

Federal Financial Assistance Programs for Drought Emergencies

Oregon Water Resources Department | June 2015

Several federal agencies offer loans or grants to assist with drought-related emergencies. Programs for farming and ranching operations are administered by the U.S. Department of Agriculture through the Farm Service Agency, Rural Development, and the Natural Resources Conservation Service. The U.S. Small Business Administration provides loans to businesses, including non-profit organizations. The U.S. Bureau of Reclamation also offers grants for drought resiliency planning and project implementation. The following is a short summary of various federal financial programs. More information is available at:

<http://www.disasterassistance.gov/get-assistance/assistance-by-federal-agency>

USDA Farm Service Agency



The Farm Service Agency provides assistance for natural disaster losses resulting from drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities. The following programs are summarized on FSA's [Drought Assistance website](#).

➔ Emergency Farm Loans

The Farm Service Agency provides emergency loans up to \$500,000 to help producers located in a county declared by the President or designated by the Secretary of Agriculture as a primary disaster area or quarantine area. All counties contiguous to the designated area are also eligible for emergency loans. Applications must be received within eight months of the county's drought disaster declaration. Emergency loan funds may be used to:

- Restore or replace essential property
- Pay all or part of production costs associated with the disaster year
- Pay essential family living expenses
- Reorganize the farming operation
- Refinance certain debts, excluding real estate

Factsheet: http://www.fsa.usda.gov/Internet/FSA_File/emloanpr_mar2015.pdf

➔ Emergency Conservation Program (ECP)

The Emergency Conservation Program (ECP) provides funding and assistance to farmers and ranchers to repair farmlands damaged by natural disasters and helps put in place methods for water conservation during severe drought. The FSA County Committee inspects the damage to determine eligibility. Farmers and ranchers should check with their local FSA office regarding sign-up periods, which are set by the FSA County Committee.

Website: www.fsa.usda.gov/programs-and-services/conservation-programs/emergency-conservation/index

➔ **Livestock Forage Disaster Program (LFP)**

The Livestock Forage Disaster Program (LFP) provides compensation to eligible livestock producers who have suffered grazing losses due to drought or fire. LFP payments for drought are equal to 60 percent of the monthly feed cost for up to five months. The grazing losses must have occurred on or after Oct. 1, 2011.

Factsheet: www.fsa.usda.gov/Internet/FSA_File/lfp_2014_fbill.pdf

➔ **Livestock Indemnity Program (LIP)**

The Livestock Indemnity Program provides benefits to livestock producers for livestock deaths in excess of normal mortality caused by adverse weather. LIP payments are equal to 75 percent of the market value of the applicable livestock. To be eligible, the notice of loss must be submitted the earlier of: (1) within 30 calendar days of when the loss of livestock is apparent to the producer, or (2) within 30 calendar days after the end of the calendar year in which the loss of livestock occurred.

Fact Sheet: www.fsa.usda.gov/Internet/FSA_File/lip_long_fact_sht_2014.pdf

➔ **Noninsured Crop Disaster Assistance Program (NAP)**

This program provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters and covers non-insurable crop losses. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushrooms and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turf grass sod).

➔ **Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program**

The ELAP program provides payments to help compensate for losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires, as determined by the Secretary. ELAP provides retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

For losses after October 1, 2014, a notice of loss must be filed within 30 days of when the livestock loss is apparent, and an application for payment must be received by November 1 after the October to September period in which the loss occurred.

Factsheet: http://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/Disaster-Assist/elap_livestk_fact_sht1114.pdf

➔ **Tree Assistance Program (TAP)**

The Tree Assistance Program offers financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters. For losses in calendar year 2015, the loss must be reported within 90 days of the disaster event or within 90 days of when the loss became apparent.

Factsheet: http://www.fsa.usda.gov/Internet/FSA_File/tap_2014.pdf

USDA Rural Development



Committed to the future of rural communities.

USDA Rural Development's main office is located in Portland, with local offices in Central Point, La Grande, Pendleton, Tangent, Redmond, and Roseburg. USDA Rural Development offers loans, grants, and loan guarantees to support essential services such as housing, economic development, health care, first responder services and equipment, and water, electric and communications infrastructure.

➔ **Emergency Community Water Assistance Grants**

This program helps eligible communities prepare for, or recover from, an emergency that threatens the availability of safe, reliable drinking water for households and businesses. Most state and local governmental entities, nonprofit organizations, and federally recognized Tribes are eligible for assistance. A federal disaster declaration is not required. Water transmission line grants up to \$150,000 are for construction of waterline extensions, repairs to breaks or leaks in existing water distribution lines, and related maintenance necessary to replenish water supply. Water source grants are available for up to \$500,000 for construction of a new water source, intake and/or treatment facility.

➔ **Water and Waste Disposal Loans and Grants**

Rural development is authorized to provide financial assistance to municipalities, counties, special purpose districts, Indian tribes, and nonprofits in the form of grants or loans to support restoring, improving, enlarging, or modifying a water supply or wastewater facility. The program is available in rural areas and towns of up to 10,000 people, with preference for areas of less than 5,500 people. Priority is given to public entities and projects to restore deteriorating water supply or to improve, enlarge, or modify water facilities or inadequate waste facilities.

