



## Ongoing Disaster Assistance Programs for Agricultural Producers

### Overview

The Farm Service Agency (FSA) offers farmers and ranchers various types of disaster aid to facilitate recovery from losses caused by drought, flood, freeze, tornadoes, hurricane, and other natural events. Ongoing disaster assistance programs available to eligible producers are:

#### **Emergency Conservation Program (ECP)**

ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems which, if not treated, would:

- Impair or endanger the land;
- Materially affect the productive capacity of the land;
- 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.

#### **Noninsured Crop Disaster Assistance Program (NAP)**

NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters.

Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop may qualify for this program. Before payments can be issued applications must first be received and approved, generally before the crop is planted, and the crop must have suffered a minimum of 50 percent loss in yield.

Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level of crop insurance is unavailable.

Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).

#### **Disaster Debt Set-Aside Program (DSA)**

DSA is available to producers in primary or contiguous counties declared presidential or secretarial disaster areas. When borrowers affected by natural disasters are unable to make their scheduled payments on any debt, FSA is authorized to consider set-aside of some payments to allow the farming operation to continue.

After disaster designation is made, FSA will notify borrowers of the availability of the DSA. Borrowers who are notified have eight months from the date of designation to apply. Also, to meet current operating and family living expenses, FSA borrowers may request a release of income proceeds to meet these essential needs or request special servicing provisions from their local FSA county offices to explore other options. A complete fact sheet about DSA can be found at <http://www.fsa.usda.gov/pas/publications/facts/debtset05.pdf>.

#### **Emergency Loan Program (EM)**

FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

Emergency loans may be made to farmers and ranchers who own or operate land located in a county declared by the president as a disaster area or designated by the secretary of agriculture as a disaster area or quarantine area (for physical losses only, the FSA administrator may authorize emergency loan assistance). EM funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

### **Types of Emergency Disaster Designations**

Agricultural-related disasters are common. One-half to two-thirds of the counties in the United States have been designated as disaster areas in each of the past several years. Producers may apply for emergency loans in counties named as primary or contiguous under a disaster designation.

Four types of disaster designations are made:

- 1) Presidential major disaster declaration;
- 2) USDA secretarial disaster designation;
- 3) FSA Administrator's Physical Loss Notification; and,
- 4) Quarantine designation.

The first three types of disaster

declarations are authorized under the regulations at 7 CFR 1945-A. The fourth is the result of a statutory requirement, Section 5201 of the Agricultural Assistance Act of 2003, P.L. 108-07, which authorizes emergency loans for losses resulting from quarantines imposed by the secretary under the Plant Protection Act or animal quarantine laws as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990.

Presidential major disaster declarations, which must be requested by a governor to the president, are administered through the Federal Emergency Management Agency (FEMA). A presidential major disaster declaration can be made within days or hours of the initial request. FEMA immediately notifies FSA of the primary counties named in a presidential declaration.

USDA secretarial disaster designations must be requested of the secretary of agriculture by a governor, the governor's authorized representative or by an Indian Tribal Council leader. The secretarial disaster designation is the most widely used and its process is the most complicated of the four.

An FSA Administrator's Physical Loss Notification (APLN) is for physical losses only, such as a building destroyed by a tornado. An APLN is requested of FSA's Administrator by an FSA state executive director (SED).

A quarantine designation is requested of the FSA deputy administrator for farm programs by an FSA SED. A quarantine designation authorizes EM loans for production and physical losses resulting from a quarantine. A complete fact sheet about Emergency Disaster Designations can be found at <http://www.fsa.usda.gov/pas/publications/facts/EMProcess04.pdf>.

### **For More Information**

Producers may contact their county or state FSA offices for more information on the programs listed above or read fact sheets available in PDF or HTML format listed on the FSA Web site: <http://www.fsa.usda.gov/pas/publications/facts/pubfacts.htm>.

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