

## **Disaster Assistance Programs for Agriculture**

### **Small Business Association SBA**

#### **USDA Programs**

#### **FEMA Programs**

### **Disaster Assistance: Small Business Administration (SBA)**

Through its Disaster Loan Program, SBA has been a major source of assistance for the restoration of commerce and households in areas stricken by natural and human-caused disasters. SBA offers direct loans to businesses to help repair, rebuild and recover from economic losses after a disaster, but about 80 percent of the agency's approved direct disaster loans are made to individuals and households (renters and property owners) to help repair and replace homes and personal property (rather than to small businesses). The program generally offers low-interest disaster loans at a fixed rate.

The SBA Disaster Loan Program includes several categories of loans:

#### **SBA Disaster Loans Available to Homeowners and Renters**

Assistance is provided via loans rather than grants and, therefore, must be repaid to the federal government. Homeowners, renters and personal property owners located in a declared disaster area (and in contiguous counties) may apply to SBA for loans to help recover losses from the disaster. SBA's Home Disaster Loan Program falls into two categories: personal property loans and real property loans. These loans cover only uninsured or underinsured property and primary residences. Loan maturities may be up to 30 years.

#### **Personal Property Loans**

A personal property loan provides a creditworthy homeowner or renter with up to \$40,000 to repair or replace personal property items, such as furniture, clothing or automobiles, damaged or lost in a disaster. These loans cover only uninsured or underinsured property and primary residences and cannot be used to replace extraordinarily expensive or irreplaceable items, such as antiques, recreational vehicles or furs.

#### **Real Property Loans**

A creditworthy homeowner may apply for a "real property loan" of up to \$200,000 to repair or restore the homeowner's primary residence to its pre-disaster condition. The loans may not be used to upgrade homes or build additions, unless upgrades or changes are required by city or county building codes. A real property loan may be increased by 20 percent for repairs to protect the damaged property from a similar disaster in the future.

## **SBA Disaster Loans Available to Businesses**

As with Home Disaster Loans, SBA disaster assistance for businesses is in the form of loans rather than grants and must be repaid. Three types of SBA disaster loans are available to businesses: Business Physical Disaster Loans, Economic Injury Disaster Loans and Pre-Disaster Mitigation Loans. The following sections briefly describe each of type of loan. The maximum loan maturity for a Business Disaster Loan is 30 years.

### **Business Physical Disaster Loans**

Any business, regardless of size, located in a declared disaster area may be eligible for a Physical Disaster Loan through the SBA Disaster Loan Program. Physical Disaster Loans are made available to repair or replace damaged physical property. The maximum loan amount is \$2 million. Physical Disaster Loans may be used for repairs and replacements to real property, machinery, equipment, fixtures, inventory and leasehold improvements that are not covered by insurance. Physical Disaster Loans for businesses may utilize up to 20 percent of the verified loss amount for mitigation measures in an effort to prevent loss should a similar disaster occur in the future. Interest rates for Business Physical Disaster Loans for businesses must be no lower than 4 percent and no higher than 8 percent.

### **Economic Injury Disaster Loans (EIDLs)**

EIDLs are available only to small businesses as defined by SBA size regulations, which vary from industry to industry. For example, to be considered small, most manufacturing firms must have no more than 500 employees and most retail trade firms must have no more than \$7 million in average annual sales. Small agricultural cooperatives and most private and nonprofit organizations that have suffered economic losses as the result of a declared disaster are also eligible for EIDLs. The maximum loan amount for an EIDL is \$2 million. The loan can have a maturity of up to 30 years and has an interest rate of 4 percent or less.

### **Pre-Disaster Mitigation Loan Program**

To support the Federal Emergency Management Agency's Pre-Disaster Mitigation Program, SBA may make low-interest, fixed-rate loans to businesses to finance measures to protect commercial property, leasehold improvements or contents from disaster-related damages that may occur in the future. A business that participates in the program may borrow up to \$50,000 each fiscal year. The business applying for the loan must be located in a participating pre-disaster mitigation community. Additionally, if the mitigation measures are designed to protect against flooding, the location of the business must be within a special flood hazard area. The interest rate for a Pre-Disaster Mitigation Loan is fixed at 4 percent.

