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S. HRG. 110–798

ASSESSING THE EFFECTIVENESS OF AGRICULTURAL DISASTER ASSISTANCE PROGRAMS IN THE WAKE OF THE 2008 MIDWEST FLOODS, HURRICANE GUSTAV, AND HURRICANE IKE

JOINT HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

UNITED STATES SENATE

AND THE

AD HOC SUBCOMMITTEE ON DISASTER RECOVERY

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

SEPTEMBER 24, 2008

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry

Available via the World Wide Web: http://www.agriculture.senate.gov

U.S. GOVERNMENT PRINTING OFFICE

46–170 PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
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ASSESSING THE EFFECTIVENESS OF AGRICULTURAL DISASTER ASSISTANCE PROGRAMS IN THE WAKE OF THE 2008 MIDWEST FLOODS, HURRICANE GUSTAV, AND HURRICANE IKE

Wednesday, September 24, 2008

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
AD HOC SUBCOMMITTEE ON
DISASTER RECOVERY,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committees met, pursuant to notice, at 10:16 a.m., in room SR–328A, Russell Senate Office Building, Hon. Tom Harkin, Chairman of the Committee, presiding.

Present: Senators Harkin, Landrieu, Chambliss, Thune, and Grassley.

Also present: Senator Vitter.

STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM THE STATE OF IOWA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Chairman HARKIN. The Senate Committee on Agriculture and the Senate Committee on Homeland Security and Governmental Affairs will come to order.

We thank you for joining us today as we begin this joint hearing between these two committees. I especially want to thank my colleague Senator Landrieu for her hard work in helping to put this hearing together.

The devastation caused by these natural disasters has turned the lives of thousands of Americans upside down. I hope the hearing today can help provide some insight into how the Federal Government has helped and how it can improve its ability to help communities in need following a disaster.

Now, of course, I will speak about what happened in Iowa. Perhaps the biggest remaining need of agricultural producers hit hard by the floods involves restoring the land. The flooding that we had, some tornadoes, of course, the hurricanes have devastated conservation structures that will need to be rebuilt and shows the need for a greater effort to prospectively address conservation needs through more floodplain easements and better conservation

stewardship. A famous cartoonist but also a famous conservationist by the name of J.N. "Ding" Darling, from Iowa, a very famous cartoonist but one of the first of the conservationists back in the early part of the last century, once said that the best way to prevent floods is to stop the raindrop where it falls. And I have thought about that a lot, seeing all these floods in Iowa.

For emergency conservation needs, the supplemental appropriations bill passed before the July 4th recess provided funding to the Emergency Conservation Program and the Emergency Watershed Program.

I did a lot of flying over Iowa in a small plane during and right after the flooding in Iowa, and I saw and actually took some pictures—which I gave to Secretary Schafer at one time, Chuck, you may remember—of the dramatic benefits of sound agricultural conservation practices. I have pictures where you could see buffer strips, grassed waterways, no-till, and wetlands that kept the topsoil in place, filter sediment helped hold the water back. By contrast, I took other pictures of bare black fields with little or no conservation measures in place that had obvious erosion of topsoil from the rains and the flooding.

So Iowa's experience over the past couple of months demonstrates the need for the future conservation investments that we wrote into the new farm bill. We have to do more in every State to improve conservation activities. At the same time, it is important to provide farmers with the financial and technical assistance they need to achieve demonstrably greater conservation performance, through things like the EQIP program and the CSP program.

For farmers facing significant crop losses, USDA has in place both the Federal crop insurance program and, beginning for this crop year, the 2008 crop year, a standing crop disaster assistance program that was established in the 2008 farm bill. That legislation also included additional disaster assistance for livestock farmers, tree crop producers, producers of other things like fish and others that do not neatly fit into these other programs. It is critically important that USDA reach out to farmers so that they have the information they need to understand whether these programs will be of use to them, and that be the focus of the line of questioning that I will pursue on that.

Last, lest we forget, one big role of agriculture is food assistance. And on the food assistance side of the equation, we know that the Federal Food Stamp Program is the first line of defense against hunger not only for low-income families but for people who have been hit by a natural disaster, and it becomes even more important there. The experiences in Iowa—and I am sure in Louisiana and Texas—will offer us insight into how the Federal Government can help make sure that that food assistance is there readily and rapidly and make sure it gets to people who need it, those who were impacted by these disasters.

The waters in our State have receded, the rebuilding phase is underway, but significant challenges remain for low-income families hit hardest by the flooding. So continued support is needed for them, and continued support is needed for agriculture and rebuilding and renewing some of the things that were—conservation measures that were damaged or destroyed. But then, again, I al-

ways say we have to think prospectively. Let's think ahead, and what can we do to be better at stopping that raindrop when it falls in the future?

With that, I would recognize my dear friend and colleague, Senator Landrieu.

STATEMENT OF HON. MARY L. LANDRIEU, A U.S. SENATOR FROM THE STATE OF LOUISIANA

Senator LANDRIEU. Thank you, Chairman Harkin, and I so appreciate your willingness to co-host this hearing with me as we try to bring some focus on a disaster that has unfolded and is continuing to unfold today as we speak in several States throughout our country.

Those of us who represent strong agricultural economies understand, Senator, that natural disasters are not just about the human tragedy of cities and urban areas besieged by water and wind in hurricanes and storms and heavy rains. But we have all seen reporters at the seawalls in Galveston or at the Industrial Canal system in New Orleans. But that only tells part of the story, Senator, of these hurricanes that have rammed the Gulf Coast.

Far from the television cameras, there is an economic crisis unfolding of major proportions throughout Louisiana. Northeast Louisiana particularly has been an agricultural breadbasket of our Nation since the 1790's. From soybeans to sweet potatoes, cotton, and corn, Louisiana farmers have been an integral part of the food chain in our country. And looking further south, of course, you know because you have visited, sugar cane has been the part of our economy since the Jesuits planted the first stalk on Baronne Street right now across from St. Patrick's Cathedral in New Orleans.

These centuries of productivity, culture, and history are literally, Senator, threatened by the devastation caused by Gustav and Ike. Our farmers are not standing on rooftops. They were not rescued by the Coast Guard. But the tragedy and loss that they have experienced is every bit as real as the loss that other citizens in Louisiana have experienced through these storms.

The point of our hearing today is to bring the spotlight on this untold story of this disaster and to bolster our request for immediate and substantial assistance to the agricultural sector of Louisiana and other States that need similar help.

I want to say that both in Iowa, where your industry, your agriculture industry, is about a $19 billion industry and ours a $10 billion industry is one of the largest in our State. The storms that hit Louisiana—Faye, heavy rains in Faye, although it hit Florida, the rains traveled throughout our area of the country—not just inches, Senator, but feet. Gustav and Ike then came on the heels of Faye, and not only had tremendous coastal flooding, saltwater intrusion, but, again, dumped heavy rains and precipitated flooding in creeks and rivers and streams throughout bayous throughout our State. It has caused unprecedented damage, which is the testimony that you will hear.

So we are not just talking only, though, about the farmers and the fields. Right here is a good picture. I do not know whether this came from Louisiana or Iowa, but a lot of our fields look just like this. I was walking through them this weekend. But these storms

have a domino effect on our entire agricultural industry. Lenders, grain storage elevators, and our bankers are all sitting on pins and needles.

This is a rice farmer holding the destroyed rice in his hands in Cheneyville, Louisiana, and up here is a picture of our cotton crop in North Louisiana. Right before these rains, Senator, this was the most beautiful cotton crop that you could have ever seen in Louisiana. Our farmers were giddy with excitement about the banner agricultural year that they were just about ready to have. And unfortunately, these storms hit right before harvest time. So we are literally sitting in miles and miles of fields of cotton that looks like this, rice that looks like this. Some of our rice was harvested, but not enough of it.

So far, the estimated damage—and these are simply, Senator, preliminary estimates—is $700 million just for Gustav because the Ike numbers have not come in yet. We have not seen agricultural losses like this in memory—in memory.

So that is what this hearing is about. I am very happy to have our Commissioner of Agriculture Mike Strain, newly elected but not new to this issue. He comes to us as a veterinarian and as a leader of our ag community. He has been walking the halls of Congress here with our Lieutenant Governor and other elected officials for days trying to bring this message to Congress.

So I thank you. I am going to submit the rest of my statement for the record, but, again, the point of this hearing, Senator, is to really sound the alarm before Congress leaves to give some special attention to the agricultural sectors of our State that have not been photographed very much. And this is not a hit to the press. They have more pictures than they know what to do with to take of Galveston and other areas that have been flooded. But we must bring this issue to the attention of our Congress, and I thank you very much, and I will have more questions later.

Chairman HARKIN. Thank you very much, Senator Landrieu.

Now I yield to Senator Vitter, our other Senator from the great State of Louisiana.

STATEMENT OF HON. DAVID VITTER, A U.S. SENATOR FROM THE STATE OF LOUISIANA

Senator VITTER. Thank you, Mr. Chairman, and I will be very brief.

First of all, I, too, want to thank you for this hearing and also express our support for your people and all of the difficulty you all have gone through with enormous flooding in the Midwest for several, several months. So we certainly stand with you with regard to that, and you can count on our help in any way possible. And certainly we feel the same way about the people of Texas who were very hard hit and face significant ag impacts. In general, the impacts are great there, particularly southeast Texas and areas like Galveston.

Mary is exactly right, and the horn of our dilemma or the nature of our challenge is this: First, I think the Nation has a general sense that although Gustav and Ike were significant storms, we sort of dodged the bullet in Louisiana. Well, certainly that is true in the sense that it did not cause crisis and devastation like

Katrina and Rita did, particularly in urban areas like New Orleans. But, in other ways, it is really not true, and the biggest area where it is really not true is agriculture. And, unfortunately, Gustav and Ike together caused more devastation and more loss across more of the State in agriculture than Katrina and Rita.

It is hard to really grasp that just based on the nature of the storms and the categories, but it is true. Gustav and Ike impacted almost every corner of the State, including with torrential rains in central and north Louisiana. And so the impact to ag was enormous and was absolutely greater than the impacts of Katrina and Rita.

Now, you couple that with the fact that under our disaster laws like the Stafford Act, many things happen automatically once you have a Presidential disaster declaration. But, unfortunately, for the most part, help for ag and fisheries does not happen automatically. For the most part, we need to act affirmatively for anything meaningful to get done. There is no automatic grants of certain monies as there is for debris removal or individual assistance under the Stafford Act.

And so that is really the nature of our challenge: enormous loss, particularly in ag and fisheries, that is widely underappreciated on the national scale, with the fact that there is nothing in Federal law that automatically kicks in. So we really truly need to act, and I appreciate your leadership as we do act on a very tight timetable.

Chairman HARKIN. Thank you very much, Senator Vitter, and, again, to both of you, again, whatever help we can be we are sort of all in this together. And we need to let the rest of the country know just how badly our people are hurting and what is happening, of course, in the area of agriculture, is not highlighted as much, perhaps, as you said, as other things are highlighted.

I just remember the floods in Iowa. All over the world TV viewers saw pictures of Cedar Rapids underwater, and it was devastating. But you did not see much about what was happening out on the farms, and those farmers out there and stuff like that in their fields just gone.

Once I was in a field of a number of farms where a levee broke, and there was, I think, about 12,000 acres totally devastated. You just do not see pictures of that. It sort of looked like that, Mary, something like that.

Well, we have two panels. Our first panel, Mr. Chuck Conner, Deputy Secretary, U.S. Department of Agriculture; Ms. Kate Houston, Deputy Under Standard for Food, Nutrition, and Consumer Services; and Mr. Arlen Lancaster, Chief of the Natural Resources Conservation Service. This will be our first panel. The next panel will have people from both Louisiana and Iowa testifying.

So, Mr. Conner, welcome to the Committee. Your statement will be made a part of the record in its entirety. If you could summarize for us, we would be most appreciative. Welcome back.

STATEMENT OF CHARLES F. CONNER, DEPUTY SECRETARY, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY KATE HOUSTON, DEPUTY UNDER SECRETARY FOR FOOD, NUTRITION, AND CONSUMER SERVICES, AND ARLEN LANCASTER, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. CONNER. Thank you. Thank you, Chairman Harkin, Chairwoman Landrieu, and Senator Vitter. I am pleased to be here today to share with you the Department of Agriculture'srole in disaster response and recovery in the wake of the 2008 Midwest floods and, of course, Hurricanes Gustav and Ike.

I am joined today by Arlen Lancaster, our Chief of the Natural Resource Conservation Service, and Kate Houston, the Deputy Under Secretary for Food, Nutrition, and Consumer Services. They will be available to help me with any questions that you may have. I also have a number of other technical experts that we have brought with me today in order to respond properly and in detail to your questions.

This year's natural disasters did wreak havoc, serious damage throughout the Midwest, Texas, and Louisiana. They destroyed crops, killed livestock, put thousands of people out of their homes, and destroyed businesses. They presented a serious test of our Department's emergency response capabilities. But, ladies and gentlemen, I am here to say today and am proud to say today that I believe the people of USDA did rise to this occasion.

Most of USDA's 110,000 employees, Mr. Chairman, live in the very communities where they work. And when USDA responds, it is often our employees helping their neighbors, their family, and others in their communities. This year, they applied lessons learned from our experiences with Hurricanes Katrina and Rita in 2005. They worked tirelessly and effectively to deliver essential services and supplies for the people who needed them most and to cut through bureaucratic red tape wherever it was possible.

USDA, as you know, carries out a very broad range of missions. They range from fighting hunger through our nutrition programs to assuring the safety of food products through inspection and public education efforts, to protecting soil and water resources through conservation, to supporting our agricultural producers and managing our Nation's forests. Nearly all of USDA's 17 agencies have been involved in our disaster response efforts to some degree.

Mr. Chairman, as you might expect, when situations like this arise, providing food to the victims of disasters is always our absolute No. 1 priority. The Food and Nutrition Service meets this need on two levels. In the earliest stages of the disaster recovery, when grocery stores and banks are closed, utility services are interrupted, and people are actually displaced from their homes, we provide food supplies to shelter and food banks for use in serving meals and restocking household needs.

As the recovery proceeds, FNS focuses on providing Disaster Food Stamp Program benefits to people who may have returned to their homes but still may be dealing with income interruptions and other disaster-related financial losses. Those who receive the benefits must meet income guidelines, but the thresholds are higher than they are with regular food stamp applications.

To date, FNS has provided nearly $192 million of benefits and supplements through the DFSP to 40,000 new and 19,500 ongoing households that were victims of the Midwest flood. It has also provided $184 million in benefits to 490,000 new and over 119,000 ongoing households that were victims of Hurricane Gustav in Louisiana. And in Texas, some of the data that we are just reporting in, we have now offered benefits to 58,000 new recipients and over 245,000 existing food stamp households for additional benefits of $42 million to date as a result of Hurricane Ike as well. So these benefits are flowing, and they are flowing in a very substantial way.

Keeping food safe, Mr. Chairman, during an emergency is another essential mission. Through alerts to the media and updates on its website, USDA's Food Safety and Inspection Service has kept the public informed on how to keep food safe during power outages. And in Texas and Louisiana, we have also been handing out packets of information on food safety at key distribution points. This is the packet. We brought a few of these here today for you to have as a visual so that you can understand the type of communication that we are having with people that are adversely impacted in these situations who need to know what food is safe to eat and what is not.

As important as they are, food supplies and food safety issues are only part of our overall response to these disasters. We have also been working to help the victims of these disasters restore damage done to crops, roads, homes, and infrastructure.

In the States affected by the Midwest floods, the Natural Resource Conservation Service and the Farm Service Agency have already started distributing Emergency Watershed Protection funds and Emergency Conservation Program funds to restore damaged water management structures, farmland, and conservation projects. We expect to receive more EWP and ECP claims from Texas and Louisiana and other States as we move further into the recovery phase of our response to Hurricanes Gustav and Ike, and we will be talking to Congress about the funding for these programs.

To properly assess the situation, of course, it always does help to spend a lot of time on the ground. In June, Secretary Schafer got the chance to see the aftermath of the Midwest floods firsthand when he joined President Bush and Senator Harkin in Iowa. I also had the opportunity to see conditions in my home State of Indiana. More recently, Nancy Johner, our Under Secretary for Food and Nutrition, visited Louisiana to see how the recovery efforts were going following Hurricane Gustav, particularly as it related to the nutrition side of that equation.

We have also been in close touch with State officials. Last week, Secretary Schafer and I met with Dr. Mike Strain, who will testify before you later, Louisiana's Commissioner of Agriculture, and we have also met with Texas agriculture officials to discuss how we can work together to expedite the recovery from Hurricanes Gustav and Ike.

Our initial responses to these two hurricanes reflects the lessons that we learned from the Federal response to Hurricanes Katrina and Rita 3 years ago. We determined that advanced planning and prepositioning of people and equipment and enhanced training of

State and local emergency response personnel could all do a great deal to improve the outcomes from those damaged by the catastrophic storms.

The Forest Service, of course, has deep experience in managing the logistical and supply challenges involved in fighting wildfires under emergency conditions. We drew upon that experience by prepositioning some 600 Forest Service personnel throughout the Southeast so that they would be ready to respond immediately to the anticipate hurricanes and tropical storms. That group included Incident Management Teams and other emergency specialists who provided direct support to the FEMA command centers.

We also include five 50–person saw crews who tackled road clearing and debris removal throughout Texas and Louisiana. One of those crews, as an example, was able to clear the only road open on Galveston Island to the Galveston Medical Center, making medical services accessible in one of the hardest-hit areas from Hurricane Ike.

And our response has not been solely programmatic as well. Our people have gone the extra mile to find a way to help. Whether that means scrambling to get out in a boat or up in a helicopter to find stranded livestock or figuring out the best way to shelter stranded companion animals, we have been resourceful in simply getting the job done.

On a person-to-person basis, there have been innumerable examples of how our emergency personnel have helped, ranging from providing emergency ice to an elderly man in Texas whose insulin was on the verge of going bad, to helping a daughter in Chicago figure out how to help her mother in Houma, Louisiana, after she had tried to make contact with her mother and was unsuccessful in doing so.

Because of the planning and prepositioning that has been done by many USDA agencies and their close coordination with our partners in State and local government, our response effort to these recent disasters has been rapid and, I believe, carefully targeted.

That is not to say, Mr. Chairman, that there are no glitches or unforeseen events. That is always the case. But extensive preparation work helped us bypass many of these logistical and bureaucratic hurdles that have hampered us in the past.

USDA's overall response has been greatly aided by our centralized Homeland Security Office. This office was created by Secretary Ann Veneman shortly after the 9/11 attacks. In the years since, it has worked to break down agency barriers and build a unified Department-wide team to respond to disasters. It also works closely with FEMA in planning and training activities. The Director of the office, Sheryl Maddux, is here today, and I would like to thank her for all she has done to get us in shape for the tests that we have faced this year, and they have been substantial tests. Sheryl is a career professional, and she now heads an office that is staffed entirely by career professionals who report directly to the chief of staff. They do great work, Mr. Chairman. We are glad to have her on board, and with that, Mr. Chairman, let me please answer any questions that the Committees may have for me.

[The prepared statement of Mr. Conner can be found on page 49 in the appendix.]

Chairman HARKIN. Thank you very much, Mr. Secretary.

I have one question for each of you, and most of it has to do with rules. Mr. Conner, there was some confusion this summer out my way on some of the new provisions in the farm bill on the new disaster program. We contacted you. You were very helpful in getting that straightened out, and I appreciate that very much. But where are we in getting the draft rules for the new disaster program that was in the farm bill? Where are we on getting—can you give us some idea how soon we are going to be able to see some of the draft rules for farmers to take a look at?

Mr. CONNER. Senator Harkin, that is a great question. Let me just say that relative to the SURE Program, our people within the Farm Service Agency are working very, very diligently. And this is a key part of our disaster response. This is money that is there, that is available; and such sums as necessary have been provided to meet the disaster requirements for those producers who qualify and have an eligible disaster loss, which I believe is triggered at 30 percent, if I am not mistaken, in that.

In this case, though, Mr. Chairman this is also a brand-new program.

Chairman HARKIN. That is right.

Mr. CONNER. A program that we have never offered anything like this before within the Department of Agriculture. It is based off of crop loss for the entire farm of that operation for all crops.

Chairman HARKIN. Right.

Mr. CONNER. Regardless of the location of those crops. If you have a farm that is spread out, some in the disaster area, some not, we have to take into account all of the income, all of the revenue from all of those crops. And that can be a very diverse situation. We were talking this morning in preparation for this. We insure, we believe, over 400 different crops, and some of those crops, we do not even have an accounting for in terms of income and prices for those crops, and we are going to have to create that in order to implement this new SURE Program.

Bottom line, Mr. Chairman, is we are working hard. I do not want to leave you the impression that those regulations are imminent. They are going to be coming as quickly as possible. They will be available. Farmers who have losses in 2008 will qualify for payments under that particular program. But I would note as well, just in the interest of full disclosure, that the statute requires us to base our determination of payments off of income from the season average price associated with those crops on that farm.

In corn, for example, the 2008 crop, we are just beginning the crop marketing year for corn. And we will go the full year for marketing of the 2008 corn marketing year.

Chairman HARKIN. Right.

Mr. CONNER. And so it will be a full year from now before you would actually have the price data on corn alone to make the determination to issue the payment under the SURE Program.

Chairman HARKIN. Thank you.

Ms. Houston, from speaking with people involved in the disaster recovery efforts in Iowa, I first want to thank you for the good work that USDA did there. Most everyone I talked to in communities I met with were very pleased with the way that USDA worked with

local communities and the county offices to get the Disaster Food Stamp Program up and running. So I just want to thank you for that, although I noticed long lines of 500 to 600 people in Houston, and hopefully you are going to be doing something about doing more in the future to anticipate 500 or 600 people standing in line. It can be very frustrating and debilitating when you have lost your home and everything else. So I hope you are going to be looking at ways of addressing that in the future, too.

That did not happen in Iowa. I just saw that in Houston.

Ms. HOUSTON. We certainly recognize that, particularly on the initial days of the Disaster Food Stamp Program getting up and running, there can be a number of logical challenges because everybody wants to kind of get there and get their benefits. There are a number of things that we can do in partnership with States to try to alleviate some of those crowds. Certainly pre-planning to make sure there are an adequate number of sites, an adequate number of trained eligibility determination workers can really help in those first few days, as well as communication with the public about the number of days that the sites will be open so that they understand they do not all need to get there on the first day.

We have also worked with States to identify some appropriate waivers that can help to create some flexibilities in the way the system operates, and hopefully those create some expediencies. For example, in Texas and in Louisiana, we recently approved a waiver that allows potential applicants to call ahead into a phone center, provide their information, do as much of the intake over the phone, and then when they show up at the site, they just have to do some quick verification on the back end, and they can walk away with their card. We have seen that as one example as a way that we have really been able to minimize the crowds in the last few days of the operation of these centers.

