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Agricultural Disaster Assistance

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Summary

The U.S. Department of Agriculture (USDA) offers several programs to help farmers recover financially from natural disasters, including drought and floods. All the programs have permanent authorization, and only one requires a federal disaster designation (the emergency loan program). Most programs receive funding amounts that are "such sums as necessary" and are not subject to annual discretionary appropriations.

The federal crop insurance program offers subsidized policies designed to protect crop producers from unavoidable risks associated with adverse weather, and weather-related plant diseases and insect infestations. Policies must be purchased prior to the planting season. Eligible commodities include most major crops and many specialty crops (including fruit, tree nut, vegetable, and nursery crops), as well as forage and pastureland for livestock producers. The enacted 2014 farm bill (the Agricultural Act of 2014; P.L. 113-79) enhances the crop insurance program by expanding its scope, covering a greater share of farm losses, and making other modifications that broaden policy coverage. Producers who grow a crop that is currently ineligible for crop insurance may apply for the Noninsured Crop Disaster Assistance Program (NAP). In order to receive a NAP payment, a producer must experience at least a 50% crop loss caused by a natural disaster, or be prevented from planting more than 35% of intended crop acreage.

The 2014 farm bill also permanently authorizes three disaster programs for livestock and one for fruit trees, making nearly all parts of the U.S. farm sector covered by a standing disaster program. The programs cover losses beginning in FY2012. USDA began signup on April 15, 2014, ahead of other farm bill programs. Producers do not pay a fee to participate. The programs are:

(1) the Livestock Indemnity Program (LIP), which provides payments to eligible livestock owners and contract growers at a rate of 75% of market value for livestock deaths in excess of normal mortality caused by adverse weather;

(2) the Livestock Forage Disaster Program (LFP), which makes payments to eligible livestock producers who have suffered grazing losses on drought-affected pasture or grazing land, or on rangeland managed by a federal agency due to a qualifying fire;

(3) the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), which provides payments (capped at $20 million per year) to producers of livestock, honey bees, and farm-raised fish as compensation for losses due to disease, adverse weather, and feed or water shortages; and

(4) the Tree Assistance Program (TAP), making payments to orchardists/nursery tree growers for losses in excess of 15% to replant trees, bushes, and vines damaged by natural disasters.

Separately, for all types of farms and ranches, when a county has been declared a disaster area by either the President or the Secretary of Agriculture, producers in that county may become eligible for low-interest emergency disaster (EM) loans.

USDA has several permanent disaster assistance programs that help producers repair damaged land following natural disasters. It also has authority (prohibited in FY2014) to issue disaster payments to farmers with funds from "Section 32" or the Commodity Credit Corporation (CCC). Finally, USDA can use a variety of existing programs to address disaster issues as they arise, such as allow emergency grazing on land enrolled in the Conservation Reserve Program.

Contents

Tables

Contacts

The U.S. Department of Agriculture (USDA) has at its disposal several programs designed to help farmers and ranchers recover from the financial effects of natural disasters. These are (1) federal crop insurance, (2) the Noninsured Crop Disaster Assistance Program (NAP), (3) livestock and fruit tree disaster programs, and (4) emergency disaster loans for both crop and livestock producers. All have permanent authorization, and the emergency loan program is the only one requiring a federal disaster designation. Most programs receive funding amounts of "such sums as necessary" and are not subject to annual discretionary appropriations.

With enactment of the permanent livestock/fruit tree disaster programs in the 2014 farm bill (P.L. 113-79), nearly all segments of the U.S. farm sector are now covered by a standing disaster program. The array of federal programs reduces the potential need for emergency assistance that Congress has previously provided to farmers and ranchers in the form of ad hoc disaster payments.[1]

Federal Crop Insurance

The federal crop insurance program is administered by USDA's Risk Management Agency. The program is designed to protect crop producers from unavoidable risks associated with adverse weather, and weather-related plant diseases and insect infestations. Crop insurance is available for most major crops and many specialty crops (including fruit, tree nut, vegetable, and nursery crops), as well as forage and pastureland for livestock producers. A producer who chooses to purchase an insurance policy must do so by an administratively determined deadline date, which varies by crop and usually coincides with the planting season. Insurance products that protect against loss in revenue (yield times price) are also available. Policies are typically available in major growing regions.