### **Declared Disasters as Defined by SBA**

Only victims located in a declared disaster area (and contiguous counties) are eligible to apply for disaster loans. Disaster declarations are "official notices recognizing that specific geographic areas have been damaged by floods and other acts of nature, riots, civil disorders or industrial accidents such as oil spills." Usually, the incident must be sudden and cause severe physical damage or substantial economic injury. For example, the contamination of food supplies or natural events that cause the sudden displacement or closure of fishing waters may result in a disaster declaration and eligibility for SBA assistance. In contrast, some slow-onset events, such as shoreline erosion or gradual land settling, are not viewed by SBA as declarable disasters. Droughts and below-average water levels in lakes, reservoirs and other bodies of water may, however, warrant declarations.

## **Disaster Assistance : USDA Programs**

### **Emergency Conservation Program (ECP)**

ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would: impair or endanger the land; materially affect the productive capacity of the land; represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=ecp>

### **Emergency Watershed Protection Program (EWP)**

The Natural Resources Conservation Service (NRCS) EWP program helps protect lives and property threatened by natural disasters, such as floods, hurricanes, tornadoes and wildfires. The program provides technical and financial assistance to preserve life and property threatened by excessive erosion and flooding. Owners, managers and users of public, private or tribal lands are eligible for EWP assistance if their watershed area has been damaged by a natural disaster.

<http://www.nrcs.usda.gov/programs/ewp/>

### **Emergency Watershed Protection Program – Floodplain Easements**

The NRCS Emergency Watershed Protection Program – Floodplain Easements provides for the purchase of floodplain easements as an emergency measure. Floodplain easements restore, protect, maintain and enhance the functions of the floodplain; conserve natural values, including fish and wildlife habitat, water quality, flood water retention, ground water recharge and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods, drought and the products of erosion.

<http://www.nrcs.usda.gov/programs/ewp/Floodplain/index.html>

### **Emergency Forest Restoration Program (EFRP)**

EFRP provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=efrp>

### **Noninsured Crop Disaster Assistance Program (NAP)**

NAP provides financial assistance to eligible producers affected by drought, flood, hurricane or other natural disasters. NAP covers non-insurable crop losses and planting prevented by disasters. Landowners, tenants or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber, for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap) and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery and turf grass sod).

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=nap>

### **Supplemental Revenue Assistance Payments Program (SURE)**

SURE was authorized by the 2008 farm bill and covers crop revenue losses from quantity or quality deficiencies only in those counties and contiguous counties declared disaster areas by the agriculture secretary, or in cases where the overall production loss exceeds 50 percent. <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=sure>

### **Tree Assistance Program (TAP)**

TAP was authorized by the 2008 farm bill and provides partial reimbursement to orchardists and nursery tree growers for replanting, salvage, pruning, debris removal and land preparation if losses due to natural disasters exceed 15 percent.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=tap>

### **UMass Extension**

Technical assistance for food safety and contamination issues related to flooded crops and forages, crop production and soil management, monitoring for potential introduction of invasive pests and water borne diseases. [www.umass.edu/agland](http://www.umass.edu/agland)

### **Livestock, Honeybees and Farm Raised Fish**

#### **Emergency Assistance for Livestock, Honeybees and Farm Raised Fish (ELAP)**

ELAP was authorized by the 2008 farm bill to provide emergency relief to producers of livestock, honeybees and farm-raised fish, and covers losses from disaster, such as adverse weather or other conditions, such as blizzards and wildfires not adequately covered by any other disaster program.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=elap>

#### **Livestock Forage Disaster Program (LFP)**

LFP was authorized by the 2008 farm bill to provide assistance to livestock producers for forage losses due to drought and losses due to wildfire on public lands.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=lfp>

#### **Livestock Indemnity Program (LIP)**

LIP was authorized by the 2008 farm bill to provide assistance to livestock producers for livestock deaths from disaster events, in excess of normal mortality.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=diap&topic=lip>

