

Economic Relief Available for Producers Impacted by 2024 Drought

By: David Marrison, OSU Extension Field Specialist- Farm Management

Drought conditions started in Ohio in mid-June and intensified throughout the summer until some relief was provided by rain showers at the end of September and first few days of October. Then drier conditions returned. The economic consequences of this summer’s drought will linger for quite some time.

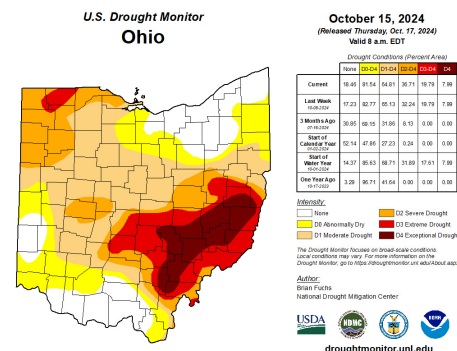
Economic relief is available through various USDA assistance programs following a natural disaster declaration. The Secretary of the United States Department of Agriculture (USDA) has issued 7 natural disaster designations (August 30, September 3, 18 & 23, and October 2, 8 & 21) which designated 49 counties as primary disaster counties with an additional 17 counties classified as contiguous.

According to the U.S. Drought Monitor, these counties suffered from a drought intensity value during the growing season of 1) D2 Drought-Severe for eight or more consecutive weeks or 2) D3 Drought-Extreme or D4 Drought-Exceptional. The following are the counties which have been designated as of October 21 (note that other counties in far northwest Ohio may be added later this month).

Primary Counties: Adams, Athens, Belmont, Brown, Butler, Carroll, Champaign, Clark, Clermont, Clinton, Coshocton, Defiance, Delaware, Fairfield, Fayette, Franklin, Fulton, Gallia, Guernsey, Greene, Hamilton, Harrison, Henry, Highland, Hocking, Jackson, Jefferson, Lawrence, Licking, Logan, Lucas, Madison, Meigs, Miami, Monroe, Montgomery, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Ross, Tuscarawas, Union, Vinton, Warren, Washington, and Williams counties.

Contiguous Counties: Auglaize, Columbiana, Darke, Hancock, Hardin, Holmes, Knox, Marion, Morrow, Ottawa, Paulding, Preble, Putnam, Scioto, Shelby, Stark, and Wood counties.

These designations allow the USDA Farm Service Agency (FSA) to extend much-needed emergency credit to farm operators in primary counties and contiguous counties through FSA emergency loan assistance. The USDA FSA uses the U.S. Drought Monitor (USDM) map to determine a producer’s eligibility by county for certain drought assistance programs, like the Livestock Forage Program (LFP), Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish Program (ELAP) and the Emergency Haying and Grazing on CRP acres. These programs are available to both new and existing users of FSA services. Please note that each program has eligibility requirements and payment limitations. Short descriptions for each of the drought assistance programs will be discussed in this paper.



Emergency Loan Program: This program provides emergency loan assistance to farm operators. These loans can be used to meet various recovery needs including the replacement of essential items such as equipment or livestock, reorganization of a farming operation, or to refinance certain debts. For production loss loans, the producer must have a disaster yield that is below the normal production yield of the crop, as determined by the Agency, that comprises a basic part of an applicant's total farming operation. Quality losses are determined by comparing the average market price for the commodity at the grade the applicant would have normally sold the product, with the average price of the grade at actual sale. Producers can borrow up to 100 percent of actual production or physical losses to a maximum amount of \$500,000. The deadline for producers in designated primary and contiguous counties to apply for loans is between April 21 to June 16, 2025, depending on the county. Complete details about ELP can be found at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/emergency-loan-program-2024pdf>

Disaster Set-Aside Program (DSA): This program allows FSA borrowers to set aside of one payment due to qualified disaster. Each payment set-aside must be repaid prior to the final maturity of the note. Any principal set-aside will continue to accrue interest until it is repaid. The borrower must be current or not more than 90 days past due on any FSA loan when the application is completed. Borrowers have 8 months from date of the disaster designation to apply. More details about the DSA program can be found at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/disaster-set-aside-program-2024pdf>

Noninsured Disaster Assistance Program (NAP): This program provides financial assistance to producers of non-insurable crops that have lower yields or crop losses due to natural disasters such as drought. Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available. Such crops include (but are not limited to): crops grown for food; crops planted and grown for livestock consumption, such as grain and forage crops; specialty crops, such as honey and maple sap; value loss crops, such as aquaculture, Christmas trees, and ornamental nursery and turf-grass sod. Eligible producers must have purchased NAP coverage for the current crop year. NAP payments are limited to \$125,000 per crop year, per individual or entity for crops with basic coverage. Any NAP payments received with additional (buy-up) coverage is to \$300,000. More information about NAP can be found at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/noninsured-crop-disaster-assistance-program-nap>

Tree Assistance Program (TAP): This program provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters such as drought. To be eligible, at least a 15 percent mortality loss, after normal mortality, must be determined due to a natural disaster. Payment is the lesser of either 65% of the actual cost of replanting or the maximum eligible amount established by FSA. Replacement of eligible trees, bushes and vines must be made within 12 months. More information about TAP can be found at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/tree-assistance-program-tap>

Conservation Reserve Program (CRP) Haying and Grazing: The Deputy Administrator for Farm Programs (DAFP) is authorizing emergency haying and grazing authority in all counties throughout the state that are not otherwise eligible for emergency haying and grazing in accordance with 2-CRP paragraph 681. Through this authority CRP participants (except CREP) may donate emergency haying and grazing rights to livestock producers affected by severe drought (D2 or greater on the U.S. Drought Monitor) through March 15, 2025. This allows the affected livestock producer to have access to feed sources from areas less impacted by drought conditions that are limited because of an active CRP contract to emergency hay and graze acres.