The federal crop insurance program was instituted in the 1930s and was subject to major legislative reforms in 1980, and again in 1994 and 2000. The Agriculture Risk Protection Act of 2000 (P.L. 106-224) pumped $8.2 billion in new federal spending over a five-year period into the program primarily through more generous premium subsidies to help make the program more affordable to farmers and enhance farmer participation levels, in an effort to preclude the need for ad-hoc emergency disaster payments. Between 2006 and 2011, the federal cost of the crop insurance program averaged $5.9 billion per year, up from an annual average of $3.0 billion during 2000-2005. In 2012, high commodity prices drove up premiums subsidies and persistent drought resulted in large losses for the program. USDA estimated total program cost at $14.1 billion in FY2012. More favorable weather in 2013 reduced losses and reduced USDA's estimated total program costs to $6.0 billion in FY2013.

Under the current crop insurance program, a producer who grows an insurable crop selects a level of crop yield and price coverage and pays a premium that increases as the levels of yield and price coverage rise. However, all eligible producers can receive catastrophic (CAT) coverage without paying a premium. The premium for this portion of coverage is completely subsidized by the federal government. Under CAT coverage, participating producers can receive a payment

[1] Ad hoc assistance was made available primarily through emergency supplemental appropriations to a wide array of USDA programs. For a history of the congressional response to agricultural disasters, see CRS Report RL31095, *Emergency Funding for Agriculture: A Brief History of Supplemental Appropriations, FY1989-FY2012*.

equal to 55% of the estimated market price of the commodity, on crop losses in excess of 50% of normal yield, or 50/55 coverage.

Although eligible producers do not have to pay a premium for CAT coverage, they are required to pay upon enrollment a $300 administrative fee per covered crop for each county where they grow the crop. The fee can be waived by USDA for financial hardship cases. Any producer who opts for CAT coverage has the opportunity to purchase additional insurance coverage from a private crop insurance company. For an additional premium paid by the producer, and partially subsidized by the government, a producer can increase the 50/55 catastrophic coverage to any equivalent level of coverage between 50/100 and 85/100 (i.e., 85% of yield and 100% of the estimated market price), in increments of 5%.

For many insurable commodities, an eligible producer can purchase revenue insurance. Under such a policy, a farmer potentially can receive an indemnity payment when actual farm revenue falls below the target level of revenue, regardless of whether the shortfall in revenue was caused by poor production or low farm commodity prices. Insured producers also can be eligible for reduced coverage if they are late or prevented from planting because of flooding.

The enacted 2014 farm bill (the Agricultural Act of 2014; P.L. 113-79) enhances the federal crop insurance program by expanding its scope, covering a greater share of farm losses, and making other modifications that broaden policy coverage. A prominent feature of the legislation is authorization of policies designed to reimburse "shallow losses"—an insured producer's out-of-pocket loss associated with the policy deductible. A new crop insurance policy called Stacked Income Protection Plan (STAX) is made available for upland cotton producers, while the Supplemental Coverage Option (SCO) is made available for other crops. For more information, see CRS Report R43494, *Crop Insurance Provisions in the 2014 Farm Bill (P.L. 113-79)*. For additional background, see CRS Report R40532, *Federal Crop Insurance: Background*.

Noninsured Crop Disaster Assistance Program (NAP)

Producers who grow a crop that is currently ineligible for crop insurance may apply for the Noninsured Crop Disaster Assistance Program (NAP). NAP has permanent authority under Section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), and is administered by USDA's Farm Service Agency. It was first authorized under the Federal Crop Insurance Reform Act of 1994 (P.L. 103-354). NAP is not subject to annual appropriations. Instead, it receives such sums as are necessary through USDA's Commodity Credit Corporation, which has a line of credit with the U.S. Treasury to fund an array of farm programs.

