



## Agricultural Assistance Act of 2003

### Background

The Agricultural Assistance Act of 2003 (the Act), signed into law on February 20, 2003, provides assistance to producers who have suffered losses due to weather-related disasters or other emergency conditions. The total estimated cost of the Act is \$3.099 billion. USDA's Farm Service Agency (FSA) will administer the following programs contained in the Act.

### Crop Disaster Program

The Crop Disaster Program (CDP) provides payments to producers for qualifying losses to agricultural commodities (other than sugar or tobacco) due to damaging weather or related conditions. The damages must be in excess of 35 percent for either the 2001 or 2002 crop. The program has no set funding limit.

CDP provisions are similar to disaster programs authorized for 1998 through 2000 crops, but with a few changes. Producers will have a choice of receiving payments for the 2001 or 2002 crops (but not both), and the payment rates will be slightly less than for the previous crop loss payments.

Payments will be issued to producers for losses in excess of 35 percent at:

- 50 percent of the established price to producers who had crop insurance coverage;
- 50 percent of the established price to producers for whom crop insurance was not available, including crops for which Noninsured Crop Disaster Assistance Program coverage is available; and
- 45 percent of the established price to producers who did not obtain crop insurance.

CDP payments are limited to \$80,000 per producer. A producer's disaster payments plus crop insurance and NAP payments cannot exceed 95 percent of what the producer would have received in the absence of a crop loss.

A producer is ineligible if he/she did not purchase crop insurance or NAP, unless the producer agrees to purchase crop insurance and/or NAP for each of the next two years. A producer who fails to purchase coverage must refund the disaster payment.

### Livestock Compensation Program

The Act also expands the counties eligible for the Livestock Compensation Program (LCP) by changing the program's date restrictions. This program was originally announced by the Administration in September 2002. LCP payments are based on losses per head of eligible livestock.

### Livestock Assistance Program

The Act includes \$250 million for the Livestock Assistance Program (LAP), which provides assistance to producers for grazing losses. Producers have a choice of receiving payments for 2001 or 2002 losses.

LAP addresses the needs of producers whose assistance for grazing losses for eligible livestock exceeds amounts received under LCP and the 2002 Cattle Feed Program (CFP). Producers' LAP payments are reduced by the amount they received under LCP or the 2002 CFP, if applicable.

### Other Assistance

The Act also provides the following assistance:

- \$60 million in payments to certain sugarcane producers and processors (payable in the form of 150,000 tons of commodities or the dollar-equivalent);
- \$60 million for sugar beet producers for losses in 2001 or 2002;
- tobacco assistance payments of 5.55 cents per pound;
- \$50 million for cottonseed; and
- other assistance that may be administered by other agencies or state governments.

## **Fact Sheet**

*Agricultural Assistance Act of 2003*

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### ***Signing Up for Assistance***

Sign-up for the various disaster assistance programs will begin as soon as possible following the determination of program details. Information on sign-up will be posted on FSA's Web site at:  
[disaster.fsa.usda.gov](http://disaster.fsa.usda.gov)

### ***For More Information***

Further information on these programs is available from local FSA offices or on FSA's Web site at:  
[disaster.fsa.usda.gov](http://disaster.fsa.usda.gov)

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