Chairman HARKIN. Very good. Thank you very much.

Mr. Lancaster, I know it does not have anything directly to do with disaster response, but NRCS is now past the statutory deadline of when the regulations on the Conservation Title of the recently passed farm bill were supposed to be out. The 90–day period expired on September 16th, and the transition period we included in the Conservation Title expires on September 30th. Where are the regulations? And instead of addressing this, you might for the record tell us what programs will not be able to function as of October 1st without new regulations in place.

Mr. LANCASTER. Mr. Chairman, certainly we are working, as the Deputy Secretary indicated, as diligently as possible on all our rules to make them available to producers in fiscal year 2009. Of our rules, they are in various stages of clearance within the administration and within USDA.

Our expectation is that we will be able to offer most of these programs again in fiscal year 2009, most of them in calendar year 2008.

Some programs, like the Conservation Security Program, we are working, and it is more likely that a program like that would be—the rules would not be completed until calendar year 2009 because of the complexity of a brand-new program, essentially.

We are working with our Office of General Counsel on what provisions require a rule in order to offer the program and whether or not we can offer and hold sign-ups for a number of these programs prior to the rule being completed.

Chairman HARKIN. But, again, would you for the record provide for us, since obviously the rules are not going to be done by September 30th or October 1st, provide us for the record what programs would not be able to function as of October 1st without these new regulations in place, if any?

Mr. LANCASTER. Mr. Chairman, we will certainly do that for the record. We will consult with our Office of General Counsel, and, again, some of them we may be able to offer initially and hold those sign-ups because the rules are specific to how we operate on implementation rather than the sign-up with those producers.

Chairman HARKIN. I appreciate that.

Chairman HARKIN. I recognize now the Chairman of the Subcommittee on Disaster Recovery of the Senate Committee on Homeland Security and Governmental Affairs, Senator Landrieu.

Senator LANDRIEU. [Presiding.] Thank you.

Mr. Secretary, if you could just clear up just a couple things in your testimony. One, you said that after 9/11 there was a disaster relief coordination effort within the Department. Who is in charge of that effort right now?

Mr. CONNER. Sheryl Maddux.

Senator LANDRIEU. Sheryl Maddux. And her title is?

Mr. CONNER. This is Sheryl Maddux.

Senator LANDRIEU. So Sheryl is here. Sheryl, what is your title?

Ms. MADDUX. Director of Homeland Security Office.

Senator LANDRIEU. OK. And you are in charge of agriculture disasters, trying to coordinate ag disasters since 9/11?

Mr. CONNER. Sheryl's responsibility, obviously she coordinates among our 7 mission areas within USDA, but then she directly interfaces with the Department of Homeland Security and their operations as well, and the FEMA personnel.

Senator LANDRIEU. OK. Because I am wondering if the Secretary is going to declare our State an agriculture disaster or not. And if not, why? If so, when? And I do not know if you want to respond to that.

Mr. CONNER. Yes, let me take a shot at that, Senator Landrieu. We have got that paperwork within the agency. I believe—I can be corrected here by some of our folks, but I think that it would represent the entire State of Louisiana in terms of a disaster area. You have already recieved a Presidential disaster declaration. In order for us to give you a secretarial disaster declaration—and this is significant because in order to be eligible for the SURE payments that I was discussing with Senator Harkin, you have to have not a Presidential but a secretarial designation. That paperwork is coming in now. We are still waiting on some of the loss assessments that we need from the local personnel to make that decision. But it will be forthcoming, and it is going to be forthcoming in a very timely way. Our folks have dealt with this. They approve these things almost on a daily basis, and those disaster declarations will come in for the State of Louisiana in a timely way and——

Senator LANDRIEU. OK. Well, let me just——

Mr. CONNER [continuing]. Well ahead of what you are going to need in order to qualify for those SURE payments.

Senator LANDRIEU. Well, that is good news and bad news. I mean, of course, we would rather have a declaration than not. But I understand that you just testified that the regulations for the program at not written. And so how would we write regulations in time to get help to our farmers?

Mr. CONNER. Let me share this thought, if I could, Senator Landrieu, with you, and I think it addresses your point.

Obviously, as I mentioned to Senator Harkin, under the SURE Program, we will provide payments in terms of crop losses——

Senator LANDRIEU. I realize that, but not to interrupt you, Mr. Secretary, I do not mean to be disrespectful, but I need to ask you something.

Mr. CONNER. OK.

Senator LANDRIEU. You testified just now that you have not really even started to write the regulations and that it might—and I think your quote was, "Chairman, do not expect it to be imminent. It is not going to be imminent." So that led me to believe that it may take a year, maybe several months, a year, maybe even 2 years. You have 400 crops, you testified, in America that you do not even have assessments for. I can understand——

Mr. CONNER. If I could, Senator Landrieu——

Senator LANDRIEU. Let me just finish. I can understand the challenge that is before you, but we have an immediate disaster on the ground right now, and you have testified that the program that we have tried to structure with our best efforts is not even—the regulations are not even written yet.

So what is the Agriculture Department's response to this? Are you going to ask for any special help or intermediate help? And what can we expect from you and the Secretary?

Mr. CONNER. OK. If I could, in an attempt to respond to the points you have raised, on the SURE Program, I did not say we had not started. I indicated it is a difficult process. We have already literally logged in hundreds of thousands of hours to get ready for SURE.

Senator LANDRIEU. I stand corrected. When do you think it will be completed?

Mr. CONNER. We will be in a position to issue these checks next fall in a timely way once we have the data that is necessary. I am not talking about 2 or 3 years down the road.

Senator LANDRIEU. OK. Then that is fine. I stand corrected. And you said that you can maybe deliver checks next fall, but let me press my point here, if I could, in the time remaining. Next fall is too late. Next fall it too late.

Mr. CONNER. I understand that.

Senator LANDRIEU. Now, the Department has some responsibility here, not only does Congress but the Department, I think, to come up with some intermediate suggestions as to how we might get ourselves from where we are today to where we are going to need to go before we have an economic agricultural collapse in Louisiana. And I am wondering if you have any suggestions today about how that might be done?

Mr. CONNER. I do, and I am going to make two points, if I could, to address that question.

The first point is understand that we are already putting money into the system in terms of crop insurance indemnity payments. This fall, Senator Landrieu, we will make a record number of crop insurance indemnity payments, I am advised now estimated to be well over $5 billion for these types of disasters. Some of these payments have already gone out for those that received an early loss situation, and that is true in Iowa. In Louisiana, where the damage has just occurred those assessors are out there. Those payments will be made in a timely way, and I am talking weeks in terms of that money going out. And, again, that is going to be $5 billion that we are going to be putting out there into the world of crop loss situations.

Senator LANDRIEU. But I thought——

Mr. CONNER. Also, the second part of that is in the very near future—and, again, within a matter of weeks, not months or certainly not years—within the very near future, we are going to be making additional payments relative to the 2008 crop in the form of a direct payment, and that is going to be over $4 billion——

Senator LANDRIEU. So you are testifying——

Mr. CONNER [continuing]. In a direct payment——

Senator LANDRIEU. Just to be clear, you are testifying that within the next few weeks, you can distribute $5 billion without the rules and regulations in place?

Mr. CONNER. What I am saying is that the crop insurance system is in place. Obviously, this is a program that we operate with private insurance companies, with private adjusters. Those adjusters are literally down there in the fields now making those assessments. Some of those adjustments cannot be made until a little bit later because the harvest has not yet occurred on the crops that have survived down there. But all of that crop insurance business with the adjusters assessing the damage is going to be made in a timely way, and those payments are going to go out in a very timely way.

You know, I am not going to nail down a time because, to some extent, that is an issue between the farmer and his insurance company. But the resources are there, and those payments are going to go out soon.

Senator LANDRIEU. Well, let me just say for the record, I appreciate your attention, but I believe strongly that the current insurance program is not at all adequate for what our situation is in Louisiana. And it may not be adequate for agriculture disasters going on in Texas or in Iowa or in other parts of the Midwest. But I do not want to speak for those States. But for Louisiana, that insurance program is wholly inadequate, and the new one that we struggled for years under the jurisdiction of this Committee to try to put in place, the regulations, you have testified, have not been completed and will not even be available until next year.

So I am going to conclude my 5 minutes by saying that I really hope that you will consider, once you have heard the testimony from our Agriculture Commissioner and others, something that can be done more immediately and substantial to help out not only our

farmers but our bankers, our grain elevators. And I thank the Chairman.

I would like to call—I think the Chairman is out—on whoever the next questioner is in order of appearance. Senator Vitter?

Senator VITTER. Thank you, Senator.

Mr. Secretary, again, I want to encourage the call for a secretarially-declared ag disaster for the entire State of Louisiana. You outlined why this declaration is necessary and important. Our Governor, Governor Jindal, has requested it for the entire State.

Mr. CONNER. Yes.

Senator VITTER. I know assessment teams are on the ground. But the sooner that can happen, the better.

I apologize if I missed it, but did you have an approximate timetable you expected that decision within?

Mr. CONNER. Well, Senator Vitter, I did not. But I will tell you, I will commit to you and to Senator Landrieu that the Washington review of those assessments that are coming in from the field will not hold up that process. We will turn those around almost immediately, as soon as we get them in from the field, and we will not hold them up.

Senator VITTER. Right. OK. And, obviously, the assessments on the ground need to happen quickly, too.

Mr. CONNER. Absolutely.

Senator VITTER. So if you can push that through the pipeline.

The second quick issue, crop insurance deadlines for sugar. Right now that is September 30th, and you still have fields underwater. You still have folks dealing with very difficult situations. Can an additional 30 days be granted for that sign-up in light of the disaster some folks are still in the midst of?

Mr. CONNER. Senator Vitter, the short answer to your question is I do not think that is going to be possible. This is a crop insurance program where we underwrite private insurance, and we subsidize the premiums for that insurance, but it is a privately operated insurance program. And if we allowed people to sign up for this program after a disaster occurs, I venture to say, Senator Vitter, next year we would have no companies offering crop insurance. They would not—cannot insure and allow them to get in after a disaster has occurred. No one would sign up ahead of time if that were the case. We currently have 17 companies offering crop insurance in your region, and it is a very competitive environment. We want that competition out there for the sake of the farmer. I do not think we would have it if we let them insure after a disaster.

Senator VITTER. Let me back up, because maybe I am missing something. The current deadline is September 30th.

Mr. CONNER. Yes.

Senator VITTER. So that itself is after——

Mr. CONNER. Are you talking about the reporting of the loss, Senator?

Senator VITTER. No. I am talking about sign-up.

Mr. CONNER. Sign-up for the actual insurance.

Senator VITTER. For the program. And I am just talking about the fact that the current deadline is after Ike, so it is not a question of moving a deadline from before an event to after an event. It is a question of the current deadline being September 30th and

folks still being in the midst of enormous losses and clean-up and extending that deadline, again, with no intervening disaster. I believe that has happened in other cases.

Mr. CONNER. OK. I am going to say something, and then if I am wrong on this, I am going to ask my staff to correct me, because I may well be wrong on this, Senator. I believe the actual requirement on whether or not you are going to have insurance, that time has already come and gone. I believe that September 30th is the deadline for reporting a disaster on that.

For 2009, OK, that is September—so for 2008 the loss has already occurred, you have already had to make a decision whether to be——

Senator VITTER. I am talking about next year.

Mr. CONNER. For next year, OK.

Senator VITTER. I am talking about just the fact that people——

Mr. CONNER. OK. Then I apologize.

Senator VITTER [continuing]. Are in the midst of clean-up and disaster, and this deadline is coming for next year. So can we extend the 30 days?

Mr. CONNER. Well, I think we have got some flexibility both in terms of when they report their loss, because obviously some people are trying to get back into their home situation as well. Let us go back and look and see what kind of flexibility we may have for them to sign up for next year, because I understand some of these people are just trying to get their homes back in order. They cannot deal with this.

Senator VITTER. Right.

Mr. CONNER. If we have got any flexibility that does not hurt the integrity of the program, Senator, we will try and use that.

Senator VITTER. OK. That is all I am talking about, not moving a deadline——

Mr. CONNER. I commit that—OK. I apologize for my misunderstanding.

Senator VITTER [continuing]. From before an event to after an event.

A third and final quick question is crop insurance claims. As I understand it, the requirement is that a claim be filed after a producer destroys the crops involved. Again, some of those crops are still underwater, so the process of draining the field, pulling them out, destroying them is fairly significant. Can some flexibility be exercised so they can begin to make a claim now when there is obvious evidence of loss?

Mr. CONNER. I am going to ask for some technical assistance on that. Obviously, my gut instinct is if the field is underwater, that is a pretty sure sign that there has been a crop loss on this. So let us just look at that issue.

Senator VITTER. OK.

Mr. CONNER. And if we have got any flexibility on that—again, I understand what your point is, and they are anxious to file those claims, and we ought to be able to enable them to file the claims as soon as possible.

Senator VITTER. If you all could just follow-up with my office about those specific issues, I would appreciate it.

Mr. CONNER. We will do that.

Senator VITTER. Thank you.

Chairman HARKIN. [Presiding.] Thank you, Senator Vitter.

Senator Grassley?

Senator GRASSLEY. Thank you, Mr. Chairman.

The second question I was going to ask Senator Harkin has already asked, but I wanted to associate myself with the disaster program being implemented like yesterday. But we need to get it done so we can make use of it.

The other question I was going to ask you, Secretary Conner, I sent a letter on September 4th to FSA Administrator Teresa Lasseter regarding nine counties in Iowa that had requested Emergency Conservation Program funds that have not been included in the Department's announcement of $87 million that would be distributed among Midwest States. First, why were these nine counties excluded?

And, finally, I have heard reports that the money may be going out, but I have not received a formal response from the Department. Will those nine counties receive the emergency funding?

Mr. CONNER. They will, Senator Grassley. I am not sure I can identify exactly what happened, but there was, relative to those nine counties, some bad information. Those counties are eligible, and the payments will be going out to those nine counties.

Senator GRASSLEY. Well, when I see the FSA Administrator for Hardin County in church on Sunday, I can tell her she is going to get it.

Mr. CONNER. That is correct.

Senator GRASSLEY. OK.

Mr. CONNER. And I am further advised that the response to your September 4th letter was actually being sent today.

Senator GRASSLEY. OK. Well——

Mr. CONNER. You should get that in writing.

Senator GRASSLEY. That is very good, and that is a quicker response than we get from most bureaucracies around this town.

Mr. CONNER. That does not always happen, Senator.

Senator GRASSLEY. Thank you.

And the next one is for Mr. Lancaster. It is a long question so wait until I get there. Because of the extremely wet spring, we have these questions, and that is the fact that what led up to the record flooding in much of Iowa was this 500–year rain event that we had. Unfortunately, some editorial writers and experts quickly jumped on kind of a "blame farmers" bandwagon for bringing these extreme events to us all, and one of the Washington Post's headline was "Man blamed for Iowa flooding," June 18th.

How anyone can rationalize that is beyond my imagination. Keep in mind that most field scale practices are designed for 10– to 25–year rain events. Larger watershed scale structures may be designed to handle 100–year rain events. However, these practices and structures were obviously not designed for 500–year rain events, and there was severe damage. The Iowa Department of Agriculture initially put the damage estimate conservatively to grassed waterways, terraces, et cetera, at approximately $40 million. But officials from my State tell me where good conservation practices and systems were in place to protect agricultural land, homes, and infrastructure, they were doing a very good job. And I

think Senator Harkin saw that as we traveled by helicopter over Iowa back in June when the floods were hitting. The challenge is to get more working conservation on land where it is most needed and will provide the most benefit given our limited resources.

Therefore, in the long run, how can the Federal Government best help my State do this, that is, target conservation practices to critical needs?

Mr. LANCASTER. Senator, Chairman Harkin raised this point certainly in his opening statement, the fact they did conservation practices, have an ability to mitigate the effects of natural disaster, be it flooding or drought. The ability to have a more resilient soil that serves as a better drainage system for that is certainly important.

I will say that the tools that Congress has provided in the 2008 farm bill for conservation are the types of tools that we need to implement these programs on the ground. In working with our partners, with the Soil and Water Conservation Districts, delivering programs like the Environmental Quality Incentives Program where we are providing cost-share and incentive payments to producers to implement these practices, that is a tremendous tool and one that is very important in Iowa.

What I cannot understate, though, is the importance of other programs like the Wetlands Reserve Program where you create buffers from flooding, where you provide a filter system, riparian buffers and others. And, again, I believe that the tools that Congress provided in the 2008 farm bill are broad enough that we can address each of these concerns, and the way we implement it is through our partnership with State agencies through Conservation Districts and, importantly, by helping producers develop a good conservation plan at the forefront so they can identify what resource concerns they want to protect and how best to do that.

Senator GRASSLEY. Mr. Chairman, I do not have questions for these two witnesses, and we do have two Iowans, Lyle and Barbara, on the program. I have got some questions I am going to have to leave in writing for them to answer, unless you want to ask them for me, because I have got to go to another meeting.

Chairman HARKIN. Whichever you would like, I would be glad to do whichever.

Senator GRASSLEY. OK. Well, let's just wait and see how things work out.

Chairman HARKIN. OK. Thanks.

Senator GRASSLEY. And I welcome Lyle and Barbara.

Chairman HARKIN. Thank you, Senator Grassley.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman, and I want to thank our panelists today, too, for all their assistance in dealing with past disasters. Many of you have been involved and played critical roles in helping us develop programs to respond to past natural disasters and are now playing, of course, a critical role in helping to improve Federal programs for future events. And I think all the floods and the hurricanes and the disasters we have dealt with this year are obviously going to create a great need for the type of assistance that I think is now available under the permanent disaster program.

As you all know, we deal with disasters in our part of the country, too, generally more along the lines of drought. But whether it is indemnity payments or Emergency Conservation Programs or impacted landowners or emergency food assistance to local food banks, these Federal programs are critically important in terms of disaster response. And so we appreciate the important role that you play, and it is our responsibility, obviously, to make sure that these programs work in the way in which they were intended and that they are available when they are needed.

A lot of the disasters that strike are outside the control of agricultural producers. And as I said, in the Upper Great Plains, they are expected. We know we are going to have droughts from year to year, an occasional flood. Unfortunately, the assistance to recover from these events is not always as reliable, but we work to, I think, eliminate the ad hoc disaster assistance programs that we have been dealing with the past few years and created some permanent disaster relief, which we hope will make those programs less dependent upon the political currents up here and a little bit more predictable for our producers.

I do want to ask a question—and some of them have been touched on already—on those programs, and then I want to come back to one other question I have on another program. But the whole issue of 2008 losses and sign-up period is September 16th, I think. Senator Grassley and I have a bill that would allow for advance payments to be made for 2008 losses and also that would expedite the rulemaking process for the new program so that it is completed this year as opposed to 2009.

But I guess I would be curious in your response with regard to losses this year, the sign-up period, and whether or not—the question was asked that sign-up period might be extended, and even whether or not the sign-up period for the 2009 crop year might be extended based on the fact that we do not have regulations in place. And I guess I would like to get a response, too, about the whole idea of in the past advance payments have been available to producers for this crop year. If they do not get that payment until the next crop year, you miss in some respects the window or the timing or the opportunity to make that assistance meaningful to them as they planting decisions for next year.

The question on advance payments for crop disasters that occurred this year, crop losses that occurred this year, and then, second, flexibility, again, on sign-up for the new program given the fact the regulations are not in place.

Mr. CONNER. OK. Senator Thune, as you know—and I think I am addressing your question here—we have issued 22 percent of the advanced direct payment to the producers already, and the remainder of that payment will be forthcoming pretty quickly. There has been discussion of issuing future advance payments to producers for the 2009 crop once they sign up, which we will be starting relatively soon. The statute does, again, spell out for us the amounts of that advance payment, and so we—unlike past farm bills, where we had a little bit of latitude it is locked into statute in terms of how much of that advance payment we have to give producers and when they get it. So that would require a statutory change if that

were to be altered in any way, because that 22 percent and the remaining payments after that are part of the statute.

Senator THUNE. So for 2008 losses, 22 percent payments, advance payments, have already been made. And the balance then would be made still in this calendar year?

Mr. CONNER. This is the direct payment, so, remember, it is not directly tied to losses themselves. I mean, this is the payment that everybody gets.

Senator THUNE. Right. OK.

Mr. CONNER. That is correct. The balance would be made.

Senator THUNE. All right. And with regard to sign-up periods on the—the regulations are not in place yet for the new program.

Mr. CONNER. Right.

Senator THUNE. You indicated that, where Louisiana was concerned, you might have some flexibility with regard to sign-ups. Would that also be true for other parts of the country?

Mr. CONNER. Yes. I mean, if I understood Senator Vitter's question correctly, that sign-up was specifically for the 2009 crop crop insurance program. I would expect us to start sign-up for the acre claims—I mean, in effect, I guess in some ways sign-up has already begun in that way because the statute specifically required that you had to have crop insurance in place.

Senator THUNE. Crop insurance or NAP, right.

Mr. CONNER. Or NAP in place in order to qualify for the SURE payment. Obviously, that came after farmers had made their decision on the 2008 crop, so the statute required us to have this buy-in situation for producers for the 2008 crop. That sign-up has come and gone. We have demonstrated some flexibility on that sign-up for the buy-in because we——

Senator THUNE. And that is on the September 16th deadline.

Mr. CONNER. Yes, that is on the September 16th deadline. I think for those disaster areas like Louisiana—and there may be other parts of the country on this—we have given them additional time look, we can be a little bit flexible on that. The statute gives us that flexibility, but it does require a buy-in payment in 2008 in order to be eligible then for those SURE payments that are going to come on down the road later on.

I do want to make one point on SURE as well, and I was reminded of this by some of the folks behind me. You know, there are parts of the farm bill, Senator Harkin, that require us to, in effect, bypass the normal rulemaking process in order to get these programs administered quickly. But the statute is very clear on which provisions we can do that for and which we cannot.

The SURE Program, we are not authorized to do expedited or, if you will, what I would call a short-circuited rulemaking process. We have to go to a proposed rule. We will obviously have to take comments on that proposed rule, and then ultimately go to a final rule in that process as well.

So again, I say that, Senator Landrieu, in great appreciation for your need to get this thing rolling so the producers can count on that. There is a process, though, that by law we are going to have to go through on that, and that is probably a good process. Again, this is a brand-new program. You know, we need public input to make sure we are doing it right.

Senator THUNE. When is the end line for that? You are talking to get through the process and——

Mr. CONNER. Well, we have not published the proposed rule yet. We will at some point in the not too distant future and then seek comments probably 60 days' worth of comments on that proposed rule before going final.

