



USDA Disaster Designation Process Frequently Asked Questions (FAQs)

Overview

Agriculture-related disasters and disaster designations are quite common. One-half to two-thirds of the counties in the United States have been designated as disaster areas in each of the past several years, even in years of record crop production. The Secretary of Agriculture is authorized to designate counties as disaster areas to make emergency loans (EM) to producers suffering losses in those counties and in counties that are contiguous to a designated county. In addition to EM eligibility, other emergency assistance programs, such as Farm Service Agency (FSA) disaster assistance programs, have historically used disaster designations as an eligibility requirement trigger. The FSA streamlined the USDA Disaster Designation process to make assistance more readily available to those in need.

Types of Disaster Designations

FSA administers four types of disaster designations:

- USDA Secretarial disaster designation (This designation is most widely used)
- Presidential major disaster and Presidential emergency declarations
- FSA Administrator's Physical Loss Notification and
- Quarantine designation by the Secretary under the Plant Protection Act or animal quarantine laws as defined in § 2509 of the Food, Agriculture, Conservation and Trade Act of 1990 (mentioned in 7 CFR part 761, which includes a definition of "quarantine" in accordance with 7 U.S.C. 1961).

What Does a Disaster Designation Specify?

A disaster designation specifies:

- The disaster that resulted in the designation
- The incidence period (dates) of that disaster
- The specific counties included in the designation.

Procedures for Severe Drought

The streamlined process provides for nearly an automatic designation for any county in which drought conditions, as reported in the U.S. Drought Monitor (<http://droughtmonitor.unl.edu/>) when that county, or any portion of that county, meets the D2 (Severe Drought) drought intensity value for eight consecutive weeks. A county that has a portion of its area in a drought intensity value of D3 (Extreme Drought) or higher at any time during the growing season also would be designated as a disaster area.

Benefits of the Streamlined Disaster Designation Process

The new process helps reduce paperwork and documentation requirements at the local FSA level, making the process more efficient and timely. Individual producer losses would still need to be documented for Emergency Loan (EM) Program eligibility.

The rule governing disaster designations:

- Streamlines the USDA Secretarial designation process by eliminating steps from the current process;
- Preserves the ability of a state governor or Indian Tribal Council to request a Secretarial Disaster Designation;
- Removes the requirement that a request for a disaster designation be initiated only by a state governor or Indian Tribal Council;
- Further streamlines the disaster designation process for severe drought occurrences by utilizing the U.S. Drought Monitor as a tool to automatically trigger disaster areas with no further documentation;
- Does not impose any new requirements on producers or the public.

For all other natural disaster occurrences and those drought conditions that are not considered severe, the county must either show a 30 percent production loss of at least one crop, or a determination must be made by surveying producers that other lending institutions will not be able to provide emergency financing.

Frequently Asked Questions (FAQs)

Q: What Federal or State resources are actually available once a disaster declaration is issued?

A: Emergency Loans are typically the first form of assistance made available from FSA but could trigger other programs. Other forms of FSA assistance (e.g., Emergency Conservation Program) may be made available following a disaster declaration, but do not require a declaration.

Q: Do fires qualify for disaster declaration if they are caused by man?

A: No, Man-made fires do not qualify for disaster declarations.

Q: What are acceptable methods of crop damage assessment and how comprehensive does the survey need to be?

A: Field visits, County Office Committee knowledge, insurance agent or loss adjuster verification, other government agencies are acceptable methods for crop damage assessment. Below are the suggested questions to ask in a survey.

1. The nature and extent of production losses.
2. The number of farmers who have sustained qualifying production losses.
3. The number of farmers in item 2 who other lenders in the County Office area indicate they will not be in a position to finance.
4. Whether the losses will cause undue hardship to a certain segment of farmers in the county. (Y/N)
5. Whether the damage to particular crops has resulted in undue hardship. (Y/N)

6. Whether other Federal and/or State benefit programs, which are being made available because of the same disaster, will consequently lessen undue hardship and the demand for EM loans. (Y/N)
7. Any other factors considered relevant.

