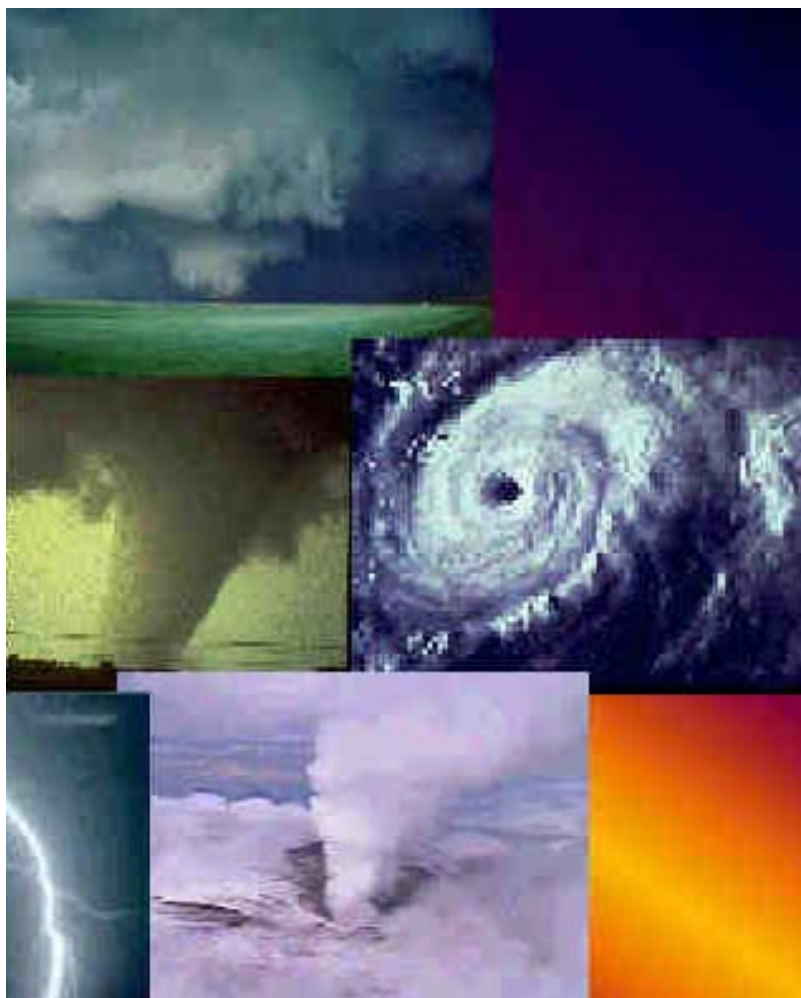




United States Department of Agriculture
Farm Service Agency



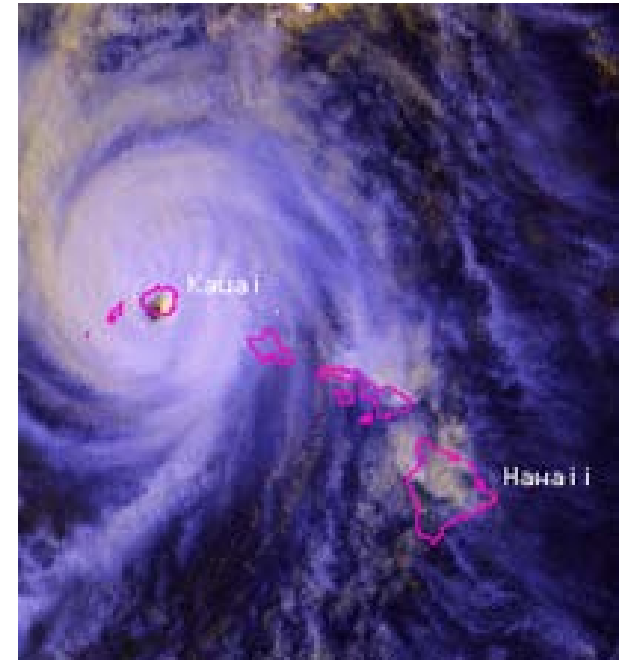
USDA Farm Service Agency (FSA)

Disaster Programs

FSA Disaster Programs

Provide relief for losses due to natural disaster

- Noninsured Crop Disaster Assistance Program
- Legislated Disaster Programs
- Emergency Loans
- Emergency Conservation Program



The Key Piece to the Puzzle

What is the key piece to unlock the puzzle of USDA Farm Service Agency disaster assistance programs?

