

**Agricultural Disaster Assistance in the Military Construction Appropriations
Conference Report (H.R. 4837)**

- **Crop Disaster Assistance**

- Provides financial assistance to producers on a farm (other than producers of cottonseed or sugarcane) incurring qualifying crop or quality losses due to damaging weather or related condition for either the 2003, 2004, or 2005 crop. Assistance limited to only one of the crop years 2003, 2004, or (in limited cases) 2005 as elected by the producer. Qualifying crop losses for the 2005 crop are limited to only those losses caused by a hurricane or tropical storm of the 2004 hurricane season in counties receiving a Presidential disaster declaration.
- Requires that USDA administer the program in the same manner as for the disaster bill contained in the 2001 Agriculture Appropriations bill. Farmers will be compensated if their losses exceed 35% of historic yields. The payment formulas provide greater benefits to producers who bought insurance on their eligible crops: farmers with eligible losses of insured crops will be compensated at 65% of crop insurance market price elections; farmers with eligible losses to uninsured crops (for which crop insurance is available) will be compensated at 60% of the crop insurance market price elections and must agree to purchase crop insurance for the next two crops; farmers with eligible losses to noninsurable crops (for which crop insurance is unavailable) will be compensated at 65% of the five-year average NASS price (NAP area loss triggers do not apply). Benefits are limited to \$80,000 per person. Benefits under the crop disaster assistance program will not be prorated.
- Deems ineligible for financial assistance those producers who did not purchase crop insurance or file appropriate paperwork for a noninsurable commodity for the year incurring the losses. Provides a waiver if the producers enter into a contract to purchase insurance coverage (at higher than the catastrophic level) for the insurable commodity for each of the next two crops; or in the case of a noninsurable commodity, file the required paperwork and pay the administrative fee for each of the next two crops.
- Deems ineligible for financial assistance those producers with adjusted gross incomes of greater than \$2.5 million in 2003. Deems ineligible for financial assistance those producers not in compliance with highly erodible land conservation and wetland conservation provisions.
- Limits financial assistance to no greater than 95% of what the value of the crop would have been in the absence of losses.

- Does not allow producers to be eligible for payments under this section if they receive payments from Section 32 funds with respect to 2004 hurricane crop losses.
- **Livestock Assistance Program**
 - Provides financial assistance for livestock losses to producers for 2003 or 2004 losses (but not both years) in a county that has received an emergency designation by the President or the Secretary after January 1, 2003.
 - Allows funding to be made available for the American Indian livestock program.
 - Requires that USDA administer the program in the same manner as for the disaster provisions in the 2001 Agriculture Appropriations bill.
- **Tree Assistance Program**
 - Provides funding to producers who suffered tree losses during the period beginning on December 1, 2003, through December 31, 2004.
 - Provides an additional \$15 million to eligible forest land owners who produce periodic crops of timber from trees for commercial purposes and who have suffered tree losses during the period beginning on December 1, 2003, through December 31, 2004.
 - Does not allow producers to be eligible for payments under this section if they receive payments from Section 32 funds with respect to 2004 hurricane crop losses.
- **Emergency Conservation Program**
 - Provides \$50 million to provide assistance to participants in the Emergency Conservation Program.
- **Commodity Credit Corporation**
 - Requires the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this Act.

- **Offset**
 - Caps the Conservation Security Program at \$6,037,000,000 for the period of fiscal years 2005 through 2014. The Conservation Security Program, with an estimated 10-year cost of approximately \$9 billion prior to the limitation under this bill, remains the third largest conservation program provided by the U.S. Department of Agriculture.

- **Emergency Conservation Program**
 - Provides an additional \$100 million for expenses resulting from natural disasters.

- **Emergency Watershed Protection Program**
 - Provides an additional \$250 million to repair damages to waterways and watersheds resulting from natural disasters.

- **Rural Community Advancement Program**
 - Provides an additional \$68 million to repair damages to water and waste disposal systems and community facilities resulting from natural disasters. Provides that \$50 million of this total shall be available for water and waste disposal grants and \$18 million of this total shall be available for community facility direct loans and grants. This additional funding shall only be available for projects in communities affected by hurricanes and tropical storms in calendar year 2003 or 2004.

- **Rural Housing Service**
 - Provides an additional \$5 million in budget authority for damages resulting from natural disasters. Funding available for projects in communities affected by hurricanes and tropical storms in calendar year 2003 or 2004.
 - Provides an additional \$13 million for Rural Housing Assistance Grants for damages resulting from natural disasters, of which \$8 million shall be for grants and contracts for very low-income housing repair, and of which \$5 million shall be for domestic farm labor housing grants and contracts. Funding and contracts available for projects in communities affected by hurricanes and tropical storms in calendar year 2003 or 2004.

- **Sugarcane Assistance**
 - Provides \$40 million for sugarcane assistance. \$32.8 million of this total shall be available to make payments to eligible processors in Florida to compensate first processors and producers for crop and other losses that are related to hurricanes, tropical storms, excessive rains, and floods in Florida during calendar year 2004 in counties receiving a Presidential disaster declaration in 2004 due to hurricanes. Payments are to be calculated and paid on the basis of losses on 40 acre harvesting units and on the same terms and conditions as the payments made under section 207 of the Agricultural Assistance Act of 2003. \$7.2 million of this total shall be provided to Hawaii for assistance to an agricultural transportation cooperative in Hawaii.

- **Dairy Assistance**
 - Provides \$10 million to make payments to dairy producers for dairy production losses and dairy spoilage losses in counties receiving a Presidential disaster declaration in 2004 due to hurricanes.

- **Cottonseed Assistance**
 - Provides \$10 million in assistance to producers and first handlers of the 2004 crop of cottonseed located in counties receiving a Presidential disaster declaration in 2004 due to hurricanes.

- **Rural Community Advancement Program**
 - Designates Burlington and Camden Counties in New Jersey to be rural areas during fiscal year 2005, and designates the communities in these counties to be rural areas during fiscal year 2005 for purposes of the direct and guaranteed loan programs.

- **Emergency Watershed Protection**
 - Requires the Secretary to provide financial and technical assistance to repair and, if necessary, replace Hope Mills Dam, in Cumberland County, North Carolina.

- **Private Forest Landowner Assistance**
 - Provides \$10 million to provide assistance to eligible private forest landowners owning not more than 5,000 acres of forest crop in counties receiving a Presidential disaster declaration as a result of hurricane, tropical storm, or related events for the purposes of debris removal, replanting of timber, and other such purposes.

- **Pecan Assistance**
 - Provides \$8.5 million to provide assistance under the Tree Assistance Program to pecan producers who suffered tree loss or damage due to damaging weather related to any hurricane or tropical storm of the 2004 hurricane season in counties receiving a Presidential disaster declaration.

- **Section 32**
 - Provides \$90 million to Section 32 to make payments with respect to 2004 hurricane losses.

- **Administrative Expenses**
 - Provides \$4 million for administrative expenses to the Farm Service Agency.