

NEW FARM BILL DISASTER PROGRAMS — SOME FARMERS MAY NEED TO PAY FEE BY SEPTEMBER 16 TO BE ELIGIBLE FOR 2008 CROP LOSSES

A new Farm Bill was enacted in mid-2008. Among other major federal farm policy changes, the 2008 Farm Bill creates five new disaster programs that will be available for losses resulting from disasters that occur before October 1, 2011.

This piece will give a brief summary of these new programs. Unfortunately, the specific requirements for each program will not be known until the Farm Service Agency (FSA) publishes program regulations, which is not expected until 2009.

Key points about these new programs are:

- The new programs will be available to (1) farmers in disaster counties as declared by the President or designated by the U.S. Secretary of Agriculture, (2) farmers in counties bordering declared disaster counties, and (3) any individual farmer who suffered more than a 50 percent reduction in normal production due to weather conditions, whether or not the farmer operates in a declared disaster county.
- In general, a farmer must have obtained crop insurance or NAP coverage on all crops to be eligible for the new Farm Bill disaster programs.
- For the 2008 crop year only, farmers who did not get crop insurance or NAP coverage for all of their crops may become eligible for the new programs by paying a “buy-in” fee to FSA by **September 16, 2008**, for each crop without insurance or NAP coverage.
- Although the “buy-in” fees must be paid by **September 16, 2008**, USDA has said that benefits from the new Farm Bill disaster programs will probably not be paid out for a year or more.
- Some farmers have found that their local FSA offices are not aware of these new programs, nor the opportunity to pay a fee to become eligible for 2008 crop losses. If this is the case, farmers should tell the FSA personnel to refer to FSA Notice DAP-285, which was issued by the FSA national office on July 8, 2008. Farmers who did not have insurance or NAP coverage for all crops and wish to pay the buy-in fees should insist on exercising their right to do so by **September 16, 2008**.
- The buy-in fees for 2008 eligibility for the new disaster programs will be \$100 per crop per county, up to a maximum of \$300 per county and \$900 per farmer, with some reduction for any NAP or CAT insurance administrative fees already paid by the farmer for other 2008 crops.

- Individual farmers who meet the definition of socially disadvantaged, limited resource, or beginning farmers or ranchers may request a waiver from FSA of the requirement that all crops must be covered by crop insurance or NAP. This waiver opportunity is not limited to the 2008 crop year.

The 2008 Farm Bill Disaster Programs

Supplemental Revenue Assistance Payment Program (SURE)

SURE will provide cash payments to eligible producers who have incurred crop production losses or crop quality losses, or both. A farmer's SURE payment will be 60 percent of the difference, as determined by FSA, between the revenue amount guaranteed under the program and the farmer's actual total farm revenue.

The requirement to obtain crop insurance or NAP coverage for all crops for which coverage is available does apply to eligibility for SURE.

Livestock Indemnity Program (LIP)

LIP will provide cash payments to eligible producers for livestock death losses in excess of normal mortality due to adverse weather. Eligible losses may include those determined by FSA to have been caused by hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold.

LIP indemnity payments will be 75 percent of the market value of the livestock on the day before the date of death of the livestock, as determined by FSA.

Eligibility for LIP does not require the farmer to have obtained crop insurance or NAP coverage for all crops.

Livestock Forage Disaster Program (LFP)

LFP will provide cash payments to eligible producers who suffered grazing losses for eligible livestock because of drought or fire.

LFP payments for drought losses will be based upon the producer's monthly feed cost, as determined by FSA, and the severity of drought in the area. LFP payments for fire losses will be based upon the producer's monthly feed cost, as determined by FSA, and the length of time the producer is excluded from rangeland due to fire.

For LFP eligibility, crop insurance or NAP must be obtained for crops grown on grazing land, if available.

Tree Assistance Program (TAP)

TAP will provide cash payments to eligible orchardists and nursery tree growers for qualifying tree losses due to natural disaster. TAP payments will be 70 percent of replanting costs and 50 percent of salvage costs for qualifying losses.

For TAP eligibility, crop insurance or NAP must be obtained for all crops growing on vines and trees, if available.

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (EALHF)

Under the EALHF, FSA may spend up to \$50 million per year to provide emergency relief for losses due to feed or water shortages, disease, adverse weather, or other conditions, such as blizzards and wildfires, that are not adequately addressed by other disaster programs.

The 2008 Farm Bill does not specify how the crop insurance or NAP coverage requirement will be applied for EALHF.



For more information on disaster assistance available to farmers, visit the FLAG website at www.flaginc.org/topics/disaster/index.php or contact FLAG's office at 651-223-5400. In Minnesota, the phone call is toll-free at 1-877-860-4349.