

Obtaining Disaster Assistance for Farms and Ranches

Farm Service Agency

If you live in a county the President has designated as a disaster area, you may be eligible for various disaster assistance programs. The primary source of federal assistance for farms, ranches and other agribusinesses is the U.S. Department of Agriculture's **Farm Service Agency (FSA)**.

The FSA provides **low-interest loans** to help agricultural producers recover from natural disasters. Eligible applicants are those who

- ♦ are established family farm or ranch operators (not hobbyists),
- ♦ are citizens or permanent residents of the United States,
- ♦ have suffered at least a 30 percent loss in crop production, livestock or livestock products, real estate, or chattel property,
- ♦ have an acceptable credit history,
- ♦ are unable to receive credit from commercial sources,
- ♦ can provide collateral to secure the loan, and
- ♦ can repay the loan.

Loans are usually for terms of 1 to 20 years. Producers can borrow up to 100 percent of actual production or physical losses, with a maximum amount of \$500,000.

The FSA also provides a **cost-share program** to help agricultural producers repair damage caused by a natural disaster. Through the Emergency Conservation Program, the FSA can share the cost of the following:

- ♦ repairs to dams, ponds, fences, drainage systems, pipelines or other watering facilities for livestock, irrigation systems and other structures,
- ♦ debris removal if the debris affects the productivity of the land and can't be removed without extra labor, special equipment or both, and
- ♦ the reshaping of land affected by the disaster and the reestablishment of permanent vegetative cover in certain situations.

To apply for assistance from the Farm Service Agency, contact the FSA office in your county or go to the FSA Web site <http://www.fsa.usda.gov>.

Texas Department of Agriculture

The **Texas Department of Agriculture's Linked Deposit Program** helps producers who lose livestock or other agricultural commodities. After Hurricane Rita in 2005, agricultural producers in Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liber-

ty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity and Tyler Counties were eligible for this program. Applicants are encouraged to leverage the Linked Deposit funds with Small Business Association guarantees, local grants and other sources of public and/or private financing.

Eligible producers can work with their lenders to refinance existing debt or re-establish their operations at reduced interest rates. The lender and the borrower determine repayment, maturity and collateral for the loan. The lender submits the completed application to the Texas Agricultural Finance Authority for approval. If approved,

the bank's loan rate is reduced to an interest rate established at the time of closing. The maximum loan amount financed for disaster relief under the Linked Deposit Program is \$250,000 per applicant. Applications are subject to the availability of funds in the program.

For more information on the Linked Deposit Program, contact the Texas Department of Agriculture at (512) 936-0273 or visit the Web site (for loan instructions and application, related document forms and rules) at http://www.agr.state.tx.us/eco/finance_ag_development/tafa/fin_linked.htm

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The Texas A&M University System, U.S. Department of Agriculture, and the County Commissioners Courts of Texas Cooperating.

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