DOCUMENTATION!

Keep good written records



Noninsured Crop Disaster Assistance Program



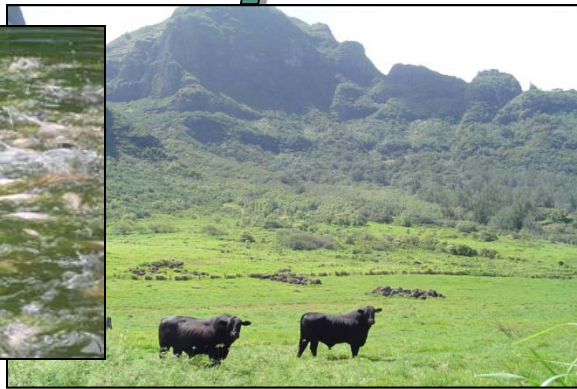
Provides financial help to producers of noninsurable crops affected by natural disasters



Noninsured Crop Disaster Assistance Program



Eligible Crops



- Crops grown for food or fiber that cannot be insured
- Other crops, determined by statute, including:
 - Forage and grazing
 - Aquaculture
 - Floriculture
 - Ornamental Nursery
 - Christmas Trees
 - Honey/Maple Sap
 - Sod

Noninsured Crop Disaster Assistance Program



Eligible Loss



- Loss must be due to damaging weather or natural disaster
 - drought, hail, excessive heat, excessive moisture, freeze, tornado, hurricane, excessive wind, ...
 - volcano, flood, earthquake
 - insect damage and disease caused by adverse weather conditions

Noninsured Crop Disaster Assistance Program



Cost

Service Fee is the lesser of \$250 per crop or \$750 per producer per county, not to exceed \$1,875 per producer with farming interests in multiple counties



Noninsured Crop Disaster Assistance Program



Application



Disaster declarations not needed

- Must apply by the application closing dates
- Producers **MUST** annually report:
 - Loss within 15 days
 - Acreage
 - Production

**Documentation is
the KEY!**



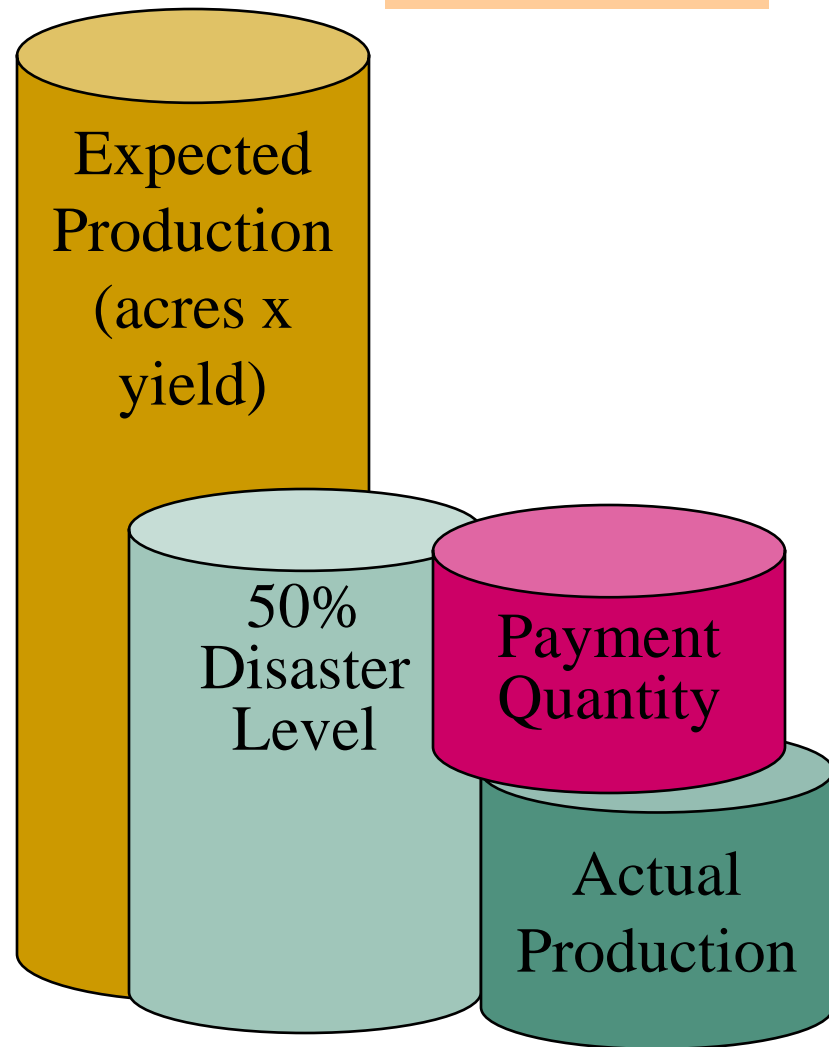
CLU/ Field	Irr Prc	C/C	Var/ Type	Int Use	Lnd Use	Rpt Unt	Reported Quantity
1 A	Ir	BEANS	YRD	Fresh	F FAV	A	.36
1 A	Ir	CUCUM	COM	Fresh	F FAV	A	.36
2 B	Ir	BEANS	YRD	Fresh	F FAV	A	.80
4 D	Ir	TMATO	GRP	Fresh	F FAV	A	1.15
6 F	Ir	CUCUM	COM	Fresh	F FAV	A	.84
7 G	Ir	TMATO	GRP	Fresh	F FAV	A	2.11
8 H	Ir	EGGPL	ORN	Fresh	F FAV	A	.13
9 I	Ir	CUCUM	COM	Fresh	F FAV	A	1.00