Q: Is there any advantage or disadvantage in an individual county requesting a drought disaster designation in advance of inclusion in the Drought Monitor?

A: A county designated under Fast-Track automatically qualifies for all USDA/FSA programs that would be available under a Regular drought designation. For all designations, producers have 8 months to apply for an Emergency loan from the date of the designation. If a county has received a Regular drought designation and then qualifies at a later date for a Fast Track designation, the county will be excluded from the Fast Track designation. A county cannot receive both designations in the same crop year.

Q: If the Drought Monitor lists a county as a disaster area, does the Agricultural Commissioner need to do any sort of assessment of damage?

A: A Fast Track designation does not require a USDA Farm Service Agency Loss Assessment Report, and the Agricultural Commissioner is not required to submit an assessment of damage. FSA may still ask for a forage loss assessment for the Non-Insured Disaster Assistance Program (NAP).

Q: Absent the Drought Monitor, does the county Board of Supervisors need to request a disaster declaration?

A: No, absent a Fast Track designation a Regular disaster designation can be requested by individual farmers, local government officials, State Governors, State Agriculture Commissioner, State Secretary of Agriculture, other State government officials, and Indian Tribal Councils. **However, California has a well-established system that has worked well having the requests come from the Agricultural Commissioner to California Office of Emergency Services.** Only damages and losses resulting from a natural disaster are eligible. A qualifying loss occurs if FSA determines a minimum 30 percent production loss of at least 1 crop in the county occurred as a result of the disaster. The 30 percent production loss is **not** required if designation falls under the fast track procedure.

Q: If a county is included in the current drought designation, are losses due to other types of damage (fire, freeze damage, etc.) eligible for coverage, or do they need a separate declaration?

A: Yes, a drought designation includes eligibility for other drought related disasters, including high winds, excessive heat, and drought related wildfires and insect damage. Damage due to freeze, flooding or non-drought related disaster would require a separate designation.

Q: There are four types of declaration: Secretarial, Presidential, FSA, and Quarantine. Which one of these is done for the Drought Monitor?

A: The Secretarial Disaster Declarations issued using the Fast Track method uses the Drought Monitor.

Q: Is there a difference in the type of assistance available depending on the type of declaration (Secretarial, Presidential, FSA, and Quarantine) or is it based on the type of crop?

A: Currently, emergency loans are available and these are not crop-specific under secretarial or presidential designations.

Q: Please define the proper roles or flow of information between the Agricultural Commissioner, County Office Emergency Service (County OES), Natural Resources Conservation Service (NRCS), Farm Service Agency (FSA) and California Office of Emergency Service (Cal OES).

A: Each county should determine which entity (e.g. Board of Supervisors, County Emergency Services Manager, County Agricultural Commissioner's Office or other) has the lead in coordinating a request for a USDA Secretarial designation. A local proclamation of an emergency is not required to request a USDA Secretarial designation; therefore, the Board of Supervisors' involvement in this procedure will differ from county to county. However, each county should establish a coordination plan to ensure that the applicable parties are aware of the situation.

Steps for Secretarial Designation (Absent Fast Track):

