Statement by
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Before the Senate Small Business Committee
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Mr. Chairman and members of the Committee, I appreciate this opportunity to discuss the programs at the United States Department of Agriculture that can assist South Carolina farmers and ranchers after the historic flooding that occurred due to Hurricane Joaquin. My name is W. Jack Nettles, Acting State Director of USDA’s Farm Service Agency (FSA) in South Carolina. FSA is one of four agencies, including the Risk Management Agency (RMA), the Natural Resource Conservation Service (NRCS), and Rural Development (RD), within USDA that can provide assistance to agricultural producers impacted by the flooding.

During recent years, historic severe weather systems, ranging from flooding, hurricanes, droughts and blizzards, have affected much of the nation, and have also resulted in financial harm to farmers and ranchers throughout the countryside. Since 2009, Agriculture Secretary Tom Vilsack has worked to ensure that USDA is there to help those agricultural producers who have been hard hit by these natural disasters. It’s why during the 2012 drought, USDA cut in half the amount of time to complete the Secretarial disaster designation process; it’s why after the Farm Bill was enacted in February 2014 that the USDA restarted disaster assistance programs that had been expired for nearly three years in a record 60 days; and it’s why USDA today stands ready to work with every South Carolina farmer who needs help as a result of this catastrophic flooding. To that end, in the past several weeks since the flooding, FSA, in conjunction with other ag related stakeholders (including Clemson Extension, SC Department of Agriculture, SC Conservation Districts, SC Farm Bureau, the Governor’s Office, and others) has conducted 14 outreach meetings and many roundtables in 7 counties to listen to the concerns of the agricultural producers and how USDA can best provide assistance. There are several more outreach meetings that have already been scheduled and more that will be scheduled. FSA has also sent out several emails regarding the disaster programs available to farmers and has also issued several press releases concerning the disaster programs available.

There are a range of programs administered by FSA that can help producers recover from eligible losses. Producers located in counties that received a primary or contiguous disaster designation are eligible for low-interest emergency loans to help them recover from production and physical losses. Farmers in eligible counties have eight months from the date of the declaration to apply for loans to help cover part of their actual losses. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability.

Other programs available to producers do not require a disaster designation, but are available include the Livestock Indemnity Program (LIP), Livestock Forage Program (LFP), the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), Emergency Forest Restoration Program (EFRP) and the Tree Assistance Program (TAP). Additionally, the FSA Emergency Conservation Program (ECP) provides funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters. Financial assistance is also available to producers who purchased coverage through the Noninsured Crop Disaster Assistance Program (NAP), which protects non-insurable crops against natural disasters that result in lower yields, crop
losses or prevented planting. More information on FSA disaster programs is available at disaster.fsa.usda.gov.

USDA’s NRCS can also help producers with damaged agricultural lands caused by natural disasters such as floods. The NRCS Environmental Quality Incentives Program (EQIP) provides financial assistance to repair and prevent excessive soil erosion that can result from high rainfall events and flooding. Conservation practices supported through EQIP protect the land and aid in recovery, can build the natural resource base, and may help mitigate loss in future events. For declared natural disasters that lead to imminent threats to life and property, such as those declared this week in South Carolina, NRCS can assist local government sponsors with the cost of implementing recovery efforts like debris removal and streambank stabilization to address natural resource concerns and hazards through the Emergency Watershed Protection Program.

Another key tool available to producers is crop insurance. Crop insurance provides producers protection against significant year to year losses due to disaster or adverse weather. However, for that risk protection to be helpful in a year like this, producers must have made the decision to purchase coverage before the crop year begins. Those who purchased crop insurance will be paid for covered losses. Recently, RMA Associate Administrator Tim Gannon participated in a round table in South Carolina to respond to questions from producers on how the recent events may impact their coverage and policies. Producers with coverage through the RMA-administered federal crop insurance program should contact their crop insurance agent to pursue their claim. RMA has reached out to crop insurance companies at both the local and national levels regarding the current conditions and have been advised by AIPs that they are confident they have the financial and loss adjustment resources available to expeditiously handle the claim workload. RMA will continue to monitor the situation. Additionally, RMA has issued an Informational Memorandum and Frequently Asked Questions on its website to address specific crop insurance questions related to producers coverage that have been received from South Carolina.