Noninsured Crop Disaster Assistance Program



Coverage

- losses in excess of 50%
- 55% payment rate



NAP PAYMENT SAMPLE

Crop Type	Fnl Use	Share	Acres	Yield	Disaster Level
Avocdos	FH	1.0	1.21	4,330	2,619.65

Net Prod .	Net Prod. For Pay	Payment Rate	Payment Factor	Pmt Lvl	Salvage
1000.00	1619.00	.6833	1.00	55%	\$0

Calculated Payment

\$608.00

Legislated Disaster Programs



- Authorized by Ad Hoc Legislation
- Losses must be due to damaging weather or natural disaster
- For all crops and livestock





Supplemental Revenue Assistance Payments Program (SURE)



SURE provides benefits for 2008 through 2011 crop year farm revenue losses due to natural disasters. It is the 2008 Farm Bill's successor to prior ad hoc crop disaster programs.

Signup for 2010 crop year starts Nov 14th
Deadline is June 1, 2012.



Supplemental Revenue Assistance Payments Program (SURE) cont.

Eligible Farms

For SURE, a "farm" is eligible when either:

- a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county; or,
- the actual production is less than 50% of the normal production.



Supplemental Revenue Assistance Payments Program (SURE) cont.

Eligibility - Risk Management Purchase Requirement

For producers to be eligible for SURE, they must have obtained a policy or plan of insurance for all crops through either the Federal Crop Insurance Act or FSA's Noninsured Crop Disaster Assistance Program (NAP). There are limited exceptions to this rule.

Note: Eligible producers who meet the definition of "Socially Disadvantaged", "Limited Resource", or "Beginning Farmer or Rancher" do not have to meet this requirement.



Supplemental Revenue Assistance Payments Program (SURE) cont.

Adjusted Gross Income (AGI)

- For 2009 and subsequent crop years, producers or legal entities whose average nonfarm income exceeds \$500,000 are not eligible.

SCHEDULE F (Form 1040) Profit or Loss From Farming

OMB No. 1545-0074
20X1
Attachment Sequence No. 14

Department of the Treasury Internal Revenue Service (99) ▶ Attach to Form 1040, Form 1041, Form 1065, or Form 1065-B.
▶ See Instructions for Schedule F (Form 1040).

Name of proprietor: Alex White Social security number (SSN):

A Principal product. Describe in one or two words your principal crop or activity for the current tax year. D Enter code from Part IV

C Accounting method: (1) Cash (2) Accrual D Employer ID number (EIN), if any

E Did you "materially participate" in the operation of this business during 2002? If "No," see page F-2 for limit on passive losses. Yes No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method taxpayers complete Parts II and III, and line 11 of Part I.) Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1			
2	Cost or other basis of livestock and other items reported on line 1	2			
3	Subtract line 2 from line 1	3			
4	Sales of livestock produce, grains, and other products you raised	4		177,738	00
5a	Total cooperative distributions (Form(s) 1099-PATR)	5a			
5b	Taxable amount	5b			
6a	Agricultural program payments (see page F-2)	6a	2,920	00	
6b	Taxable amount	6b		2,920	00
7	Commodity Credit Corporation (CCC) loans (see page F-3):				
a	CCC loans reported under election	7a			
b	CCC loans forfeited	7b			
7c	Taxable amount	7c			
8	Crop insurance proceeds and certain disaster payments (see page F-3):				
a	Amount received in 2002	8a			
8b	Taxable amount	8b			
c	If election to defer to 2003 is attached, check here <input type="checkbox"/>	8d	Amount deferred from 2001		
9	Custom hire (machine work) income	9			
10	Other income, including Federal and state gasoline or fuel tax credit or refund (see page F-3)	10		5,204	00
11	Gross income. Add amounts in the right column for lines 3 through 10. If accrual method taxpayer, enter the amount from page 2, line 51	11		185,862	00





