

DOCUMENTING DISASTER LOSSES

Producers' ability to receive assistance for disaster losses depends in large part on their ability to demonstrate the extent of those losses. The better the documentation, the more likely it is that a producer will be able to maximize the assistance he or she is eligible for.

There are three categories of information that should be documented to show the extent of a particular producer's losses:

1. What was the status of the farm or ranch the day before the disaster?
2. What was the status of the farm or ranch the day after the disaster?
3. What costs have been incurred or estimated as the producer begins to make a recovery?

All aspects of the operation that were affected by the disaster should be accounted for. This includes pre- and post-disaster conditions and values of structures, equipment, livestock, crops, and the land itself.

Establishing the Pre-Disaster Value and Condition of Property

Ideally, a producer will already have on hand documentation that establishes the pre-disaster ownership interests and values of affected property. If that is not the case, or if the documentation is destroyed in the disaster, there are several possible sources for this information.

1. **Lenders.** A loan application will usually list the value of equipment, crops, livestock, and other assets that would be used as loan collateral. Even if the loan application was denied, the producer can often get a copy of an earlier application. If the loan was approved, there may be appraisals in the loan file that further document the value and condition of the assets.
2. **Insurance providers.** Insurance providers will have copies of insurance applications and any policies issued, including values and descriptions of the covered property. Crop insurance providers will have whatever acreage and production reports the producer submitted for the affected crops.
3. **Taxing agencies.** The producer's most recent federal income tax return, and state income tax return, if applicable, will help verify income and expenses for the operation. If a producer does not have a copy of a return, a copy can be obtained from the IRS by submitting a completed Form 4506. To get a copy of this form, go to www.irs.gov/pub/irs-pdf/f4506.pdf or call 800-829-3676. There is usually a small fee for obtaining a duplicate tax return.

The producer's most recent property tax statements will help verify pre-disaster property value and condition. These should be readily obtainable from the taxing agency.

4. **Farm Service Agency (FSA).** Producers who participate in any FSA program that involves crop reporting, such as the Noninsured Crop Disaster Assistance Program (NAP), should request a copy of their FSA file, which includes whatever acreage and production information the producer submitted for the current or prior crop years.

In addition to these sources of documentation of pre-disaster values, there are many other materials that a producer could use to show the value of what was on the farm before the disaster.

1. **Receipts and credit card bills** show the value of purchased inputs or equipment.
2. **Receipts for inputs**—such as seed, fertilizer, or pesticides—when multiplied by application rates can be used to demonstrate crop acreage, particularly for specialty crops where standard commodity acreage reporting is a poor fit.
3. **Sales records** from past years can show the prices that were expected for specialty crops and livestock products.
4. **Documentation from auction barns or feedlots and veterinary expenses** can show the number of animals on a farm before the disaster.

Establishing the Post-Disaster Value and Condition of Property

If a producer has crop insurance, a crop insurance adjuster will visit the farm to certify the extent of crop damage. FSA will similarly verify crop losses under NAP. But for damage to livestock, land, structures, or equipment, the process of establishing post-disaster property values and conditions is more complicated. As producers start to clean up, it is important to photograph everything, take notes, and get receipts and estimates for cleanup and recovery expenses. Producers are also encouraged to document conversations that they have with agency officials, including what questions they asked, whom they talked to, and what they were told.

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