

# USDA Assists Farmers Impacted by Unjustified Retaliation

## Release & Contact Info

### Press Release

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**(Washington, D.C., July 24, 2018)** – U.S. Secretary of Agriculture Sonny Perdue today announced that the U.S. Department of Agriculture (USDA) will take several actions to assist farmers in response to trade damage from unjustified retaliation. President Trump directed Secretary Perdue to craft a short-term relief strategy to protect agricultural producers while the Administration works on free, fair, and reciprocal trade deals to open more markets in the long run to help American farmers compete globally. Specifically, USDA will authorize up to \$12 billion in programs, which is in line with the estimated \$11 billion impact of the unjustified retaliatory tariffs on U.S. agricultural goods. These programs will assist agricultural producers to meet the costs of disrupted markets.

“This is a short-term solution to allow President Trump time to work on long-term trade deals to benefit agriculture and the entire U.S. economy,” Secretary Perdue said. “The President promised to have the back of every American farmer and rancher, and he knows the importance of keeping our rural economy strong. Unfortunately, America’s hard-working agricultural producers have been treated unfairly by China’s illegal trading practices and have taken a disproportionate hit when it comes illegal retaliatory tariffs. USDA will not stand by while our hard-working agricultural producers bear the brunt of unfriendly tariffs enacted by foreign nations. The programs we are announcing today help ensure our nation’s agriculture continues to feed the world and innovate to meet the demand.”

### Background:

Of the total unjustified retaliatory tariffs imposed on the United States, a disproportionate amount was targeted directly at American farmers. Trade damage from such retaliation has impacted a host of U.S. commodities,

including field crops like soybeans and sorghum, livestock products like milk and pork, and many fruits, nuts, and other specialty crops. High tariffs disrupt normal marketing patterns, affecting prices and raising costs by forcing commodities to find new markets. Additionally, there is evidence that American goods shipped overseas are being slowed from reaching market by unusually strict or cumbersome entry procedures, which can affect the quality and marketability of perishable crops. This can boost marketing costs and discount our prices, and adversely affect our producers. USDA will use the following programs to assist farmers:

- The *Market Facilitation Program*, authorized under The Commodity Credit Corporation (CCC) Charter Act and administered by Farm Service Agency (FSA), will provide payments incrementally to producers of soybeans, sorghum, corn, wheat, cotton, dairy, and hogs. This support will help farmers manage disrupted markets, deal with surplus commodities, and expand and develop new markets at home and abroad.
- Additionally, USDA will use CCC Charter Act and other authorities to implement a *Food Purchase and Distribution Program* through the Agricultural Marketing Service to purchase unexpected surplus of affected commodities such as fruits, nuts, rice, legumes, beef, pork and milk for distribution to food banks and other nutrition programs.
- Finally, the CCC will use its Charter Act authority for a *Trade Promotion Program* administered by the Foreign Agriculture Service (FAS) in conjunction with the private sector to assist in developing new export markets for our farm products.

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