Senator THUNE. Are we going to be well into 2009, do you think, or is this like early 2009?

Mr. CONNER. I would not say—it will not be well into—if it is well into 2009, we could not get final before next fall. So I would not say it is going to be well into 2009.

Senator THUNE. I have, if I could, Mr. Chairman, another question related to the disaster program, but I want to ask just very quickly another——

Senator LANDRIEU. Senator, Senator, just one more question because we have got to get to the other panel.

Senator THUNE. OK.

Chairman HARKIN. We have another panel.

Senator THUNE. All right. Thank you. Thanks. OK. All right. This has to do with the—this is not the permanent disaster program, but it is another new program, and that is the ACRE Program in the farm bill.

Mr. CONNER. Yes.

Senator THUNE. And the question about which crop years are going to be included in determining national price. I am wondering if USDA has made a decision with regard to that yet. We obviously have contended that it should be the 2007–08 crop year, which, as I understand it, is what CBO used in its calibration. USDA has indicated they might use an earlier crop year, and, of course, that makes a big difference to our producers. Has there been a decision made?

Mr. CONNER. There has not been a decision made on that, Senator Thune. You know, in the interest of time, perhaps I will withhold kind of the dilemma we find ourselves in and what we are weighing in that decision. But the short answer to your question is we have not made that call yet on which year it will be.

Senator LANDRIEU. Thank you.

Senator THUNE. Thank you, Mr. Chairman.

Senator LANDRIEU. Mr. Chairman, if I might, Mr. Secretary, as we end this panel, I just really need to make this point so that you and I have a clear understanding as your testimony comes to an end.

I acknowledge that the SURE Program is going to take quite a while, and I also acknowledge that you could not expedite it if you wanted to because Congress required you to go through rulemaking. I am clear. But I need to make this point: That program, even if it was finished today—which it is not—is wholly insufficient for our situation. I am not asking you to hurry the program because it really would not help us anyway. I am asking you to declare Louisiana as an agricultural disaster and to come up with expedited, extraordinary help for an extraordinary situation. Are we clear on that?

Mr. CONNER. I understand that, Senator. I appreciate——

Senator LANDRIEU. Thank you. And I want you just to consider that.

Mr. CONNER. If I could, just one quick comment because I think this is important as you communicate with your producers as well. In Louisiana, and in other States as well we have a large loan portfolio of producers who borrow through the Farm Service Agency. Credit is going to be a key issue going forward, and we have loan guarantee programs that are capable of helping out in this circumstance. We have already dispatched some teams to your State and to other regions for those existing borrowers. The instructions to those teams are work with these producers to reschedule debt, in some cases write off debt where there has been a disaster so that those loans can work so that they can be in business for another year. We are very involved in that.

Senator LANDRIEU. I appreciate that, and I want to get to this next panel, because if you hear the testimony of our next panel representing States that have really been hard hit, I think you can appreciate our situation. But I do want to submit for the record a letter from the Louisiana Bankers Association talking exactly about the credit situation. I also want to submit, Senator Harkin, a letter from some members of our delegation about the difficulties with the Food Stamp Program that, while we have made some progress, we have not yet gotten adequate response. And I do acknowledge the six-page letter that I received this morning. I have not been able to review it, but I want to acknowledge that.

[The following information can be found on page 90 in the appendix.]

Senator LANDRIEU. But as we call the next panel up, I want to just show you again, Mr. Secretary, to make this point, this is—and you do not have to be an expert, which I am not, to see this looks like some really good corn. It looks healthy and golden and something that anyone would want to consume.

This is the rotten corn, basically, the damaged corn that has come out of our fields. And I am going to show you all this—this is throughout Louisiana, right before harvest, a bumper crop is literally being left in the field to rot. There is no market for it. It cannot be sold. There is a credit crisis in the agriculture economy. And I could show you soybeans, and I will put these up for our for show and tell. I think it is important to see it.

And these are healthy beans, and these are rotten beans. The bankers and the elevators really do not know what to do with a crop like this. It has no value. And it is a $700 million disaster.

So I thank you, Mr. Chairman, and we will move to the next panel

Mr. CONNER. Thank you.

Chairman HARKIN. Thank you. We will dismiss this panel.

We will call the second panel up: Dr. Mike Strain, Ms. Barb Prather, Lyle Asell, Wallace Ellender, Natalie Jayroe, and Jay Hardwick. If the second panel will please take the appropriate seats. Again, we will recognize the panel in the order which I had outlined it: Mr. Strain, Ms. Prather, Mr. Asell, Mr. Ellender, Ms. Jayroe, and then Mr. Hardwick.

I will ask each of you to keep your statements to 5 minutes or less, and you have a clock, and somebody up here is operating that

so we will keep to 5 minutes or less so we can have a discussion with you afterward. And in order to start things off, I would recognize Senator Landrieu for purposes of introduction.

Senator LANDRIEU. Well, thank you, Mr. Chairman. We are very honored to have our Commissioner of Agriculture to testify. He was born and raised on a cattle farm in Covington, Louisiana, has a degree in veterinary medicine from LSU. He has been a leader in agriculture his whole life, was just recently elected, Mr. Chairman, as our Commissioner. He served previously in the legislature on the Ag Committee. So he most certainly comes prepared for the post that he now holds, and he has my confidence as he helps to lead our State through this difficulty.

And may I also say we are proud to have Mr. Ellender with us, who has run the Sugar Cane National Legislative Committee for the Sugar Cane League. He is a sugar cane farmer in the southern part of the State, in Terrebonne Parish, which was very hard hit by the tidal surge that came in in the southern part of our State, as well as the rains that fell in central and north Louisiana.

So I am proud to have both of our Louisiana guests with us on this panel.

Chairman HARKIN. Thank you very much, Senator Landrieu, and, again, we will start with Dr. Strain. Welcome.

STATEMENT OF MIKE STRAIN, COMMISSIONER, LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY, BATON ROUGE, LOUISIANA

Mr. STRAIN. Thank you. Thank you, Mr. Chairman, for allowing us to come here from Louisiana and speak. Senator Landrieu, Senator Vitter, thank you so very much. You have been with us on the ground as we went through these disasters, and also for all of your help here in D.C. We truly appreciate that.

I also have with me Dr. Kurt Guidry and Dr. Mike Salassi, experts from the LSU AgCenter, who helped us compile data; Mr. Kyle McCann from the Farm Bureau, who is quite knowledgeable about farm programs; and Mr. Rene Simon from LDAF.

We come to you today in a unique situation in Louisiana. We have in 3 years endured four major storms, and if you count Faye, five. The situation we find ourselves in today is that Faye brought unprecedented rainfall through the heartland and through the northeast portion of Louisiana, flooding, and an inability to harvest, following by Hurricane Gustav that came in with a great deal of tidal surge, saltwater intrusion, wind damage, rain, and a tremendous amount of floods, followed directly by Hurricane Ike with an unprecedented amount of water, saltwater intrusion, and increased damage. Never before, even with the Great Flood of 1929, has Louisiana seen total devastation through the entirety of its State to its agriculture.

We went immediately, as soon as the winds went down, to begin touring the State, meeting with our farmers. We have held 11 meetings, meeting with several thousand farmers, and a number of issues resounded over and over. These include in this year significantly increased input costs and total costs; inadequate crop insurance; insufficient disaster provision of the farm bill; farmers who have contracts with elevators and cannot deliver the commodity;

bank liens against the partially filled commodity contracts; and deterioration of the grain and cotton quality.

Higher input costs. Fuel and fertilizer and input costs are the highest on record and more than doubled since last year—never before seen costs. Many farmers did not borrow enough to cover these high costs. They have used all available credit. Since the storms occurred just prior to and during harvest, many of the farmers have incurred the highest amount of costs they could prior to receiving dollars for their funds and are not going to be able to repay the lenders or suppliers.

Inadequate crop insurance. The farm bill was signed late. Had the producers known that there would be a disaster program that was based on their crop insurance coverage levels, they may have made different decisions. In order to be eligible for the SURE Program, USDA requires farmers to purchase Catastrophic Insurance or the Noninsured Assistance Program. Due to thin margins and the high cost of buy-up coverage, crop insurance participation is relatively low in Louisiana and in other Southern States. Although a farmer may have harvested only a portion of his crop, he may have already surpassed the yield threshold.

A farmer reported to me that he met with his insurance agent, and based on preliminary calculations, although he has more than 1,000 acres of cotton and is facing a 50–percent crop loss, he will only receive $3,300.

Disaster provisions of the farm bill. Many of our crops will not qualify for assistance under the current provisions. All of the rules and regulations have not been written, and payments may not and probably will not be available until October or November of 2009. Our farmers cannot wait this long.

Partially filled contracts. Farmers prudently but cautiously forward contracted a portion of their commodities to take advantage of prices. We were at harvest. Because of the substantially reduced yields, many of these contracts will not be fulfilled. The grain elevators expect the farmer to deliver on these contracts. They could refuse to pay the farmer for the partially fulfilled contracts. And, in addition, now the farmers are responsible and financially liable for the unfulfilled portion of the contract. That is not covered by insurance. These elevators have already contracted out the grain to the exporters. This creates a vicious cycle. The elevators, the lenders, and the farmers are going to have to work together to try to stay in business.

Bank liens against these contracts. A farmer may have already partially filled his contract, but the elevator may not be able to pay him because the banks have first title on that crop. The bank that has made the crop loan to the farmer has a lien. This is another problem.

Deterioration of grain, sweet potatoes, and cotton. The wet weather has caused the quality of the commodities to deteriorate rapidly, which you have seen. Many of the elevators, gins, and sweet potato canners cannot accept the commodities because of quality issues. The processors who are accepting the commodities will have to dock the farmer because of the poor conditions. What we find now is that even when we bring these commodities, for instance, our soybeans and our cotton, the elevators cannot take it.

They cannot sell it downstream, and now we are beginning to look at dumping what we can salvage.

Rice. Eighty-five percent of the harvest in North Louisiana has not yet been harvested. A lot of the rice now has begun to sprout in the fields.

Corn. Twenty-five percent is left in the fields, and a lot of that is damaged.

We have lost 50 percent of our cotton crop. The cotton that is left is of poor quality. The seed is of poor quality. We are getting calls from the gins today saying they cannot gin it. And, in addition, instead of receiving money for the seed, for the cotton seed, now the farmers are going to have to pay more to try to get it harvested.

Soybeans. Most of the time, mostly based on 10 percent or less damage. A lot of the beans that are left are 30, 40, 50 percent. They cannot sell them downstream. So even what is left, they cannot use that to fulfill the contracts.

Sweet Potatoes. Only a few parishes are covered under insurance in sweet potatoes, and that coverage is based on the firmness on the potato. What is happening now, because of the anaerobic environment, no oxygen, and the moisture, we estimate we have lost 50 to 70 percent in the ground. We could lose the rest of the crop if it is harvest. The $2,000 input cost to plant and raise potatoes, $600 to harvest it. And if you spend that $600, you will get no value. The potatoes are rotting.

Sugar cane. We have lost most of our plant cane. Only about 10 percent is there, and yield loss at 15 percent. It is very important, though, that we do not increase allocation of imported sugar. This would be a double storm and would devastate our sugar industry.

Pecans. In some areas, 75–percent loss.

Aquaculture and fisheries, $100 million worth of damage to aquaculture and fisheries, not counting infrastructure.

Overall, by and large, our farmers, ranchers, and fishermen need help now. We cannot wait a year. Our entirety of our State with unprecedented damage. We cannot bring dollars to help. Our entire farming economy is on the verge of collapse. We have met with farmers. We have looked them in the eye. They are very tired. They are very concerned. They are not looking for a handout. They are looking for a hand-up.

We must be able to stabilize the situation to stop the domino effect from collapsing our economy because we now have to replant.

Thank you, sir.

[The prepared statement of Mr. Strain can be found on page 83 in the appendix.]

Chairman HARKIN. Thank you very much, Dr. Strain, and now we will turn——

Senator LANDRIEU. Can I just say one thing I forgot? Mr. Hardwick is also from Louisiana, and please forgive me for not recognizing you.

I was on Jay's farm this weekend. He is a cotton farmer from North Louisiana.

Senator VITTER. Mr. Chairman, let me briefly thank all of our witnesses. I, unfortunately, have to attend another meeting, but thank you all very much for your important testimony. We will obviously be acting immediately.

Chairman HARKIN. Thank you very much, Senator Vitter.

Now we will turn to Barb Prather, Executive Director of the Northeast Iowa Food Bank. She has been in that position since 1999. We all know Barb and all the great work she does here and in Iowa. But prior to that, Barb worked for 7 years at the Capital Area Food Bank here inst, D.C. She also developed and implemented and opened the Northern Virginia branch. So she has just been involved in food banks and operations like food banks for all of her adult life. She resides in Hudson, Iowa, and we are just delighted you are here. Thank you very much, Barb, for being here. Again, thank you for all the great work you do in our State of Iowa. And, again, all your statements will be made a part of the record. Five minutes, hopefully.

STATEMENT OF BARBARA PRATHER, EXECUTIVE DIRECTOR, NORTHEAST IOWA FOOD BANK, WATERLOO, IOWA

Ms. PRATHER. Thank you very much. I want to first thank you for giving me the opportunity to testify today on flood relief in Iowa and our Food Bank's response to it.

To begin with, the Northeast Iowa Food Bank and the HACAP Food Reservoir in Cedar Rapids have provided over 400,000 pounds of mostly privately donated product for disaster relief in Iowa. We are both members of Feeding America, formally known as America's Second Harvest.

Disaster relief for us began a day after the EF5 tornado hit Parkersburg and New Hartford, Iowa, and traveled north through Black Hawk County. We were called out on Memorial Day to provide food and water to northern Black Hawk County. In the week that followed, working with various organizations, we provided food and water to relief workers and victims.

Two weeks after the tornado, we felt the impact from many days of hard rain. On Monday, June 9th, we received a call from a pastor in Greene, Iowa, who informed us that the water was rising and there were no resources to help this small town. We made arrangements to bring product up there that morning. Greene is a community that had not used our services before.

Here is a story of a family in Greene: They had to turn to the newly stocked food pantry. The husband had a good job, but he drives 34 miles one way each day, while the mother does in-home day care. They lost everything in the flood. The water started coming up on Sunday night, and by Tuesday they had to evacuate their home. They had always helped the local food pantry, but never needed their assistance. While the family had flood insurance, they knew it would be a struggle to pay their rent and their and mortgage. They eventually applied for and received food stamps, but they really needed the help of the pantry in the meantime. As you can imagine, it was hard for these hard-working people to go in and ask for help, but they were grateful that it was there when they needed it.

The next day, June 10th, very serious flooding hit Waterloo and Cedar Falls. The Food Bank was called to the Black Hawk County Emergency Operations Center. We did get the food up to Greene that morning, but a 90–mile round trip ended up being a 240–mile round trip because the roads were all flooded.

At the same time, we began making arrangements to secure our facility, which was right along the Cedar River in Waterloo. However, we did not get water in it, but thanks to local support we were able to empty the warehouse and keep the product on trailers for a few days.

Throughout the week we worked with various officials all over northeast Iowa. We followed the Black Hawk County Health Department when they did their immunizations to get food and water to people. And later in the week, parts of Waterloo on the east side began to have water back-up. This is a low-income area, and many residents in that area had water in their basements.

To highlight what we saw during the disasters, there was considerable press coverage about the availability of disaster food stamps. In the State of Iowa, over 13,000 households and 35,000 people received them. I was extremely impressed with the outreach that took place, and people knew that they could apply for them. I believe our area did an exceptional job in regards to getting the word out about their availability and people applying for it.

Our State staff who are responsible for TEFAP commodities were on the phone with us during the flood asking what type of extra resources we needed. I know that they were working closely with USDA officials. We were offered our July shipment in June, but we decided to hold off because we did not want to short ourselves on the product in the long term.

Since last spring we have seen the amount of TEFAP commodity foods increase substantially due to increased support from USDA and the increased support from the farm bill. This increased funding from the farm bill is critical to our food bank and others in Iowa and throughout the United States. In addition to our continuing need for more food, we are really in need of additional storage and distribution funds as authorized in the farm bill. Increased food and fuel prices have left food banks in Iowa and throughout the country with a shortage of funds to pay for storing and distributing food to the agencies we serve. I want to thank you, Senator Harkin, for your leadership in getting that vital funding included in the bill.

What would be helpful in the future is to be able to access USDA TEFAP commodities immediately rather than having to take our July allotment of entitlement food early, from day one of the crisis without having to worry about them counting against future shipments. We know that once the waters recede, we need to have product available immediately to help meet the immediate needs, and the future needs will be even greater as people work to recover from the disaster.

To date, the Northeast Iowa Food Bank itself has provided over 280,000 pounds of disaster assistance product to nearly 60 organizations. It is a small part of a much larger picture of what is happening and continues to happen in northeast Iowa. Because of the increased need because of the struggling economy and the impact of the disasters, as fast as the product comes in, it goes out. The need is there. Even before these tragedies, we had seen an increase of 25 percent in the numbers of clients our agencies have been serving. We are anticipating seeing even more coming through the doors of food pantries in Iowa this winter.

Recovery takes many years. We are going to need ongoing help to help these families who are working and living on a limited income. With high food and fuel prices, budgets are already stretched, and adding a disaster to the mix does not help. The family I talked about is trying to do their best, and they will bounce back. This is just one example of many similar faces in Iowa.

Please continue to help us. Thank you again, Mr. Chairman, for giving me the opportunity to share our experiences in helping to meet the food needs of people in northeast Iowa and Iowa following our back-to-back tornado and flooding disasters.

[The prepared statement of Ms. Prather can be found on page 79 in the appendix.]

Chairman HARKIN. Ms. Prather, thank you very much for that testimony and for all the good work you do in Iowa.

Next we will go to another Iowan, Mr. Lyle Asell. I hope I pronounced that right. Mr. Asell was raised on a livestock and grain farm in southwest Iowa, graduated from Iowa State University with a bachelor's degree in fish and wildlife biology, had held positions as soil conservationist, district conservationist, biologist, RC&D coordinator, assistant State conservationist, for NRCS all of this in Iowa. He lives on a small farm near Chariton, has a partnership farm interest in family farms in both Mills and Pottawattamie Counties. A Vietnam war veteran, he and his wife Charlotte have three sons, and Lyle currently serves as a Special Assistant to the Director for the Department of Natural Resources.

Mr. Asell, welcome to the Committee, and please proceed.

STATEMENT OF LYLE W. ASELL, SPECIAL ASSISTANT TO THE DIRECTOR OF AGRICULTURE, IOWA DEPARTMENT OF NATURAL RESOURCES, DES MOINES, IOWA

Mr. ASELL. Thank you, Mr. Chairman.

The Iowa storms of 2008 are approaching or surpassed the tenth largest natural disaster in U.S. history. We have seen precipitation increase approximately 10 percent over the last 30 years, and we have seen a change in the pattern of precipitation. This will lead to increased flooding over time.

Farmers in Iowa use financial risk management tools very effectively, with about 90 percent of farmland covered through crop insurance at relatively high rates. However, the land itself is at risk and was hurt very badly during these storms.

The primary tools that we have available to help heal these wounds come from the Emergency Watershed Program and the Emergency Conservation Program. We have a current need of $225 million in Iowa for the Emergency Watershed Program, and this is growing. Sign-up continues through the end of the month for conservation easements on floodplains.

As both Senators Harkin and Grassley recognized, conservation practices in systems work very effectively to reduce damages. However, the precipitation simply overwhelmed the systems, and so we did end up with somewhere around $40 million in damages to conservation practices, such as grassed waterways, terraces, and farm ponds. We also need about $8 million in technical assistance to help restore the damage.

There is another $36 million in needs to repair stream bank erosion to help protect transportation facilities and cropland. The greatest need comes from the Emergency Watershed Program floodplain easements, with applications to date exceeding over $150 million. Just as homeowners often opt for a buyout through FEMA for the houses, we see farmers wanting that same program. The policy was changed following the 1993 floods and worked very effectively. It is very good public policy. Today we have over 400 farmers and about 35,000 acres that are attempting to enroll land in the easement program.

This follows even record commodity price and land values, and it is an indication of how serious the damage is to that land. There is virtually no alternative that is economically viable for them to restore that to productive ag land.

There are two provisions in the farm bill that, if applied to EWP, could be detrimental, and these are both pertaining to the Wetland Reserve Program. The first is a requirement that land be owned for 7 years before it is eligible to be enrolled in the program. Iowa State University's data shows that most of the last in Iowa is bought by existing farmers, so if you bought land 6 years ago, fully intending to have it in a farming operation, you are now going to find yourself carrying a debt and not being eligible for a program that is intended to buy out in such situations. We would suggest looking at this rule.

The other one involved governmental agencies not being able to receive restoration assistance through the program. In Iowa, we work very effectively with farmers, and they are good business people. They understand that the easement will provide most but not all of the value of that property. They also understand that if they retain ownership, they are responsible for paying property taxes when there is not a source of income, and it will be managed for wildlife when their interests and their livelihood comes from managing crops and livestock. Let's let farmers do what they do best. Let's let others do what they do best.

Time is critical. They have to be making decisions very soon on what to do with this land. Most of this land did not produce a crop in 2008. They cannot wait another season without knowing what to do with that land. They want to take that funding and move it out of a high-risk venture and put it into a low-risk venture. We want to help them do that.

The other program is the ECP. They have requested $24 million, received about $12 million. That has been disbursed predominantly to clear sand off of floodplains. there is a need for additional funding there.

Thank you.

[The prepared statement of Mr. Asell can be found on page 47 in the appendix.]

Chairman HARKIN. Thank you very much, Mr. Asell, and thank you for all the work you do on the Rebuild Iowa board there.

Next we go to Wallace Ellender from Bourg, Louisiana. He has already been introduced by Senator Landrieu, but I was just told that your great uncle was Allen Ellender.

Mr. ELLENDER. Correct.

Chairman HARKIN. Chair of this Committee.

Mr. ELLENDER. Correct. I remember visiting this room when I was 15 years old.

Chairman HARKIN. Oh, my gosh.

Senator LANDRIEU. Well, welcome back.

[Laughter.]

Mr. ELLENDER. I wish it was under different circumstances.

Chairman HARKIN. Good to have you back, Mr. Ellender.

STATEMENT OF WALLACE "DICKIE" ELLENDER IV, SOUTHWEST LOUISIANA SUGAR CANE FARMER, BOURG, LOUISIANA, AND CHAIRMAN, NATIONAL LEGISLATIVE COMMITTEE, AMERICAN SUGAR CANE LEAGUE

Mr. ELLENDER. Thank you. Again, my brother and I formed Sugar Cane in Southeastern Louisiana on two farms in the Raceland and Bourg, Louisiana, area, which was at ground zero for Gustav.

