



## Federal Disaster Assistance for Vegetable Growers Affected by Recent Floods and Droughts

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The recent flooding and heavy rainfall in parts of Wisconsin made national news. Many conventional and organic fresh market vegetable growers were hit especially hard by these disasters, while droughts have hit similar growers in other parts of Wisconsin. Given the federal disaster declaration for some Wisconsin counties, many vegetable farmers are wondering about the availability of federal assistance for their crop losses. This bulletin is a quick summary of current federal programs available for these and other farmers and some basic recommendations. First available crop insurance options are quickly summarized, though crop insurance is not the focus of this bulletin. Next, for uninsured growers, available USDA Farm Service Agency (FSA) programs are described.

### **Federal Crop Insurance**

For common grain, forage, and processing vegetable crops, Wisconsin farmers can buy federal crop insurance policies supported by the USDA Risk Management Agency (RMA). Farmers who bought this insurance coverage last spring and suffered yield losses due to recent flooding and/or drought will receive indemnity payments if their crop losses are sufficiently large.

**Affected farmers with federal crop insurance coverage should contact their crop insurance agents.** For more information about federal crop insurance in Wisconsin, see the resources listed at the end of this bulletin and the Crop Insurance Materials on Paul D. Mitchell's Extension Web Page: <http://www.aae.wisc.edu/mitchell/extension.htm>.

In 2007, AGR-Lite, a new type of federal crop insurance policy, was available for Wisconsin farmers. AGR-Lite is primarily intended for crop and livestock farmers for whom effective federal crop insurance policies are unavailable, including both conventional and organic growers. Because AGR-Lite was new and approved late in 2006, few policies were sold in Wisconsin for 2007. **Affected farmers with AGR-Lite coverage should contact their crop insurance agents.** For more information about AGR-Lite, contact your crop insurance agent or see the RMA's 2007 AGR-Lite Fact Sheet <http://www.rma.usda.gov/pubs/2003/PAN-1667-07.pdf>.

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

For farmers growing less common crops and/or organic crops, including fresh market vegetables, crop-specific federal crop insurance policies supported by the RMA may not exist. To fill this gap, the USDA Farm Service Agency (FSA) manages the Noninsured Crop Disaster Assistance Program (NAP) to provide insurance coverage. NAP coverage is similar to catastrophic coverage for standard insurable crops—a 50% or greater yield loss is needed to trigger payments, losses are paid at 55% of the established conventional price for the crop, and farmer premiums are generally low. **Affected farmers with NAP coverage should contact their county FSA office to report losses and determine eligibility for payments.** For more information about NAP coverage, contact your county FSA office or see the FSA Noninsured Crop Disaster Assistance Program Fact Sheet [http://www.fsa.usda.gov/Internet/FSA\\_File/nap07.pdf](http://www.fsa.usda.gov/Internet/FSA_File/nap07.pdf).

### **Federal Disaster Assistance for Farmers**

Other than federal crop insurance and NAP coverage, no permanent USDA disaster program exists for farmers suffering crop losses from natural disasters. Historically, temporary ad hoc programs have been established for specific disasters. For example, the most recent became law this May, combining several disaster programs into one bill (see the FSA Agricultural Assistance Act of 2007 Fact Sheet [http://www.fsa.usda.gov/Internet/FSA\\_File/disasteraid07.pdf](http://www.fsa.usda.gov/Internet/FSA_File/disasteraid07.pdf)).

Potentially a program may be established for the recent flooding/drought losses in Wisconsin. An important step in this process is for the USDA to develop an accurate assessment of actual crop losses for both standard commodity crops, as well as non-traditional and organic crops, including fresh market vegetables sold at farmers' markets, road side stands, and through CSA's. Hence, **Wisconsin vegetable farmers suffering significant crop loss from recent natural disasters should contact their county FSA office to report their losses.**

Though currently no disaster program exists for Wisconsin farmers affected by these recent weather related losses, a disaster program may be established in the future. Thus, **Wisconsin vegetable farmers adversely affected by recent natural disasters should document their losses, including keeping records of acreage planted, yields and production, as well as photographs of damaged crops, buildings, fences, and other structures.** Again, contact your county FSA office to report your losses and for information on documentation of production and losses to maintain for, possible, future disaster programs.

