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Natural Disaster Assistance Available From the U.S. Department of Agriculture

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Natural Disaster Assistance Available From the U.S. Department of Agriculture

Types of Assistance Available

The U.S. Department of Agriculture (USDA) renders many types of assistance in emergencies caused by natural disasters. The nature and scope of the disaster determine which types of assistance are available and which will be authorized. The USDA disaster programs are coordinated by the Director, Intergovernmental Affairs, Governmental and Public Affairs. Depending on the nature and severity of a disaster, USDA is prepared to do the following:

- Provide emergency food assistance.
- Assist in providing livestock feed.
- Provide loans and cost-share financing to assist farmers and other rural residents in rehabilitation efforts.
- Assist rural electric and telephone cooperatives to repair or replace damaged lines.
- Make indemnity payments to farmers for crops covered by insurance through the Federal Crop Insurance Corporation (FCIC).
- Provide technical information and assistance to farmers and others in developing disaster plans and in returning to normal after a disaster has occurred.
- Control plant and livestock diseases and insect infestations.
- Provide fire protection in and management of National Forests and assist in controlling fires that threaten to spread from nearby lands onto National Forests.
- Provide assistance through regular USDA programs adapted as necessary to disaster situations.

Where to Apply For Assistance

USDA has offices to serve every county. In many counties, all USDA agencies are at a central location. Except for the following types of assistance, any local USDA agency office can either take the application for approved programs or direct the person to the nearest office of the USDA agency providing the service:

- For fire fighting aid on private lands, contact the nearest Federal or State forestry office or local fire department. If they cannot handle the fire, they will request additional assistance.
- For assistance for Indian tribes, contact the Department of Interior, Bureau of Indian Affairs.
- For assistance to electric and telephone borrowers, contact the Rural Electrification Administration (REA) in Washington, D.C.
- For certification of eligibility for food coupons, disaster victims who are able to prepare foods and serve then as a family unit should apply at the local city or county welfare office, or to an

authorized disaster assistance center, if established.

Assistance Available Even Without a Declaration of a Major Disaster by the President.

The Agricultural Stabilization and Conservation Service (ASCS) can provide assistance as follows:

- **Agriculture Conservation Program (ACP).** The ACP may be used to replace some conservation structures destroyed by natural disasters on eligible lands. ACP stresses enduring conservation practices and results.
- **Emergency Conservation Program (ECP).** The ECP provides emergency funds for sharing with farmers and ranchers the cost of rehabilitating farmland damaged by natural disasters. Costs are also shared for carrying out emergency water conservation measures during periods of severe drought.
- **Adjustments in Regular Programs.** Some regular programs include specific procedures for natural disaster aid such as payments to wheat, feed grain, rice, and upland cotton growers when planting is prevented or yields are prevented or yields are abnormally low and Federal crop insurance is not available.
- **Grazing and Haying.** Seasonal grazing or haying may be authorized on conservation-use acreage retired from the production of annual program crops (wheat, feed grains, rice, and upland cotton).
- **Indian Acute Distress Donation Program.** Commodity Credit Corporation (CCC)-owned feed grains may be donated to Indian tribes for livestock feeding under the Indian Acute Distress Donation Program following a decision by the Administrator, ASCS that the chronic acute distress for the needy members of an Indian tribe has been materially increased due to severe drought, flood, hurricane, blizzard, or other catastrophe. Distribution of feed to the tribe is arranged by the Department of the Interior, Bureau of Indian Affairs.
- **Migratory Wildfowl Feeding.** CCC-owned grain may be donated to the Department of the Interior for feeding migratory waterfowl when threatened with starvation or for prevention of crop damage, upon a finding by the Secretary of the Interior that an emergency exists.
- **Resident Wildlife Feeding.** CCC-owned grain may be also be donated to State agencies for feeding resident wildlife threatened with serious damage or loss from starvation, upon the requests of appropriate State agencies and authorization by the Secretary of the Interior.

Animal and Plant Health Inspection Service (APHIS) is prepared to provide technical advice and assistance as follows:

- **Animal Diseases.** Veterinarians and livestock inspectors may assist in emergency measures to prevent, control, and eradicate certain domestic livestock and insect diseases.
- **Plant Pests.** Plant pathologists and entomologists may assist in emergency measures to control, eradicate, and prevent the spread of certain plant diseases and insect pests.