Senator LANDRIEU. Would you pull the mic a little closer, please.

Mr. ELLENDER. Including the land that my ancestors settled in 1853. We are the only people ever to farm the land that we currently farm. As a child, I remember asking my grandfather for one of his earliest memories, and one of the stories he told me was a story about a stubborn dog when he was a kid that wanted to go on this boat ride to the barrier islands with the family. On one occasion they loaded up everything but the dog on the sailboat and sailed down to the coast, which is about 30 or 40 miles away. The dog trotted down the side of the bayou all the way to the coast with them, having to ford a few streams, but made it to the island. Today that dog would have to swim 30 miles to get to the same location across open water. Coastal problems we are having.

Gone are some of the barrier islands and most of the wetlands that served as a natural buffer from the worst storms that came from the Gulf of Mexico. We are losing coastal wetlands at a rate of 40 square miles each year. Some experts predict that the shoreline may move inland over 30 miles in the next 30 years. I hope this gives you some perspective of the breadth of the long-term problem our communities are facing when we look to the south. The ominous power of the sea when it surges 20 to 30 miles inland is something to behold. What the sea leaves behind when it retreats can be bad, but what it leaves behind when it stays in the fields is worse. Once breached, levees that held back the tide will hold back the ebbing waters. We tear holes in those levees to get the water recede, but with sea of the magnitude of Rita and Ike of 2008 flow over the levees vast volumes of water into the lowest field, making our cane fields salt fields.

But sugar cane is a hearty plant, and with good weather and time, the cane can rebound and produce a decent crop. Harvesting it will be more difficult and costly, but we can still hope for a mild autumn and a good price to help offset some of the additional costs we will incur in harvesting a bent and broken crop. On the other hand, we may not have enough time to finish planting and harvesting before winter frosts and freeze become a concern. Further complicating the matter, sugar cane is a perennial crop, and time will be needed to determine whether fields holding surge water for extended periods will recover for next year's crops.

The worst damage that occurred to the sugar cane fields from Gustav occurred in Terrebonne, Assumption, Lafourche, Ascension, Iberville, West Baton Rouge, and Point Coupee parishes. The northeastern corner of the eye of the hurricane caused the worst stalk breakage, but this damage occurred virtually everywhere in the belt. The cane varieties that tend to produce higher tonnage suffered more breakage than lower-yielding varieties, and the brittleness of the higher-yielding varieties will make cutting the cane very problematic.

Hurricane Ike's eye stayed to our south as it moved into Texas, but this meant that the counterclockwise winds drove the sea surge deep into the Louisiana cane belt in a manner eerily familiar to those of us who experienced Hurricane Rita in 2005. In some areas, the damage was worse than Rita. From my farm in Bourg, across Terrebonne, St. Mary's, Iberville, and Vermillion parishes, levees were topped, and standing water still remains to this day.

As a general rule, we keep a field in production, using the existing root systems, for 3 years and, after harvesting the third crop, let that ground stay fallow for nearly a year before replanting. This generally occurs in August and September. But the rainy weeks before Gustav came left us way behind in our planting, so there is less newly planted cane to be lost to the surge. This may sound like good news, but the delay in planting increases our risk of not being able to plant some of the fields before winter sets in. These fields are planted this fall for next year's crop. This delay also has the potential of pushing harvest deeper into the winter months, when a heavy frost or freeze damage can destroy whatever cane is left in the fields.

In order to increase our chances of getting new growth from the damaged cane we will be planting over the next few weeks, we will use more acres of our mature cane as seed for the fallow ground. In my case, this means I will use 260 total acres to plant the 800 acres necessary for my farm. I typically use only 160 acres. This means that I have 100 acres that will not go to the process that I will be planting in the ground for next year.

You have asked about my experience with crop insurance as a disaster assistance tool. Our growers have traditionally had access to only one type of crop insurance policy, the Actual Production History program. The costs of the APH buy-up coverage have been prohibitively high, as USDA's Risk Management Agency acknowledged this past year when it lowered APH rates in response to potential competition from farmer-developed GRP policies. While the rates are lower, the buy-up coverage has not been seen as reducing our actual risks by a sufficient amount to make the added expense worthwhile for most of our farmers.

Despite the destructive natural forces that are sometimes unleashed against it, the sugar cane plant is a hearty survivor, and catastrophic production losses, meaning losses of greater than 50 percent, are rare. Since 1995, when Louisiana sugar cane participation in crop insurance went from $2 million in liability to over $61 million, the cumulative loss ratio has been approximately 0.17. Since 90 percent of our policies are the basic catastrophic coverage, which has been a prerequisite for disaster assistance eligibility in

the past, this loss ratio can conceal significant losses to a farmer's bottom-line.

The new permanent disaster assistance program included in the 2008 farm bill has not been implemented and regulations explaining how the Department will administer the program are still under development. As I understand the Supplemental Revenue Assistance Program, SURE, it provides payments to producers in disaster counties based on the crop insurance program. Regrettably, we have been unable to find an accurate SURE calculator for sugar cane to gain a better understanding of the actual assistance that might be available to farmers, but the poorly performing crop insurance program it will be built upon would seem to reduce its effectiveness as a hurricane assistance program.

Congress, though, has developed a disaster assistance mechanism that works. In response to the 2002 and 2005 hurricanes, Congress developed a delivery mechanism for ad hoc assistance to sugar cane growers in Louisiana that is tailored to the types and levels of damage associated with hurricanes and cane fields. This mechanism targeted a portion of the overall package to address losses and costs from planted cane that was lost to the hurricanes. Another portion of the package was designated to offset some of the increased planting costs and harvesting costs that we incurred. A final portion was allocated to address yield losses and other sector-wide losses.

Congress was able to link the bulk of the assistance directly to the specific losses or costs of the hardest-hit producers in our area, while reserving a portion to address the yield losses that virtually every producer absorbed.

I will try to conclude here.

In conclusion, Louisiana has been growing sugar cane commercially for well over 200 years and has received agriculture disaster assistance twice over more than 200 years of production. The fact that both of those assistance packages were made necessary by intense hurricanes in this decade is a direct result of the rampant coastal erosion. Unless we invest in energetic coastal efforts soon, my farm may be beachfront property in a few short years before slipping quietly beneath the waves.

Thank you, and I am sorry I went over my time.

[The prepared statement of Mr. Ellender can be found on page 59 in the appendix.]

Chairman HARKIN. Thank you very much. Thanks for the pictures you applied, too. It kind of brings it home as to what you are talking about.

Mr. ELLENDER. Yes.

Chairman HARKIN. Thank you very much, Mr. Ellender.

And now we will go to Natalie Jayroe, joined Second Harvest Food Bank of New Orleans as President and CEO in January of 2006. Currently, Natalie is a founding member of the Louisiana Food Bank Association and co-chair of the Food Policy Advisory Committee of New Orleans City Council.

Again, welcome again to the Committee, Ms. Jayroe, and please proceed.

STATEMENT OF NATALIE JAYROE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA, NEW ORLEANS, LOUISIANA

Ms. JAYROE. Thank you, Mr. Chairman. I really appreciate the opportunity to address you today. I just wanted to mention that we are the Food Bank of Greater New Orleans and Acadiana, covering all 23 parishes of the southern part of the State.

Disaster preparedness and response have always been a part of the mission that we plan for and train for while we are responsible on a daily basis for the distribution of USDA TEFAP commodities. In Louisiana, over the last 2 years, the five food banks of the Louisiana Food Bank Association have strengthened their relationship with the Governor, the Louisiana Commissioner of Agriculture, and the State legislature. Together we have developed a model for public/private partnership that in fiscal year 2008 allowed food banks to purchase almost 10 million pounds of food from Louisiana farmers, fishermen, and vendors to distribute to people in need throughout all 64 parishes. We enjoy a very good working relationship with USDA and FEMA regionally and nationally.

During the aftermath of Hurricanes Katrina and Rita, TEFAP commodities were released for disaster distribution. In my opinion, many lives were saved as a result. Second Harvest Food Bank became the largest food bank in history overnight, distributing 8 million pounds of food in September 2005 alone. Since that time, Second Harvest has distributed more than 90 million pounds of food to more than a quarter of a million individuals throughout our 23–parish service area.

Last year, the increase in food and fuel costs along with the decrease in USDA commodities available to food banks left many of us seriously short of food. For instance, the 7 million pounds of USDA commodities distributed by Second Harvest in 2004 dropped to 2.7 million in fiscal year 2008. The successful passage of the farm bill last year has greatly improved the supply of TEFAP commodities to food banks, and I would like to thank Senators Harkin, Landrieu, and other members of the House and Senate Agriculture Committees for your leadership of that effort.

Prior to Hurricane Gustav making landfall and in the immediate aftermath, we sought to preposition disaster foods and later order replacements for our depleted warehouses. Finally, after working through a number of procedural glitches with the help of the Governor, FNS regional office, and State agencies, we were able to order food for disaster distribution. We were very grateful for the supplies that we received. However, with the implementation of the emergency food stamp program, further orders were not processed.

The system set up to distribute emergency food stamps was immediately overwhelmed by the number of people who needed relief. Governor Jindal has taken quick and effective action to correct the deficiencies in this system. However, as of this date, people are still lining up to receive benefits. We need to be able to provide Federal commodities along with privately donated foods to hungry people to tide them over until their food stamp benefits become available.

Hurricane Ike passed through the Gulf of Mexico on its way to landfall in Texas on September 13. Parish presidents, such as

Aaron Broussard of Jefferson Parish, called Second Harvest for help as communities all along the south coast of Louisiana had no power, no food, no Red Cross feeding sites, and overwhelmed PODs. Second Harvest's trucks were actually stopped by the National Guard outside of Morgan City because the Guard did not feel it was safe for nonprofits to distribute food. Second Harvest was the first nonprofit to bring food to these parishes, followed by and in close collaboration with the Salvation Army. And the food is still needed.

Of the 1.9 million pounds of food that Second Harvest Food Bank has distributed from September 1st through September 22nd, 175,000 pounds have come from the DSS/FEMA/USDA pipeline. Additional commodities would enable us to maintain our distribution rate of over 100,000 pounds per day during the next 4 weeks of immediate recovery.

In a major disaster, food banks do not have the capacity to replace Government response. The removal of the restrictions that current limit and slow the distribution of USDA commodities to food banks and other emergency feeding organizations would significantly improve the availability of critically needed food and water in the days immediately following a catastrophic event. Assistance to build infrastructure and funding to help defray the rising costs of fuel would make the Feeding America network an even stronger partner to USDA and FEMA.

I have some recommendations that I would respectfully like the Committee to consider.

No. 1, provide the resources and authority needed by USDA and FEMA to purchase foods needed in disaster response.

Second, eliminate legal barriers to prestaging food.

Third, ensure that there is enough logistical support to get the food into areas cutoff by water.

Fourthly, improve the process to bring more flexibility to the types of products that are made available and the number of nonprofits that distribute them.

Most importantly, let's work to make sure that the emergency food response system has as its primary focus getting assistance to people as efficiently and effectively as possible, and making concerns about avoiding duplication a secondary consideration.

Thank you for allowing me to speak before you today. Second Harvest Food Bank of Greater New Orleans and Acadiana and the food banks of the Feeding America network are privileged to be partners with the USDA and FEMA in disaster response and in the everyday economic emergencies that people are currently facing. I firmly believe that by working together we can continue to make progress in ensuring that all people have access to nutritious food.

Thank you.

[The prepared statement of Ms. Jayroe can be found on page 75 in the appendix.]

Chairman HARKIN. Thank you very much, Ms. Jayroe.

Now we turn to Mr. Jon W. "Jay" Hardwick, who produces 7,300 acres of cotton, corn, grain sorghum, peanuts, soybeans, and wheat. I am told emphasis is placed on conservation crop production methods, including no-till, crop rotation, residue maintenance, erosion control, and precision technologies to apply and reduce pesticides

and nutrient resources. Maybe it is that GPS. I do not know whether you——

Mr. HARDWICK. Yes, sir.

Chairman HARKIN. Oh, you are doing that—to help restore and improve water, air, soil, wildlife habitat, and crop production economics. Jay currently serves as Vice Chairman of the National Cotton Council, also is a Director on the National Peanut Board, Director of Farm and Livestock Credit, Cotton Incorporated, and also a Director of the Tensas-Concordia Soil and Water Conservation District.

So, Mr. Hardwick, thank you very much for being here. Please proceed.

STATEMENT OF JON W. "JAY" HARDWICK, NORTHEAST LOUISIANA COTTON FARMER, NEWELLTON, LOUISIANA, AND VICE CHAIRMAN, NATIONAL COTTON COUNCIL

Mr. HARDWICK. Well, Mr. Chairman, thank you for holding today's hearing and for allowing me to describe some of the devastating effects of Hurricanes Gustav and Ike on our farming operations and rural businesses in Louisiana. And, Senator Landrieu, we appreciate you taking time last weekend to visit and tour some of the areas affected.

I am Jay Hardwick from Newellton, Louisiana, and I am currently serving as Vice Chairman of the National Cotton Council, as you mentioned. Our family operated farm is highly diversified. We produce cotton, corn, grain sorghum, soybeans, wheat, specialty crops, and timber in northeast Louisiana. We are also very proud of our conservation and wildlife preservation programs. My comments will focus on cotton, but I wanted to emphasize that no crop was spared in Louisiana.

Louisiana State University cotton specialists estimate that over 80,000 cotton acres will not be harvested. Many of the harvested acres' yield losses will be high and the quality will be low. The value of the Louisiana cotton crop will be reduced by approximately $137 million.

The hurricanes also impacted our infrastructure. Cotton gins, warehouses, and grain elevators rely heavily on volume to cover fixed costs and provide jobs. Many gins and warehouses will operate at reduced capacity or not at all in 2008. This means fewer jobs and lower revenues for our rural communities.

Water is not generally a limiting factor in Louisiana agricultural production. The abundance can be. Our annual rainfall is about 58 inches. We received an additional 50 percent over the course of 30 days during August and September. Over the years, we have adopted crop practices and management skills to accommodate short periods of excessive rainfall using best management practices, such as conservation tillage, enhanced field drainage, erosion control structures, elevated planting beds, diversified crop mixes, and marketing strategies.

However, successive tropical storms Faye, Gustav, and Ike, and catastrophic rainfall accumulation simply overwhelmed our crops, landscape, and management. Even though I live 200 miles north of the Louisiana Gulf Coast, these systems have no boundaries, spare few, and have an extensive reach. The five-parish area in which I

live was impacted 100 percent. Above average to total crop destruction occurred, which you have seen, and harvested crops have been of extremely poor quality.

Neighbors and friends who produce rice, sugar cane, sweet potatoes, peanuts, and pecans have suffered incredible losses as well. No such weather event in memory has had greater impact on our crops throughout Louisiana.

I harvest my crops from late July through October. It spreads my risk, cash-flow, labor, machinery, conservation efforts, marketing and field preparations for the upcoming year. Faye, Gustav, and Ike came at the worst possible time. I simply could not absorb all three of these storms. Neither could my friends and neighbors.

Now we are faced with additional expenses to restore land from wet harvest and repair on erosion measures in preparation for 2009. Large domestic and international grain buyers in our area no longer purchase or accept any damaged grain against producer contracts. These companies are expecting us to meet those contracts. Farmers are asking how to satisfy these contracts and determine ways to meet other financial obligations. So one can only imagine the shock and awe of what has happened in our area. Having no crop to sell or damaged crop to apply to contracts may initiate an economic disaster perhaps far greater than the weather events alone in Louisiana.

Some expect crop insurance to provide most of the necessary financial assistance. While almost all on acres are covered by insurance, over 50 percent have the minimum coverage known as Catastrophic or CAT coverage, which provides minimal benefits, only if the area is a catastrophic loss. Neighboring Catahoula and Concordia Parishes were some of the hardest hit. They had only CAT level policies on over 37,000 acres of cotton. I have the same coverage.

I encourage Congress to develop a plan that will deliver financial assistance to producers in a timely manner. Enhanced crop insurance coverage, timely ad hoc disaster relief, supplemental payments delivered in the same manner as direct payments, and enhancements to the provisions of the permanent disaster programs should all be considered in order to expedite assistance that is commensurate with the losses that have been incurred.

Additional funding for existing cost-share conservation programs would help to speed restoration of damaged fields. Also, I ask you to consider providing some form of financial assistance to gins, warehouses, and other key components of our infrastructure that will experience significant financial losses due to sharply reduced volumes.

Mr. Chairman, the economic losses caused by the hurricanes are dramatic and severe. Timely assistance is needed. Most farmers simply do not have the financial resources to wait until 2009.

Thank you for your consideration of the views and recommendations presented and giving me the opportunity to present testimony. I would be pleased to respond to your questions at the appropriate time.

Thank you.

[The prepared statement of Mr. Hardwick can be found on page 71 in the appendix.]

Senator LANDRIEU. Thank you very much. It was really an excellent panel, and Senator Harkin I know may have to leave in a moment. Do you have another question?

Chairman HARKIN. No, I do not. I do have to leave. I thank everyone for their testimonies. I especially want to thank the two Iowans who are here and also Ms. Jayroe, all of you involved in the food bank effort. Ms. Prather and Ms. Jayroe were involved in the food bank operations. They did a great job in Iowa, and I take it they did a great job in Louisiana, too.

I do have some other questions. I may submit them to you in writing. But I anticipate that maybe Senator Landrieu might ask those questions that I was going to ask anyway.

So if you will excuse me, I do have to go, and I thank you again very much, Senator Landrieu, for chairing this. Thank you.

Senator LANDRIEU. [Presiding.] Thank you, Senator Harkin.

If I could just address a few questions—and I know our time is somewhat limited, but starting with you, Mr. Commissioner, you visited not only with our cotton farmers and our sugar cane farmers, but our sweet potato farmers, et cetera. Would you repeat for the record what help you need or on behalf of Louisiana needs from this Congress? How quickly do you need the help? If you could give us a general outline of what you think would be helpful. Mr. Hardwick outlined some things specifically in his testimony. Of course, so did Mr. Ellender. But if you could recap that, it would be helpful.

Mr. STRAIN. When you specifically look at the needs, we have between agriculture and our fisheries $750 million in damages that we know of. The SURE Program and these other programs, the rules have not been written, and any help that would be forthcoming would be October or November of next year.

When you look at specific examples of how you have crop insurance and how you have the SURE Program after that, you find in many instances, since we were at harvest and have harvested a portion of our crops, if you take the sheet example of a soybean farmer that has harvested 50 percent of his crop, he probably by our calculations will be eligible for zero benefits because he has already met those thresholds. When you are talking about these programs, you are talking about on average, when you look at the crop insurance, 50 percent coverage of 55 percent price. And then when you look and say, well, why didn't—and the cost of the buy-up—and I will give you this, and I think we really need to put this into the record. When you talk about cost and coverage—and this is for a soybean farmer with an average per acre yield in his county, in Richland Parish, will pay $18.62 an acre to insure an APH of 45 bushels at 65–100. The same type of producer in Adams County, Iowa, will pay $4.93 to insure a yield of 52 bushels. So we have to pay four times the cost for an insurability that is seven bushels lower. Corn and other rates are as well.

And if I give you just a specific example—and these have been submitted to the record. When you look at this particular farm, 600 acres of rice, 400 acres of beans, and when you look at that under the particular coverages, so the cost of the 60–100 was approximately $10,800 and the 75–100 approximately $21,800. And then the premiums double between 60 and 75 percent.

When you look at that—and this person has had loss, total loss on his rice, total loss on that 600 acres of rice, and the soybean yield was reduced to 15 bushels per acre, when you boil it all down from he will receive for what he had to pay for his insurance, his net return on these policies is $6,000 on 1,000 acres. Many farmers did not buy enough.

The bottom line is the coverages that are there are inadequate, and the timing is too late. We need an infusion—and we have asked for approximately $700 million. The programs—before, there was a program in sugar where $40 million came in, and it was divided up based on the needs to stand our farmers back up. If we cannot do this, our economy will collapse. After the floor of 1929, it devastated Louisiana's economy for many years. It changed and devastated the farms throughout the delta and the heartland of Louisiana. We cannot allow this to happen again, and we are asking for dollars. We are asking for them now because we have to get ready to replant to save our entire economy.

Senator LANDRIEU. Thank you, Mr. Commissioner.

Let me ask you, Mr. Asell, did you say—and I think I heard you say this—that in the 200–year history of the Sugar Program, we have only—or the sugar industry has only asked twice in 200 years for special payments related to disasters?

Mr. ELLENDER. That is correct. But on those 200 years, we often hear in South Louisiana this is the one in 100–year storm. Well, in the last 3 years, we received four of them. You know, so it has been a tough situation.

Senator LANDRIEU. OK. I really cannot overstate how shocking that statement is to me. I thought I knew a lot about coastal restoration, and I do. And I thought I knew a lot about agriculture. But I am absolute shocked to hear that in 200 years of the sugar cane industry, we have only asked twice for the Federal Government for special help.

I am going to speak about that on the floor of the Senate because I think people have an idea that farmers come here every year asking for special help. And I want this Congress to understand that our sugar cane farmers have only come twice in 200 years. And I would hope that that in itself would be enough motivation for this Congress to understand the extraordinary circumstances in which we come and would respond accordingly, not just, of course, to you all but to all of our many farmers who do not come unless the need is truly there. And I think you all have demonstrated that.

One more question to you, Ms. Jayroe, and then also, Ms. Prather, if you want to comment. Help us understand what you have both said in your testimony about the emergency program that works for the first, I think, 0 to 14 days as the rains are pouring in and there is still flooding; people are hungry; grocery stores are closed; the restaurants are closed. There is very little mobility; the lights are off; a lot of people are in darkness. They might have packed a few days of food, but they did not realize their electricity would not be on for a month or so. OK? So that is the first 14 days that we are now way too familiar with in Louisiana.

In that time period, can anybody receive food? Or do you have to have a certain income level?

Ms. JAYROE. No, at that time period, anyone can receive food from food banks. We go into a disaster declaration ourselves and open the doors.

Senator LANDRIEU. So even people who are at a higher income level, they can get help with food. What happens after that period, though? And is that what happened to us in Louisiana, that that period came, what you are testifying, too quickly to an end, and then the Food Stamp Program started, and there is a prohibition in the law which I have been trying to repeal—I want the record to show this—for 3–1/2 years and have not been successful yet. But there is the duplication of benefit provision that is preventing you from feeding people that are hungry.

Ms. JAYROE. Right.

Senator LANDRIEU. Because the Federal law says they cannot get the duplicate benefit. Is that what you are testifying today to?

Ms. JAYROE. Senator Landrieu, that is exactly what our biggest issue was, that policy. After Katrina, the USDA TEFAP commodities were released into our system for disaster response, and then the determination was made that the law did not allow that. So, in fact, this time we had USDA commodities in our warehouses we could not distribute because of the way the laws are currently written.

