



United States Department of Agriculture

# USDA's Farm Safety Net for Hurricane Damage

Steven Peterson, Acting Administrator, USDA Farm Service Agency



# Overview

- Permanent Disaster Programs
- Ad Hoc Disaster Legislation Prior to 2008
- Section 32 Authority
- CCC Charter Act
- Bipartisan Budget Act of 2018



# Permanent Disaster Programs

- Permanent Disaster Programs
  - Standing Safety Net for Producers
  - Disasters Occur – Producers Apply



# Permanent Disaster Programs

- Livestock Indemnity Program (LIP)
- Livestock Forage Disaster Program (LFP)
- Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish (ELAP)
- Tree Assistance Program (TAP)
- Noninsured Crop Disaster Assistance Program (NAP)
- Emergency Conservation Program (ECP)
- Emergency Loans
- Crop Insurance



# Prior 2008 Ad Hoc Disaster Legislation

- Ad Hoc Disaster Legislation - 1998 – 2007
  - Delays occur – Policy Development, Decision Matrix, Writing Regulations, Develop software, acquire funding, personnel resources
  - Labor intensive enrollments for staff and producers
  - Widely used for 2004 and 2005 Hurricane Losses



# Section 32 Authority

- Section 32 of the Agricultural Adjustment Act of 1935
  - Permanent appropriation since 1935. Majority of funds go to child nutrition. Provides Discretionary Authority for the Secretary of Agriculture to use Section 32 funds to:
    - Encourage the export of farm products
    - Encourage the domestic consumption of farm products
    - Re-establish farmers' purchasing power by making payments to them in connection with the normal production of agricultural commodities.
- Most recently the latter two options were used by the Secretary.



# Section 32 Authority

- 2005 Hurricanes – Dennis, Katrina, Ophelia, Rita, and Wilma
- Estimated \$250 million for 5 separate programs
- Secretary's authority was permanently capped with the 2008 farm bill, and the authorization of funding certain "permanent" disaster programs in the 2008 and 2014 farms bills reduced the need to use Section 32 for direct farm disaster assistance.



# CCC Charter Act

- Section 5(e) of the CCC Charter Act includes authority to make available materials and facilities required in connection with the production and marketing of agricultural commodities.
- Hurricane Irma and Maria Devastated Puerto Rico's agriculture sector, including dairy operations
- On October 21, 2017, USDA began signup for Puerto Rico's licensed dairy operations to purchase feed for cattle through a feed voucher process
- Delivered over \$7.5 million in feed vouchers directly from the three feed vendors on the island.



# Bipartisan Budget Act of 2018

- Signed into Law February 9, 2018
- Provides \$2.36 Billion in funding to implement an ad hoc disaster program covering crop, tree, vine, and bush losses in areas impacted by hurricanes and wildfires in 2017
- Allows coverage of up to 85% of the loss for insured and NAP covered participants and up to 65% of the loss for those that did not avail themselves of risk protection
- Requires all participants to purchase crop insurance and NAP, as applicable, for the next two available years



# Bipartisan Budget Act of 2018

- In addition, makes changes to permanent disaster programs:
  - ELAP – removes the \$20 million cap
  - LIP – is expanded to cover losses incurred by selling livestock at reduced prices and removes the \$125,000 payment limitation
  - TAP – increases eligible acres from 500 to 1000 acres and removes the \$125,000 payment limitation
  - ECP – authorizes \$400 million
  - Emergency Watershed Protection Program (EWP) authorizes 541 million





**Thank You**