Eligible crops under NAP include any commercial crops grown for food, fiber, or livestock consumption that are ineligible for crop insurance, and include mushrooms, floriculture, ornamental nursery, Christmas tree crops, turfgrass sod, aquaculture, and ginseng. Trees grown for wood paper or pulp products are not eligible. To be eligible for a NAP payment, a producer first must apply for coverage by the application closing date, which varies by crop, but is generally about 30 days prior to the final planting date for an annual crop. Like catastrophic crop insurance, NAP applicants must also pay an administrative fee. The NAP fee is $250 per crop payable at the time of application.[2]

In order to receive a NAP payment, a producer must experience at least a 50% crop loss caused by a natural disaster, or be prevented from planting more than 35% of intended crop acreage. For any losses in excess of the minimum loss threshold, a producer can receive 55% of the average market price for the covered commodity. Hence, NAP is similar to catastrophic crop insurance coverage in that it pays 55% of the market price for losses in excess of 50% of normal historic production.

In order to expand coverage for specialty crops and others covered under NAP, the 2014 farm bill provides additional coverage at 50% to 65% of established yield and 100% of average market price. The farmer-paid fee for additional coverage is 5.25% times the product of the selected coverage level and value of production (acreage times yield times average market price).

A producer of a noninsured crop is subject to a payment limit of $125,000 per person under NAP and is ineligible for a payment if the producer's total adjusted gross income exceeds $900,000. The total federal cost of NAP was $234 million in FY2012 and $342 million in FY2013, and is estimated at $154 million for FY2014.[3]

2014 Farm Bill Disaster Programs

Section 1501 of the 2014 farm bill (P.L. 113-79) permanently authorizes four agricultural disaster programs for livestock and fruit trees. They are (1) the Livestock Indemnity Program (LIP); (2) the Livestock Forage Disaster Program (LFP); (3) the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP); and (4) the Tree Assistance Program (TAP). The programs, originally established in the 2008 farm bill for only four years, have been authorized retroactively (with no expiration date) to cover losses beginning in FY2012.[4] They operate nationwide and are administered by USDA's Farm Service Agency.

All programs except ELAP receive uncapped mandatory funding via the Commodity Credit Corporation. That is, LIP, LFP, and TAP receive "such sums as necessary" to reimburse eligible producers for their losses. ELAP is capped at $20 million per year.

Livestock producers traditionally have not been covered by crop insurance or other forms of federal support, and the farm bill disaster programs have been designed to reimburse them for

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[2] For more on NAP, see the USDA factsheet at http://www.fsa.usda.gov/Internet/FSA_File/nap_august_2011.pdf.

[3] U.S. Department of Agriculture, http://www.obpa.usda.gov/26ccc2015notes.pdf.

[4] A comparison of the disaster program provisions of the 2008 and 2014 farm bills is in CRS Report R43448, *Farm Commodity Provisions in the 2014 Farm Bill (P.L. 113-79)*, by Dennis A. Shields. The largest of the farm disaster assistance programs authorized by the 2008 farm bill was the Supplemental Revenue Assistance Payments Program (SURE). The program was designed to compensate eligible producers for a portion of crop losses that are not eligible for an indemnity payment under the crop insurance program (i.e., the portion of losses that is part of the deductible on the policy). Given the complexity of the program and concerns about its effectiveness, the SURE program was not reauthorized in the 2014 farm bill. However, elements of it were included in the Agriculture Risk Coverage (ARC) program for "covered crops" (i.e., farm program crops) by offering producers a farm-level revenue guarantee on the combined crop revenue on each farm.

some of their financial losses due to weather events (and disease in the case of ELAP). Producers do not pay a fee to participate.

For individual producers, combined payments under all programs (except TAP) may not exceed $125,000 per year. For TAP, a separate limit of $125,000 per year applies. Also, to be eligible for a payment, a producer's total adjusted gross income cannot exceed $900,000.

