



Fact Sheet

Tree Indemnity Program 2005 Hurricane Assistance

Overview

USDA Farm Service Agency's (FSA) Tree Indemnity Program (TIP) will provide funds to eligible owners of commercially grown fruit trees, nut trees, bushes, and vines that produce an annual crop and were lost or damaged due to 2005 hurricanes of Dennis, Katrina, Ophelia, Rita, and Wilma. Section 32 of the Agricultural Adjustment Act of August 24, 1935 authorizes TIP funding. The Act allows the Secretary of Agriculture to use funds to re-establish farmers' purchasing power.

Eligible Counties

The loss or damage must have occurred in one of 261 counties that received a primary presidential or secretarial disaster designation due to calendar year 2005 hurricanes. TIP assistance is unavailable for contiguous counties.

A list of the eligible counties, located in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas, is available online at: <http://www.fsa.usda.gov/pas/publications/facts/html/hurrcounties06.htm>.

Eligible Producers

An eligible fruit tree, bush, and/or vine producer is one who:

- Bears financial responsibility for the fruit trees, bushes, and/or vines;
- Suffered loss or damage of the trees, bushes, and/or vines directly resulting from an eligible hurricane in an eligible county during the applicable time period;
- Incurred costs of at least \$90 per acre for replanting, rehabilitation, cleanup, or debris removal, excluding crop production; and
- Is a citizen of, or legal resident alien in, the United States.

Eligible Fruit Trees, Bushes, and Vines

Eligible, fruit trees, bushes, and vines are defined as follows:

- Bush: a thick densely branched woody shrub grown to produce an annual crop;
- Fruit tree: a woody perennial plant having a single main trunk, commonly exceeding 10 feet in height and usually devoid of branches below, but bearing a head of branches and foliage or crown of leaves at the summit, that is grown to produce an annual crop, including nuts; and
- Vine: a plant from which an annual fruit crop is produced, such as grape, kiwi, or passion fruit that has a flexible

stem supported by climbing, twining, or creeping along a surface.

To be eligible, the stand must:

- Be physically located in an eligible county;
- Have been impacted during an eligible hurricane during the applicable time period;
- Be grown for commercial use for human consumption; and
- Be fruit bearing.

Timber, nursery inventory, and container-grown fruit tree (including nut trees, bushes, and vines) losses are ineligible for TIP assistance.

Payments Based on Tier System

TIP will provide flat payments per acre for eligible producers to clean up, remove debris, replant, and rehabilitate eligible trees, bushes, and vines.

FSA will base payments on the stands' proximity to the hurricanes' bands of severity, from most to least severe. FSA established four tiers to represent the severity levels, using the maximum sustained wind speeds recorded by U.S. Weather Service stations located in the impacted areas.

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Maps of eligible counties showing the four tiers are available at applicable local FSA offices and online at: <http://disaster.fsa.usda.gov>.

Payment Calculation

To calculate program payments, FSA will multiply the applicable tier's payment rate by the number of eligible acres in a stand of fruit trees, bushes, and/or vines by the producer's share in the crop. The per-acre payment rates by tier are:

- Tier 1: \$750;
- Tier 2: \$300;
- Tier 3: \$200; and
- Tier 4: \$90.

Producers must certify to the tier that corresponds to their level of loss. If an applicant's actual expenses exceed the value associated with the tier based on the stand's location, the applicant may request that the stand be placed in the next lower-numbered tier (from Tier 3 to Tier 2, for instance) to receive a higher payment rate.

Conversely, if an applicant's expenses are less than the value associated with the tier based on the stand's location, the applicant must request that the stand be placed in the higher-numbered tier to receive a lower payment rate.

FSA will issue payments soon after an application has been submitted and all supporting documents have been filed.

Payment Limitations

No "person" may receive more than \$80,000 in TIP payments. An individual or entity whose average adjusted gross income exceeds \$2.5 million is ineligible for TIP benefits, unless 75 percent or more of their income is derived from farming, ranching, and/or forestry.

Sign-up and Application Requirements

TIP sign-up will begin on May 17, 2006, at local FSA offices. Applications must be filed in the county office where the loss physically occurred.

On the TIP application, producers must:

- Identify the geographic location, and producer share, and number of acres in the disaster-affected stand of claimed fruit trees, bushes, and vines;
- Certify that the damage or loss occurred during the applicable disaster period resulted from the applicable hurricane;
- When tiering-up, provide supporting documents for cleanup, debris removal, rehabilitation and replanting for kind of claimed fruit trees, bushes, or vines, including:
 - Purchase records;
 - Bank or other loan papers;
 - Federal Emergency Management Agency and National Guard records;

- Internal Revenue Service records;
- Property tax records; and
- Private insurance documents.

For More Information

The TIP assistance is part of a \$4.5 billion USDA package of aid to help agricultural producers and rural communities recover from the 2005 Gulf Coast hurricane season. For more information on TIP and other USDA disaster aid programs, visit your local FSA office and FSA's Web site at: <http://disaster.fsa.usda.gov/fsa.asp>.

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