

# USDA Farm Service Agency Disaster Assistance<sup>1</sup>

Michael T. Olexa and Lauren Grant<sup>2</sup>

## Introduction

1. Where to Apply for Assistance
2. USDA Assistance Available in Areas Designated as Natural Disaster Areas
3. USDA Assistance Available in Areas without a Determination of Major Disaster

## Where to Apply for Assistance

Every county in the United States has a USDA agency office that can help citizens find the right place to apply for the assistance they need. Applications and information about emergency food assistance can be obtained at any state or local government food assistance office (e.g., SNAP—Supplemental Nutrition Assistance Program, formerly known as Food Stamps Program). Find the location of your county office online at the United States Department of Agriculture (USDA) website. Access online at <http://www.fns.usda.gov/snap/Default.htm>

For assistance for Indian tribes, first contact the nearest tribal office or the Bureau of Indian Affairs (BIA), United States Department of the Interior.

## USDA Assistance Available in Areas Designated as Natural Disaster Areas -- Emergency Loans

The Farm Service Agency (FSA) provides emergency loans to help cover production and physical losses in counties declared as disaster areas by the President, or designated by the Secretary of Agriculture as a disaster area or quarantine area. Additionally, emergency farm loans for physical losses may be authorized by the FSA Administrator.

The loan limit is up to 100 percent of actual production or physical losses, with a cap of \$500,000.

Depending upon the loan purpose, repayment ability, and the collateral available as loan security, you will normally have from one to seven years to repay loans for crop, livestock, and non-real estate losses. Loans for physical losses to real estate are normally repaid within thirty years.

1. This document is EDIS document DH201, formerly IFAS publication DH0433. Published June 1998, revised January 2016. It is part of The Disaster Handbook, a component of the Comprehensive Disaster Preparedness and Recovery Education Module. There are ten Disaster Handbook documents by Olexa and Walker: DH138, DH199, DH200, DH201, DH202, DH203, DH204, DH206, DH215, and DH219. Visit the EDIS website <http://edis.ifas.ufl.edu>.
2. Michael T. Olexa, professor, Department of Food and Resource Economics, and director, Center for Agricultural and Natural Resource Law, UF/IFAS Extension, Gainesville, FL. Lauren Grant, student, Levin College of Law, University of Florida, Gainesville, FL.

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In unusual circumstances, repayment may be extended. The current annual interest rate is 3.75 percent.

## Eligibility for USDA Loans

- You must be an established family farm operator
- You must be a citizen or permanent resident of the United States
- You must have the ability, training, or experience to repay the loan
- You must have suffered a qualifying physical loss, or a production loss of at least 30 percent in any essential farm or ranch enterprise
- You must not be able to obtain commercial credit
- You must provide collateral to secure the loan
- The agency must receive your application within eight months of the disaster designation date
- You must have acceptable farm records
- You must operate in accordance with a farm plan that you develop and that the FSA and you agree upon
- You may be required to participate in a financial management training program
- You may be required to obtain crop insurance

## USDA Loan Uses

- 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
- Refinance debts

## USDA Assistance Available in Areas without a Major Determination of Disaster

### USDA Crop Insurance

With the passage of the Federal Agriculture Improvement and Reform Act of 1996, producers are responsible for more of their agricultural risks than ever before. Crop insurance is one way producers can address their own risk management needs. The USDA created the Risk Management Agency (RMA) in 1996 to administer the federal crop insurance program and to provide producers with risk education and access to other risk management tools.

Producers must sign up for crop insurance in advance of the growing season. If you have crop insurance provided through the RMA, you can be reimbursed for unavoidable crop losses. When a disaster occurs, immediately contact your insurance provider to provide a “notice of loss.” Your insurance provider will make the necessary arrangements to have a loss adjustor visit your farm to determine the extent of the damage and to fill out the necessary paperwork.