USDA issued its final rule for all four programs on April 14, 2014.[5] Program signup began April 15, 2014. Producers can apply at their local Farm Service Agency office.[6]

Average annual federal payments under the 2008 farm bill were $38 million for LIP, $142 million per year for LFP, $10 million for ELAP, and $5 million for TAP.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides payments to eligible livestock owners and contract growers for livestock deaths in excess of normal mortality caused by adverse weather. The 2014 farm bill added a provision to cover attacks by animals reintroduced into the wild by the federal government or protected by federal law.

Eligible livestock include beef and dairy cattle, hogs, chickens, ducks, geese, turkeys, sheep, goats, alpacas, deer, elk, emus, and equine. The livestock must have been maintained for commercial use and not produced for reasons other than commercial use as part of a farming operation. The program excludes wild free-roaming animals, pets, and animals used for recreational purposes, such as hunting, roping, or for show.

The LIP payment rate is equal to 75% of the market value of the animal. USDA publishes a payment rate for each type of livestock for each year (e.g., $1,223.45 per beef cow and $4.12 per duck in 2014).[7] For eligible livestock contract growers, the payment rate is based on 75% of the average income loss sustained by the contract grower, less any monetary compensation received from the contractor for the loss of income.

Livestock Forage Disaster Program (LFP)

The Livestock Forage Disaster Program (LFP) makes payments to eligible livestock producers who have suffered grazing losses on drought-affected pastureland (including cropland planted specifically for grazing), or on rangeland managed by a federal agency due to a qualifying fire.

Eligible producers must own, cash or share lease, or be a contract grower of covered livestock during the 60 calendar days before the beginning date of a qualifying drought or fire. They must also provide pastureland or grazing land for covered livestock that is either (a) physically located

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[5] Commodity Credit Corporation, U.S. Department of Agriculture, "Supplemental Agricultural Disaster Assistance Programs, Payment Limitations, and Payment Eligibility," 79 *Federal Register* 21086-21118, April 14, 2014.

[6] For local Farm Service Agency contact information, see http://offices.sc.egov.usda.gov/locator/app?agency=fsa.

[7] Payment rates are available in the USDA fact sheet at http://www.fsa.usda.gov/Internet/FSA_File/lip_long_fact_sht_2014.pdf. For more information, see 7 C.F.R. §1416 Subpart D—Livestock Indemnity Program; and Also, program details and producer examples for all livestock disaster programs are in the USDA/FSA handbook, http://www.fsa.usda.gov/Internet/FSA_File/1-ldap_r01_a01.pdf.

in a county affected by a qualifying drought during the normal grazing period for the county, or (b) managed by a federal agency where grazing is not permitted due to fire.

Eligible livestock types are livestock that have been (or would have been) grazing on eligible grazing land or pastureland. These include alpacas, beef cattle, buffalo, beefalo, dairy cattle, sheep, deer, elk, emus, equine, goats, llamas, poultry, reindeer, and swine. The livestock must have been maintained for commercial use as part of a farming operation; and livestock owned for noncommercial uses are excluded. Also, livestock that were (or would have been) in a feedlot are not eligible.

Payments are generally triggered by the drought intensity level for an individual county, as published in the U.S. Drought Monitor, a federal report published each week. The number of monthly payments depends on the drought severity and length of time the county has been designated as such (**Table 1**). For drought, the payment amount is equal to the number of monthly payments *times* 60% of estimated monthly feed cost. For producers who sold livestock because of drought conditions, the payment rate is equal to 80% of the estimated monthly feed cost.[8]

Table 1. Livestock Forage Program (LFP)

(drought intensity and time period determine the number of monthly payments)

Drought Monitor Intensity	Time Period	No. of Monthly Payments
D2 (severe drought)	For at least eight consecutive weeks during the normal grazing period	one monthly payment
D3 (extreme drought)	At any time during the normal grazing period	three monthly payments
D3 (extreme drought)	For at least four weeks during the normal grazing period	four monthly payments
D4 (exceptional drought)	At any time during the normal grazing period	four monthly payments
D4 (exceptional drought)	For four weeks (not necessarily consecutive) during the normal grazing period	five monthly payments

Source: P.L. 113-79, Section 1501(e).

