

## State Agricultural Disaster Relief Proposal

*“Move agriculture up the pecking order.”*

*-Commissioner Steve Troxler*

### 1. State-level “Bridge” Loan Guarantee Partnership with Private Lenders

Use State Agricultural Finance Authority to administer a 20% loan-guarantee program for individuals in declared disaster (and contiguous) disaster counties who are engaged in agriculture and who are in need of immediate cash flow dollars. In short, the Authority would leave it up to private lenders to make a decision regarding whether to make short term (5- or 7-year) loans to farmers who have suffered as a result of the hurricane (in this case), but would guarantee up to 20% of the loan amount.

At the end of the day, these dollars do not even need to be “spent,” but in reality they are simply “set aside.” There will be overhead costs, but those should be less than 2% of the total loan guarantee pool. Given agricultural losses that will undoubtedly approach \$400 - 500 million, an initial pool of \$25 million is a conservative starting point.

Funding for forestry and nursery operations would be included in this program.

Individuals who are at risk of loss as a result of the termination of a **poultry contract** (the purchaser has filed for bankruptcy or announced that it is ceasing operations) would also be qualified to participate in this program.

### 2. Creation of Agricultural Disaster “Strike Team”

Leverage resources that already exist within the Department of Agriculture and Consumer Services to develop a network of 20-40 statewide “strike teams” that can be activated following a catastrophe. While much of this will build upon divisions that are already engaged in emergency preparedness and response, including the Forestry Service, Emergency Programs, Research Stations, and Regional Agronomists, some funding would be required to provide for leadership, organization, and communications expertise. Funding for pay of overtime hours would also be necessary.

Additional components on this would include:

- informal damage assessment data
- daily briefing for agricultural leaders and public officials
- liability limitations for those engaged in the work on private property
- increased education regarding existing federal programs

3. Board of Agriculture Recommended State Agriculture Disaster Declaration

Upon recommendation of the Board of Agriculture, the Commissioner would declare a state of agricultural emergency for affected counties, which would include flexibility to activate certain relief under state law:

- Suspend transportation rules (size, weight, width limitations), which would make harvesting crops immediately before a weather event or immediately following a catastrophe more efficient
- Suspend limitations on burying and burning debris as was done in the post-tornado legislation during the 2011 session
- Permission for local law enforcement to work with the Agricultural Strike Team or BRIDGE program effort as detailed above (and below)
- Suspend state veterinarian enforced rules regarding animal mortality and provide for the discretionary recognition of out-of-state credentials for in-state animal assistance
- Work with DENR to determine if there are ways to alleviate any time constraints or limitations on repair and restoration work and recovery

4. Further Develop Forestry Service's BRIDGE Program

The Forest Service and Department of Corrections already cooperate on a program in Western North Carolina that uses prisoners to perform forestry related work. No counterpart to this program exists in Eastern North Carolina. With some funding and appropriate statutory authority, the Department could use the BRIDGE program to provide assistance on both public and private property. This will roll into the "Strike Team" program described above.

5. Support Federal Insurance Program Reform for Agricultural Infrastructure

A part of any legislative effort could include a joint request from the House and Senate calling upon the President and USDA to create a pilot program for insuring agricultural infrastructure in North Carolina. One of the major problems in any agricultural disaster is the loss of equipment, buildings, and other farm structures that were not valuable but which will be expensive to rebuild. The coverage would be “catastrophic” in nature.