### **Loans**

#### **Emergency Loan Program (ELP)**

The Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. Emergency loans may be made to farmers and ranchers who own or operate land located in a county declared by the president as a disaster area or designated by the secretary of agriculture as a disaster or quarantine area (for physical losses only, the FSA administrator may authorize emergency loan assistance). Emergency loan funds may be used to: 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; and refinance certain debts.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=efl>

## **Disaster Assistance: Federal Emergency Management Agency (FEMA) Housing Assistance**

FEMA provides assistance to repair structural parts of a home, such as the foundation, outside walls or roof; windows, doors, floors, walls, ceilings, cabinetry; septic or sewage system; well or other water system; heating, ventilating and air conditioning system; utilities, such as electrical, plumbing and gas systems; entrance and exit ways from a home, including privately owned access roads; blocking, leveling and anchoring of a mobile home; and reconnecting or resetting sewer, water, electrical, fuel lines and tanks.

FEMA provides Temporary Housing Assistance (a place to live for a limited period of time). Money is available to rent a different place to live, or FEMA will provide a government provided housing unit when rental properties are not available.

FEMA provides money to homeowners to repair damage from the disaster to their primary residence that is not covered by insurance. The goal is to make the damaged home safe, sanitary and functional.

FEMA provides money to homeowners to replace their home destroyed in the disaster that is not covered by insurance. The goal is to help the homeowner with the cost of replacing their destroyed home.

FEMA provides direct assistance or money for the construction of a home. This type of help occurs only in insular areas or remote locations specified by FEMA where no other type of housing assistance is possible.

To receive money or help for the categories listed above, all of the following must be true:

- You have losses in an area that has been declared a disaster by the president;
- You have filed for insurance benefits, and the damage to your property is not covered by your insurance, or your insurance settlement is insufficient to meet your losses;
- You or someone who lives with you is a citizen of the United States, a non-citizen national or a qualified alien;
- The home in the disaster area is where you usually live and where you were living at the time of the disaster; and
- You are not able to live in your home now, you cannot get to your home due to the disaster or your home requires repairs because of damage from the disaster.

You may not be eligible for "Housing Needs" assistance if:

- You have other, adequate rent-free housing that you can use (for example, rental property that is not occupied);
- Your home that was damaged is your secondary or vacation residence;
- Your expenses resulted only from leaving your home as a precaution, and you were able to return to your home immediately after the incident;
- You have refused assistance from your insurance provider(s);
- Your only losses are business losses (including farm business other than the farmhouse and self-employment) or items not covered by this program; or
- The damaged home where you live is located in a designated flood hazard area and your community is not participating in the National Flood Insurance Program. In this case, the flood damage to your home would not be covered, but you may qualify for rental assistance or items not covered by flood insurance, such as water wells, septic systems, medical, dental or funeral expenses.

### **FEMA Other Than Housing Needs**

Money is available for necessary expenses and serious needs caused by the disaster. This includes disaster-related medical and dental costs; disaster-related funeral and burial cost; clothing; household items (room furnishings, appliances); tools (specialized or protective clothing and equipment) required for your job; necessary educational materials (computers, school books, supplies); fuels for primary heat source (heating oil, gas); clean-up items (wet/dry vacuum, dehumidifier); disaster damaged vehicle; moving and storage expenses related to the disaster (moving and storing property to avoid additional disaster damage while disaster-related repairs are being made to the home); and other necessary expenses or serious needs as determined by FEMA.

To receive money for "Other than Housing Needs" that are the result of a disaster, all of the following must be true:

- You have losses in an area that has been declared a disaster area by the president;
- You have filed for insurance benefits, and the damage to your property is not covered by your insurance, or your insurance settlement is insufficient to meet your losses;
- You or someone who lives with you is a citizen of the United States, a non-citizen national or a qualified alien;
- You have necessary expenses or serious needs because of the disaster; and
- You have accepted assistance from all other sources for which you are eligible, such as insurance proceeds or Small Business Administration disaster loans.