- Local government initiates a request for a disaster designation for agricultural losses.
- The County Agricultural Commissioner determines that an unusual incident has occurred which caused severe physical property or production losses and has adversely affected local farmers, ranchers, and/or aqua-culturists.
- The county's lead agency informs the Governor's Offices of Emergency Services (OES) of the situation. The OES Individual Assistance Section will provide the lead agency with a copy of the *California County Agricultural Commissioner Disaster Report* form, technical assistance, and follow up with any request for assistance, if necessary.
- The county has 60 days from the end of the incident to request a USDA disaster designation through State OES.
- The county submits a letter to the Director of OES requesting the State to pursue a USDA disaster designation on behalf of the county. The request should include a completed *California County Agricultural Commissioner Disaster Report* form(s).
- OES Individual Assistance Section will review the request and coordinate with the USDA FSA State Office and the California Department of Food and Agriculture.
- If damage estimates warrant a request to USDA, OES will compose a letter to the U.S. Secretary of Agriculture requesting implementation of the USDA Emergency Loan Program.
- The Director of OES, or other Governor's designee, must submit the request to USDA no later than 90 days from the end of the incident.
- The USDA's Secretary's office notifies the USDA FSA State Office in Davis of the request and asks for a Loss Assessment Report (LAR).
- USDA FSA State Office requests the local FSA office, in conjunction with the Agricultural Commissioner, to complete the LAR.
- FSA will work with local USDA agencies and other federal, state and local agricultural agencies, as appropriate, to conduct an assessment of crop and production losses to complete the LAR.
- The LAR is submitted to the State FSA Office. State FSA will review the LAR and then make a recommendation to the USDA Secretary.
- The USDA Secretary will either approve or deny the request and notify the State.
- State OES will notify the County Board of Supervisors, County OES, and County Agricultural Commissioner of the decision.

- If the request is approved, the county FSA office notifies farmers, ranchers and aquaculturists of the availability of emergency loans and any other USDA assistance that may be available.

Q: Does the current Drought Monitor System preclude the Agricultural Commissioner from independently requesting a declaration for drought losses if the Monitor does not trigger for a particular area?

A: No, the Agricultural Commissioner can request a drought designation at any time, but the county must meet the 30% loss requirement.

Q: Please explain how NAP payments work. How are they calculated? When is the last date to sign up for insurance to be eligible to receive payments in 2014, 2015?

A: NAP payments are issued if a producer suffers a greater than 50% loss of expected production. For most crops, the losses are based on the producer's approved yield. The approved yield is the Olympic Average of the producer's actual yield for the previous 5 years not including the immediate prior year. For 2013, the yield is based on 2007, 2008, 2009, 2010 and 2011.

For grazed forage, because there is no measured/harvest production, loss percentage is established based on two independent assessments:

- State, or local Government agency, such as NRCS, Agricultural Commissioner, Cooperative State Research, Education, and Extension Service (CSREES) or State
- Land Departments
- educational institutions, such as State land grant colleges, private organizations

The County Committee reviews the assessments and establishes a percentage of loss. The percentage of loss is submitted to the State Committee for final approval. If the established percentage of loss is greater than 50%, producers could be eligible for payment.

NAP Application Closing Dates

http://www.fsa.usda.gov/Internet/FSA_File/2014_15_napdates.pdf

NAP Payment Brochure

http://www.fsa.usda.gov/Internet/FSA_File/nap_brochure.pdf

NAP Fact Sheet

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

Q: Is there a program for livestock forage loss separate from NAP?

A: Yes, Livestock Forage Disaster Program (LFP) and Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) may be available if the program requirements are met.

Q: Is there any assistance available for ranchers if they are not enrolled in NAP?

A: FSA has variety of disaster assistance programs available. Producers should contact their local FSA county office for additional information.

Q: Are all growers of all crops mandated to carry crop loss/disaster insurance such as LFP, ELAP, LIP, TAP, etc. to be eligible for disaster assistance? Are any crops not covered or eligible for insurance?

A: Producers are not required to have insurance to be eligible for LFP, LIP, ELAP or TAP benefits. Producers may purchase a Federal Crop Insurance Corporation (FCIC) crop insurance coverage for their crops. For crops not covered by FCIC, producers can obtain NAP coverage. To be eligible for NAP, the crops must be grown for food or fiber.

Q: Does the 2013 Drought Monitor designation carry over into 2014? Does anything proactive need to be done to continue/renew the designation?

A: The Fast Track drought designations are crop year specific, unless otherwise detailed on the designation. The end date for applying for an EM loan is 8 months from the day the Secretarial designation was signed, so this date can fall into the next year. The Fast Track process will continually reassess the drought monitor and will automatically initiate a new designation when conditions warrant it. Currently we have 56 counties with a primary Fast Track drought designation for 2014 and 2 contiguous counties.

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