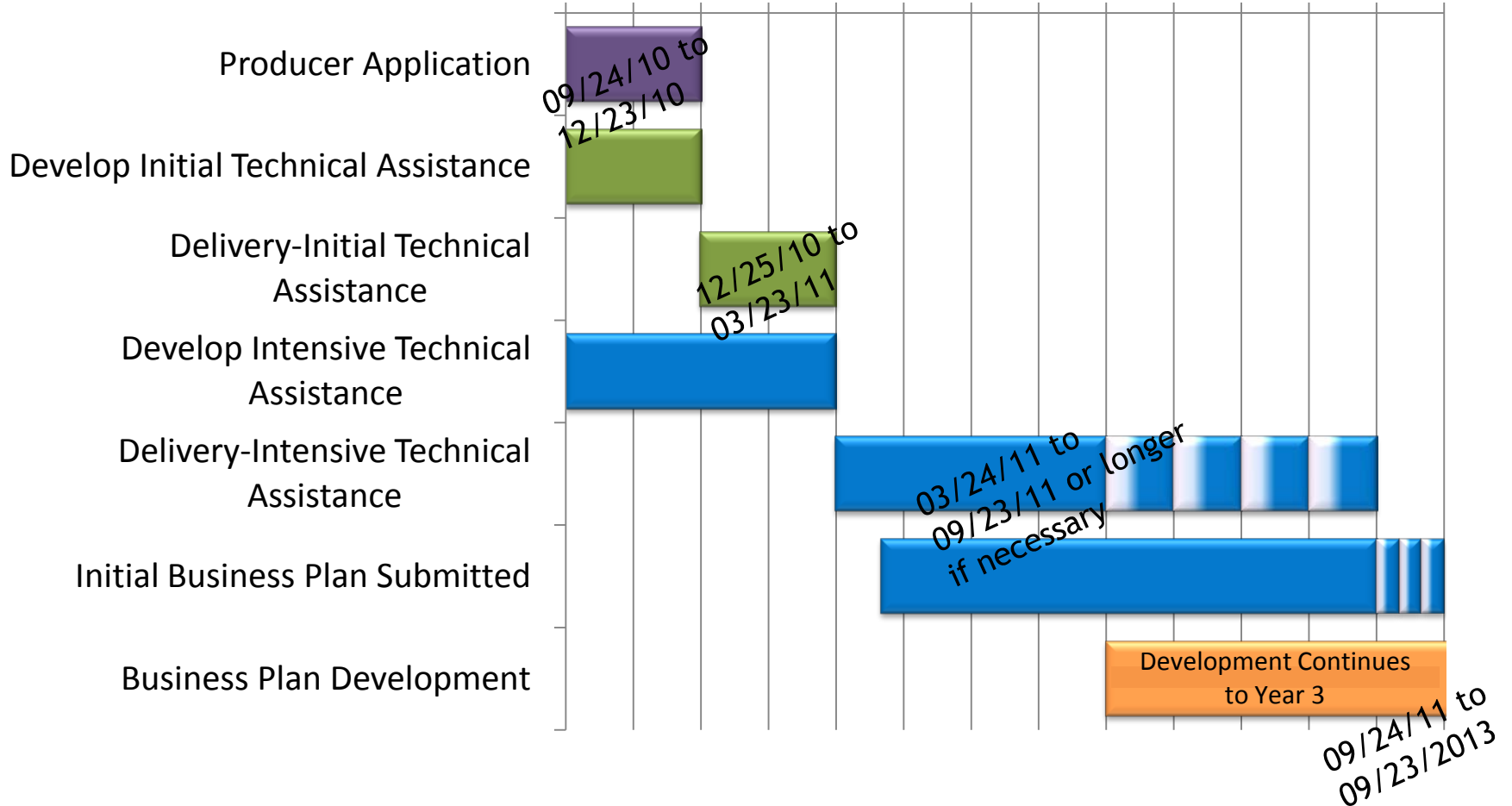
- ◉ Develop a detailed business plan. A professional business planning consultant will be provided to help develop the business plan.
- ◉ Participation in Phase 4 requires successful completion of the first three phases; however, participation in Phase 4 is not required.
- ◉ Upon completion of Phase 4 participants are qualified to receive **up to an additional \$8,000***.

*Payment may be prorated depending on the number of applicants. Applicants will be notified of payment level prior to the initiation of each program phase. Payment is considered as taxable income and will take six to twelve months to be processed.

TIMELINE

Days from Petition Certification

0 45 90 135 180 225 270 315 360 405 450 495 540 585



HOW DO I APPLY FOR TAA?

- ◉ Individuals must complete an application form and submit it by **December 23, 2010**.
- ◉ Completing an application does not obligate you to participate in the program. However, if you do not submit your application by the deadline you will not be able to participate.
- ◉ The application and instructions are available online at: <http://www.taaforfarmers.org>, under “Information for Producers of Approved Commodities” click on “lobster”.
- ◉ You may also contact the Sea Grant or FSA office to obtain an application.

HOW DO I APPLY FOR TAA?

- ◉ You may complete an application and submit it to your local USDA Farm Service Agency office (see next slide).
- ◉ However, we *highly encourage* you to seek assistance from Connecticut Sea Grant or FSA in order to properly complete the application.

FARM SERVICE AGENCY OFFICES

New London County:

238 West Town Street
Norwich, CT 06360-2111
(860) 887-9941

Windham County:

139 Wolf Den Road
Brooklyn, CT 06234-1729
(860) 774-0224 x 1

Tolland County:

344 Merrow Road
Tolland, CT 06084-3917
(860) 871-4090

Fairfield / Litchfield County:

1185 New Litchfield Street
Torrington, CT 06790-6098
(860) 626-8852

New Haven / Middlesex County:

900 Northrop Road
Wallingford, CT 06492-1997
(203) 269-6665

Hartford County:

100 Northfield Drive, FL 4
Windsor, CT 06095-4730
(860) 688-7725

HOW DO I LEARN ABOUT TAA?

Tessa Getchis

State TAA Contact, Connecticut Sea Grant
(860) 405-9104

tessa.getchis@uconn.edu or

<http://www.seagrant.uconn.edu>

(Click on “What We Do” and “Fisheries”)

Marilu Soileau

TAA Representative, CT Farm Service Agency
(401) 828-3120 ext. 1214

marilu.soileau@ct.usda.gov

TAA for Farmers and Fishermen Website

www.taaforfarmers.org

HOW DO I LEARN ABOUT TAA?

Informational meetings:

- **Tuesday, October 19 - 7:00 p.m.**
Darien Seafood, 1941 Post Rd, Darien
- **Wednesday, November 3 - 1:00 p.m.**
Stonington Town Dock, 1 High Street, Stonington
- **Tuesday, November 9 - 7:00 p.m.**
Branford Elks Lodge, 158 S Montowese St, Branford

REFERENCES

- ◉ NOAA Fisheries Annual Commercial Landing Statistics
http://www.st.nmfs.noaa.gov/st1/commercial/landings/annual_landings.html
- ◉ Connecticut Department of Environmental Protection, Marine Fisheries Division Landing Data
- ◉ US International Trade Commission Tariff and Trade Data
http://dataweb.usitc.gov/scripts/user_set.asp