

Federal Agricultural Recovery Resources for Drought-Related Losses

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Per the [U.S. Drought Monitor](#), 46.15% of the lower 48 states currently experience some level of drought intensity, including [extreme or exceptional drought](#) in at least two-thirds of [Utah](#) (90%), [Arizona](#) (87%), [North Dakota](#) (77%), [Nevada](#) (76%), [New Mexico](#) (75%), and [California](#) (74%). The [U.S. Seasonal Drought Outlook](#) indicates that drought is expected to persist through July in nearly all western states. Prolonged drought conditions could lead to production declines relative to prior years' levels for row crops, tree crops, specialty crops, and livestock.

This Insight provides a short overview of selected agricultural recovery resources related to drought. It is not comprehensive and is not intended to provide up-to-date information on drought conditions or federal assistance beyond those related to agricultural production.

Additional CRS resources related to agricultural disaster assistance include CRS Report RS21212, *Agricultural Disaster Assistance*; CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*; CRS In Focus IF10565, *Federal Disaster Assistance for Agriculture*; and CRS Report R46686, *Federal Crop Insurance: A Primer*.

Federal Agricultural Disaster Assistance Programs

Numerous federal assistance programs are designed to address agricultural losses following natural disasters, including drought. The U.S. Department of Agriculture (USDA) administers these programs, which include subsidized insurance, direct payments for loss, loans, and cost share to rehabilitate damaged lands. The programs have permanent authorization and are intended to assist producers recovering from production, financial, and physical loss related to or caused by natural disasters. Each program has a different administrative process for producers requesting assistance.

Direct Payments

Some USDA programs provide payments to cover production losses above normal mortality. Advance sign-up is not required. However, application deadlines exist following a qualified loss. These programs are permanently authorized and receive mandatory funding amounts of "such sums as necessary."

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USDA's [Farm Service Agency \(FSA\)](#) administers the following direct payment programs; producers may file applications through [local FSA offices](#).

Livestock Forage Disaster Program (LFP)

[LFP](#) provides payments to eligible livestock producers who suffered grazing losses for covered livestock due to drought on privately owned or cash-leased pastureland (including cropland planted specifically for grazing). A county's Drought Monitor intensity level and the drought severity and duration trigger payment.

Livestock Indemnity Program (LIP)

[LIP](#) provides payments to eligible livestock owners and contract growers for livestock deaths in excess of normal mortality caused by adverse weather. Drought is not an eligible adverse weather event, except when associated with anthrax, a condition that may occur because of drought and directly results in the death of eligible livestock.

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

[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 not covered under LIP or LFP. Under ELAP, the cost of transporting water may be covered but not the cost of water.

Tree Assistance Program (TAP)

[TAP](#) makes payments to qualifying orchardists and nursery tree growers to replant or rehabilitate trees, bushes, and vines damaged by natural disasters, including excessive wind and qualifying drought. Insurance programs generally cover losses in crop production (see "Insurance").

Cost-Share Assistance

Some USDA programs pay a percentage of the cost to reinstall conservation infrastructure or rehabilitate damaged land. Advance sign-up generally is not required. However, the programs will not pay for impairments existing before the disaster event. These programs are permanently authorized but subject to appropriations.

Emergency Conservation Program (ECP)

[ECP](#) assists landowners in restoring land used in agricultural production damaged by a natural disaster and in implementing emergency water conservation measures in severe drought periods (e.g., providing emergency water for livestock and existing irrigation systems for orchards and vineyards). [FSA](#) administers ECP, and [local FSA offices](#) accept applications.

Emergency Watershed Protection (EWP) Program

[EWP](#) assists local project sponsors to implement emergency recovery measures for runoff retardation and erosion prevention to relieve imminent hazards to life and property created by natural disasters, including drought. [USDA's Natural Resources Conservation Service \(NRCS\)](#) administers EWP. Applications are filed with [local or state NRCS offices](#).

Insurance

The [Federal Crop Insurance Program](#) and the [Noninsured Crop Disaster Assistance Program \(NAP\)](#) provide subsidized or federally supported insurance coverage for yield, revenue, or other losses on eligible crops and livestock for covered causes of loss. Policies must be purchased prior to a disaster event. These programs are permanently authorized and have mandatory funding authority. Approved private insurance companies sell and service federal crop insurance policies. Producers must contact their [crop insurance agents](#) to file a claim following a loss. NAP coverage is for crops that are ineligible for federal crop insurance and is [purchased from FSA](#). Producers must notify their [local FSA offices](#) following a loss.

Emergency Loans

When either the [President or the Secretary of Agriculture declares a county a disaster area](#), agricultural producers in that county may become eligible for low-interest [emergency farm loans](#) available [through FSA](#). [USDA issues this disaster designation nearly automatically](#) during periods of severe drought under a “fast-track” process in accordance with [Drought Monitor intensity](#). Loans may help producers recover from production and physical losses. The program is subject to appropriations (\$1.2 billion available in FY2021).

Conservation Assistance

Certain nonemergency USDA conservation programs also may provide assistance during drought periods.

Conservation Reserve Program (CRP) Emergency Haying and Grazing

[CRP](#) provides annual payments to agricultural producers to take highly erodible and environmentally sensitive land out of production and install resource-conserving practices for 10 or more years. [Haying and grazing](#) may be conducted on CRP land in response to drought or other emergencies (except during primary nesting season for birds). In many cases, environmentally sensitive land is ineligible. [FSA issues](#) haying and grazing authorization.

Environmental Quality Incentives Program (EQIP)

[EQIP](#) provides financial and technical assistance to producers to address natural resource concerns on private agricultural and forestland. Under EQIP, conservation plans can emphasize improving soil health to be more drought-resilient and fund related conservation practices, such as no-till, cover crops, and irrigation system improvement. If existing conservation practices fail due to drought, assistance may be available to restore those activities. [NRCS](#) administers EQIP.

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