And you know the story of the Emergency Food Stamp Program. People came back having spent a lot of money on evacuation, came back to empty and dark grocery stores, and were unable to get the benefits they needed. And we were called on to provide immediate help. And I will say the USDA and our State Department of Agriculture did everything they could within the law to get us the commodities that we needed—in our case, 175,000 pounds of commodities. But you are exactly right in terms of what the issue was for us.

Senator LANDRIEU. And, Ms. Prather, do you have anything to add to that? Did the same thing happen to you all?

Ms. PRATHER. Yes, I agree. What happened in our case is we were offered—we get shipments every month. We were offered our July allocation in June, and at that point I had gotten privately donated food, so I went ahead and used that because I knew I needed the food down the road in July. So I could have taken my July shipment early. It would have just counted against me, and I would not have gotten that replenished.

Senator LANDRIEU. But you are testifying that in Iowa, though, when people receive in the first early days, there is no income limit.

Ms. PRATHER. Correct.

Senator LANDRIEU. But the minute you all start issuing food stamps, there becomes a fairly tight income limit for people that are eligible.

Ms. JAYROE. That is the case for the emergency food stamps. It is not the case for our system. We can actually continue with disaster response longer, and after Hurricanes Katrina and Rita, it was more than a year later, and we were still taking care of people, St. Bernard Parish, Plaquemines Parish, Cameron Parish, people that were rebuilding their entire lives.

Senator LANDRIEU. And is that available to you now?

Ms. JAYROE. Food is the problem. If we had the food to distribute, then, yes, we would be able to continue with disaster response as long as we had the resources to do it. And as Barb mentioned, the infrastructure and the fuel and the kind of operating revenue that we need to make it happen.

Senator LANDRIEU. And where do you normally get your food from?

Ms. JAYROE. Well, we are both part of a national network, Feeding America, and we have a system of donations from corporations at a national level and from our local retailers—Wal-Marts, Winn-Dixies, the hospitality——

Senator LANDRIEU. But from the Government, where do you get your food from, from the Government?

Ms. JAYROE. We have for many years distributed the TEFAP commodities for household distribution. Those were the ones that were not released, at least without having them leave our—or not being replaced. But there are special disaster commodities that, with a request from FEMA, USDA can make available to us.

Senator LANDRIEU. OK. But I am trying to get to the point where if you said if you had the food, you could distribute it, but you cannot get the food. So my question is: Who can't you get the food from? Is it the Government?

Ms. JAYROE. It is difficult to work the system the way that it currently is with Government sources, yes. And there is just not enough food available in our private donation system to take care of the need.

Ms. PRATHER. Yes.

Senator LANDRIEU. OK. I am going to have to close the hearing. Is there any other comment, briefly, that any of you want to make that you think we did not get into the record?

[No response.]

Senator LANDRIEU. OK. I think your testimony has been very complete, but let me end with this, and we are going to try to do this relief package in a bipartisan basis. But I would hope that this Congress would act very quickly to provide, instead of the slow process that has been testified to that is available to our farmers, when this Congress is seemingly providing an expedited process for Wall Street, I would hope that this Congress would think about the fact that we seem to have very tight regulations for food banks and very loose regulations for hedge funds. Something is very wrong with this picture, and I hope that this hearing served at least some effort to make more available food for hungry people in the midst of these storms and to help our farmers who do not come here often to ask for help. But because this country has turned its back, in my view, time and time again on restoring the coast, particularly, and also turned its back on real risk management policies that would really help farmers in Louisiana, we find ourselves in this predicament.

So I am going to do everything I can with my colleagues to find a solution, but we have got a lot of work ahead of us.

Thank you so much, and the meeting is adjourned.

Mr. STRAIN. Thank you.

Senator LANDRIEU. And any written questions or comments, we will have until the end of the day tomorrow to submit them for the record.

[Whereupon, at 12:22 p.m., the Committee was adjourned.]

APPENDIX

SEPTEMBER 24, 2008

Statement of Senator Charles E. Grassley
Senate Agriculture Committee/Homeland Security Committee

Agricultural Disaster Assistance Programs Following Midwest flooding, Hurricanes Ike and Gustav

September 24, 2008

Witnesses:

Panel I

- **USDA, Deputy Secretary Chuck Connor**
- **USDA, Kate Houston, Deputy Under Secretary for Food, Nutrition, and Consumer Services**
- **USDA, Arlen Lancaster, Chief, Natural Resources Conservation Service**

Panel II

- **Lyle Asell – Rebuild Iowa Office, Iowa Dept of Natural Resources**
- **Barb Prather - Executive Director, Northeast Iowa Food Bank, Waterloo, IA**
- **Other Louisiana officials**

Statement:

As everyone here knows, Iowa was hit hard this spring and throughout the summer, with weather conditions that devastated cities, small towns, and farms. In fact, my home town of New Hartford, Iowa was struck particularly hard by a tornado on May 25, 2008.

I've had the chance to tour my state repeatedly and witness firsthand the destruction, the clean up, and now the rebuilding.

First off, let me thank USDA for simply an outstanding job overall in the state of Iowa following these tornadoes, flooding, high winds, and hail. Their partnership with the Iowa Department of Natural Resources, the Iowa Department of Homeland Security, and the Iowa Department of Agriculture and Land Stewardship has worked well.

I've heard from both employees of these agencies as well as constituents that programs got implemented the way they were supposed to.

A good example of this was the National Veterinary Stockpile and its work with the 3-D Teams (Depopulation, Disposal, and Disinfection) to assist in dead pig recovery.

Another example was the effective distribution of Disaster Food Stamps. Families, who normally wouldn't have needed assistance, came in and signed up, and were able to help put food on their table, with very few problems.

Finally, I was pleased the USDA announced emergency haying and grazing in flooding counties on CRP land so our livestock producers had some options.

However, since I have you all here, I will make a few comments about things that could possibly be improved on in future disasters.

First, I would have liked to have seen a bit more flexibility in the replanting or late planting provisions in crop insurance. Because of the floods, we have acres that will not produce any crop this year. I think for all purposes, including soil conservation, and economic vitality, it was critical to get a crop grown on all acres possible.

Secondly, the weather this year has caused enormous price volatility in our markets. This has affected farmers, grain users, grain handlers, grain sellers, and the list goes on. While volatility offers those in the market an opportunity to purchase at various price levels, it also increases risk and uncertainty. The working capital needs of all participants is feeling a bit of a crunch, and in light of recent issues in our financial markets, nervousness about the availability of capital is certainly abundant in farm country.

I am optimistic that our agricultural and rural lenders are still strong, but I raise this to USDA so that they can proactively look at credit issues and farm loans and learn from mistakes in other industries.

Conservation needs in our state are by far the longest term issues we have to deal with. While I know USDA will be providing the technical assistance, I am hopeful that Congress will step up to the plate to provide additional dollars to protect the most valuable resource in Iowa; our soil.

Finally, I realize that the permanent Supplemental Revenue Assistance Program is still being worked out at the Department. However, I do want to the urge USDA that time is of the essence. Farmers in Iowa are carrying large losses because of how quickly input costs have risen in the last year. They need assistance yesterday and I hope USDA can put rules out on this as quickly as possible.

I also want to take an opportunity to thank a few folks coming up on the second panel. First, Lyle Asell, with the Iowa Deparmtnet of Natural Resources and in particular the "Rebuild Iowa Office." Our office has been working extensively with Rebuild Iowa, and I want to recognize that.

Also, Barb Prather with the NorthEast Iowa Food Bank in Waterloo. Your food bank has done just a remarkable job in getting food to families in Northeast Iowa, even under some enourmous pressures and difficulties storing and transporting food.

Welcome to you all and I look forward to hearing your assessments of agricultural disaster assistance and how "boots on the ground" in Iowa are getting our agricultural and rural economies back up and running.

Rebuild Iowa Office

Governor Chester J. Culver
Lt. Governor Patty Judge, RIO Executive Director

To: Committee on Senate Agriculture
Nutrition, Forestry and the Committee on Homeland Security and Governmental Affairs
Ad Hoc Subcommittee on Disaster Recovery

From: Lyle W. Asell

Date: September 24, 2008

Re: Comments on Assessing the Effectiveness of Agriculture Disaster Assistance Programs

Good morning, I am Lyle Asell from the Iowa Department of Natural Resources assigned to the Rebuild Iowa Office. Governor Culver established this office to help Iowa recover from the devastating storms of 2008. Tornados, intense rain, flooding, hail and high winds began in May and still continue. As recently as 10 days ago, Southeast Iowa received over 9 inches of rain which flooded previously un-flooded areas. From an agricultural point of view this has been a difficult year with delayed planting in less than ideal situations, in fact about one million acres will not produce a crop this year. Iowa farmers use risk management tools such as Federal Crop Insurance on approximately 90 percent of their land. However, these tools can not address some of the most serious and long lasting damage to the land itself.

The Emergency Watershed Program (EWP) is one of the most effective programs available to assist Iowa farmers and rural communities recover from such events. Demand for EWP assistance, to date, exceeds $225 million for Iowa alone. This includes damages to soil and water conservation practices estimated at $40 million by the Iowa Department of Agriculture and Land Stewardship (IDALS) and the Natural Resources Conservation Service (NRCS). The Emergency Conservation Program (ECP) also provides funding to assist farmers repair these practices; however, Iowa received less than $10 million which is all committed predominantly to remove debris from farm fields. For example, one farmer has a cost estimate of $800,000 to remove sand from his land.

In addition to the financial assistance there is a need of $8 million to provide technical assistance to farmers in repairing this damage. Iowa NRCS staff has been reduced to about 20 percent in the last two years and technical assistance from IDALS has also declined about 25 percent. This is a serious concern and we encourage funding to meet this need.

Another $36 million in EWP is needed to help repair damages to stream banks and remove debris normally associated with rural roads and bridges, repair levees, etc. With harvest just beginning, protecting the rural transportation infrastructure is important.

The greatest damage was to floodplain farmland. Floodwaters scoured large holes, and in some places all soil has gone down to bedrock. In others, large deposits of sand make it financially impossible to restore to farmable land. Congress made a significant and effective policy change following the floods of 1993 when they created the Emergency Wetland Reserve Program (EWRP).

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Rebuild Iowa Office

Governor Chester J. Culver
Lt. Governor Patty Judge, RIO Executive Director

For the first time, farmers had an alternative to restoring badly damaged lands to cropland. Success of this change was evident in this years flooding with those areas enrolled having little damage, no cost to the taxpayer and temporarily storing floodwater. The program is still available but now called the EWP-Floodplain Easement.
With record crop prices and high land values, the decision to apply for a flood plain easement could not be easy. Yet about 400 Iowa farmers have applied on lands exceeding 35,000 acres at an estimated cost of $150 million. The total continues to grow as more realize the damage is so severe or flooding so frequent that continuing to farm is not practical. Sign-up continues through the end of this month and expectations are the total demand will increase.

My experience with farmers is that they are good business people. They want to do what they do best which is raising crops and livestock. They also want to make a profit and provide for their families. These objectives are not met by entering into high risk ventures such as farming flood damaged lands or frequently flooded lands. The EWP easements provide assistance to the farmers by buying a perpetual easement based on the agricultural value of the land. This allows them to receive most, but not all, of the value of the land which they can invest in lower risk ventures thus helping to stabilize their entire farming operation.

Most prefer getting 100 percent of the value of their property and want to eliminate non income generating assets such as land with an easement that does not allow crop or livestock production. They are usually not interested in management for wildlife habitat and prefer not paying property taxes without generating income. In the past; governmental agencies have assisted some farmers by buying the remaining value. This is a symbiotic relationship---there are no winners and losers—everybody wins. The farmer receives full value for their land and the public receives wildlife habitat, carbon sequestered, recreational access, water quality improvement and reduced costs from future flooding. The 2008 Farm Bill has a provision that will prevent governmental agencies from receiving restoration funding which will make it more difficult for them to assist farmers in reaching their objectives. This provision seems to imply governmental agencies are benefiting at the expense of farmers. In Iowa this is simply not true. At a time when farmers are under great stress taking options away from them is not helpful.

Funding EWP completely and soon is critical. The current need of $225 million will grow. Voluntary applications, by 400 farmers for the EWP floodplain easement program indicates how serious the need truly is. Decisions to apply were not made lightly, they simply have no other viable options and they need to make decisions on how to proceed very soon. Congress has appropriated funding for the program that may not be adequate in view of recent hurricanes. I encourage you to make adequate resources available and that the USDA move rapidly to allocate resources to states so recovery can move forward. Iowa is a relatively small state and we know how to work together for the benefit of the people and our resources. Give us the tools we need and we will put it back together for the benefit of the future as well as current citizens.

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Testimony of
The Honorable Charles F. Conner
Deputy Secretary of Agriculture

Before the
Senate Committee on Agriculture, Nutrition and Forestry
and the
Ad Hoc Subcommittee on Disaster Recovery
Senate Committee on Homeland Security and Government Affairs
September 24, 2008

Chairman Harkin, Chairwoman Landrieu, and Members of the Committees, thank you for inviting me to appear before you today to share with you the Department of Agriculture's (USDA) role in disaster response and recovery in the wake of the 2008 Midwest Floods and Hurricanes Gustav and Ike.

When disasters strike, USDA's people and programs are there to help victims prepare, recover and begin to rebuild their lives. We work closely with the Department of Homeland Security (DHS), through the Emergency Support Function structure to provide emergency food and water supplies, help displaced families find housing and assist with debris removal and cleanup. Our people also serve on emergency management teams, provide state and local government agencies with critical supplies and equipment and keep consumers and the media advised of critical food safety issues.

In all of our efforts, we strive to cut through red tape and get immediate help to those whose lives have been disrupted.

USDA delivers its services locally throughout the country and most of our employees live in the communities where they work. As a result, thousands of our people found themselves in the path of Gustav and Ike as well as the floods that hit the Midwest in June. Despite being put out of their homes or going without electricity and other basic services—they have shown a remarkable dedication to their jobs and the missions of their agencies and have made extraordinary efforts to serve their neighbors and fellow citizens in difficult times. I am proud of their work and grateful for their service and sacrifice.

In June, Secretary Schafer joined President Bush in Iowa to see the aftermath of the Midwest floods firsthand and I also had an opportunity to visit my home state of Indiana to see conditions there.

What I saw were people and communities determined to bounce back from the worst flooding situation we have seen in the Midwest since 1993. Farmers moved quickly to salvage or replant damaged crops. Their quick actions combined with strong disaster recovery efforts by federal, state and local governments helped make the overall damage to this year's corn and soybean crops less severe than initially expected.

A few months have passed since the Midwest floods, we now have a fairly clear view of the damage they left behind and I will be happy to share that with you today. The impact of Hurricanes Gustav and Ike is still being assessed. And while we have some preliminary data, a full picture of their impact will have to wait till a later date.

With that limitation in mind, today, I would like to give you an overview of our preparation, response and recovery activities for the Midwest floods and Hurricanes Gustav and Ike.

Midwest Floods

First, in response to the Midwest floods, USDA worked closely with federal, state, and local partners to streamline assistance. Employees from all across USDA provided services and support to those impacted by the floods.

One of the most basic human necessities is food and our Food and Nutrition Service (FNS) works to ensure that individuals and families affected by disasters can meet this basic need. Through the Disaster Food Stamp Program, people who may not ordinarily qualify for food stamps may be eligible if they have had disaster damage to their homes or they have expenses related to protecting their homes, have lost income as a result of the disaster, or have no access to bank accounts or other resources. Those receiving regular food stamp benefits received supplemental payments to their regular benefit allotments as part of the Disaster Food Stamp Program.

Along with the Disaster Food Stamp Program, FNS's food distribution programs make food aid available to all individuals in the immediate aftermath of a disaster, regardless of their financial situation, if they cannot access or prepare food on their own.

To date, nearly $192 million in Disaster Food Stamp Program benefits and supplements have been provided to nearly 40,000 new and 19,500 ongoing households in Illinois, Indiana, Iowa, Nebraska and Wisconsin.

Keeping food safe during an emergency is another essential mission. During the Midwest floods, USDA's Food Safety and Inspection Service (FSIS) issued alerts to the media to provide guidelines on how to keep food safe and minimize the potential for food borne illnesses due to power outages and other problems that are often associated with severe weather events. FSIS also continually updated featured items on its website home page to make information easily accessible for consumers and the news media 24-hours a day.

First Responders

Careful preparation and quick response are both vital components of a successful response to any disaster. DHS' Federal Emergency Management Agency (FEMA) leads the overall federal response to disasters, but USDA and other federal agencies play key supporting roles.

With the Midwest floods, several USDA agencies—the U.S. Forest Service, the Natural Resources Conservation Service (NRCS), the Animal and Plant Health Inspection Service (APHIS), and FNS deployed personnel immediately to assist FEMA's response activities.

Forest Service and NRCS emergency response personnel lent their technical expertise in emergency management. APHIS was actively involved in efforts to rescue live swine from flooded fields along the Iowa and Mississippi Rivers and recover and dispose of livestock carcasses. APHIS's veterinary staff also provided support to pet shelters in Iowa to ensure the health and welfare of the animals were not jeopardized during this disaster. In Iowa alone, more than 1,000 pets were sheltered.

Recovery

Recovering from a widespread disaster like the Midwest floods takes time and resources. A significant amount of the support USDA provides is in the recovery phase of disasters.

One of the most important recovery tools is the Emergency Watershed Protection (EWP) program administrated by NRCS. The EWP program helps project sponsors and individuals implement emergency recovery measures to relieve imminent hazards to life and property created by a natural disaster that causes a sudden impairment of a watershed. The EWP Program provides recovery assistance to repair and restore eligible sites, reduce threats to life or property from watershed impairment, including sediment and debris removal; it also provides protection from additional flooding or soil erosion by retarding runoff and removes debris deposited by natural disasters that would affect runoff or erosion.

EWP recovery assistance is made available at a 75/25% cost-share ratio to project sponsors, which is made up of any legal subdivision of a State government or a State agency including the following: cities, counties or parishes, towns, municipal authorities, townships, soil and water conservation districts, and when chartered under state laws—levee districts, irrigation districts, drainage districts and any native American tribe or tribal organization.

Based on our damage survey reports to date, NRCS has committed $99 million in EWP funds to Illinois, Indiana, Iowa, Wisconsin, Nebraska, Kansas, Missouri and Minnesota. Agreements to disburse $4.9 million in funds have already been signed.

Producers in the affected area are also using the Environmental Quality Incentives Program (EQIP) for financial and technical assistance to restore conservation practices that were installed using this program. USDA has made available $10.2 million of EQIP funds this fiscal year to the six Midwest states most adversely affected by flooding. Approximately $42.8 million in EQIP funds were provided after the flooding for new contracts in these six states to address conservation needs.

Most of the relief assistance the Farm Service Agency (FSA) has delivered to date has come through Farm Loan Programs, the Emergency Conservation Program (ECP) and the Conservation Reserve Program (CRP).

Disasters amplify the financial stress in the farm sector and this is an area where FSA can help. FSA emergency (EM) loans are available to producers in a declared disaster area who have suffered a physical loss or at least a 30 percent production loss. They must meet program eligibility requirements, including an inability to get credit from other lenders, and must be considered a family farm. In situations where an EM loan is inadequate to meet the total financial needs, FSA may be able to provide additional credit through the direct operating loan program or guaranteed loans.

The FSA guaranteed loan program can also provide a credit safety net for some producers. It helps commercial lenders continue with borrowers whose financial condition has deteriorated to the point that the lender would otherwise be forced to adversely classify the account and stop advancing funds, or demand immediate repayment. The guarantee offsets some of the lenders' risk, allowing them to continue providing credit to eligible producers. This will be even more important now, since recent turmoil in financial and commodity markets has forced many rural lenders to tighten their credit standards.

The ECP program provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters. We have provided a total of $43 million in ECP funds to eight Midwest states to repair flood damage. The money will go for debris removal, grading and shaping the land, and restoring fences and conservation structures.

The CRP program has also played a role in recovery. It has been used to provide several forms of assistance to producers in the wake of the Midwest floods. Since the heavy rainfall put manure lagoons in danger of breaching and most cropland was already planted, FSA authorized counties in Iowa to apply manure on acreage enrolled in CRP. This allowed lagoons to be pumped to prevent environmental damage from manure overflows. FSA also permitted famers in 28 Iowa counties to relocate their livestock from flooded land to CRP land without penalty and without a reduction in payments for 30 days.

Additionally, CRP acres were released in 28 States and 833 counties for emergency haying and grazing because of flooding. This was done to provide emergency relief to livestock producers. CRP land is vital to the balance we promote at USDA between production and preservation. However, the flood waters inundated thousands of acres that could not be salvaged for production this growing season and at a time of record crop, food and fuel prices—a measure of relief was clearly needed.

It should be noted however, that in addition to these relief efforts, any 2008 crop and livestock losses that occurred as a result of these weather events will also be eligible for assistance under the standing disaster provisions of the Food, Conservation, and Energy Act of 2008.

The Supplemental Revenue Assistance Program will provide assistance for crop losses on a whole farm revenue basis. The Livestock Indemnity Program will provide payments equal to 75% of the market value for livestock that died due to adverse weather. The Tree Assistance Program will provide assistance to replant or rehabilitate damaged groves, orchards or vineyards. The Emergency Livestock Assistance Program will provide assistance for a variety of losses suffered by producers of livestock, farm raised fish and honey bees.

Before these provisions can be put into effect, regulations must be promulgated and software must be developed. FSA is diligently engaged in the process right now, along with working on implementing programs addressed in Title I of the Food, Conservation, and Energy Act of 2008.

To further assist those impacted by the floods, USDA's Risk Management Agency (RMA) extended the deadline to August 15 for acreage reporting on all 2008 spring-seeded acreage for all counties in Iowa, Illinois, Indiana, Kansas, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin. RMA also approved emergency loss adjustment procedures for affected areas. Crop insurance companies reacted by sending additional loss adjusters into the flooded areas to help expedite the processing of crop insurance claims.

As a community and economic development agency, USDA's Rural Development (RD) is often involved in reconstruction and rehabilitation efforts following natural disasters. RD has offered debt service deferrals to borrowers in the declared disaster areas of the Midwest floods and mortgage payment deferrals to several thousand single-family home loan borrowers that can be extended up to two years. RD is also making grant and loan funds available to rural communities to provide housing and shelter, public safety, health care and community facilities and business recovery assistance.