➔ **Household Water Well System Grants**

This program helps qualified nonprofits and tribes create a revolving loan fund to extend access to clean, reliable water to households in eligible rural areas. Loan funds may be used to construct, refurbish, or service individually owned household water well systems. This program has about \$1 million to grant to revolving loan funds annually. The application period for 2015 has closed.

USDA Natural Resource Conservation Service (NRCS)



With field offices in nearly every county, NRCS provides funds for farmers and ranchers to help mitigate the effects of drought and prepare against future weather events. NRCS Oregon recently launched a new drought [portal](#) with information and resources for private landowners.

Website: www.nrcs.usda.gov/getstarted

➔ Environmental Quality Incentives Program

The Environmental Quality Incentives Program (EQIP) is a voluntary conservation program that promotes agricultural production and environmental quality as compatible goals. Through EQIP, agricultural producers receive financial and technical assistance for practices that improve water and air quality, conserve ground and surface water, reduce soil erosion and sedimentation or improve or create wildlife habitat. NRCS Oregon has \$2.5 million of funding available through the EQIP program for counties with drought declarations from the Governor's Office. **The application deadline is June 26, 2015.**

➔ Conservation Stewardship Program

The Conservation Stewardship Program (CSP) helps agricultural producers maintain and improve their existing conservation systems and adopt additional conservation activities to address priority resources concerns. Participants earn CSP payments for conservation performance—the higher the performance, the higher the payment.

➔ Regional Conservation Partnership Program

NRCS is also the lead agency for the Regional Conservation Partnership Program (RCPP), which promotes partnerships between public and private sectors to tackle high-priority natural resources challenges. RCPP's six projects in Oregon in 2015 include \$1.6 million to the White River Irrigation Efficiency and Stream Flow Restoration Project and \$4.2 million to the North Slope Ochoco Holistic Restoration Project. RCPP is designed to support irrigation efficiency projects, conservation easements, spring developments, and riparian restoration. RCPP applicants must be governments, tribes or nonprofits. **Pre-application proposals are due July 8, 2015.**

Find your Oregon NRCS office here: www.nrcs.usda.gov/wps/portal/nrcs/main/or/contact/local/

U.S. Small Business Administration



The U.S. Small Business Administration (SBA) provides low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters. SBA disaster loans can be used to repair or replace the following items damaged or destroyed in a declared disaster: real estate, personal property, machinery and equipment, and inventory and business assets.

Website: <https://www.sba.gov/content/drought-disaster-assistance>

Economic Injury Disaster Loans

Small nonfarm businesses and agricultural cooperatives, along with small businesses engaged in aquaculture, and most private nonprofit organizations of any size affected by drought (in a federally declared drought area), may qualify for [Economic Injury Disaster Loans](#). These loans of up to \$2 million help meet financial obligations and operating expenses that could have been met had the disaster not occurred.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. Agricultural enterprises should contact the Farm Services Agency about the USDA assistance made available by the Secretary's declaration.

- The applicant business must be located in the declared disaster area.
- Nurseries are only eligible for economic injury caused by declared drought disasters.
- Loan assistance is available only to the extent the business and its owners cannot meet necessary financial obligations due to the disaster. This determination is made by SBA.

You can [apply online for an SBA disaster assistance loan](#).

U.S. Bureau of Reclamation



The U.S. Bureau of Reclamation's new Drought Response Program provides assistance to water users for three categories of actions: drought contingency planning, actions that will build long-term resiliency to drought, and emergency response actions to minimize losses and damages resulting from drought.

Website: <http://www.usbr.gov/drought/>

➔ WaterSMART Drought Contingency Planning

Drought contingency plans help communities recognize drought in its early stages, identify the effects of drought and protect themselves in the future. Most drought contingency planning processes are structured to address the three following questions:

- How will we recognize the next drought in the early stages?
- How will drought affect us?
- How can we protect ourselves from the next drought?

Applicants may request up to \$200,000 in federal funding to develop a drought contingency plan or update an existing plan. A 50 percent non-federal cost share is required. **Applications for drought planning are due Thursday, June 25, 2015.**

➔ WaterSMART Drought Resiliency Projects

Drought resiliency projects, also referred to as mitigation actions, help communities prepare for and respond to drought. To be eligible, resiliency projects must be supported by an existing drought contingency plan. Reclamation will typically provide funding on a 50-50 cost-share basis.

Grant opportunities for both resiliency planning and specific projects and are posted at www.grants.gov. Check for grants # R15AS00047 and R15AS00046. **Applications for drought resiliency projects are due Thursday, June 25, 2015.**

➔ Water Conservation Field Services Program

The Water Conservation Field Services Program (WCFSP) works to encourage water conservation and efficient use of water supplies on Reclamation's projects and to foster improved water management on a watershed basis. The WCFSP provides opportunities for both technical and financial assistance for water districts that are working with Bureau of Reclamation Projects. The WCFSP provides these water districts with cost-sharing, generally on a 50-50 basis, through cooperative agreements or grants in support of developing and implementing water conservation plans.

Activities covered by this program include:

- Assisting water agencies with implementing water conservation plans and water management practices
- Providing funds for implementation through cost-sharing activities
- Facilitating partnerships with other organizations to conduct implementation activities
- Assisting water agencies with water measurement automation, telemetry, and conveyance system improvements