State Cooperative Extension Service (CES) supports all USDA natural disaster missions through the land-grant universities by providing:

- **Information and educational material** to farmers, ranchers, and others on what they can do to protect themselves and their property against the hazards associated with disasters.
- **Advice** on cleanup of damaged property, sanitation precautions, insect control, food preparation in an emergency, recovery actions on damaged farms, and renovation of damaged equipment and property.

Farmers Home Administration (FmHA) may make emergency loans following a natural disaster. The President or Secretary of Agriculture may implement the emergency loan program by naming a county a "disaster area." In situations involving severe physical losses, the FmHA Administrator may also name a county a "disaster area" to make disaster loans available.

Who May Receive Loans? Eligible farmers, ranchers, and aquaculture operators may receive emergency loans.

Emergency Loans cover actual losses; and may be used;

- (1) To repair, restore, or replace damaged or destroyed farm property and supplies.
- (2) For expenses incurred for crop production.
- (3) To pay farm debts owed to another creditor.

Loan Eligibility of applications will be considered without regard to race, color, creed, sex, marital status, or national origin from anyone who:

- Has suffered property damage or severe production losses from a natural disaster.
- Is a U.S. citizen.
- Is an established farm, ranch, or aquaculture operator (either tenant or owner-operator) who manages the enterprise.
- Is of good character, and with the industry, ability, and experience to carry out the proposed farming operations.

Loans are Limited to 80 percent of the amount of actual loss or \$500,000, whichever is less, for each disaster.

Interest Rates vary as follows:

- For those *unable* to obtain the necessary credit from conventional sources, the rate is 8 percent.
- For those who are *able* to obtain credit from conventional sources, the rates are established periodically by the Secretary of Agriculture based on the rate that conventional lenders are charging for similar loans.

Loan Repayment Terms specify that:

- (1) Repayment must be made as rapidly as is feasible in annual installments consistent with the applicant's ability to pay. Repayment varies according to the purpose of the loan and the type of collateral available to secure the loan. Loans for:
 - Actual losses to crops, livestock, supplies, and equipment may be scheduled for a period normally not to exceed 7 years. These loans may be rescheduled for an additional 7 years. Under some conditions, a longer repayment period may be authorized, but it may not exceed 20 years. Generally, real estate will be needed as security when more than 7 years is authorized.
 - Actual losses to physical property, such as farm dwellings and structures, will normally be scheduled for repayment within 30 years or less. Under some conditions, a longer repayment period may be authorized up to 40 years.
- (2) All emergency loans will be reviewed 2 years after they are made and every 2 years thereafter to determine whether borrowers are able to return to regular sources of credit. Borrowers are required to refinance if it is determined that other suitable credit is available to them, even though their emergency loans have not fully matured.

As Security liens on crops, livestock farm machinery, or farm real estate cover the amount of the loan. If the usual security cannot be provided because of the disaster, loans may be made on the collateral that is available, even if part of it has depreciated value because of the disaster, and on the basis of the applicant's repayment ability.

The Federal Crop Insurance Corporation (FCIC) offers crop insurance for 28 crops in over 3,000 counties in 49 states. Under the Federal Crop Insurance Act of 1980, coverage was made available for all counties formerly covered by the Agricultural Stabilization and Conservation Services's (ASCS) low-yield disaster payments. It covers unavoidable losses due to any adverse weather conditions including drought, excessive rain, hail, wind, hurricanes, tornadoes, and lightning. It also covers unavoidable losses due to insect infestation, plant disease, floods, fires, and earthquakes.

Farmers Can Select Coverage. The flexibility of crop insurance policies offer choices of guaranteed yield amounts and prices to be paid on each bushel or pound of loss. The cost of insurance, which is a fully deductible business expense, depends on the level of protection selected. Farmers can insure their crops for 50, 65, or 75 percent of yield. If their harvest is less than the insured level because of natural conditions, the insurance pays the difference. Farmers select their own rate payment by electing one of the three levels of payment when they buy the insurance. Growers get special low-cost premium rates because the Government pays 30 percent of the premium cost up to the 65 percent coverage level.

What about Yield Differences? Crop insurance can be more specifically tailored to an individual farmer's needs by the Individual Yield Coverage (IYC). The IYC allows for the individual's verifiable production history to be figured into the policy. Changes in the 1983 IYC program also give greater credit for higher yields in nonverifiable years, thus making it more attractive for productive farmers to elect crop insurance coverage.

Rates. Premium rates vary throughout the Nation and even within counties reflecting differences in productivity and the risk of loss.