To assist rural communities in rebuilding businesses and restoring jobs, RD funded 33 grants totaling $5.2 million to victims of the flooding, during Fiscal Year 2008. These grants covered disaster recovery needs for the first nine months of the fiscal year. RD also funded 307 Guaranteed Loans, Direct Loans, and Grants totaling more than $78 million for essential community facilities in counties affected by the floods during Fiscal Year 2008. Because RD is engaged in long-term economic and community development, the obligations to date are just the beginning. RD will be involved for years to come in assisting affected communities.

Hurricanes Gustav and Ike

Preparedness & Response

One of the key lessons learned from our experience with Hurricanes Katrina and Rita three years ago was the importance of pre-positioning people and equipment once the likely path of a hurricane is known.

That lesson was applied to our response to Hurricanes Gustav and Ike. USDA has been actively involved with the Federal emergency response efforts for both hurricanes. Many USDA agencies deployed people and equipment to assist federal, state and local authorities.

The Forest Service, with its well-developed expertise in handling the emergency situations involved in fighting wildfires, played a leading role in meeting the challenges of this year's hurricane season.

More than 600 Forest Service personnel were assigned for emergency response to this season's hurricanes and tropical storms. That included five Incident Management Teams and additional personnel to support FEMA's National Response Coordination Center, Regional Response Coordination Center, and Joint Field Office operations and command. Additionally, planning personnel provided instruction and mentoring of cooperative State and local agencies in the National Incident Management System and Incident Command System in order to build their local capacity to address future events.

It also included five 20-person saw crews that were deployed for emergency debris removal and road clearing. Those crews have worked around the clock to clear vital roadways so emergency responders can reach the worst hit victims of Hurricane Ike and displaced residents can return to their homes. A Forest Service crew cleared the only road open on Galveston Island to Galveston Medical Center, making health care services accessible to victims of the hurricane.

The Forest Service has also provided critical assistance to the U.S. Army Corps of Engineers, drawing on experience gained from similar events, to expedite checking in and checking out hundreds of trucks needed for delivery of relief supplies. Communities desperate for food and water got it sooner because of the Forest Service's skill at moving resources efficiently. The Southern Region of the Forest Service also opened overnight camping facilities for hurricane evacuees and their families, as well as rescue workers, and all fees were temporarily waived.

Throughout both hurricane events, FNS has provided pre-and post- landfall on-site assistance to Louisiana and Texas. When Hurricane Ike hit, staff from the Southeast Regional Office were deployed to shore up the site support in the area.

As a result of Hurricanes Gustav and Ike making affecting Louisiana, FNS has approved requests to allow the State to operate a Disaster Food Stamp Program in 43 parishes. As of September 20, Louisiana issued approximately $171 million in Disaster Food Stamp Program benefits and supplements to nearly 435,000 new and over 21,400 ongoing households as a result of Hurricane Gustav. Nearly $153 million of the $171 million was issued to new households. We hope to have information related to the Disaster Food Stamp Program benefits associated with Hurricane Ike in the near future.

FNS, like all of USDA, continues to work to provide whatever support is needed in this time of crisis. FNS approved Louisiana's request to allow the Disaster Program to provide all Food Stamp households in disaster parishes a one-time mass increase equal to

20 percent of the benefits they received in August so they could replace food lost in the storm. In addition, benefits for all households have been increased to the maximum allowable because it is expected these households will have less, if any, of the earned income they expected prior to the storm. Also, administrative relief was provided by temporarily easing or delaying reporting requirements to address increased program demand.

FNS has recently approved Louisiana's request to alter the Disaster Food Stamp Program certification process by accepting applications via telephone, then completing the interview, obtaining a client signature on the application, collecting verification, and issuing benefits at a Disaster Food Stamp Program site of a local Department of Social Services office. This expedited the application process for applicants, allowing them to initiate their application from home and appear at a Disaster Food Stamp Program site only when their benefit card is ready to complete the application process.

FNS has approved Texas waiver requests for the Food Stamp Program to issue emergency food stamp benefits by allowing anyone living in or evacuated from disaster counties to receive expedited service in order to speed food assistance to those not already certified for benefits, but newly eligible due to Hurricane Ike. In addition, waivers were issued to allow for the purchase of hot foods with Food Stamp Program benefits at authorized grocery retailers statewide. FNS authorized the Texas Disaster Program to provide all Food Stamp households in the 31 counties affected by power outages a one-time mass increase equal to 70 percent of the benefits they received in September so they could replace food lost in the storm. Clients in other counties will be granted additional time to request benefits. FNS has advised Texas that the agency would approve the same telephone-based application intake system as approved for Louisiana.

FNS, in coordination with the FSA and the Agricultural Marketing Service (AMS), has also responded to state requests for food commodities. To date, for Hurricane disaster assistance, USDA has provided 892 cases of baby food and 13,950 cases of infant formula to Texas valued at over $717,000; and another 184 cases of infant formula and 342 cases of baby food to Louisiana valued at $25,000.

FNS has also responded to all State Agency requests for commodity food to support congregate feeding in shelters and mobile kitchens in both Texas and Louisiana.

APHIS veterinary medical officers worked diligently to coordinate pet evacuation and sheltering for both Hurricanes Gustav and Ike. When Hurricane Gustav moved toward New Orleans, 1,100 pets were sheltered in Shreveport, Louisiana, and about the same number were sheltered in Texas. APHIS provided a fleet of 92 vehicles that were used for pet evacuations and the eventual reunions of pets with owners.

Drawing on the $390 million Congress provided for the EWP Program in the June 2008 supplemental, NRCS was able to make funding available to its state offices in advance of Hurricanes Gustav and Ike's landfalls. A total of $1.1 million was provided to its offices in Texas and Louisiana to deal promptly with exigencies that might result from the hurricanes.

Also, NRCS will provide 100 percent cost-share for exigent efforts consistent with FEMA's 14 day timeframe. Our authorities are in watersheds and waterways and NRCS will assist in clearing debris from watersheds that may be contributing to flooding, sedimentation and erosion and impeding access to other areas of the watershed.

In preparation for Hurricane Gustav's landfall in the Gulf Region, USDA's National Finance Center (NFC) deployed approximately 500 employees to continue payroll operations. To ensure that employees facing extraordinary circumstances received assistance and that all employees were kept abreast of the deployment situation, policies, and/or procedures, we established alternative methods of communication for our employees. They included supervisory telephone and email contact information, a 1-800 number and website for status information, and a 1-800 number for reporting employee situational information.

USDA also established a specific point of contact for employees who incurred personal issues because of the storm. This contact provided coordination with FEMA representatives who supported their interim housing needs and with the Army Corps of Engineers who supplied contractors to apply temporary roof coverage for roofs that were compromised. USDA also provided logistical support to employees when airports were closed, when they found themselves in areas without gasoline, or where their guaranteed lodging was no longer available. USDA applied lessons learned from the 2005 hurricane season and successfully continued operations and maintained contact with employees in the impacted areas.

Recovery

USDA is continuing to work with interagency (state and federal) partners throughout the region affected by the storms to ensure coordinated emergency response, restore services and repair facilities damaged by Hurricanes Gustav and Ike

Several USDA agencies have already made important contributions. The Grain Inspection, Packers and Stockyards Administration (GIPSA) showed tremendous determination and resourcefulness in providing official inspection and weighing services at export port locations in the Gulf. GIPSA stood ready to serve our customers as soon as they were able to resume export operations.

Within three days of Hurricane Gustav landfall, personnel from GIPSA's New Orleans Field Office were on the front line, providing service at export elevators as they resumed operations. In the wake of Hurricane Ike's landfall in Texas, GIPSA's League City Field Office was without power. The staff set up operations at the manager's home the day after Ike hit, and personnel were on immediate standby to provide service as elevators' power and operations were restored. Inspection and weighing services in Corpus Christi were back online within two days of Ike's landfall.

FSIS has worked diligently to keep the public informed on how to keep food safe during power outages through public service announcements. Information providing consumers

with food safety steps to take before and after a power outage was issued in English and Spanish to media outlets and made available on USDA's website. Beginning in September, information on food safety during power outages became available 24 hours a day with *SignFSIS* video-casts in American Sign Language featuring text-captioning that are also available on USDA's website.

FSIS has undertaken mobile outreach efforts to areas of Louisiana and Texas affected by Hurricanes Ike and Gustav to provide food safety educational materials and supplies to those most in need. These outreach activities will be targeted at priority locations for power restoration, e.g. grocery stores, superstores, shelters, and supply distribution centers. As of September 21, FSIS has distributed 4,917 food safety educational packets and has made 10,138 face-to-face contacts.

In the wake of hurricane events, NRCS staff is assessing the demand and requirement for the disposal of animal carcasses. While NRCS does not have a direct legislative mandate and funding on hand for this purpose, it looks to FEMA for a delegation of authority and mission. In Texas, FEMA has provided a mission assignment to NRCS for domestic livestock carcass retrieval, transport, and burial and $1,000,000 has been allotted to the agency.

RD is actively involved in reconstruction and rehabilitation efforts following these hurricanes. In addition to providing housing, it financed the purchases of about two dozen mobile generators that have been provided to Louisiana and Texas to help with widespread power outages. As damage assessments are completed, RD will provide long-term assistance to the rebuilding effort in affected communities.

FSA stands ready to help with emergency loans and cost-share assistance that will be available to producers in a declared disaster area. It is also processing signups for the ECP program subject to available funding.

As was the case with the Midwest floods, producers with crops and/or livestock threatened by disaster conditions will be eligible for assistance under the standing disaster provisions of the Food, Conservation, and Energy Act of 2008. However, regulations must be promulgated and software developed before payments can be made.

To be eligible for the standing disaster program, producers must have crop insurance or Noninsurance Crop Disaster Assistance Program (NAP) coverage. The deadline for producers without crop insurance or NAP to utilize the "buy-in" for 2008 was September 16th. We have issued a 10 business day extension to FSA County Offices that had to close due to the hurricanes. Other requests for relief will be dealt with separately.

RMA has distributed information to insured producers to remind them of the mandatory procedures they must observe following a hurricane so as to not jeopardize their insurance claims. At this point, crop losses are still being determined. RMA is evaluating the approval of emergency loss adjustment procedures and working closely with approved insurance providers.

Conclusion

USDA provides essential services, such as food and shelter, to help those hit hardest by disasters. We are at the front lines of the response/recovery mission trying to bring hope to those that have suffered so much. We take pride in this mission, striving to improve in our delivery of these services as we plan and prepare to respond to the next natural disaster.

One of the key lessons learned from Hurricanes Katrina and Rita was that we needed to do more to help those with companion animals. Many individuals would not leave their "family member" (dog, cat, bird, etc.) behind and therefore stayed and put themselves and their pet in harm's way. USDA, working with DHS and other private sector partners, focused extensively on the companion animal issue and has put resources and personnel towards working to establish pet shelters and other services so that those individuals facing disaster do not have to make an unbearable choice of leaving their "family member" behind.

USDA has faced severe challenges with this year's disastrous flooding and devastating hurricanes, but we have applied lessons learned from the experiences of 2005 to improve our response. We have done more advanced planning and pre-positioning of people and equipment and have made full use of available expertise while adjusting rapidly to conditions on the ground. Our employees have risen to the challenge by working diligently with our federal, state, and local partners to help restore disrupted lives and rebuild damaged communities. They have gone the extra mile to make themselves fully available to their partners, constituents and the general public. I am very proud of the work USDA employees have done and continue to do on a daily basis. USDA is committed to serving our constituents and communities to the best of our ability. We will continue to face challenges, learn from our experiences, and strive to provide the best service possible.

Thank you again for the opportunity to appear before you today. I will be happy to answer any questions.

My name is Wallace Ellender IV, a Louisiana sugarcane farmer and Chairman of the National Legislative Committee of the American Sugar Cane League. I appreciate the opportunity to speak to you today about the effectiveness of agricultural disaster assistance. I speak as a farmer whose crop was twisted and flattened by Gustav, then swamped in seawater by Ike. A representative group of photos is attached to my written testimony. I took some of those photos myself, three days after Ike came through. Other photos came from the Franklin area and the same scenes could be found all along Highway 90, the road you'll see in one of the aerial photos. Highway 90 is the east-west evacuation route and it runs approximately 10 miles north of the Coast.

My brother and I are fifth-generation farmers who grow sugarcane on two farms in the Raceland and Bourg communities in southeast Louisiana, including the land that my ancestors settled in 1853. As a child, I remember my grandfather telling me a story about a stubborn dog that he had when he was a kid on our farm. On one occasion, the family loaded up everyone but the dog in a sailboat and sailed down the bayou to the Gulf. That dog trotted down the bayou behind the boat all the way down to the Gulf at Timballier Island. Other than fording a couple of small streams, he went all the way on foot. Today, that dog would have to swim 30 miles to reach Timballier Island.

Gone are some of the barrier islands and most of the wetlands that served as a natural buffer from the worst of the storms that came in from the Gulf of Mexico. We are losing coastal wetlands at a rate of 40 square miles each year. Some experts predict that the shoreline will move inland over 30 miles in the next 30 years.

I hope this gives you some perspective of the breadth of the long-term problem our communities are facing when we look to the south. I don't have to tell anyone who owns a TV or computer about winds that demolish houses and flatten forests and fields, or floods that overwhelm levees and shove aside homes, but the ominous power of the sea when it surges 20-30 miles inland is something to behold. What the sea leaves behind when it retreats can be bad, but what it leaves behind when it stays in the fields is worse. Once breached, levees that held back the tide will hold back the ebbing waters. We tear holes in the levees when necessary to allow the sea to retreat, but sea surges of the magnitude of Rita in 2005 and Ike in 2008 flow over the levees and push vast volumes of seawater to the lowest elevations in the fields. When the tides turn, the storm-ravaged cane fields become salt lakes.

But sugarcane is a hearty plant and, with good weather and time, the cane can rebound and produce a decent crop. Harvesting it will be more difficult and costly, but we can still hope for a mild autumn and a good price to help offset some of the additional costs we will incur in harvesting a bent and broken crop. On the other hand, we may not have much time to finish planting and harvesting before winter frosts and freeze become a concern. Further complicating the matter, sugarcane is a perennial crop and time will be needed to determine whether fields holding surge water for extended periods will recover next year.

According to Dr. Calvin Viator and his team of agricultural consultants, the worst of the wind damage to sugarcane from Gustav occurred in Terrebonne Parish, Assumption Parish, and parts of Lafourche, Ascension, Iberville, West Baton Rouge and Point Coupee parishes. The northeastern corner of the eye of the hurricane caused the worst stalk breakage, but this damage occurred virtually everywhere in the cane belt. The cane varieties that tend to produce higher tonnage suffered more breakage than lower-yielding varieties, and the brittleness of the higher-yielding varieties will make cutting the cane more problematic.

Hurricane Ike's eye stayed to our south as it moved in on Texas, but this meant that its counter-clockwise winds drove the sea surge deep into the Louisiana cane belt in a manner eerily familiar to those of us who experienced Hurricane Rita in 2005. In some areas, the damage was even worse than Rita. From my farm in Bourg, across Terrebonne, St Mary's, Iberia and Vermillion Parishes, levees were topped and standing water remains.

As a general rule, we keep a field in production, using existing root systems, for three years and, after harvesting the third crop, let that ground stay fallow for nearly a year before replanting. So I always have roughly 25% of my fields lying fallow, except for that brief time each year when we start harvesting mature cane for the purpose of planting the fallow ground. This generally occurs in August and September. But the rainy weeks before Gustav came left us way behind in our planting, so there is less newly planted cane to be lost to the surge. This may sound like good news, but the delay in planting increases our risk of not being able to plant some of the fields before winter sets in. This delay also has the potential of pushing harvest deeper into the winter months, when a heavy frost or hard freeze can destroy whatever is left in the fields.

In order to increase our chances of getting new growth from the damaged cane we will be planting over the next few weeks, we will use more acres of our mature cane as seed for the fallow fields. In my case, this will mean that I will use 260 acres of mature cane to plant 800 acres of fallow ground this year. Typically, I would use only 160 acres to plant that same acreage. Income from one hundred acres of sugarcane that I would normally deliver to the processing facility will be lost.

You have asked for my experience with crop insurance as a disaster assistance tool. Our growers have traditionally had access to only one type of crop insurance policy, the Actual Production History (APH) program. The costs of APH buy-up coverage have been prohibitively high, as USDA's Risk Management Agency acknowledged this past year when it lowered the APH rates in response to potential competition from a farmer-developed Group Risk Program (GRP) policy. While the rates are lower, the buy-up coverage has not been seen as reducing our actual risks by a sufficient amount to make the added expense worthwhile for most of our farmers.

Despite the destructive natural forces that are sometimes unleashed against it, the sugarcane plant is a hearty survivor and catastrophic production losses, meaning losses of greater than 50%, are rare. Since 1995, when Louisiana sugarcane participation in crop

insurance went from $2 million in liability to over $61 million, the cumulative loss ratio has been approximately .17. Since nearly 90% of our policies are the basic catastrophic coverage, which has been a prerequisite for disaster assistance eligibility in the past, this loss ratio can conceal significant losses to a farmer's bottom-line. The GRP policy will be available in the coming year and we are hopeful that the GRP program may be a more useful and affordable insurance policy for our growers in the future. Initial modeling suggests that it would be a significantly better risk management product in hurricane years.

The new permanent disaster assistance program included in the '08 Farm Bill has not been implemented and regulations explaining how the Department will administer the program are still under development. As I understand the Supplemental Revenue Assistance Payment Program, or SURE, it provides payments to producers in disaster counties based on the crop insurance program. The revenue guarantee is equal to 115% of (payment rate x payment acres x payment yield). The payment rate is the crop insurance price election level, the payment acres are the insured planted acres and the payment yield is the crop insurance coverage level selected by the farmer times the crop insurance yield. The sum of this equation is then subtracted by the revenues from the whole farm (except that 85% of the direct government payments that most program crop farmers receive are excluded from this calculation) and multiplied by 60%.

If the goal is to provide a hand-up to farmers when they most need it, before the natural disaster becomes a full-fledged economic one, the SURE program's linkage to whole farm revenue is problematic. For sugarcane farmers, this requirement would mean that any SURE payment would come approximately a year after the disaster occurs. Based on the experience of many of our farmers who were hit hard in 2005, the assistance can arrive too late to save the farm, even if it does ameliorate some of the debt load after the fact. As a farmer dealing with another spike in input costs, the assistance is most helpful if it can be used to keep my employees working, my diesel tanks filled, and my banker hoping for the best.

Regrettably, we have been unable to find an accurate SURE calculator for sugarcane to gain a better understanding of the actual assistance that might be available to cane farmers, but the poorly performing crop insurance program it will be built upon would seem to reduce its effectiveness as a hurricane assistance program.

Congress has developed a disaster assistance mechanism that works. In response to the 2002 hurricanes, Congress developed a delivery mechanism for ad hoc assistance to sugarcane growers in Louisiana that is tailored to the types and levels of damage associated with hurricanes and cane fields. The mechanism, as improved in the Emergency Agricultural Disaster Assistance Act of 2006 (2006 Act), targeted a portion of the overall package to address losses and costs from planted cane that was lost to the hurricanes. Another portion of the package was designated to offset some of the increased planting costs and harvesting costs that we incurred. A final portion was allocated to address yield losses and other sector-wide losses. By apportioning the package in this way, Congress was able to link the bulk of the assistance directly to the

specific losses or costs of the hardest-hit producers, while reserving a portion to address the yield losses that virtually every producer absorbed. In the current instance, given the uncertainty about the eventual losses, the delivery mechanism could be further refined to allow for quick release of some funds to address the plant-cane losses and the higher planting and harvesting costs, while reserving funds to address the yield losses that become clear later in the year.

USDA's Farm Service Agency (FSA) office in Louisiana, along with FSA's Economic Policy Analysis division in Washington, DC, have developed invaluable experience in operating this program and could, if provided sufficient resources, move expeditiously to implement such a program now.

In conclusion, Louisiana has been growing sugarcane commercially for well over 200 years. Our forbearers harvested cane during the worst days of the Civil War and the Great Depression. They survived the great flood of 1927 and went back to farming after the waters receded, just as I and many of my friends have done twice in this decade. For the record, Louisiana sugarcane growers have received agricultural disaster assistance twice over our more than 200 years of production. The fact that both of those assistance packages were made necessary by intense hurricanes in this decade is a direct result of rampant coastal erosion. Unless we investment in energetic coastal restoration efforts soon, my farm may be a beachfront property in a few short years before slipping quietly beneath the waves.

