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WHAT HELP IS AVAILABLE FOR WHAT TYPES OF DISASTER LOSSES?

Farmers seeking assistance for property damage and other losses caused by flooding, tornados, and other recent storms 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 individuals 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.

Damage to Home and Personal Property

Farmers 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 $32,400 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 percent or 8.0 percent, 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.

- 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 farmer’s outstanding Emergency loans). FSA Emergency loans have a 3.75 percent interest rate. The deadline to apply for an Emergency loan is 8 months from the date of the disaster declaration for the county where the farmer resides.

Crop Losses

Many farmers suffer crop losses due to natural disasters or are unable to plant a crop as intended due to storms. Farmers who have coverage under a federal crop insurance policy or under FSA's Non-insured 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. <u>If farmers affected by a disaster have crop insurance or NAP coverage but have not yet contacted their insurer or FSA, they should do so immediately</u>.

Crop losses can also be the basis for an FSA Emergency "production loss" loan if the farmer suffered at least 30 percent yield loss for at least one crop. If that threshold is met, the eligible loan amount is determined by the farmer's production losses for all crops. The interest rate for Emergency loans is 3.75 percent, and the deadline to apply for loans is 8 months from the date of the disaster declaration for the farmer's county.

Livestock Losses

Disaster losses from livestock that was *owned* by the farmer 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, 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 percent, and the deadline to apply for loans is 8 months from the date of the disaster declaration for the farmer's county.

The 2008 Farm Bill created additional disaster programs for livestock producers that provided assistance for eligible livestock death losses, grazing losses, and other losses not adequately addressed by other disaster programs. Authorization for these programs expired in September 2012 when the Farm Bill expired.

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 farmers 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 farmer 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 percent (meaning the farmer is reimbursed for 75 percent of approved expenses). However, limited resource farmers may be reimbursed for up to 90 percent of eligible expenses under ECP.

Damage to Equipment, Farm Structures, and Fencing

Many farmers 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 must 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 percent, and the deadline to apply for loans is 8 months from the date of the disaster declaration for the farmer's county.

Damaged fencing and water structures may also be replaced through FSA's Emergency Conservation Program (ECP). As discussed above, ECP is a cost-share program in which a farmer 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 percent (meaning the farmer is reimbursed for 75 percent of the expenses). However, limited resource farmers may be reimbursed for up to 90 percent of eligible expenses under ECP.

For program updates and more information about disaster assistance available to farmers, visit the FLAG website at http://www.flaginc.org/topic/disaster-assistance-and-risk-management/ or contact FLAG's office at 651-223-5400.