

2021 POLICY GUIDES

Disaster Assistance

From the Market Facilitation Payment program and the Coronavirus Food Assistance Programs to Wildfire and Hurricane Indemnity Program Plus payments, farmers and ranchers have received billions of dollars in ad hoc aid over the past several years. The market and thus bottom-line impact of trade disputes, a pandemic and natural disasters cannot be underestimated, however, Farm Bureau policy has historically favored permanent programs such as crop insurance and other traditional USDA disaster programs over ad hoc payments.

Agricultural leaders in Congress have also begun talking about the need to create a new weather-related permanent disaster program via legislation. While no details exist, bipartisan support does appear to exist for the new program. Under the 2008 Farm Bill, Congress created several permanent disaster programs aimed at livestock and crop producers, including many programs that exist today. These programs were created to close coverage gaps that existed in USDA aid programs, including crop insurance. Short summaries of traditional USDA disaster programs are listed below. Also included is a summary of a disaster program that was created under the 2008 Farm Bill, but discontinued in the 2014 Farm Bill. For more details about each program, please visit: www.fsa.usda.gov/programs-and-services/disaster-assistance-program/index

Livestock Indemnity Program (LIP): LIP financially assists producers when they suffer loss of livestock due to adverse weather.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish (ELAP): ELAP covers some livestock losses that do not fall under the LIP. ELAP may be applicable to financially assist with livestock feed losses, such as bales destroyed in floods.

Emergency Conservation Program (ECP): ECP can provide cost-share assistance to rehabilitate farmland damaged by natural disasters. It also can provide cost-share assistance to help restore fences damaged or lost due to natural disaster.

Livestock Forage Disaster Program (LFP): LFP provides compensation to eligible livestock producers who have suffered grazing losses due to drought or fire on land that is native or improved pastureland with permanent vegetative cover or that is planted specifically for grazing.

Noninsured Disaster Assistance Program (NAP): NAP pays covered producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters (includes native grass for grazing). Eligible producers must have purchased NAP coverage for the current crop year.

Supplemental Revenue Assistance Program (SURE): Discontinued in the 2014 Farm Bill, SURE provided payments to crop farmers who had crop production and/or quality losses due to a natural disaster. The program had two triggers including: (1) A Secretarial Disaster declared county and contiguous county and at least a 10% crop production loss on at least one crop of economic significance. (2) In the absence of a secretarial disaster declaration, farms in which the actual production was less than 50% of the normal production on the farm.

Questions to Consider

1. As we begin talks on a new Farm Bill, the ad hoc payments farmers and ranchers have received over the past several years due to the trade war, COVID-19 and natural disasters, will likely weigh heavily in the discussions. Should Farm Bureau continue pushing for ad hoc disaster payments or should we support creation of a more permanent program?
2. What is more of a priority, the preservation of crop insurance as it exists or the creation of a new permanent disaster program?
3. What are the coverage gaps that exist in the current menu of USDA disaster programs?
4. Does current AFBF policy cover all areas of reform needed?

Current AFBF Policy

225 / Risk Management/Crop Insurance Pages 54-60 (Disaster Programs Pages 59-60)

239 / National Farm Policy Pages 71-79