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EXPERIENCE

Ellender Farms, Inc. **1993 – Present**
President & Farmer
- Purchased family farm from my father, and increased it to 3200 acres
- Manage an annual budget of 2 million dollars

Hope Farm, Inc. **1977 - 1993**
Farmer
- Farmed 1200 acres of Sugar Cane with my father and brothers

American Sugar Cane League **1977 - Present**
Chairman, National Legislative Committee *2006 - Present*
- Lobby for the sugar industry
- In process of writing sugar portion of the Farm Bill
- Secured 40 million dollar disaster assistance to Louisiana sugar industry

Representative, Barataria Terrebonne National Estuary Program (BTNEP) *2001 - Present*
- Liaison for sugar industry to assure healthy agricultural practices in the wetlands

Vice-Chairman, National Legislative Committee *2004 - 2006*
- Assisted with CAFTA opposition
- Testified before the US Senate Ag Committee on Farm Bill legislation

Dedicated Research Committee *2003 - 2005*
- Decided on the distribution of approximately ½ million dollars to various Sugar Cane research programs

Strategic Planning & Re-organization Committee *2003 - 2005*
- Reviewed and revamped the by-laws
- Implemented the restructuring of the League

Search Committee *2004 & 2006*
- Assisted in the search for a new General Manager
- Assisted in the search for and hiring of a new lobbyist for the League

Nominating Committee *2001 - 2002*
- Made nominations for new League Board members

National Agriculture Technical Advisory committee (ATAC) **2005 – Present**
- Participate in advising the USDA & the Administration (USTR) on international trade policy regarding sugar

American Sugar Cane League
Est. 1922
Making Life Sweeter. Naturally

Jessie Breaux
President

Greg Nolan
Vice-President

James H. Simon
General Manager

2008 HURRICANE DAMAGE TO LOUISIANA'S SUGARCANE INDUSTRY

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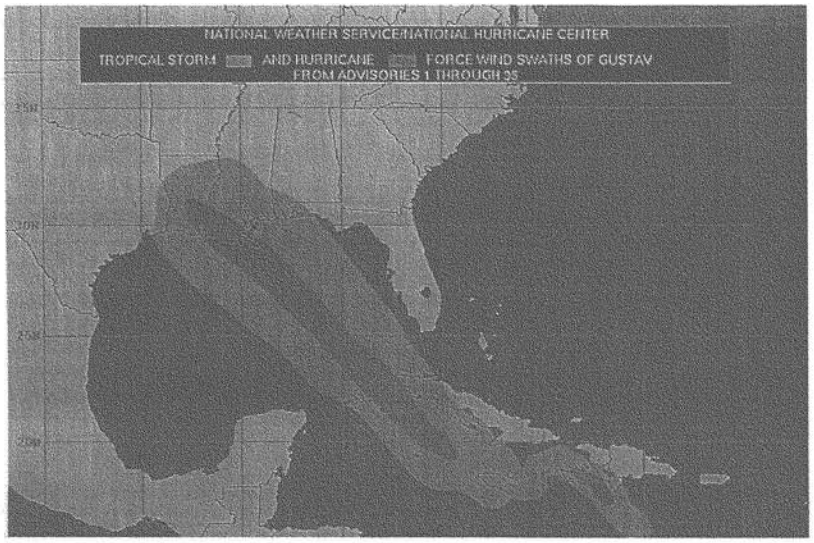
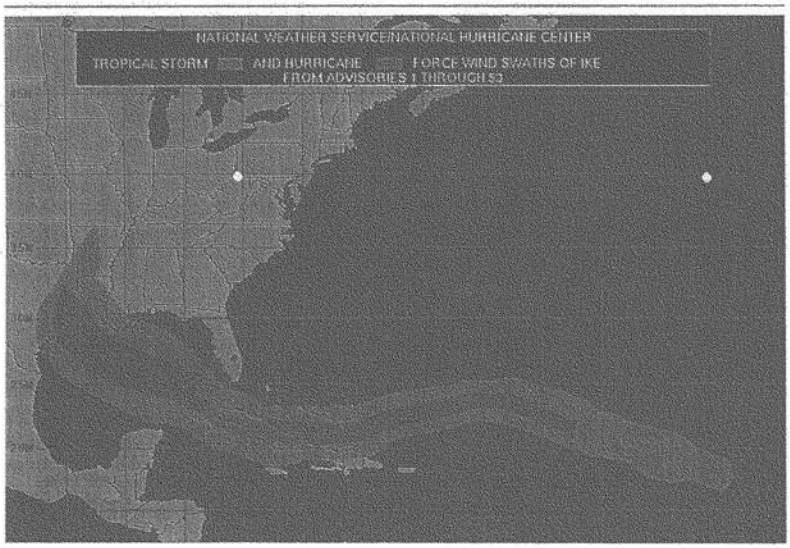
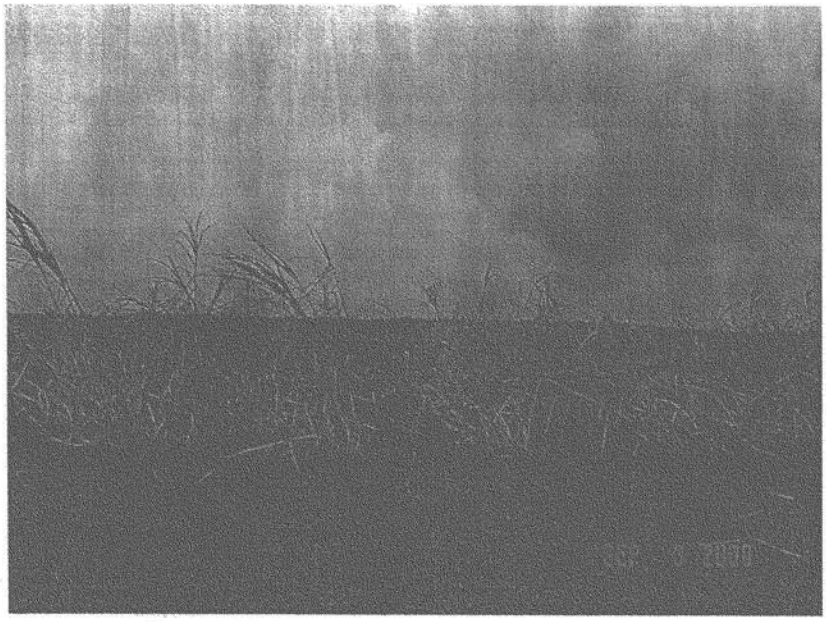


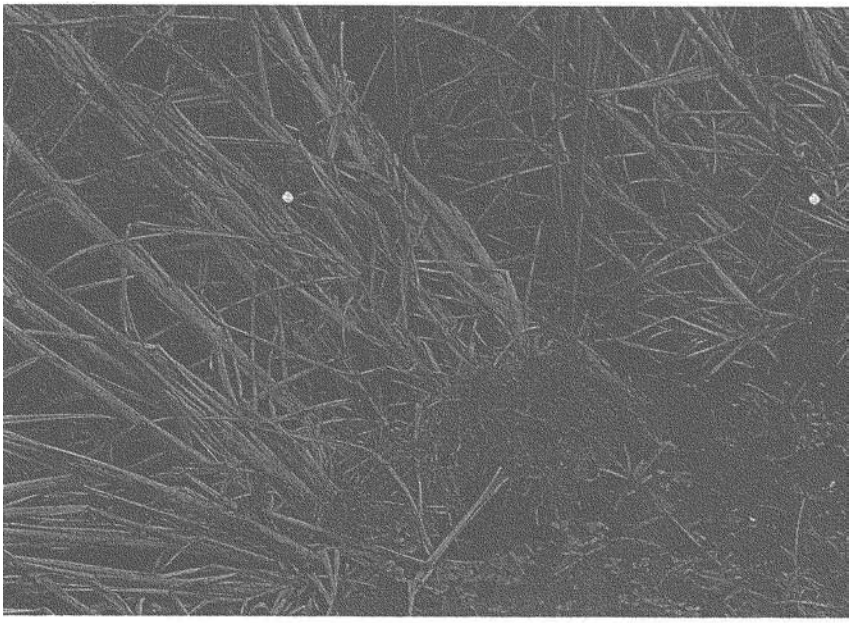
Path of Hurricane Gustav's Winds over Louisiana's Cane Belt



Path of Hurricane Ike's Winds over the Cane Producing Parishes of Louisiana



Twisted Sugarcane caused by Hurricane Gustav

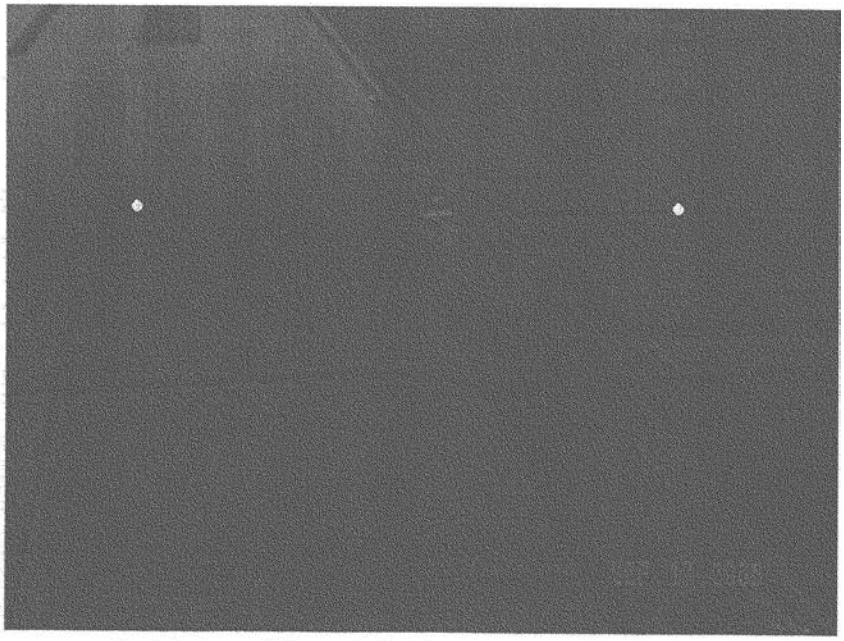


Sugarcane uprooted by Hurricane Gustav

Broken Cane and Shredded Tops caused by high winds

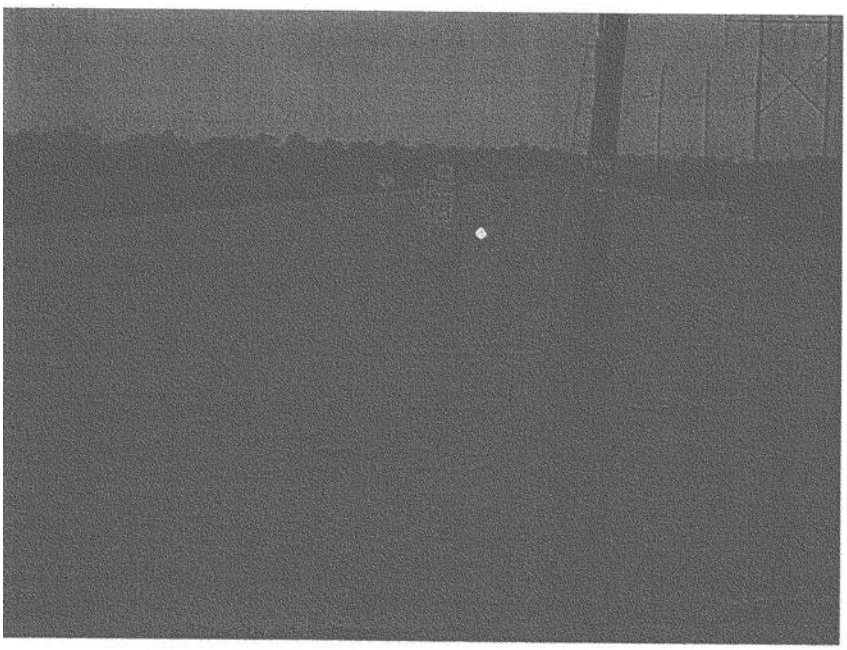
Raw Sugarcane Warehouse Damage

USDA Research Farm Equipment Maintenance Facility Damage

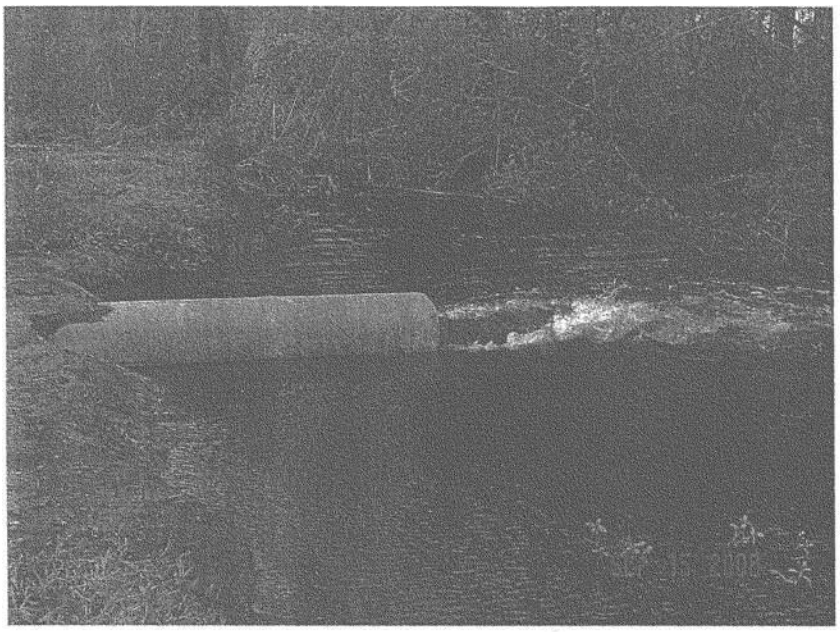


Aerial view of Flooded Fields caused by Hurricane Ike

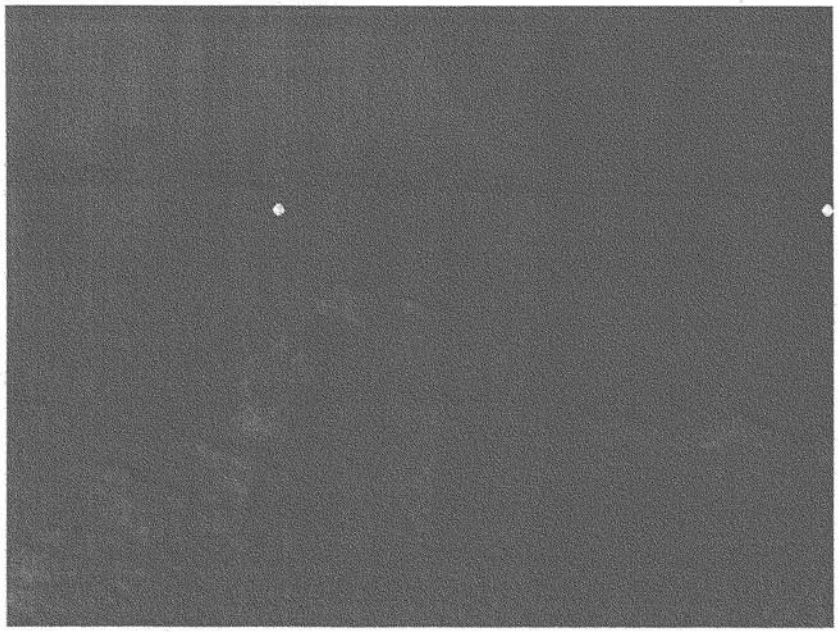
Fields Flooded by Saltwater caused by Storm Surge of Hurricane Ike



Road and Field Flooding caused by Hurricane Ike



Pumps working to Drain Fields of Water



Trash in Fields brought in by Hurricane Ike's Storm Surge

TESTIMONY

Presented by
Jay Hardwick, Vice Chairman
on behalf of the
National Cotton Council
before the
United States Senate
Committee on Agriculture, Nutrition and Forestry
and the
Ad Hoc Subcommittee of the Homeland Security and Government Affairs
Committee
on
September 24, 2008

The National Cotton Council is the central organization of the United States cotton industry. Its members include producers, ginners, cottonseed handlers, merchants, cooperatives, warehousemen, and textile manufacturers. While a majority of the industry is concentrated in 17 cotton-producing states stretching from the Carolinas to California, the downstream manufacturers of cotton apparel and home furnishings are located in virtually every state.

The industry and its suppliers, together with the cotton product manufacturers, account for more than 230,000 jobs in the United States [U.S. Census of Agriculture]. Annual cotton production is valued at more than $5.5 billion at the farm gate, the point at which the producer sells his crop [Economic Services, NCC]. In addition to the cotton fiber, cottonseed products are used for livestock feed, and cottonseed oil is used for food products ranging from margarine to salad dressing. While cotton's farm-gate value is significant, a more meaningful measure of cotton's value to the U.S. economy is its overall economic impact. Taken collectively, the annual economic activity generated by cotton and its products in the U.S. is estimated to be in excess of $120 billion [Economic Services, NCC].

Mr. Chairman, I am Jay Hardwick from Newellton, LA, and I currently serve as Vice Chairman of the National Cotton Council. I am also a Director on the National Peanut Board, Vice Chairman of Cotton Inc., past President of the Louisiana Cotton Producers Association, Vice President of the Louisiana Cotton Warehouse Association, Vice President of Newellton Gin Co., a Director of Farm and Livestock Credit, Inc., member of the Louisiana Black Bear Management Program, and a Director of the Tensas Concordia Soil and Water Conservation District. Our family-operated farm includes 7,300 acres of cotton, corn, grain sorghum, peanuts, soybeans, and wheat in Northeast Louisiana adjacent to the Mississippi River. Our production mission is to achieve a viable and profitable farm enterprise while providing a balance between habitat and production resources with a minimum impact upon the farm ecosystem. Emphasis is placed on conservation crop production methods including no-till, crop rotation, residue maintenance, erosion control and precision technologies to apply and reduce pesticides and nutrient resources to help restore and improve water, air, soil,

wildlife habitat and crop production economics. Plentiful fish, deer, turkey, neo-tropical birds, migratory waterfowl, turtles, alligators, black bears, and increased sightings of eagles and various cat family members inhabit the property.

Thank you for holding today's hearing and thank you for allowing me to try to describe the devastating effects of Hurricanes Gustav and Ike. Senator Landrieu, we sincerely appreciated you taking time to tour some of the affected areas last weekend.

While my comments will focus on cotton, it is important to point out that no crop was spared damage. During Gustav our family farm received over 20 inches of rain and ruined or damaged essentially all of our crops. Much of the Louisiana cotton crop was at an extremely vulnerable stage of production. Many of the bolls were open on the plants as we are rapidly approaching harvest. Due to the extreme amounts of wind and rain much of the cotton that is still attached to the plants will be not be harvestable due to rot or if harvested the quality of both lint and cottonseed will be significantly below normal.

Extension specialists from Louisiana State University estimate that revenue from the 2008 cotton crop will be reduced by between $125 and $137 million--a 52-57% decline in farm-gate value. Specialists also estimate that over 80,000 acres of cotton will not be harvested. On the remaining acres, yield losses will be dramatic. In many parishes, crops that were expected to produce 3 bales per acre are now projected to produce only 1 bale per acre. In addition to the yield losses, the revenue from the harvested cotton will be significantly less due to quality and grade reductions.

The impacts of the Hurricanes Gustav and Ike are being felt far beyond the farm gate. Agriculture's infrastructure suffered physical damages due to the high winds and excessive rainfall. The economic losses extend beyond the physical damage as cotton gins, warehouses, and grain elevators rely on volume moving through their operations to cover their fixed costs and maintain their labor force. Unfortunately, many of our gins and warehouses will have process significantly reduced volume or no volume at all in 2008.

With some of the worst damage in history farmers will look to crop insurance and the recently enacted permanent disaster program for assistance. Unfortunately, for many cotton farmers, the prospect of meaningful financial assistance from these programs is uncertain at best. While almost all cotton acres in Louisiana are insured at some level, more than half of the state's acres (54%) are insured with only the Catastrophic (CAT) level of coverage. This level of coverage will provide minimal benefits and then only if the crop had catastrophic losses. Some of the hardest hit parishes like Catahoula and Concordia Parishes with over 37,000 acres of cotton are only covered with CAT level policies. In addition, the producers who purchased buy-up crop insurance did not purchase the highest levels of coverage. Some may ask why so many producers did not purchase higher levels of crop insurance coverage. Historical experience has shown that in most years the expected benefits do not outweigh the costs of the higher coverage levels. Unfortunately, this year is not typical of most years.

I applaud the effort and foresight of Members of Congress for including a permanent disaster provision in the recently enacted farm bill. Unfortunately, I am concerned that the program will not be able to meet in a timely manner the needs of farmers who have suffered devastating losses this year. First, due to budget constraints, the permanent disaster program was developed with only a fraction of the funding compared to spending under previous *ad hoc* disaster programs. Second, as currently written, the disaster program guarantee is based on the level of the farm's crop insurance coverage. This will do little to help those acres with CAT coverage. And third, while USDA has made excellent strides in implementing many of the provisions of the new farm law, we have yet to see the details of the permanent disaster provisions. It is also evident that the data required to administer the whole-farm, revenue-based disaster program will not be available for some time. This means any financial assistance, in the absence of an advance payment, can not be made available to farmers until the latter half of 2009. That is simply too late for those that have suffered losses.

As you know, today's modern farming operations require expensive inputs and investment. Input and technology costs have escalated in 2008 with sky-rocketing fuel and fertilizer prices. We are experiencing these losses at the absolute worst time because we incurred maximum costs of production as the harvest approaches. We are now dealing both with the impact of the lost revenue for this year's crops and trying to finance next year's crops. Without timely assistance, many Louisiana growers will be unable to settle this year's outstanding debt or secure the necessary financing for next year's crop. In short, without timely assistance, some farmers will find themselves in a financial situation that will make it difficult to continue farming.

Louisiana is not the only state with losses due to Hurricane Gustav. USDA data indicate that approximately 470 thousand acres of cotton were planted in South Texas in 2008. USDA's preliminary estimates of harvested area imply approximately 400,000 will be harvested, leaving 70,000 acres abandoned. In southeast Arkansas, losses might run 25%, according an initial estimate by the Extension Service. Damage also is being reported in Mississippi, mainly in the south and central Delta counties where the heaviest rains fell and some fields flooded.

The National Cotton Council recently joined with other agricultural organizations in a letter to USDA's Risk Management Agency requesting expedited appraisals for crop insurance policy holders. This would help speed payments for those covered by crop insurance. However, more needs to be done. I encourage Congress to develop a plan that will deliver financial assistance to producers in a timely manner. Enhanced crop insurance coverage, timely *ad hoc* disaster relief, supplemental payments delivered in the same manner as direct payments, and enhancements to the provisions of the permanent disaster programs should all be considered in order to expedite assistance that is commensurate with the losses that have been incurred. In addition, additional funding for existing conservation program can be used as a means of providing assistance for restoration of damaged fields. Finally, I urge the Committee to consider providing some form of financial assistance to gins, warehouses and other key

components of our infrastructure who will experience significant financial losses due to sharply reduced volumes.

Mr. Chairman, the economic losses caused by the hurricanes are dramatic and severe, and immediate assistance is needed. Many farmers simply do not have the financial resources to wait until 2009 for assistance.

Thank you for your consideration of our views and recommendations and for giving me the opportunity to present testimony.

Natalie Jayroe

Biographical Information

Natalie joined Second Harvest Food Bank of New Orleans and Acadiana as President and CEO in January 2006. The mission of Second Harvest is to lead the fight against hunger in south Louisiana through food distribution, advocacy, education and disaster response. Second Harvest currently distributes more than 17 million pounds of food annually through more than 200 faith-based and nonprofit agency members in 23 parishes of south Louisiana.

Since graduating with a BA Honors in History and Politics, Natalie has worked in the food banking movement for more than 17 years. After founding the prepared and perishable food recovery program in Savannah, Georgia as a volunteer and board member Natalie became the president and CEO of America's Second Harvest of Coastal Georgia in 1994. During her nine year tenure she increased revenue by 700% and food distribution by 350%. She founded the community kitchen and restaurant program Bread and Butter Café and helped to establish the Kid's Café afterschool program for children, a program that became nationally trademarked.

Natalie has held several positions of leadership within the Feeding America network of food banks. She was a founding member of the National Council of America's Second Harvest, served on the Contract Task Force, and Chaired the Eastern Region of Feeding America. She served on many national state and local boards and committees while in Georgia, including the Governor's Workforce Investment Board of Georgia, the Board of Parent and Child, and as Chair of the United Way Executive's Association. In 2005, Natalie became a loaned executive for Feeding America, providing expertise to food banks with challenges. Following Hurricanes Katrina and Rita she was the Feeding America representative at the Joint Field Office in Baton Rouge.

Currently, Natalie is ~~President~~ a founding member of the Louisiana Food Bank Association and Co-chair of the Food Policy Advisory Committee of New Orleans' City Council. She was named one of City Business' Women of the Year in 2007 and in 2008 was honored with MAZON's Irving Cramer award, given to individual leaders and groups who emphasize passion, wisdom, and dedication in their mission to end hunger across America.

