

USDA Announces Market Facilitation Program Round 2

The Kansas Corn Growers Association said today the Trump Administration's announcement of up to \$14.5 billion in Market Facilitation assistance could be helpful for corn farmers impacted by market losses that are due in part to recent tariff increases and a trade dispute with China.

"It will be a while before we know how much assistance corn farmers will receive. We hope it more equitably reflects the market losses we've incurred than the program last fall that gave corn farmers a penny a bushel. We do respect USDA's announcement today, which was intended to avoid impacting planting decisions." KCGA CEO Greg Krissek said. "The best solution would be to address the 'perfect storm' of issues that are destroying demand for corn and products we make with corn, like ethanol."

The program could provide some much-needed relief to corn farmers who are struggling with depressed foreign and domestic markets for corn and ethanol. Corn farmers are facing what is being called a "perfect storm" of issues.

"As farmers, we always face uncertainty. In addition to weather issues that are slowing planting; we continue to deal with many issues that are hurting exports as well as domestic markets for our crop," KCGA President Steve Rome, Hugoton, said. "Except for the weather, much of this uncertainty falls on the shoulders of our government. A lot of this uncertainty can be lifted simply by helping us have access to markets for our corn, ethanol, red meat and other corn products. This aid will help, but market access is the type of aid our farmers prefer."

USDA announced the second round of the Market Facilitation Program today. While Kansas Corn is still analyzing this program, here is what we know for corn and other commodities:

- The MFP Payment will provide \$14.5 billion in direct payments to producers. Payment rates for individual crops were not announced today.
- Producers will receive a payment based on a single county rate multiplied by a farm's total plantings to those crops 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. Moreover, total payment-eligible plantings cannot exceed total 2018 plantings.
- The payment will be based on a single county rate times the planted acres as of July 15. The payment will be split into three payments: Late July; and "if needed" November and January payments.
- Prevented planting acres will be excluded. You will not receive payments if you do not plant, a USDA official stated
- Further details regarding eligibility and payment rates will be released at a later date.

