The California Citrus Mutual says the financial relief initiative announced this week for farmers impacted by the trade war "falls short" of growers' needs.

The U.S. Administration proposed three programs providing US$12 billion in mitigation to farmers to offset losses, although none of which involve direct payments to farmers.

"The Board unanimously agreed that the Administration's trade mitigation proposal is a noble effort to satisfy the President's statement that U.S. farmers will not be negatively impacted by his trade policies," said CCM board chairman Curt Holmes.

"However, as released and presently understood, the proposal falls short of meeting the needs of citrus growers who export approximately 25% of their tonnage to offshore markets."

CCM president Joel Nelsen said the three program areas, as presently structured, "are not viable pathways for our producers."

"Obviously, one area is geared toward grains and major commodities, whereas it was hoped that the other two could benefit specialty crops," he said.

The two programs intended to support specialty crop producers involve the purchase of excess inventory and trade promotion activities to help redirect volume normally exported to China and other destinations.

Historically, the commodity purchase program is one that buys product not viable for domestic or export markets at reduced prices, the CCM said.

"The potential revenue that could be generated via this program for growers is far less than export revenues, thus to assume it is a viable alternative would be incorrect," said Nelsen.

"A quick survey of the industry indicates that growers and shippers do not generally utilize this distribution channel."

While the citrus industry is more familiar with the Market Access Program (MAP), it is typically limited to specific marketing campaigns designed to spur demand in a new market in which a brand or product is not well-known.

As such, MAP funds are directed into the offshore markets, not as payment to growers or shippers.

"While MAP does provide value to an industry over time, the benefits to growers are not instantaneous and would not necessarily provide immediate relief," says Nelsen.

"For MAP to be beneficial in the context of trade mitigation, it would have to be modified so that fruit currently or soon to be in the market can be redirected, potentially to numerous destinations, immediately. We are talking about considerable tonnage and to assume one market, unless it is the domestic market, could absorb that tonnage is just wrong."

He added that USDA officials have said they are eager to hear how specific modifications could benefit specialty crop industries.

"CCM plans to take advantage of the invitation and, together with other commodity colleagues, present ideas that would lead to a viable economic offset," said Nelsen.

The group also highlighted that port strike just a few years ago cost the California citrus industry over US$600 million in lost export sales.

The CCM said while the existing trade dispute will not manifest itself into losses of that magnitude, the industry has identified potential impacts on market value and other areas affecting the customer base.