

Disaster Assistance for Farmers Affected by Hurricane Katrina

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Leading family farm organizations like Farm Aid, Farmers' Legal Action Group, Inc. (FLAG), National Family Farm Coalition (NFFC), Rural Advancement Foundation International (RAFI-USA), Federation of Southern Cooperatives, and Louisiana Interchurch Conference have worked together for years to help farmers get the assistance they need in the aftermath of natural disaster. One resource that has grown out of this collaborative work is *Farmers' Guide to Disaster Assistance*

The following is to offer initial thoughts on some actions farmers can take in the immediate aftermath of a natural disaster in order to get their farm back in working order and to preserve their eligibility for federal disaster assistance programs. It is not meant as a substitute for the detailed information in *Farmers' Guide to Disaster Assistance*.

FLAG has written a book, *Farmers' Guide to Disaster Assistance*, that uses clear language and detailed citations to help farmers and their advisors navigate the maze of rules and regulations that govern complicated federal programs. This *Guide* includes detailed descriptions of programs such as:

- Federal Emergency Management Agency (FEMA) Programs;
- Federal Crop Insurance;
- Non-insured Crop Disaster Assistance Program (NAP);
- Emergency Conservation Program (ECP);
- Disaster Assistance Programs for Livestock Producers;
- Farm Service Agency (FSA) Emergency (EM) Loans;
- Farm Service Agency (FSA) Disaster Set-Aside Program for existing loans;
- Small Business Administration (SBA) Disaster Loans;

as well as brief discussions of bankruptcy and federal income tax issues as they relate to losses caused by natural disaster.

The book can be downloaded for free from [FLAG's Web site](#). A bound copy of the book is available for \$40 per book, and orders can be placed by calling FLAG's office at 651-223-5400 or by visiting the [FLAG Web site](#). A limited number of bound copies of the book are available without charge for family farmers affected by Hurricane Katrina who contact FLAG and request a copy.

Regular updates are also posted on the [FLAG Web site](#)

Practical Steps for Farmers Affected by Hurricane Katrina

Focus first on meeting basic needs of family members. Then, notify insurance providers (crop insurance, premises insurance, home insurance, flood insurance, Farm Service Agency) of losses as soon as possible. Many crop insurance policies require producers to notify insurers within 72 hours of first discovery of crop damage, though some policies allow waiver of the deadline for good cause. For partial or total losses, an inspection by a loss adjuster or an appraisal may be needed.

When able to do so without compromising health and safety, farmers may want to take photos of damage to the farm. Some people like to use a camera that date stamps the pictures, or to include a current newspaper in the picture.

After basic needs for food, shelter, etc. have been addressed; try to collect, recover, or recreate documents about the farming operation. Many farmers have planting history, including acreage and yields of crops or production of livestock, on file with the Farm Service Agency. These files may still exist in electronic form. Documenting this year's farming losses may be more difficult.

Feed and seed suppliers, livestock auction-houses, fertilizer and chemical companies, elevators, equipment dealers, and credit card companies may be able to help farmers recreate lost or damaged records from electronic data

For casualty losses of livestock, keep records of disposal methods—whether that is photos, receipts from rendering plants or incinerators, or records of sales of injured animals. Keep records of any livestock that must be sold early due to unavailability of feed.

Farmers who are not eligible for unemployment insurance benefits may be eligible for disaster unemployment assistance. Disaster unemployment assistance (DUA) is a federal program administered by state departments of labor. To qualify for DUA, a person must either be an unemployed worker or an unemployed self-employed individual—which can include farmers. In general, an application for DUA must be filed with the state within 30 days of the official announcement date of the disaster. If the applicant can show good cause for filing late, however, the state must accept the application.

Several toll-free numbers are available for persons affected by Hurricane Katrina to apply for DUA. Many shelters and job centers are also accepting applications for DUA in person. Contact numbers to apply for DUA include:

- U.S. Department of Labor 1-877-872-5627
- Louisiana Department of Labor 1-866-783-5567
(Louisiana residents currently residing in Texas may call 800-818-7811;
Louisiana residents currently residing in Alabama may call 1-866-234-5382)
- Mississippi Department of Employment Security 1-888-844-3577
(Mississippi residents currently residing in Alabama may call 1-866-234-5382)
- Alabama Department of Industrial Relations 1-866-234-5382

While farmers usually want to restore their farms to working order as quickly as possible, they should be aware that federal assistance for efforts to restore farmland damaged by natural disaster (including cost share under the Emergency Conservation Program) is generally available under current regulations only if the farmer applies for and receives assistance *before* making the repairs. Farmers who take immediate action that was needed to prevent further loss may receive post-approval for assistance from the Farm Service Agency on a case-by-case basis. The cost share generally may be up to 75%, or up to 90% for limited resource farmers.

Livestock producers and crop farmers should report losses to their local FSA office even if told that no assistance is currently available for their losses. It may help to demonstrate the need for assistance, and may make it easier for the farmer to access any program that is authorized later

In some cases, farmers experiencing serious financial losses as a result of a natural disaster will need to give thought to filing for bankruptcy. Changes to Chapter 12, the federal bankruptcy law for family farmers, are currently scheduled to take effect in October 17, 2005. Farmers considering bankruptcy may want to consult an attorney to discuss whether to file before or after the changes take effect

Federal Farm Disaster Assistance Policy

A [USDA publication](#) states that "Agricultural-related disasters are quite common. One-half to two-thirds of the counties have been designated as disaster areas in the each of the past several years." But much federal disaster assistance is ad hoc, and is available only when Congress makes a special appropriation. This often means that assistance for disasters may become available one, two, even three years after the disaster occurred. This delay makes good record-keeping following a disaster quite important. This delayed assistance can help compensate farmers for previous losses, but does little to address the immediate crisis and loss of income.

The ad hoc nature of disaster assistance also makes it difficult for employees in the local Farm Service Agency offices that administer the programs to keep track of the programs, much less master their rules and ensure that farmers get the assistance they are entitled to.

When Congressional funding does come, it has often come at the expense of funding for other programs, such as the popular Conservation Security Program, as happened last fall. Whatever the type of farmer, few regard the low-interest Emergency Loans offered by USDA as sufficient to recover from disaster losses. Many farmers have already maximized the amount of debt they can finance, and simply cannot take on any more debt. Farmers in "niche markets", such as organic agriculture, may have difficulty obtaining coverage for the premium prices they receive for their products.

Livestock producers, in particular, have few places to turn to address the increased costs when forage and feed crops are affected by flooding or drought, or when animals are lost as a result of natural disaster. Farmers may obtain assistance for grazing losses under the Livestock Assistance Program or the Crop Disaster Program. But they won't receive compensation under those programs for losses this year, at least not now. Those programs are currently available and funded for losses in the 2003 and 2004 crop years.