



# Secretary Perdue Statement on Disaster and Trade-Related Assistance

**Statement**

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**(June 10, 2019 - Washington, D.C.)** - U.S. Secretary of Agriculture Sonny Perdue issued the following statement on disaster and trade-related assistance:

“Whether it’s because of natural disasters or unfair retaliatory tariffs, farmers across the country are facing significant challenges and tough decisions on their farms and ranches. Last month, immediately upon China renegeing on commitments made during the trade talks, President Trump committed USDA to provide up to \$16 billion to support farmers as they absorb some of the negative impact of unjustified retaliation and trade disruption. In addition, President Trump immediately signed into law the long-awaited disaster legislation that provides a lifeline to farmers, ranchers, and producers dealing with extensive damage to their operations caused by natural disasters in 2018 and 2019.

“Given the size and scope of these many disasters, as well as the uncertainty of the final size and scope of this year’s prevented planting acreage, we will use up to \$16 billion in support for farmers and the \$3 billion in disaster aid to provide as much help as possible to all our affected producers.

“I have been out in the country this spring and visited with many farmers. I know they’re discouraged, and many are facing difficult decisions about what to do this planting

season or if they've got the capital to stay in business, but they shouldn't wait for an announcement to make their decisions. I urge farmers to plant for the market and plant what works best on their farm, regardless of what type of assistance programs USDA is able to provide.

"In the coming weeks, USDA will provide information on the Market Facilitation Program payment rates and details of the various components of the disaster relief legislation. USDA is not legally authorized to make Market Facilitation Program payments to producers for acreage that is not planted. However, we are exploring legal flexibilities to provide a minimal per acre market facilitation payment to folks who filed prevent plant and chose to plant an MFP-eligible cover crop, with the potential to be harvested and for subsequent use of those cover crops for forage."

## Background:

For frequently asked questions regarding the USDA Risk Management Agency's prevented planting policy and losses resulting from floods, please visit the [USDA RMA Flooding page](#). For several frequently asked questions regarding how USDA will treat prevented planting acres with regard to the recently announced [2019 Market Facilitation Program](#) and 2018/2019 disaster relief legislation, see below.

### **1. What is the purpose of the Market Facilitation Program? What is the legal authority?**

- The Market Facilitation Program (MFP) assists farmers with the additional costs of adjusting to disrupted markets, dealing with surplus commodities, and expanding and developing new markets at home and abroad, consistent with the authorities of the Commodity Credit Corporation (CCC) Charter Act.

### **2. Last year, soybeans had the highest MFP payment per bushel, should I plant soybeans this year to get the highest payment if I have the opportunity?**

- You should plant what works best for your operation and what you would plant in any other year, absent any assistance from USDA. 2019 MFP assistance is based on a single county payment rate multiplied by a farm's total plantings to the MFP-eligible crops (outlined below) in aggregate in 2019. *Those per acre payments are*

*not dependent on which of those crops are planted in 2019*, and therefore will not distort planting decisions. Your total payment-eligible plantings cannot exceed your total 2018 plantings.

- 2019 MFP-eligible non-specialty crops: alfalfa hay, barley, canola, corn, crambe, dry peas, extra-long staple cotton, flaxseed, lentils, long grain and medium grain rice, millet, mustard seed, dried beans, oats, peanuts, rapeseed, rye, safflower, sesame seed, small and large chickpeas, sorghum, soybeans, sunflower seed, temperate japonica rice, triticale, upland cotton, and wheat.
- 2019 MFP-eligible specialty crops: tree nuts, fresh sweet cherries, cranberries, and fresh grapes.

### **3. My fields never dried out enough to get *any* crop in, do I get a 2019 Market Facilitation Program payment?**

- No, USDA does not have the legal authority to make MFP payments to producers for acreage that is not planted. To qualify for a 2019 MFP payment, you must have planted a 2019 MFP-eligible crop. Producers unable to plant their crop should work with their crop insurance agent to file a claim.

### **4. I filed a prevented planting claim and I am going to plant a cover crop to prevent erosion, does that count for 2019 MFP if it's on the 2019 MFP-eligible list you announced in May?**

- If you choose to plant a cover crop with the potential to be harvested, because of this year's adverse weather conditions, you may qualify for a minimal amount of 2019 MFP assistance. You must still comply with your crop insurance requirements to remain eligible for any indemnities received.

### **5. I heard that I could get 90% of my crop insurance guarantee as a prevented planting payment through the disaster bill, is that true?**

- The Additional Supplemental Appropriations for Disaster Relief Act of 2019 gives the USDA the authority to compensate losses caused by prevented planting in 2019 up to 90%. While the authority exists, USDA must operate within finite appropriations limits. It is highly unlikely that the supplemental appropriation will support that level of coverage in addition to crop insurance. Congress appropriated

\$3.005 billion in assistance for a wide array of losses resulting from disasters throughout 2018 and 2019, requiring USDA to prioritize how it is allocated. The Department plans to provide assistance on prevented planting losses within the confines of our authority.

**6. If I plant a second crop or cover crop, can I still get my full prevented planting payment? What about an MFP payment?**

- You must comply with crop insurance requirements to remain eligible for a full prevented planting indemnity. USDA encourages you to visit with your crop insurance agent to ensure you are aware of those various options for your operation. If you choose to plant a cover crop with the potential to be harvested, because of this year's adverse weather conditions, you may qualify for a minimal amount of 2019 MFP assistance.

**7. I have heard that only acreage in a declared disaster area will qualify for prevented planting under the Disaster Relief Act. Is that true?**

- USDA is currently evaluating the new authority provided under the Additional Supplemental Appropriations for Disaster Relief Act of 2019. However, it is generally true that producers with qualifying losses in a Secretarial or Presidentially-declared disaster area will be eligible for Disaster Relief Act assistance. Producers with qualifying losses outside of those areas will have eligibility determined on a case-by-case basis.

**8. I have a revenue protection policy with a 'harvest price option', do I get the higher of the projected price or harvest price for my prevented planting payment?**

- The Additional Supplemental Appropriations for Disaster Relief Act of 2019 gives the USDA the authority to compensate losses caused by prevented planting in 2019 and also provides additional authority to compensate producers on the higher of the projected price or harvest price. USDA is currently exploring legal flexibility to provide assistance that better utilizes the harvest price in conjunction with revenue and prevent planting policies.

**9. If I am prevented from planting but manage to get a cover crop or a forage in the ground, am I able to hay or graze that prior to November 1, given the forage shortage we're going to experience?**

- USDA encourages you to visit with your crop insurance agent to ensure you are aware of those various prevented planting, cover crop, and harvest options for your operation. USDA is currently reviewing the prevented planting restrictions in the Federal Crop Insurance Act to determine what options may be available to address this and other issues. Further clarity regarding this haying and grazing date will be forthcoming.

**10. What if I don't have crop insurance? How do MFP and disaster relief programs work for me if I'm prevented from planting due to natural disasters?**

- Crop insurance is not required to qualify for 2019 MFP assistance. However, USDA requires that a producer plant a 2019 MFP-eligible crop to qualify for the 2019 MFP assistance.
- If you choose to plant a cover crop with the potential to be harvested, because of this year's adverse weather conditions, you may qualify for a minimal amount of 2019 MFP assistance.
- The Additional Supplemental Appropriations for Disaster Relief Act of 2019 gives the USDA the authority to compensate losses caused by prevented planting in 2019. Producers with qualifying losses in a Secretarial or Presidentially-declared disaster area will be eligible for Disaster Relief Act assistance. Producers with qualifying losses outside of those areas will have eligibility determined on a case-by-case basis.

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