Notes: Drought intensity level can apply to any area of a county. The LFP monthly payment rate for drought is equal to 60% of the lesser of the monthly feed cost based on either (a) corn prices, specified feeding requirements, and number of animals; or (b) the normal carrying capacity of the land. For details on monthly feed costs and examples, see FSA handbook at http://www.fsa.usda.gov/Internet/FSA_File/1-ldap_r01_a01.pdf. In the case of a producer who sold livestock because of drought conditions, the payment rate is equal to 80% of the monthly feed cost. For fire on federally managed rangeland, the payment rate is 50% of the monthly feed cost, adjusted for the number of days the producer is prohibited from grazing (not to exceed 180 days).

Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) provides payments to producers of livestock, honey bees, and farm-raised fish as compensation for losses due to disease, adverse weather, feed or water shortages, or other conditions, such as

[8] For more information on LFP, see 7 C.F.R. §1416 Subpart C—Livestock Forage Disaster Program; and the USDA fact sheet at https://www.fsa.usda.gov/Internet/FSA_File/lfp_long_fact_sht_2014.pdf.

wildfires, that are not covered under the Livestock Indemnity Program (LIP) or the Livestock Forage Program (LFP). The 2014 farm bill added a provision to cover cattle tick fever specifically (USDA's final rule indicates ELAP will cover losses due to the cost of gathering cattle for treatment of cattle tick fever). Annual funding is capped at $20 million.

ELAP specifically provides assistance for the loss of honey bee colonies in excess of normal mortality. In order to meet the eligibility requirements for honey bee colony losses, they must be the direct result of an eligible adverse weather or loss condition such as colony collapse disorder (CCD), eligible winter storm, excessive wind, and flood.[9]

Tree Assistance Program (TAP)

The Tree Assistance Program (TAP) makes payments to qualifying orchardists and nursery tree growers to replant or rehabilitate trees, bushes, and vines damaged by natural disasters. Eligible trees, bushes, and vines are those from which an annual crop is produced for commercial purposes. Nursery trees include ornamental, fruit, nut, and Christmas trees produced for commercial sale. Trees used for pulp or timber are ineligible.

To be considered an eligible loss, the individual stand must have sustained a mortality loss or damage loss in excess of 15% after adjustment for normal mortality or damage, to be determined based on (a) each eligible disaster event, except for losses due to plant disease; or (b) for plant disease, the time period for which the stand is infected. Also, the loss could not have been prevented through reasonable and available measures.

For tree, bush or vine replacement, replanting and/or rehabilitation, the payment calculation is the lesser of (a) 65% of the actual cost of replanting (in excess of 15% mortality) and/or 50% of the actual cost of rehabilitation (in excess of 15% damage), or (b) the maximum eligible amount established for the practice by the Farm Service Agency. The total quantity of acres planted to trees, bushes, or vines for which a producer can receive TAP payments cannot exceed 500 acres annually.[10]

Emergency Disaster Loans

When a county has been declared a disaster area by either the President or the Secretary of Agriculture, agricultural producers in that county may become eligible for low-interest emergency disaster (EM) loans available through USDA's Farm Service Agency (FSA).[11] Producers in counties that are contiguous to a county with a disaster designation also become eligible for an EM loan. EM loan funds may be used to help eligible farmers, ranchers, and

[9] For more information on ELAP, see 7 C.F.R. §1416 Subpart B—Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program; and the USDA fact sheet at http://www.fsa.usda.gov/Internet/FSA_File/elap_honeybee_fact_sht.pdf.

[10] For more information on TAP, see 7 C.F.R. §1416 Subpart E—Tree Assistance Program; and the USDA fact sheet at http://www.fsa.usda.gov/Internet/FSA_File/tap_2014.pdf. Also, program details and producer examples are in the USDA/FSA handbook, http://www.fsa.usda.gov/Internet/FSA_File/1-tap_r04_a01.pdf.