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

The FSA's Emergency Conservation Program (ECP) provides emergency funding and technical assistance to farmers to rehabilitate farmland damaged by natural disasters. For farmers affected by flooding and excessive rainfall, funding may be available to remove debris and to restore fences and conservation structures. Eligibility requirements must be met and payment limits exist. For more information, see the FSA Emergency Conservation Program 2007 Fact Sheet [http://www.fsa.usda.gov/Internet/FSA\\_File/ecpagi07.pdf](http://www.fsa.usda.gov/Internet/FSA_File/ecpagi07.pdf). **Vegetable farmers interested in ECP funding to help with flood clean up should contact their county FSA office before taking any actions on the land to determine their eligibility and to begin the process for obtaining funding.**

### **Emergency Farm Loans**

The FSA provides Emergency Farm Loans to help farms recover from natural disasters. These loans can be used for a variety of recovery purposes, such as to restore/replace essential property, pay part or all of production costs during a disaster year, pay family living expenses, reorganize the farm operation, and refinance some debts. These loans are generally short term (less than seven years) and have competitive interest rates (currently 3.75%). Eligibility and collateral requirements apply. Loan recipients must keep acceptable farm records and may be required to participate in financial management training and to purchase crop insurance. In addition to Emergency Farm Loans, the FSA administers several other loan programs to help Wisconsin vegetable farmers recover from recent disasters, including loans for beginning or socially disadvantaged farmers, plus providing loan guarantees for qualifying farmers who do not meet lenders' normal underwriting criteria. **Wisconsin vegetable farmers interested in an Emergency Farm Loan or other FSA farm loan programs to help with flood recovery should contact their county FSA office for more information.**

## **Summary**

Recent flooding and excessive rainfall in parts of Wisconsin and drought in other parts of the state have hit some farmers especially hard, including many fresh market vegetable growers, both conventional and organic. Some affected farmers had federal crop insurance or NAP coverage, which will likely provide some financial help. In the future, more fresh market vegetable farmers will likely consider participating in available insurance programs. For those without insurance coverage, Congress and the USDA currently do not have a disaster program established, but could possibly in the future. Hence, affected farmers should report losses to the FSA, document losses and maintain these documents in case a disaster program is established. The FSA has other programs that uninsured vegetable growers may find useful, including the Emergency Conservation Program and various farm loan programs. It is important that all Wisconsin farmers adversely affected by recent natural disasters contact their county FSA office to report their losses, so that the USDA can develop accurate assessments of the actual damages. Furthermore, most vegetable farmers will likely find that the FSA can help them recover from these recent disasters, but they must first contact their county FSA office. All these programs have eligibility requirements and require various types of paperwork and record keeping, but can be very useful for helping Wisconsin fresh market vegetable growers recover and get back to growing some of the world's best vegetables.

## **For More Information**

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Paul D. Mitchell's Extension Web Page: <http://www.aae.wisc.edu/mitchell/extension.htm>.

An Overview of Federal Crop Insurance in Wisconsin:

[http://www.aae.wisc.edu/mitchell/Federal\\_Crop\\_Insurance\\_in\\_Wisconsin.pdf](http://www.aae.wisc.edu/mitchell/Federal_Crop_Insurance_in_Wisconsin.pdf)

UW Extension Responds-Flood August 2007:

<http://www.uwex.edu/ces/ag/issues/ExtensionResponds-Flood-August2007.html>

UW Extension Responds-Drought 2007: <http://www.uwex.edu/ces/ag/issues/drought/>

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