Food and Nutrition Service (FNS)

Under PL 93-288 and implementing Executive Order 11795, the responsibility for distribution of food in a natural disaster area is assigned to the Federal Emergency Management Agency (FEMA). However, the Secretary of Agriculture is authorized to make USDA-donated foods available for group feeding or household distribution when a disaster occurs. He distributes emergency food stamps to victims of disasters.

- USDA food distribution regulations provide that foods donated for school feeding and other FNS programs may be used by relief organizations for mass feeding in emergency or disaster situations. USDA-donated foods may also be used for emergency distribution to households in food stamp areas affected by disasters when the Secretary of Agriculture determines that commercial channels of food distribution have been disrupted.
- In disaster areas the Secretary of Agriculture also is authorized to establish temporary emergency standards of eligibility for food stamp assistance to victims for the duration of the emergency if:
 - (1) Requested by the State agency responsible for the administration of federally aided public assistance programs, and
 - (2) As the result of a disaster, income or resources are reduced or inaccessible, and households need food assistance which cannot be met by the regular Food Stamp Program procedures.

Forest Service (FS)

- Provides fire protection in national forests, and assists in control of fires that threaten to spread from nearby lands onto national forests.
- Cooperates with State foresters by providing financial and technical assistance in rural and wildland fire prevention and suppression.
- Provides technical and financial assistance to State organizations for preventing, detecting, and evaluating forest insect and disease outbreaks on land of all ownership.
- Installs emergency measures for runoff retardation and soil erosion prevention to safeguard life and property of watershed lands suddenly damaged by fire, flood, and other natural disasters.
- Furnishes personnel and equipment for search and rescue work and other emergency measures on national forests and on other lands in cooperation with State forestry agencies.

Office of Transportation (OT) can assist in obtaining railroad freight rate reductions to facilitate the movement of:

- Feed supplies to areas affected by natural disasters, or
- Livestock from such areas to other areas where adequate pasture or forage exists.

The Rural Electrification Administration (REA) assists REA-financed electric and telephone cooperatives and companies with additional loans and technical assistance in obtaining resources for restoration of service after a natural disaster.

The Soil Conservation Service (SCS) provides technical and financial assistance for runoff retardation and soil erosion prevention as needed to reduce hazards to life and property from floods, drought, and the products of erosion on any watershed impaired by a natural disaster. SCS provides technical assistance for:

- Rehabilitation of land and conservation systems for which ASCS provides cost-sharing.
- Emergency protection against high water and rehabilitation of rural lands damaged by natural disaster.

Provides information and materials (maps and reports) on watershed projects, river basin studies, and Resource Conservation and Development projects. Makes available agency equipment for emergency use.

Additional Assistance Available

A Presidential major disaster or emergency declaration under the Disaster Relief Act of 1974 makes possible the following additional assistance:

Livestock Feed

- (1) Assistance may be offered through the donation of CCC-owned feed grain under the:
 - Crash Feed Grain Donation Program. Eligible livestock are those which are commingled, stranded, and unidentified as to owner or owned by one who is temporarily unable to arrange for feed or pasture. This program lasts only until owners are able to resume care of their livestock.
 - Herd Preservation Feed Grain Donation Program. Eligible owners must have had their livestock operation so damaged by the disaster that they do not have sufficient remaining cash or credit with which to purchase necessary feed grains at present market prices to maintain their livestock.
- (2) The Federal Emergency Management Agency (FEMA) may:
 - Pay additional cost of feed ingredients and services over and above the donated CCC-owned feed grains, or
 - Authorize the purchase of feed locally if CCC-owned feed grains are not readily available.

Fire Fighting

The Disaster Relief Act of 1974 authorizes the President to provide assistance, including grants, to any State for putting out any fire on publicly or privately owned forest or grassland which may cause destruction that would constitute a major disaster. The USDA Forest Service, or the Bureau of Land Management of the Department of the Interior, provides technical assistance to the Federal Emergency Management Agency (FEMA) in the administration of this provision.

Debris Clearance

- (1) The Disaster Relief Act of 1974 authorizes the President to use Federal departments, agencies, and instrumentalities to:
 - Remove debris and wreckage resulting from a major disaster from publicly or privately owned lands and waters, or
 - Make grants to any State or local government for such debris removal.
- (2) Policies, procedures, and methods of removal will be determined by the Federal Emergency Management Agency.

FmHA Emergency Loans

When the President makes a major disaster or emergency declaration, the FmHA emergency loans are automatically made available to eligible producers in counties named by the Federal Emergency Management Agency.