[11] For an overview of the USDA emergency disaster designation and declaration process, see https://www.fsa.usda.gov/Internet/FSA_File/ed_desig_process2012.pdf. For the USDA factsheet on EM loans, see https://www.fsa.usda.gov/Internet/FSA_File/emloanpr_sept12.pdf.

aquaculture producers recover from *production* losses (when the producer suffers a significant loss of an annual crop) or from *physical* losses (such as repairing or replacing damaged or destroyed structures or equipment, or for the replanting of permanent crops such as orchards). A qualified applicant can then borrow up to 100% of actual production or physical losses (not to exceed $500,000) at an interest rate of 2.25%.

Once a county is declared eligible, an individual producer within the county (or a contiguous county) must also meet the following requirements for an EM loan. A producer must (1) be a family farmer and a citizen or permanent resident of the United States; (2) experience a crop loss of more than 30% or a physical loss of livestock, livestock products, real estate, or property; and (3) be unable to obtain credit from a commercial lender, but still show the potential to repay the loan. Applications must be received within eight months of the county's disaster designation date. Loans for non-real estate purposes generally must be repaid within 1 to 7 years; loans for physical losses to real estate have terms up to 20 years. Depending on the repayment ability of the producer and other circumstances, these terms can be extended to 20 years for non-real estate losses and up to 40 years for real estate losses.

The EM loan program is permanently authorized by Title III of the Consolidated Farm and Rural Development Act (P.L. 87-128), as amended, and is subject to annual appropriations. In the FY2014 Consolidated Appropriations Act (P.L. 113-76), emergency loan authority was provided at $35 million, an increase of $13 million from FY2013, which was the first year in many years that emergency loans received new loan authority. Emergency loans had been operating for much of the last decade, through FY2012, on unused EM funds carried over from previous fiscal years. Total EM loans (made) are typically less than $100 million per year.

Also in counties with disaster designations, producers who have existing direct loans with FSA may be eligible for Disaster Set-Aside (DSA). If, as a result of disaster, a customer is unable to pay all expenses and make loan payments that are coming due, up to one full year's payment can be moved to the end of the loan.[12]

Other USDA Assistance

In addition to farm assistance described in previous sections, USDA also has several permanent disaster assistance programs that help producers repair damaged land following natural disasters. It also has authority to issue disaster payments to farmers with "Section 32" or "CCC" funds and can use a variety of existing programs to address disaster issues as they arise.

Emergency Agricultural Land Assistance Programs

Several USDA programs offer financial and technical assistance to producers to repair, restore, and mitigate damage by a natural disaster on private land.

- The Emergency Conservation Program (ECP) and the Emergency Forest Restoration Program (EFRP) are administered by USDA's Farm Service Agency. For both programs, participants are paid a percentage of the cost to restore the

[12] For more information, see USDA factsheet at http://www.fsa.usda.gov/Internet/FSA_File/debt_set_aside11.pdf.

land to a productive state. ECP also funds water for livestock and installing water conserving measures during times of drought. EFRP was created to assist private forestland owners with losses caused by a natural disaster on nonindustrial private forest land.

- The Emergency Watershed Protection (EWP) program and the EWP floodplain easement program are administered by USDA's Natural Resources Conservation Service and the U.S. Forest Service. EWP assists sponsors, landowners, and operators in implementing emergency recovery measures for runoff retardation and erosion prevention to relieve imminent hazards to life and property created by a natural disaster. The EWP floodplain easement program is a mitigation program that pays for permanent easements on private land meant to safeguard lives and property from future floods, drought, and the products of erosion.

For more information on these programs, see CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*, by Megan Stubbs.