Supplemental Revenue Assistance Payments Program (SURE) cont.

10 Percent Production Loss

Producers must suffer a 10 percent production loss to at least one crop of economic significance on their farm in order to be eligible. For a loss to be a qualifying loss, it must be caused by a natural disaster.

A crop of economic significance is one that contributes at least 5 percent of the expected revenue for a producer's farm.





Supplemental Revenue Assistance Payments Program (SURE) cont.

Yields

When available use Olympic average of 5 years

Yields

If not available, use simple average of data available

Prices

Use Olympic average of historical prices

If not available, use best available data



Supplemental Revenue Assistance Payments Program (SURE) cont.

Waivers

SDA

Limited Resource

Beginning Farmers

Rule:

Use 65% of CEY (County Expected Yield)

Example:

$CEY = 10000 \text{ lbs} \times 65\% = 6500 \text{ lbs}$



Supplemental Revenue Assistance Payments Program (SURE) cont.

Waiver Calculation Example

$$50 \text{ percent loss} = 6500 \times .5 = 3750 \text{ lbs}$$

Actual Yield Calculation Example

$$50 \text{ percent loss} = 10,000 \times .5 = 5000 \text{ lbs}$$

Eligible Farms

For SURE, a "farm" is eligible when either: a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county; or, the actual production is less than 50% of the normal production.

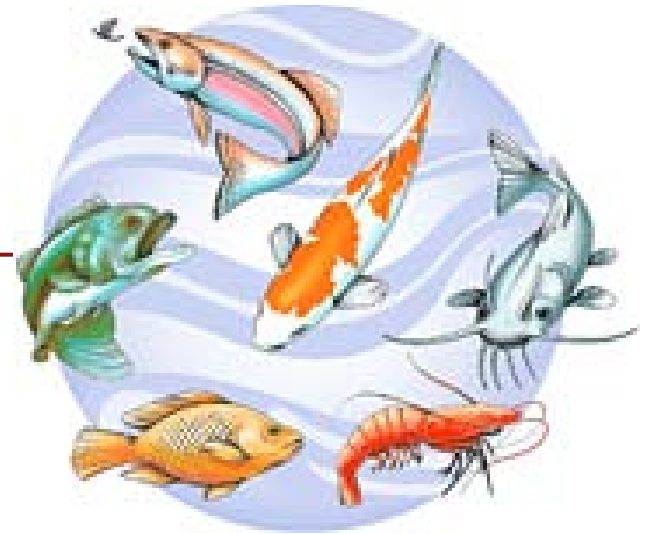




Supplemental Revenue Assistance Payments Program (SURE) cont.

Under Constructions

RTCP



Reimburses producers for a portion of the transportation cost for transporting their agricultural commodity, or inputs used to produce an agricultural commodity during a fiscal year. Payment limit is \$8,000.

RTCP

Eligible Producers – Farmers and ranchers who transported an agricultural commodity, or inputs used to produce an agricultural commodity during a fiscal year.

October 1, 2011 to September 30, 2012

RTCP

Eligible Producers

US Citizen or Legal Resident Aliens

Eligible AG Operation

NonFarm AGI less than \$500,000

Certify Compliance with HELC & WC
Provisions



RTCP

RTCP Payments will be based on the amount of transportation costs incurred and multiplied by the applicable COLA (Cost of Living Allowance) for the applicable area.

2 types of transportation costs:
Actual and Set

RTCP

ACTUAL

Based on actual costs incurred and from verifiable records.

Example: Fedex, UPS, Matson, Aloha Airlines, Young Brothers, Local transportation, etc.

The actual rate is 18%.

