



Fact Sheet

Aid for Agricultural Producers Affected by Hurricanes of 2005

Overview

On January 26, 2006, the U.S. Department of Agriculture (USDA) announced \$2.8 billion in aid to assist victims of the 2005 hurricane season. USDA will provide \$1.2 billion in aid to agricultural producers; primarily in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas. USDA will provide disaster payments to farmers, ranchers and others through eight separate programs. Funding is provided through (1) Section 32 of the Act of August 24, 1935 and (2) The Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006.

Programs Created with Section 32 Funds

USDA is providing \$250 million for crop disaster, livestock, tree, and aquaculture assistance from Section 32 funds. These funds will be distributed by way of five new programs:

- Hurricane Indemnity Program (HIP);
- Tree Indemnity Program (TIP);
- Feed Indemnity Program (FIP);
- Livestock Indemnity Program (LIP); and
- Aquaculture Grants.

Producers in Alabama, Florida, Louisiana, Mississippi, North

Carolina, and Texas counties declared primary presidential or secretarial disaster areas in 2005 because of hurricanes are eligible for the new programs. A complete list of the counties is posted online at <http://www.fsa.usda.gov/PAS/news/releases/2006/01/disastercounties05.pdf>. Producers must also meet other eligibility requirements.

USDA's Farm Service Agency (FSA) will administer the five programs. Sign-up dates for the new programs (HIP, TIP, FIP, and LIP) will be announced as soon as new regulations and software are developed. Application procedures for aquaculture funds will be made by governors or their designees.

■ **Hurricane Indemnity Program (HIP)** - HIP will provide payments to farmers who received crop insurance or Noninsured Crop Disaster Assistance Program (NAP) payments as a result of the hurricanes. The payment will be 30 percent of the crop insurance indemnity or NAP payment and will be capped at 95 percent of the expected crop returns.

■ **Tree Indemnity Program (TIP)** - TIP will provide flat payments per acre for the re-planting and rehabilitation (such as pruning or staking) of perennial orchards, vines, and bushes that produce an annual crop, damaged as a result of the hurricanes. Loss

levels will be established by tiers of damage. USDA anticipates four tiers with one covering producers who had 90 percent or greater loss, and the other three tiers covering the remainder of the spectrum. Producers will certify to the tier which corresponds to their level of loss. Payments will not be made on a reimbursable basis. Timber losses are not included in this program.

■ **Feed Indemnity Program (FIP)** - FIP will provide payments to eligible owners and cash lessees of certain types of forage based livestock for feed losses. The payment rate will be equal to a set amount per type of livestock. To be eligible for payments, producers would self-certify to feed losses.

■ **Livestock Indemnity Program (LIP)** - LIP will provide payments to producers whose livestock died as a direct result of the hurricanes. The payment will be based on 75 percent of the average sales price for each category of livestock. Payments will be included for contract growers of livestock, such as poultry, who lost livestock.

■ **Aquaculture Grants** - USDA will provide block grants to states adversely affected by the hurricanes in 2005 for aquaculture losses. Aquaculture producers not covered by other disaster programs will be eligible for these funds.

**Programs Funded by 2006
Defense Bill**

In addition to the Section 32 funds, USDA is providing \$903.9 million to agricultural producers adversely affected by hurricanes in 2005. Funding is provided by The Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006.

Producers will receive assistance through the following programs:

- \$199.8 million for the Emergency Conservation Program (ECP);
- \$404.1 million for Emergency Forestry CRP; and
- \$300 million for the Emergency Watershed Program (EWP).

Eligible producers can apply now for ECP funds to remove hurricane debris from farmland at their USDA Service Center. EWP funds for eligible projects are available today. Sign-up dates for the Emergency Forestry Conservation Reserve Program will be announced as soon as new regulations and software are developed.

Emergency Conservation Program (ECP) - Through ECP, 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.

- Administered by FSA.
- Expanded the authority for ECP to include payments to nursery, oyster, and poultry producers to: rehabilitate public and private oyster reefs; clean up structures such as barns and poultry houses; provide water to livestock; in the case of nursery producers, remove debris such as nursery structures, shade-houses, and above ground irrigation facilities; in the case of oyster producers, refurbishing oyster beds; and in the case of poultry producers, remove poultry house debris, including carcasses.
- Increased ECP cost-share assistance from 75 percent to 90 percent.
- \$20 million of the ECP funds is made available to poultry growers who suffered uninsured losses to poultry houses. Payments to poultry growers are limited to 50 percent of the total costs associated with the restoration of a poultry house - or \$50,000 for each poultry house. There is a further limit for poultry growers in that the total amount of assistance provided under the ECP and any indemnities for losses to poultry house paid to a poultry grower (insurance payments), cannot exceed 90 percent of the total costs associated with the reconstruction or

- repair of a poultry house.
- On private nonindustrial forest, landowners must have suffered a loss of at least 35 percent of the forest acres on commercial forest land.
- Payments to private nonindustrial forest landowners limited to 75 percent of the cost of reforestation, rehabilitation, and related measures, not to exceed \$150 per acre.

**Emergency Forestry
Conservation Reserve Program
(CRP)**

- Administered by FSA.
- 2006 Defense Appropriations Act provides \$404.1 million for a CRP pilot project for merchantable timber losses on private non-industrial forests.
- Owners of land must have experienced at least a 35 percent loss of merchantable timber.
- 10-annual payments or 1-lump sum payment.

**Emergency Watershed
Protection Program (EWP)**

- Administered by USDA's Natural Resources Conservation Service (NRCS).
- 2006 Defense Appropriations Act provides supplemental funding of \$300 million for EWP to repair damages resulting from hurricanes that occurred during calendar year 2005.

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- Cost share available for cleaning up structures on private land and to reimburse private non-industrial forest landowners for costs associated with downed timber removal at a rate not to exceed \$150 per acre.
 - Provides for financial and technical assistance to remove and dispose of debris and animal carcasses that could adversely affect health and safety on non-Federal land in a hurricane-affected county.
 - Provides emergency funding and technical assistance to help landowners and communities respond to emergencies created by natural disasters, including clearing debris from clogged waterways, restoring vegetation, stabilizing river banks, repairing levees and structures; reseeding damaged areas; and purchasing floodplain easements.
 - All projects undertaken, with the exception of floodplain easements, must be sponsored by a legal subdivision of the State and could include a city, county, conservation district or Native American tribe. Public and private landowners are eligible for assistance but must be represented by a project sponsor.
 - NRCS provides up to 75 percent of the funds needed to restore the natural function of a watershed and up to 90 percent in limited resource areas. The community or local sponsor of the work pays the remaining cost-share, which can be provided by cash or in-kind services.
 - Sponsors are responsible for providing land rights to do repair work and securing the necessary permits. Sponsors are also responsible for furnishing the local cost share and for accomplishing the installation of work.

For More Information

For more information about these and other USDA disaster programs, visit <http://disaster.fsa.usda.gov/fsa.asp>.

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