"Section 32" and "CCC" Funds for Farm Disaster Payments

USDA has authority to distribute emergency payments to farmers with "Section 32" and Commodity Credit Corporation (CCC) funds. However, in annual appropriations acts since FY2012 (most recently, Section 719 of FY2014 Agriculture appropriations, P.L. 113-76), Congress has prohibited the use of appropriated funds to pay for salaries and expenses needed to operate a farm disaster program under either of these two funding sources.[13]

- USDA's "Section 32" program is funded by a permanent appropriation of 30% of the previous year's customs receipts, and funds are used for a variety of activities, including child nutrition programs, the purchase of commodities for domestic food programs, and farm disaster relief. The statutory authority is Section 32 of the Agricultural Adjustment Act Amendment of 1935 (P.L.74-320, 7 U.S.C. 612c). The authority to provide disaster relief is attributed to Clause 3 of Section 32, which provides that funds "shall be used to re-establish farmers' purchasing power by making payments in connections with the normal production." Section 32 was most recently used for disaster payments when USDA made payments of $348 million for 2009 crop losses for rice, upland cotton, soybeans, and sweet potatoes.[14]
- The Commodity Credit Corporation (CCC) is the funding mechanism for the mandatory subsidy payments that farmers receive. It was federally chartered by the CCC Charter Act of 1948 (P.L.80-806). The authority to provide disaster relief is attributed to Section 5 of the act (15 U.S.C. 714c), which authorizes the CCC to support the prices of agricultural commodities through loans, purchases, payments, and other operations.

[13] Congress can stop typically for a year at a time—via appropriations acts and without changing the underlying authorizations law—the ability of the executive branch to carry out a law by prohibiting the payments of salaries to implement a certain government function. See CRS Report R43110, *Agriculture and Related Agencies: FY2014 and FY2013 (Post-Sequestration) Appropriations*, coordinated by Jim Monke.

[14] USDA, Farm Service Agency, *Crop Assistance Program (CAP) Fact Sheet*, October 2010, http://www.fsa.usda.gov/Internet/FSA_File/cap10pfs.pdf.

Examples of Adjustments to Existing USDA Programs

USDA can use authority under existing programs to help producers recover from natural disasters. For example, in response to the major drought affecting a large part of the United States in 2012, USDA took a number of actions, including [15]

- extended emergency grazing on Conservation Reserve Program (CRP) acres[16];
- reduced the emergency loan interest rate and made emergency loans available earlier in the season;
- allowed haying or grazing of cover crops without any penalty on the insurability of planted 2013 spring crops;
- worked with crop insurance companies to provide flexibility to farmers; and
- transferred $14 million in unobligated program funds into the Emergency Conservation Program to help farmers and ranchers rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought.

More recently, in addition to implementing the 2014 farm bill disaster programs, USDA has taken a number of administrative actions in 2014 to assist producers in California and elsewhere dealing with drought.[17] These include

- $15 million in targeted conservation assistance through the Environmental Quality Incentives Program (EQIP)for the most extreme and exceptional drought areas; funding helps farmers and ranchers implement conservation practices that conserve water resources, reduce wind erosion on drought-impacted fields and improve livestock access to water;
- $5 million in targeted Emergency Watershed Protection (EWP) Program assistance to the most drought impacted areas of California to protect vulnerable soils; and
- $3 million in Emergency Water Assistance Grants for rural communities experiencing water shortages.[18]

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[15] USDA, Farm Service Agency, "USDA Designates Del Norte County in California as a Primary Natural Disaster Area With Assistance to Producers in Oregon," press release, February 5, 2014, http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=edn&newstype=ednewsrel&type=detail&item=ed_20140205_rel_0020.html.

[16] CRS Report R42783, *Conservation Reserve Program (CRP): Status and Issues*, by Megan Stubbs.

[17] U.S. Department of Agriculture, "Obama Administration Announces Additional Assistance to Californians Impacted by Drought," press release, February 14, 2014, http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=2014/02/0022.xml.

[18] The U.S. Department of Agriculture's Rural Utilities Service (RUS) provides grants and loans for rural water systems in communities with less than 10,000 inhabitants; its programs are for domestic water service, not water for agricultural purposes. For more information, see CRS Report R43408, *Emergency Water Assistance During Drought: Federal Non-Agricultural Programs*, by Nicole T. Carter, Tadlock Cowan, and Joanna Barrett.

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