

Trump to Cut Soybean Farmers a Check for Up to \$1.65 per Bushel

Half of the assistance payment will come at harvest.

By [Chuck Abbott](#)

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The Trump administration will spend up to \$6.2 billion this fall to shield crop and livestock producers from retaliatory tariffs imposed by China and other trading partners, said Agriculture Secretary Sonny Perdue on Monday. Soybean growers would be the lion's share, \$3.6 billion, of the \$4.7 billion in cash payments to producers.

USDA officials said the cash payments might be doubled, depending on conditions at the end of the year. "We will continue to evaluate markets...and the secretary will decide in consultation with the White House on the second round of payments," said USDA chief economist Robert Johansson, who rejected the idea that a second round is certain.

Producers are eligible for payments on this year's production of seven commodities. Undersecretary Bill Northey said the payments this fall would be \$3.6 billion for soybeans, \$277 million for cotton, \$290 million for pork, \$127 million for dairy, \$156 million for sorghum, \$119 million for wheat, and \$96 million for corn. The payments made at harvest will be half of the producer's total 2018 production multiplied by payment rates that range from \$1.65 a bushel for soybeans to 1¢ a bushel for corn and \$8 per hog (see more prices in the table below). If a second payment is announced, the remaining 50% of the producer's total 2018 production will be subject to a new payment rate.

Commodity	Initial Payment Rate	Est. Initial Payment (in \$1,000s)
Cotton	\$0.06 / lb.	\$276,900
Corn	\$0.01 / bu.	\$96,000
Dairy (milk)	\$0.12 / cwt.	\$127,400
Pork (hogs)	\$8.00 / head	\$290,300
Soybeans	\$1.65 / bu.	\$3,629,700
Sorghum	\$0.86 / bu.	\$156,800
Wheat	\$0.14 / bu.	\$119,200
Total		\$4,696,300

Market Development

An additional \$1.2 billion will be spent to purchase, and donate to public nutrition programs, excess foods, including \$559 million of pork, \$93 million of apples, and \$85 million of dairy. USDA also would spend \$200 million on overseas market development.

"We always knew agriculture was going to be the tip of the spear" when trade war began, said Perdue, so the White House promised last winter to cushion the impact on agriculture. Perdue unveiled details of the aid package three hours after President Trump announced a tentative [free-trade agreement with Mexico](#), the No. 3 market for U.S. farm exports. The bilateral agreement opens the path to agreement with Canada over the new NAFTA, said U.S. trade representative Robert Lighthizer. At the same time, Trump said he would terminate the current trilateral trade pact.

"This validates the president's approach for bringing people to the table," said Perdue in applauding the U.S.-Mexico agreement. Trump follows a policy of trade confrontation and prefers bilateral agreements. China, Canada, Mexico, and the EU, the four largest

U.S. ag markets, have imposed retaliatory tariffs on American farm exports. Lighthizer's office held the final day of hearings on Monday on an administration proposal for 25% tariffs on an additional \$200 million of Chinese products.

Sign-Up Starts in September

Because payments will be based on production this year, there will be no allowance for the impact of drought or floods, said Northey. "It will certainly be representative of the impact on producers from these tariffs," he said, acknowledging that some growers will do better and some worse than usual at harvesttime.

Sign-up for producers will begin on September 4 and run through mid-January. Wheat, dairy, and pork producers would have enough production data on hand to apply immediately, said Northey, who said it would take a few days for USDA to process the material. "In less than a week, we should get some of these payments out the door." When USDA announced in late July that an aid package would be disbursed, officials said up to \$12 billion was available.