WHAT HELP IS AVAILABLE FOR WHAT TYPES OF DISASTER LOSSES?

Producers seeking assistance for property damage and other losses caused by natural disasters may find themselves confused by the many different agencies and programs that are offering aid. Assistance programs are typically focused on addressing a particular type of loss or need. Because of this, those seeking help often have to piece together aid from more than one program to meet their needs. In general, programs aimed at meeting the emergency needs of individual and families—such as food, shelter, and basic necessities—will not cover losses to income-producing property, such as farming structures, equipment, livestock, or crops. And farm disaster programs also tend to be very specific about the types of losses covered.

This piece gives a brief overview of the different federal disaster assistance programs that are generally available to provide assistance for different types of farm losses. State and private charitable programs may also be available; however, these tend to be offered only for home and personal needs.

A. Damage to Home and Personal Property

Producers whose homes have been damaged or made uninhabitable due to a disaster, or who have suffered losses to the contents of their homes, could be eligible for assistance from the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), and the Farm Service Agency (FSA). All of these agencies require persons to maximize their insurance benefits for their losses.

- FEMA offers temporary housing and grants of up to $28,800 for certain disaster-related expenses, including repair or replacement of damaged housing and personal property. FEMA assistance is intended to address only the most critical needs, and is not intended to fully restore damaged property to its pre-disaster condition. The deadline to apply for FEMA assistance is usually 60 days after the disaster declaration for the county.

- SBA offers low-interest loans to cover the cost of repairing a home and repairing or replacing household contents damaged due to a disaster. Up to $40,000 can be borrowed for personal property losses and up to $200,000 for the home. SBA disaster loans have a maximum interest rate of either 4.0% or 8.0%, depending on whether the applicant could obtain credit elsewhere. The deadline to apply for an SBA disaster loan is generally 60 days after the disaster declaration for the county.

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- An Emergency loan from FSA can also be used to repair a damaged home and/or repair or replace household contents damaged in a disaster. If all other eligibility requirements are met, up to $20,000 can be borrowed for essential household contents and up to the amount needed can be borrowed for a damaged home (with a maximum of $500,000 for all of an individual producer's outstanding Emergency loans). FSA Emergency loans have a 3.75% interest rate. The deadline to apply for an Emergency loan is eight months from the date of the disaster declaration for the county where the producer resides.

B. Crop Losses

Many producers suffered crop losses due to natural disasters, or are unable to plant a crop as intended due to storms. Producers who have coverage under a federal crop insurance policy or under FSA's Noninsured Crop Disaster Assistance Program (NAP) should contact their insurer or FSA directly after the storms to report their losses, and should work with adjusters to determine their losses and submit their claims.

Crop losses can also be the basis for an FSA Emergency "production loss" loan if the producer suffered at least 30% yield loss for at least one crop. If that threshold is met, the eligible loan amount is determined by the producer's production losses for all crops. The interest rate for Emergency loans is 3.75%, and the deadline to apply for loans is eight months from the date of the disaster declaration for the producer's county.

New disaster programs created by the 2008 Farm Bill will provide additional benefits for crop losses, including orchard and vine losses, for producers who, in general, obtained crop insurance or NAP coverage on all crops for which such coverage was available. There is a waiver of this requirement for socially disadvantaged, limited resource, and beginning farmers and ranchers who request it.

C. Livestock Losses

Disaster losses from livestock that was *owned* by the producer can be the basis for an FSA Emergency "physical loss" loan. Losses from livestock raised on contract cannot be the basis of an Emergency loan application. Also, it appears that livestock production losses—for example, decreased milk production—may only qualify for an Emergency loan if the livestock also died as a result of the disaster. The interest rate for Emergency loans is 3.75%, and the deadline to apply for loans is eight months from the date of the disaster declaration for the producer's county.

The 2008 Farm Bill created a Livestock Forage Disaster Program that will provide assistance for grazing losses resulting from drought or fire. The producer must have obtained crop insurance or NAP coverage on all crops grown on grazing land for which

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such coverage was available. The waiver for certain individual producers, as discussed above in the Crop Losses section, also applies to this program.

The 2008 Farm Bill also created a Livestock Indemnity Program (LIP) that will provide cash payments for livestock death losses in excess of normal mortality due to adverse weather. Eligible losses may include those determined by FSA to have been caused by hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold. LIP indemnity payments will be 75% of the market value of the livestock on the day before the date of death of the livestock, as determined by FSA.

The 2008 Farm Bill also created an Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (EALHF), through which FSA is authorized to spend up to $50 million per year to provide emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, such as blizzards and wildfires, that are not adequately addressed by other disaster programs.

D. Debris Removal

Some natural disasters can leave a great deal of debris on farmland, access roads, and farmstead property throughout the affected areas. Removal of this debris—and, in some cases, re-grading of the land—can be necessary before producers are able to resume their operations. Activities like debris removal and re-grading that are necessary to resume normal farming operations and return the farmland to productive use are eligible for cost-share assistance under FSA's Emergency Conservation Program (ECP). ECP may also be used to restore windbreaks and shelterbelts so long as the land is not enrolled in the Conservation Reserve Program (CRP).

Cost-share means that the producer pays up front for activities that have been pre-approved by FSA, and is then reimbursed for a portion of those expenses. The maximum cost-share percentage under ECP is generally 75% (meaning the producer is reimbursed for 75% of approved expenses). However, limited resource producers may be reimbursed for up to 90% of eligible expenses under ECP.

E. Damage to Equipment, Farm Structures, and Fencing

Many producers experience damage to equipment, farm structures, and fencing due to natural disasters. The cost of repairing or replacing such property that is essential to the farming operation may be the basis for an FSA Emergency "physical loss" loan. In general, FSA requires that damaged property have been covered by hazard insurance to be eligible for repair or replacement with Emergency loan funds, but there can be exceptions if such insurance was not readily available or was not cost-effective. The interest rate for Emergency loans is 3.75%, and the deadline to apply for loans is eight months from the date of the disaster declaration for the producer's county.

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Damaged fencing may also be replaced through FSA's Emergency Conservation Program (ECP). As discussed above, ECP is a cost-share program in which a producer is approved to perform certain conservation and land restoration activities (including replacing permanent fencing) and can be reimbursed for a certain percentage of the costs of performing those pre-approved activities. The maximum cost-share percentage under ECP is generally 75% (meaning the producer is reimbursed for 75% of the expenses). However, limited resource producers may be reimbursed for up to 90% of eligible expenses under ECP.

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