## Non-Insured Crop Disaster Assistance Program (NAP)

The Non-insured Crop Disaster Assistance Program (NAP) provides assistance to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevent planting of an eligible crop.

Eligible crops include commercial crops or other agricultural commodities (except livestock) for which catastrophic risk protection under Section 508(b) of the Federal Crop Insurance Act is not available. In addition to the requirement that the crops be uninsurable, the crops must also be grown for food, livestock consumption, or fiber, or must be grown in a controlled environment as a specialty crop, a value loss crop (such as aquaculture and Christmas trees), sea oats, or sea grass, or seed crops where the seeds will be sold for other NAP-eligible crops.

Payment eligibility is based on an expected yield for the area and the producer’s approved yield based on actual production history. If sufficient production records are unavailable, payment eligibility may be based on a transitional yield. A producer must demonstrate that a natural disaster has reduced the expected crop yield by more than 50 percent or prevented the planting of at least 35 percent of the crop acreage.

- **Beneficiaries:** Landowners, tenants, and sharecroppers who share in the risk of crop production and have a nonfarm adjusted gross income of less than \$500,000.
- **Limitations:** Producers must report acreage and production by specified deadlines and furnish a timely notice of loss within 15 days of the date when a loss becomes obvious. Additionally, applications for NAP payments must be filed with the local office no later than the first acreage reporting date for the crop in the crop year immediately following the crop year in which the loss occurred.
- **Eligibility:** Payments for a crop year are capped at \$125,000. If a producer is eligible to receive assistance and benefits for the same crop loss under any other program administered by the USDA, the producer must choose

whether to receive the other program benefits or NAP assistance. The producer is not eligible for both.

## Rural Development Program

Information about the Rural Development Program is available online at the USDA website. Access online at <http://www.rurdev.usda.gov/>

- Rural Business Service: This Service provides direct and guaranteed rural economic loans and rural business enterprise grants. Programs are offered to businesses and cooperatives affected by natural disasters.
- Rural Housing Service: This Service provides subsidized direct and guaranteed loans to low-income rural residents and communities in need of housing or community facilities. When needed, existing borrowers are offered loan forbearance to recover from the effects of a natural disaster.
- Rural Utilities Service: This Service provides electric and telecommunications cooperatives and companies financed by the Rural Utilities Service with technical and/or loan assistance for restoration of service after a natural disaster.

## USDA Food Assistance

- Foods donated for school food services and other Food and Nutrition Service programs may be released to relief organizations that prepare meal services in situations of distress.
- Additionally, the Secretary of Agriculture may authorize state and local agencies to make supplemental nutrition assistance available during any disaster that disrupts commercial channels of food distribution. Such assistance may be determined to be necessary if, as a result of the disaster, income or resources are reduced or inaccessible, and households need food assistance that cannot be met by the regular Food and Nutrition Service Program procedures.

## USDA Technical Assistance

- Animal Diseases and Plant Pest Control: The Animal and Plant Health Inspection Service's regional emergency response organizations have a network with animal health officials in every state and also have their own personnel who can advise and assist in disaster responses involving control, movement, euthanasia, and disposal of livestock and poultry. The main APHIS customer service call center phone number is 1-844-820-2234. Local phone numbers would be established in the event of an emergency response.

- Food Safety: When food safety questions arise due to reasons such as power failure, natural disaster, or product recalls, the Food Safety and Inspection Service helps consumers through its toll-free meat and poultry hotline. Consumers may call 1-888-674-6854, Monday through Friday, from 10 a.m. to 4 p.m. Eastern Standard Time.

## USDA Non-Discrimination Statement

The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. However, not all prohibited bases apply to all programs. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center in Washington, D.C. at 1-202-720-2600 (voice and TDD) (this is not a toll-free number). Alternatively, persons may dial 1-844-433-2774 (toll-free nationwide).

## Source for This Publication

- United States Department of Agriculture, Farm Service Agency. Disaster Assistance Programs. Access online at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=landing>