

FSA Talking Points
Re: Disaster Legislation 2007
June 2007

- On May 25, 2007, President Bush signed into law the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (2007 Act).
- The 2007 Act provides, among other things, about \$3 billion in agricultural disaster aid for America's farmers and ranchers.
- Specifically, the 2007 Act provides funds for a Crop Disaster Program (CDP), Livestock Compensation Program (LCP), Livestock Indemnity Program (LIP), Emergency Conservation Program (ECP) and Dairy Disaster Assistance Program (DDAP).
- The 2007 Act also extends the Emergency Forestry Conservation Reserve Program (EFCRP).
- Additionally, the 2007 Act extends the Milk Income Loss Contract program through September 2007.
- USDA will move as rapidly as possible to deliver the aid.
- USDA will publish regulations and fact sheets detailing CDP, LCP, LIP and DDAP in the weeks and months ahead.
- In the meantime, here is an overview of the disaster programs and provisions:

Crop Disaster Program (CDP) -

- The program covers quantity and quality losses from natural disasters and related conditions that occurred in 2005 and 2006 and for 2007 crops if the crop was planted before February 28, 2007, or in the case of prevented planting would have been planted before February 28, 2007.
- Producers who incurred qualifying losses in 2005, 2006, or 2007 must choose only one year to receive benefits.
- Producers may apply for benefits for losses to multiple crops as long as the losses occurred in the same crop year.
- Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for assistance.
- Quantity losses must be in excess of 35 percent to be eligible. The payment rate is set at 42 percent of the established price.
- The payment quantity for quality losses will be equal to the lesser of: (1) the actual production of the crop affected by a quality loss; or (2) the quantity of expected production of the crop affected by a quality loss.

- The quality loss must be at least 25 percent of the value that all affected production of the crop would have had if the crop had not suffered a quality loss.
- Assistance, together with any crop insurance or NAP payment received for the same crop and including the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

Livestock Compensation Program (LCP) -

- The program compensates livestock producers for feed losses resulting from natural disasters occurring between January 1, 2005, and February 28, 2007, including losses due to blizzards that started in 2006 and continued into 2007. Livestock producers may elect to receive compensation for losses in the calendar year 2007 grazing season that are attributable to wildfires occurring during the applicable period, as determined by the Secretary.
- Producers in primary or contiguous counties declared Secretarial or Presidential disaster areas between January 1, 2005, and February 28, 2007, are eligible. Also, producers in counties receiving Administrator's Physical Loss Notice during the same period are eligible.
- Producers incurring a loss in more than one of the 2005, 2006 or 2007 calendar years must choose only one year for which they want to receive benefits.
- The payment rate for each livestock category will be 61 percent of the national payment rate (which is yet to be determined).
- Producers who reduced the average number of livestock they owned for grazing during the production year for which assistance is being provided will not be penalized.
- The following are among the types of livestock operations that will be eligible for LCP: dairy cattle, beef cattle, buffalo, beefalo, equine, poultry, elk, reindeer, sheep, goats, swine or deer.
- Catfish producers are also eligible for benefits. USDA will provide grants to states having catfish producers who suffered catfish feed losses. However, USDA will not administer the grant program. Governors or their designees will announce sign-up dates and application procedures for the catfish feed loss program and distribute program payments.

Livestock Indemnity Program (LIP) -

- The program compensates livestock producers for livestock losses between January 1, 2005, and February 28, 2007, that resulted from natural disasters, including losses due to blizzards that started in 2006 and continued into 2007.
- Producers in primary or contiguous counties declared Secretarial or Presidential disaster areas between January 1, 2005, and February 28, 2007, are eligible. Also, producers in counties receiving Administrator's Physical Loss Notice during the same period are eligible.
- Producers incurring eligible livestock losses in more than one of the 2005, 2006, or 2007 calendar years must choose only one year for which they want to receive benefits.

- The payment rate is to be not less than 26 percent of market value of the livestock on the day before the date of death, as determined by the Secretary.
- The following are among the eligible livestock under LIP: dairy cattle, beef cattle, buffalo, beefalo, catfish, crawfish, equine, sheep, goats, swine, poultry or deer.

Dairy Disaster Assistance Program (DDAP) -

- The program provides \$16 million in benefits to dairy producers for dairy production losses.
- Producers in primary or contiguous counties declared Secretarial or Presidential disaster areas between Jan. 1, 2005, and Feb. 28, 2007, are eligible. Also, producers in counties receiving Administrator's Physical Loss Notice during the same period are eligible.
- FSA will publish regulations as soon as possible detailing other program provisions.

Emergency Conservation Program (ECP) -

- The 2007 Act provides \$16 million in funds for ECP.
- ECP provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought.
- FSA county committees determine land eligibility based on on-site inspections of damage, taking into account the type and extent of damage.
- For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:
 - impair or endanger the land;
 - materially affect the land's productive capacity;
 - represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and
 - be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.
- Producers should check with their local FSA offices regarding ECP sign-up periods, which are set by the FSA county committees.
- Unlike other funding provided for the ECP, the \$16 million provided is subject to Adjusted Gross Income provisions.

Emergency Forestry Conservation Reserve Program (EFCRP) -

- The 2007 Act removes EFCRP authority from December 31, 2006, to broader Conservation Reserve Program authority which, under current law, is set to expire on December 31, 2007.

- FSA will finalize all calendar year 2006 authority during this summer and then re-open sign-up for new activity in the coming months.
- EFCRP helps landowners and operators restore and enhance forestland damaged by 2005 hurricanes by reducing flood effects, protecting water sources, decreasing soil erosion and improving wildlife habitat.