To ensure emergency haying and grazing is only being utilized by those producers whose livestock operations were adversely impacted by severe drought (D2 or greater on the U.S. Drought Monitor), livestock producers must file a CCC-576 (Notice of Loss) or provide a written certification documenting the impact to their operation.

To summarize, emergency haying and grazing can be utilized in any Ohio county, regardless of the county's Drought Monitor status. However, emergency haying and grazing can only be used by an eligible farmer affected by severe drought (D2 or greater on the U.S. Drought Monitor).

CREP- Both CREP agreements prohibit haying or grazing activities that would normally be available on CRP acreage in circumstances like the present. Unfortunately, as a result, emergency haying and grazing is not available on CREP acreage.

SAFE-With concurrence from Ohio SAFE partners, DAFP has agreed to waive emergency haying and grazing restrictions set forth in all Ohio SAFE projects for this specific drought event and authorizes CRP participants to donate emergency haying and grazing rights to livestock producers whose farming operation is affected by severe drought (D2 or greater on the U.S. Drought Monitor) on a one-time basis. For more information about the emergency haying and grazing, producers should contact their FSA County office for additional requirements and details.

Livestock Forage Disaster Program (LFP): This program provides compensation to eligible livestock producers who have suffered grazing losses due to drought on land that is native or improved pastureland with permanent vegetative cover or that is reported on the FSA-578 with initial intended use of grazing. This program looks at acreage and intended use directly from the producer certified FSA-578 form. This program also provides compensation for eligible livestock. Eligible livestock must be animals that receive the majority of their net energy requirement of nutrition via grazing. Covered livestock include beef cattle, dairy cattle, deer, equine, goats, llamas, and sheep. The 2018 Farm Bill established a maximum annual per person and legal entity payment limitation for LFP of \$125,000. More details about the LFP program can be found at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/livestock-forage-disaster-program-lfp>

Livestock Indemnity Program (LIP): This program benefits to livestock owners or contract growers for livestock deaths in excess of normal mortality caused by adverse weather. Note that drought is not an eligible adverse weather event except when death loss is associated with anthrax which occurs because of the drought. In addition, Mycoplasma Bovis is an eligible loss during drought for bison. Payment levels are based on national payment rates that are 75% of the market value of applicable livestock. Cattle, poultry, swine and other livestock are covered. More information about LIP can be obtained at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/livestock-indemnity-program-lip>



THE OHIO STATE UNIVERSITY

EXTENSION

Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP): This program provides emergency assistance to eligible producers of livestock, honeybees, and farm-raised fish for losses due to disease, or adverse weather not covered by the Livestock Forage Disaster Program and the Livestock Indemnity Program. Assistance is provided for losses resulting from the cost of transporting water to livestock and hauling livestock to forage or other grazing acres due to a qualifying drought. For commercial bee producers, ELAP provides for additional feed purchased to sustain honeybees during drought conditions when natural feed is not available. ELAP also assists farm-raised fish operations for excess mortality and excessive feed requirements due to eligible weather conditions. Learn more about each facet of the ELAP program at:

<https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/emergency-assist-for-livestock-honey-bees-fish>

Emergency Conservation Program (ECP): This program provides funding and technical assistance for farmers and ranchers to restore farmland damaged by natural disasters and for emergency water conservation measures in severe droughts. Specific assistance can be sought for providing emergency water during periods of severe drought to grazing and confined livestock or through existing irrigation systems for orchards and vineyards. Additional details about ECP program can be found at:

<https://www.fsa.usda.gov/tools/informational/fact-sheets/emergency-conservation-program-ecp>

Disaster Assistance Discovery Tool: FSA has developed an on-line disaster assistance discover tool which allows producers to learn the USDA assistance programs which might fit their operation due to this year's drought. This easy-to-use tool can be accessed at: <https://www.farmers.gov/protection-recovery/disaster-tool>

More information on FSA Programs: Producers are encouraged to contact their local Farm Service Agency office to explore program which they may be eligible. Producers can locate their local office at: www.fsa.usda.gov/oh

CFAES Knowledge Exchange - Early Drought Response: The webpage of a College of Food, Agriculture, and Environmental Sciences Rapid Response Team, created to quickly address current events and offer the best science-based recommendations to protect livestock, crops, and farm operations, currently covering drought conditions and impacts for Ohio's farmers, growers, and producers. Best suited for an agriculture audience but also provides thorough condition and observational updates that can be used by general audiences as well. This page can be accessed at: go.osu.edu/ohiodrought

State Climate Office of Ohio Drought Information: Access the latest drought information from OSU State Climate Office by scanning the QR Code or by accessing: <http://go.osu.edu/drought>