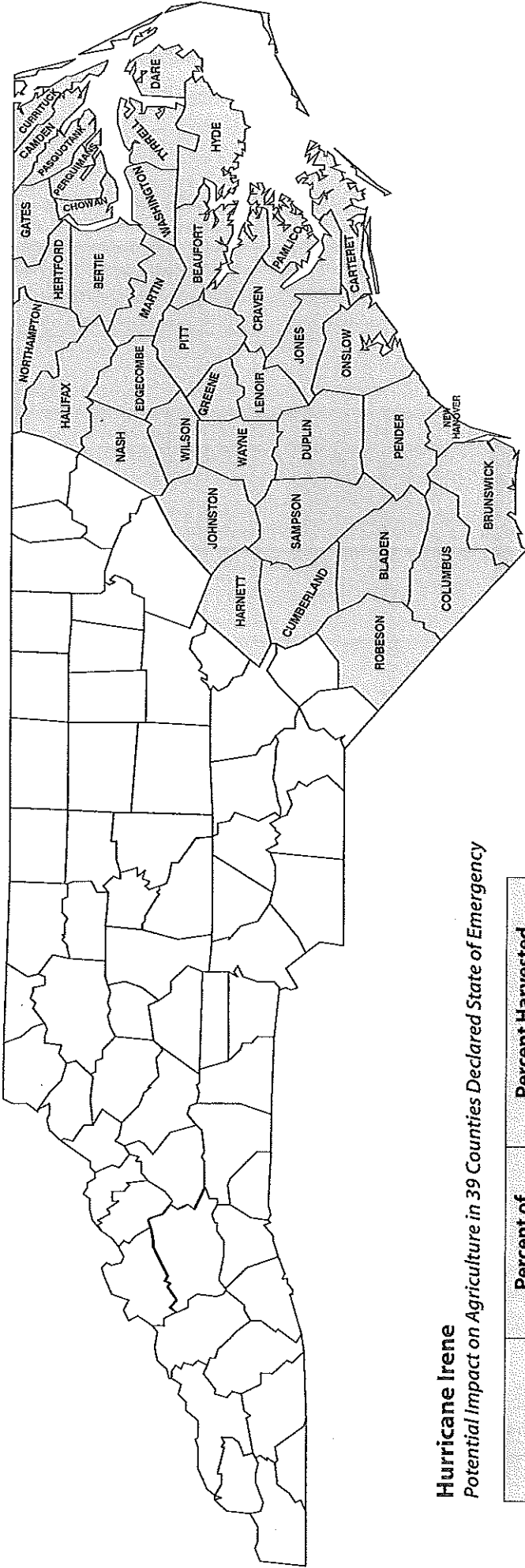
⑥ Create Emergency Assistance Relief Fund Modeled After the Missouri and Louisiana Programs

Missouri has a program that is designed to address immediate needs in the ag community following a catastrophe like what we’ve experienced in North Carolina.

- Immediate need - This grant of \$500 is available to Missouri farm families recovering from a natural disaster and is designed to help those most devastated by the disaster meet their most urgent needs. The grant may be used for household or agricultural purposes and is available on a first come, first serve basis as long as funding for this purpose is available. The farm family must have been directly impacted by a natural disaster and have suffered physical and/or economic loss.
- Grants to organizations - Up to \$5,000 is available for non-profit organizations, counties, municipalities and other political subdivisions for infrastructure repair, clean up or other projects that assist in recovery for the farm community.
- Major Disaster Grant - Funding in amounts greater than \$5,000 is available on a special needs basis. Any individual or organization may apply for these grants but organizations who can serve a large number of producers will be given priority.

Much of the funding for this program actually came from private sources (including Monsanto and the “Republic of China” (Taiwan).

Louisiana conducted a program following Hurricane Katrina in which HUD dollars were directed through their state version of an Ag Finance Authority to those in need.



**Hurricane Irene**  
*Potential Impact on Agriculture in 39 Counties Declared State of Emergency*

|          | Percent of State Total | Percent Harvested As of August 21 |
|----------|------------------------|-----------------------------------|
| Corn     | 76                     | 12                                |
| Tobacco  | 73                     | 32                                |
| Soybeans | 75                     | 0                                 |
| Cotton   | 94                     | 0                                 |
| Hogs     | 94                     | N/A                               |
| Chickens | 40                     | N/A                               |
| Turkeys  | 84                     | N/A                               |



**North Carolina Department of  
 Agriculture and Consumer Services**  
*Agricultural Statistics Division*  
 Commissioner Steve Troxler