Example: $\$1000 \times .18 = \180

RTCP

SET

Established locally and reflect transportation rates of AG Commodities or Inputs

The set rate is 22.5%

Example: $\$1000 \times .225 \times .18 = \40.50

RTCP

SET

Inputs: Fuel, Fertilizer, Fencing, Tools, Herbicide, Pesticide, Equipment/Parts, Seed, Plants etc. Anything used to produce an Agricultural Commodity.

RTCP

SET Commodities

Transportation over 30 miles

Example: $\$100,000 \times .005 = \500

RTCP

Supporting Documents

Verifiable Records:

Account Statements

Bill of Lading

Contractual Agreements

Financial Statements

Invoices

Retail Sales Receipts

Supporting Documents

Verifiable records:

Name of producers, except on retail sales receipts

Commodity, unit (quantity), and unit of measure, or unit price.

Type of inputs associated with transportation costs

Date of service/sale

Name of person or entity providing the service/sale

RTCP

Supporting Documents

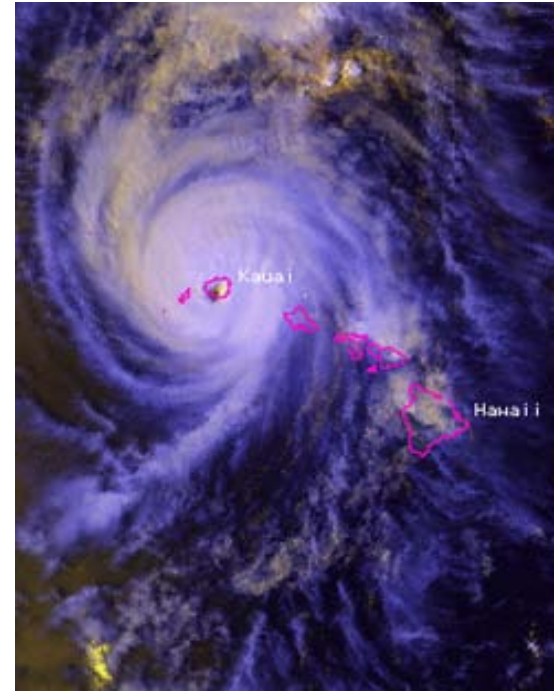
Paperwork to set up your account with FSA



Emergency Loans

Helps farmers who have suffered physical or production losses in federally-declared disaster areas

- 100% loss amount, not to exceed \$500,000
- 3.75% interest rate
- Must apply within 8 months of the disaster designation date
- Term:
 - 1-7 years for non-real estate
 - Up to 40 years for physical losses on real estate



Emergency Conservation Program

- Provides up to 75% cost-share for:
 - rehabilitating land damaged by natural disaster
 - water conservation measures and water source improvements during drought
- Area must be approved
- Funds used for debris removal, livestock water, fence restoration, land restoration, restoring water conservation structures, and water conservation.
- Limited Resource Provisions Apply 90 % cost-share



Emergency Conservation Program

Halemaumau VOG

Replace fence due to accelerated corrosion from VOG or Acid Rain

Emergency Conservation Program

Halemaumau VOG

Fence must enclose or exclude livestock

Cost Share is 75% to 90%

Age of fence is a factor

NRCS Specifications

Emergency Conservation Program

Halemaumau VOG

Age of Fence	Factor
5 years of less	1.00
6 to 10 years	75%
11 to 30 years	60 %
Over 30 years	0%

Emergency Conservation Program

Halemaumau VOG

Formula

Footage x rate x factor

$$10,000 \text{ ft} \times .75 \times 1.00 = \$7500$$

$$10,000\text{ft} \times .75 \times .75 = \$5625$$

$$10,000\text{ft} \times .75 \times .6 = \$4500$$

Emergency Conservation Program

Halemaumau VOG

Restore to Predisaster Condition

NRCS Specifications

- Posts no closer than 12 feet apart

- No more than 5 strands

- Not to exceed 11 gauge

Emergency Conservation Program

Halemaumau VOG

Environmental Compliance

T & E Species

Historical Cultural Resources

Complete FSA 850

Documentation is the key!

Whether it be detailed records of crop plantings and production, or running inventory of trees and livestock.

Keep good written records!



For Further Information:

■ **Contact Your Local County Office**

Debbie Jitchaku

Kristen Kiriu

(808) 933-8381



For Further Information:

- **Contact Your Local County Office**

Lester Ueda

Hawaii County FSA Office

154 Waianunue Ave, Rm 219

Hilo, HI 96720 (808) 933-8381

- **Visit the FSA website:**

www.fsa.usda.gov