USDA can provide the majority of these services through its unique network of local county offices throughout South Carolina. This local presence is how USDA works each day, and every way, so that South Carolina agricultural producers know that we’re their partner in strengthening their version of the American dream. FSA urges producers who experienced losses, including those who have yet to complete a final record of their losses, to contact their nearest USDA county office to meet with our staff and to prepare or explore how our disaster assistance programs and loans may be able to help with alleviating part of the financial burden caused by natural disasters.

Our contact information for South Carolina can be found on the web at www.fsa.usda.gov/sc and farmers can find their closest USDA county office by visiting offices.usda.gov. Submitted for the record as part of this testimony are more details on USDA disaster assistance programs, which are also available at www.usda.gov/disaster.

Mr. Chairman, this concludes my statement. I will be happy to answer your questions and those of the other Committee Members.

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Farm Service Agency

- Livestock Indemnity Program (LIP): Compensates producers for livestock death due to natural disasters. Compensation is based on roughly 75% of the national average price of the livestock by type and age.

- Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP): Compensates producers for livestock death and pasture or forage loss on private lands due to natural disasters.

- Livestock Forage Program: Compensates producers who suffer pasture or forage loss due to drought or who have federally managed grazing leases but are not allowed to graze the lease because of wildfire. Report losses within 30 days.

- Emergency Loans – low interest loans to replace farm and ranch buildings and structures, make repairs or replace livestock or feed. Must meet disaster/emergency criteria and be able to show repayment ability.

- Emergency Conservation Program (ECP): The Farm Service Agency covers a portion of the cost to replace fence or other conservation practices. This program is contingent on funding available.

- Emergency Forest Restoration Program (EFRP): Provides payments to nonindustrial private forest land owners for emergency measures to restore land damaged by a natural disaster.

- Tree Assistance Program (TAP): Provides financial assistance to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters. Forests are not eligible.

- Non-Insured Crop Disaster Assistance Program (NAP): Provides compensation to producers who grow uninsurable crops and have purchased NAP coverage by the crop signup dates.

Risk Management Agency:

- Provides insurance to farmers and ranchers who have previously enrolled in the subsidized multi-peril crop and livestock insurance programs.

Natural Resources Conservation Service:

- EQIP, a voluntary conservation program, is available to eligible farmers and landowners and offers financial and technical assistance to install or implement structural and management practices on private agricultural land and forest land. Eligible land includes cropland, pastureland and non-industrial private forestland. Eligible farmers and forest landowners in the 22 federally declared disaster counties can use existing EQIP funding to repair damaged conservation practices.

- NRCS will provide an initial $3 million to help eight South Carolina counties thus far relieve imminent threats to life and property through the Emergency Watershed Protection (EWP) Program. The EWP Program is designed to help communities and conserve natural resources by relieving imminent threats to life and property caused by natural disasters such as floods, fires and windstorms. All projects must be sponsored by a legal subdivision of the state, such as city, county or any federally recognized American Indian tribe or tribal organization. EWP also has a floodplain easement (EWP-
FPE) component. Privately owned lands or lands owned by local and state governments may be eligible for funding through that component.

**Rural Development:**

- **Single Family Housing** – Direct low income Home Ownership Loans, Home Ownership Loan Guarantees, and Direct Home Repair loans. Those whose property was destroyed, was severely damaged, or who have been displaced from a rental unit by the fire may receive priority hardship application processing.

- **Multi-Family Housing** – If a property was destroyed by the fire, Rural Development can issue a priority letter for next available Multi-Family Housing unit to affected residents. This is available only if a disaster is declared.

- **Community Facilities** – low interest loans for essential community facilities, such as fire equipment, community centers, city vehicles, food banks, day care facilities, etc.

- **Water Environmental Programs** – low interest loans for water and waste disposal systems and facilities including buildings, equipment, wells and pipe.

- **Business & Cooperative Programs** – business loans through intermediaries and guaranteed business loans.