Natalie is married to Ken Jayroe and together they have three children; Philip, Kyle and Brittney.

Mr. Chairman and Members of the Committee, my name is Natalie Jayroe and I am the President and CEO of Second Harvest Food Bank of Greater New Orleans and Acadiana Thank you for the opportunity to address you today.

For more than seventeen years I have been involved in food banking, first as a volunteer and founder of feeding programs and for the last 14 years as the chief professional office of the organization. Having worked in disaster prone areas my entire career (Savannah, San Diego, Baton Rouge and New Orleans), disaster preparedness and response have always been a part of the mission that we plan and train for while being responsible for the distribution of USDA TEFAP commodities on a daily basis. In Louisiana, over the last two years the five food banks of the Louisiana Food Bank Association have strengthened their relationship with the Governor, the Louisiana Commissioner of Agriculture, and the state legislature. Together we have developed a model for public/private partnership that in FY2008 allowed food banks to purchase almost 10 million pounds food from Louisiana farmers, fisherman and vendors to distribute to people in need throughout all 64 parishes. We have a very good working relationship with USDA and FEMA regionally and nationally.

The expertise of the nonprofit food banking system has been called upon for critical support during all of the major disasters our country has faced over the last two decades. Our grassroots responsiveness and flexibility allow us to fill the inevitable gaps in food supplies and mobilize resources quickly to respond to urgent needs.

During the aftermath of Hurricanes Katrina and Rita TEFAP commodities were released for disaster distribution. In my opinion many lives were saved as a result of this quick action. As a consequence of receiving these commodities together with the food provided through the Feeding America network, Second Harvest Food Bank of Greater New Orleans and Acadiana became the largest food bank in history overnight, distributing 8 million pounds of food in September 2005 alone. Since that time, Second Harvest has distributed more than 90 million pounds of food to more than a quarter of a million individuals in its 23 Parish south Louisiana service area.

Some time later, the members of the Food Bank Association in Louisiana learned that large scale distribution of foods to households would not be possible in future disasters. The reason given was that the distribution after the Hurricanes of 2005 was seen as inconsistent with federal law. The federal policy in question relates to concerns about preventing duplication of benefits between food stamps and household commodities in providing emergency food assistance to victims of disasters. This policy, as it is currently interpreted, impedes our ability to respond to disaster victims while they are waiting to receive assistance through the food stamp program and needs to be reconsidered.

Last year, the increase in food and fuel costs along with the decrease in USDA commodities available to food banks left many of the more than 200 Feeding America members seriously short of food. For instance, the 7 million pounds of USDA TEFAP commodities distributed by Second Harvest in 2004 dropped to 2.7 million pounds in fiscal year 2008. The number of people needing food through the 246 faith-based and nonprofit member agencies that our food bank supports has been steadily increasing as

families struggle to make ends meet, children go to school too hungry to learn and seniors have to choose between medicines, food and utilities. The successful passage of the Farm Bill last year has greatly improved the supply of TEFAP commodities to food banks, and I would like to thank Senators Harkin, Landrieu and other members of the House and Senate Agriculture Committees for your leadership of that effort.

Second Harvest Food Bank of Greater New Orleans and Acadiana has also developed a mutually beneficial relationship with FEMA, the Governor's Office of Homeland Security and the New Orleans Office of Homeland Security. Second Harvest currently stores the MREs pre-positioned for first responders in our New Orleans and Lafayette warehouses. As these MREs approach their expiration date, they are released into our food bank system for distribution to faith-based and nonprofit member agencies. We are also in discussion with the CDC about our role in response to a pandemic event as part of the City Readiness Initiative.

Prior to Hurricane Gustav making landfall and in the immediate aftermath, we sought to first pre-position disaster foods and later order replacements for the depleted warehouses at the food banks in south Louisiana. Finally, after working through a number of procedural glitches with the help of the Governor, FNS regional office and state agencies, we were able to order food for disaster distribution. We were grateful for the supplies that we received. However, with the beginning of a disaster food stamp program, further orders were not processed.

The system set up to distribute emergency food stamps was immediately overwhelmed by the number of people who needed relief. Governor Jindal has taken quick and effective action to correct the deficiencies of the emergency food stamp enrollment process. However, as of the date of this testimony, people are still lining up to receive benefits. In a disaster of this scale, we need to be able to provide federal commodities along with privately donated foods to hungry people to tide them over until their food stamp benefits become available.

By this time Hurricane Ike was passing through the Gulf of Mexico on its way to landfall in Texas on September 13. Shelters in Alexandria, Shreveport and Monroe were filling again. The storm surge that hit the south Louisiana coast caused flooding in lower Jefferson, Terrebonne and Plaquemines parishes. Lafourche, Iberia and St. Mary parishes were hit again. Cameron and Calcasieu were once again under water. All coastal Louisiana parishes experienced worse damage than they did with Hurricane Rita. Parish presidents, such as Aaron Broussard of Jefferson parish, called Second Harvest for help as communities in the lower part of Jefferson had no power, no food, no Red Cross feeding sites and overwhelmed PODs. Second Harvest's trucks were stopped by the National Guard outside of Morgan City because the Guard did not feel it was safe for nonprofits to distribute food.

Of the 1.8 million pounds of food that Second Harvest Food Bank of Greater New Orleans and Acadiana has distributed from September 1 to September 19, 175,000 pounds have come from the DSS/FEMA/USDA pipeline. Additional commodities would

enable us to maintain our distribution rate of over 100,000 pounds per day during the next four weeks of immediate recovery. In the first two weeks of September we distributed food to more than 162 agencies, 25 of which were disaster distribution points such as the City Halls in Lafitte and LaPlace, the parish governments in Lafourche and Terrebonne, and the United Ways of Acadiana in Lafayette and Southwest Louisiana in Lake Charles. Second Harvest was the first nonprofit to stage food in these parishes, followed by and in close collaboration with the Salvation Army. The food is still needed.

In major disasters, the food banks do not have the capacity to replace government response. The removal of the restrictions that currently limit and slow the distribution of USDA commodities to food banks and other emergency feeding organizations would significantly improve the availability of critically needed food and water in the days immediately following a catastrophic event. Assistance to build infrastructure and funding to help defray the rising costs of fuel could make the Feeding America network an even stronger partner of USDA and FEMA.

I have several recommendations I would ask you to consider.

- Provide the resources and authority needed by USDA and FEMA to purchase foods needed in disaster response. Such resources would enable USDA to maintain inventories of food in the packaging that is needed in response to major disasters.
- Eliminate legal barriers to prestaging food, both in areas that are providing shelter for people leaving a disaster area and in Parishes directly impacted by the disaster.
- Ensure that there is enough logistical support to get the food into areas cut off by water; for instance we were not able to get food into lower Plaquemines after Hurricane Ike because there was no transportation available to get across the four foot storm surge covering the roads.
- Improve the ARF process to bring more flexibility to the type of products that are made available, and the nonprofits that distribute them. For instance, one food bank request was denied because the Red Cross had the super ARF, and we could not utilize number 10 cans for household distribution.

Perhaps the most important thing to remember is to make sure that the emergency food response system has as its primary focus getting assistance to people as efficiently and effectively as possible, and making concerns about avoiding duplication a secondary consideration.

Thank you for allowing me to speak before you today. Second Harvest Food Bank of Greater New Orleans and Acadiana and the food banks of the Feeding America network are privileged to be partners with the USDA and FEMA in disaster response, and the everyday economic emergencies that people face. I firmly believe that by working together we can continue to make progress in ensuring that all people have access to nutritious food.

Testimony
Barbara Prather, Executive Director
Northeast Iowa Food Bank

Mr. Chairman and Committee members, my name is Barbara Prather, I am the Executive Director of the Northeast Iowa Food Bank in Waterloo, IA. I want to first thank you for giving me the honor of testifying today on Flood Relief in Iowa and our Food Bank's response to it.

To give you some background on our organization, the Northeast Iowa Food Bank is a nonprofit organization that provides food and grocery products to organizations and individuals in Northeast Iowa, while offering hunger education to the community and those in need. We are members of Feeding America, formerly known as America's Second Harvest. Nationally our network of 205 food banks provides emergency food assistance to over 25 million Americans each year. In Northeast Iowa, we distribute nearly 5 million pounds of food each year through 200 charitable agencies.

Disaster Relief for us began the day after the EF5 tornado hit Parkersburg and New Hartford, Iowa and traveled through northern Black Hawk County. We were called out on Memorial Day to provide food and water to northern Black Hawk County. In the week that followed, working with The Salvation Army, the American Red Cross along with the Parkersburg Food Pantry, New Hartford and City of Dunkerton we provided food and water to relief workers as well as the victims. Working with our national organization, we were able to gather donated food and water to provide for those who needed it.

Two weeks after the tornado, we felt the first impact from many days of hard rain, On Monday June 9th, we received a call from a Pastor in Greene, IA informed us that the water was rising and there were no resources available to help this small town. We made arrangements to bring product up there the next morning. Greene is a community that had not used our services before. Here is one story from Greene, IA.

A family in Greene, IA turned for help to the newly stocked food pantry. The husband has a good job, but drives 34 miles one way to it and the mother does in home day care. They lost everything in the flood. The water started coming up on Sunday night and by Tuesday they had to evacuate their home. They had always helped the local food pantry, but never thought they would need their help. While the family had flood insurance, they knew it would be a struggle to pay their rent, and mortgage They eventually applied for and received food stamps, but they really needed the help from the local food pantry until they were able to receive their food stamps. As you can imagine, it was very hard for these hard working people to go in and ask for help, but they were grateful that it was there when they needed it.

By Tuesday, June 10th, we knew we were in for very serious flooding in Waterloo/Cedar Falls. The Food Bank was called to Black Hawk County's Emergency Operations Center (EOC). Our truck made it to Greene with product, but what should have been a 90 mile round trip ended up being 240 mile round trip, because all the roads were flooded. That day, we began trucking food to Cedar Falls, Waterloo, Buchanan County, and Butler County. At the same time, we began making arrangements to secure our facility, which was right along the Cedar River. Thanks to local support we emptied our warehouse and kept the product on trailers for a few days.

Throughout the week we worked with officials in Waterloo, Cedar Falls, Waverly, Finchford, LaPorte City, Parkersburg, New Hartford, Independence, LaMont, Waukon, and other areas to get food and water out to relief centers. We followed the Black Hawk County Health Department:

when they did their immunizations we took food and water for people. Later in the week, parts of Waterloo on the East Side began to have water back up. This is a low income area and many residents in that area had water in their basements.

Here is one story from a family in Waterloo:

A woman had recently switched jobs and was offered her first vacation in over 3 years, she expected nice weather and relaxation. Mother Nature had other plans. This single mother from Waterloo, was affected by the Iowa floods just days into her vacation. She and her nine-year-old daughter spent the first two days of their vacation together helping others nearby sandbag before they were evacuated from the area. Upon their return home, they found that their own neighborhood was in the path of the flood. She went to bed at 11 pm that night with a half inch of water in the basement and woke up with 4 feet of water.

This mother's basement was in ruin and she needed help immediately. She attributes much of her personal flood recovery to agencies like the Salvation Army, Red Cross and the Northeast Iowa Food Bank. These organizations provided and prepared meals for herself and her young daughter. The Northeast Iowa Food Bank provided much needed food, as well as other important items including toilet paper, and cleaning supplies.

As for the aftermath, this mother explains that insurance coverage did not pertain to her situation because her home is not in a flood zone, so flood insurance was not required. However, FEMA did step in replacing almost everything that was lost by the flood disaster.

This mother and her daughter received a great deal of assistance from friends, family, neighbors and organizations like the Northeast Iowa Food Bank. Still, despite her own hardships, she was quick to respond to the call of others when they were in need. She continues to volunteer as president of her neighborhood association.

What worked well for the Northeast Iowa Food Bank in providing disaster assistance was the many partners and organizations we worked with. Partnering at local relief centers to provide food made it much easier for us to drop product off for many people to pick up. For example, on the Saturday after the flood, alone, we delivered product many times to the North Cedar area of Cedar Falls, in addition to other areas. This was just one of many areas. It went out as fast as it was brought out there.

To highlight what we saw during the disasters:

- There was considerable press coverage about the availability Disaster Food Stamp Assistance. In the state of Iowa, over 13,000 households and 35,000 people received Disaster Food Stamp Assistance. I was extremely impressed with how the outreach took place and people knew that they could apply for them. I believe our area did an exceptional job in regards to getting the word out about their availability.
- Many people accessed its service. Working with FEMA, we were able to access MRE's and water. When our warehouse couldn't handle the load, we partnered with the Salvation Army.
- Our state staff who are responsible for TEFAP were on the phone with us during the flood asking what type of extra resources we needed. I know that they were working closely with USDA officials. We were offered our July shipment in June, but we decided

to hold off, because we did not want to short ourselves on product in the long term, when we knew we would need the product even more.

- I would also like to stress the importance of the 211 system. For us, FEMA began giving our number out to people in need of food assistance, it wasn't just locally it was statewide. Because of the 211 referral system, we were able to give people that number to access for food needs in their community.
- FEMA assisted us in getting two trucks and drivers for a week after the flood waters had receded. These were used for us to deliver out regular delivery of food products.
- Since last spring we have seen the amount of TEFAP foods increase substantially due to increased support from USDA and the increased support from the Farm Bill. This increased funding from the Farm Bill is critical to our food bank and others in Iowa and throughout the United States. In addition to our continuing need for more food, we are really in need of additional storage and distribution funds as authorized in the Farm Bill. Increased food and fuel prices have left food banks in Iowa and throughout the country with a shortage of funds to pay for storing and distributing food to the agencies we serve. I want to thank you Senator Harkin for your leadership in getting that vital funding included in the bill.

What would be helpful in the future is to be able to access USDA TEFAP foods immediately, rather than taking our July allotment of entitlement food early, from day one of the crisis without having to worry about them counting against future shipments. We know that once the waters recede, we need to have product available immediately for people, to meet their immediate needs and that future needs will also be greater as people work to recover from the disaster. We had product, thanks to what was stocked in our warehouse, but we estimate that we served 5,000 people that week alone, which depletes an inventory really fast.

The HACAP Food Reservoir in Cedar Rapids, provided over 120,000 pounds of product to relief centers that first week, this went to help the Salvation Army and other places to provide meals for people. In addition, it went to other pantries to help fill the gap during the height of the flood. The Food Bank did make up 1200 emergency food boxes that were sent to various Resource Centers in the community.

The need is real. Many people are too proud to ask for help. Families are reaching out to Food Banks and Food Pantries like never before, because of the tragedies they have faced as well as high food and gas prices. In total, just in Black Hawk County there have been 4300 FEMA applications. In our service area alone, which covers 16 northeastern counties there have been nearly 10,000 applicants.

To date, the Northeast Iowa Food Bank has provided over 280,000 pounds of disaster assistance product to nearly 60 organizations. It was a small part in a much larger picture of what is happening and continuing to happen in Northeast Iowa. Because of the increased need due to the struggling economy and the impact of our tornado and flood disasters, as fast as this product comes in, it is gone. The need is there. Even before these tragedies we had seen an increase of 25% in the numbers of clients our agencies are serving. With winter coming and some families paying a mortgage payment and rent payment, because they can't live in their house that was flooded, we are anticipating seeing many more people through the doors of food pantries in Iowa. As you know, recovering from disasters does not happen over night. Recovery takes many years. We are going to need ongoing help to help these families along with families who are working and living on a limited income. With high food and fuel prices their budgets are already stretched, adding a disaster to mix does not help. Both of these families are trying to do the best

they can, and will bounce back. These are just two examples of many similar faces in Iowa. Please continue to help us.

Thank you again Mr. Chairman for giving me the opportunity to share our experiences in helping to meet the food needs of people in Northeast Iowa following our back to back tornado and flooding disasters.

Testimony by Commissioner Mike Strain, DVM Louisiana Department of Agriculture and Forestry before the United States Senate Committee on Agriculture, Nutrition &Forestry and the Ad Hoc Subcommittee on Disaster Recovery of the U.S. Senate Committee on Homeland Security.

Louisiana agriculture faces unprecedented losses from Hurricanes Gustav and Ike. This is the largest Natural disaster affecting Agriculture, Aquaculture, Forestry, and Fisheries in Louisiana History. No parish or commodity was spared by these storms. From the cattle rancher and oyster fisherman in the southernmost tip of Plaquemines Parish, to cotton farmers in the delta of East Carrol Parish all were severely impacted. Combined with the timing of these storms, just prior to harvest, and the devastation caused by the wind (110 mph) in Terrebonne Parish, the flooding (24 inches) in Franklin Parish, and the tidal surge (12 feet) in Cameron Parish our agricultural community is in peril.
I have held 11 meeting across all of the state with farmers and ranchers and several common issues of concern have arisen. Some of these are:

Significantly increased input and total costs
Inadequate crop insurance
Insufficient disaster provisions of the farm bill
Farmers who have contracts with elevators and cannot deliver the commodity
Bank liens against partially filled commodity contracts
Deterioration of grain and cotton quality

I will go into greater details on the above and also report specific issues affecting each commodity.

Higher input cost – Fuel and fertilizer costs have more than doubled since the start of the current crop. Many farmers did not borrow enough money to cover these exorbitant costs, and have used up all available credit. Since the storms occurred just prior to harvest, many of the farmers have incurred all of the costs of the crop except harvesting and will not be able to repay the lenders and suppliers.

Inadequate crop insurance – The Farm Bill was signed late. Had producers known that there would have been a disaster program included that was based on their crop insurance coverage levels, they may have made different coverage decisions. In order to be eligible for the SURE program, USDA requires farmers to purchase Catastrophic Insurance or participate in the Noninsured Assistance Program. Due to thin margins and the high cost of buy-up coverage levels, crop insurance protection and participation is relatively low in Louisiana and other southern states. Although a farmer may have only harvested a portion of his crop, he may have already surpassed the yield threshold. A Cotton farmer reported to me that he met with his insurance agent and based on preliminary calculations, even though he has more than 1000 acres of cotton and is facing a 50% crop loss he will receive only $3300 in insurance proceeds.

Disaster Provisions of the farm bill - Many of our crops will not qualify for assistance under the current disaster provisions. All of the rules and regulations of the new 2008 Farm Bill have not been written; and payments may not be available until October or November of 2009. Our farmers cannot wait this long for assistance.

Partially filled contracts – Farmers, prudently and cautiously, forward contracted a portion of their commodities to take advantage of higher prices. Because of the substantially reduced yields at harvest, many of the contracts will not be completely filled. The grain elevators expect the farmer to deliver all of the contracted grain and could possibly refuse to pay the farmer for partially fulfilled contracts. Additionally, farmers are financially liable for the unfulfilled portion of the contract. The elevators have already contracted out the grain that they expected to buy from the farmers. This creates a vicious cycle. The elevators, the lenders and the farmers will have to work closely together to prevent the failure of any of these businesses.

Bank liens against partially contracts - A farmer may have a partially filled contract, but the elevator may not pay him until the contract is filled. If the farmer cannot fill the contract, than he is liable for the unfilled portion. The bank that has made the crop loan to the farmer has a lien against the crop proceeds. This could be a very sticky issue and could eventually end up in court if all parties do not cooperate.

Deterioration of grain, sweet potatoes and cotton – The wet weather has caused the quality of the commodities to deteriorate rapidly. Many of the elevators, cotton gins and sweet potato canners cannot accept the commodities because of quality issues. The processors who are accepting the commodities have to severely dock the farmer because of the poor conditions. Furthermore, if the farmer harvests the crop, he may be ineligible for insurance proceeds. For example, because the quality of sweet potatoes is so poor, the canner will not purchase it. Or in case of cotton, the seed quality is so poor, the farmer may have to pay additional fees for ginning in addition to losing potential seed revenue.

Commodity Reports:

Rice – Prior to the storms about 15% of the rice remains to be harvested in South Louisiana. North Louisiana has just begun their harvest. Across the entire state, thousands of acres rice were ready to be harvested and were flooded causing the rice to sprout. Much of the rice that is not under water is windblown and lodged, making harvesting very difficult and driving up yield losses.

Corn – It is estimated that 25% of the corn remained to be harvested when the storms struck. Much of this corn will not be harvested, because it was blown down or is under water and has severe quality damage.

Sorghum – When the hurricanes struck only 7% remained to be harvested.

Cotton – Cotton is probably the most severely impacted crop when speaking of total dollar value. Very little of the crop had been picked. Much of the cotton was under water and will not be harvested. Many of the remaining cotton bolls were blown to the ground. The cotton that is remaining on the plant is of such poor quality that the gins will have trouble processing it.

Soybeans – When the storms struck, the harvest was just getting into full swing. Depending on the stage of maturity, the condition of the beans is anywhere from being totally lost to having minimal damage. The beans that are submerged will not be saved. If the plant was ready to be harvested, the yield losses are reported to 30+% and up to 50% damage on quality. The greener the plant was, the better the circumstances.

Sweet Potatoes – Virtually no potatoes were dug prior to the storms. Sweet Potatoes face a minimum of 55% loss. Even potatoes harvested from fields which were never under water are rotting and the canners are unable to process them. Generally canner potatoes are of lower quality than baking potatoes. In many cases, farmers will harvest what appears to be viable potatoes only to harvest them only to have them rot in storage within a week. Input costs are before harvest is $2000 per acre. This puts the farmer in a quandary: They can either abandon their potato crop and lose all of the input costs or they spend the additional $600 per acre to harvest their crop only to have it possibly rot in storage.

Sugarcane – While yield loss is projected to 15% the important issue is planting. Only 10% of next year's crop is planted. Because the cane is severely lodged it will make planting extremely difficult. Since planting has been delayed and will take longer, the start of grinding season will be delayed and the possibility of a damaging freeze will become a real concern.

Pecans – Many trees were lost and growers have incurred costly expenses cleaning up their orchards. Some farmers are reporting up to a 75% loss. USDA will help to reimburse some of the clean up expenses, but all parishes are not administering the rules the same.

Livestock and Dairy – The cattle industry in southern Louisiana was literally washed away by the surge of Ike. Many of our cattle ranchers along the coast saw their herd wiped out when the flood waters stranded their herds. The ranchers who were able to move their pastures are running out of grass and pastures to feed their cows. We have been able to work with the National Guard to get emergency hay and water to these animals, but we must act soon to help these cattlemen.

Aquaculture – It is still too early to fully assess the damage. Crawfish should be burrowed in the ground and should not emerge until November with their young; however, farmers are reporting crawfish coming out of the ground. Some catfish ponds have been overtopped and the catfish have been lost. Initial reports from the turtle farms indicate substantial losses have been sustained.

All of the above commodities face significantly increased harvest costs caused by Gustav and Ike, and many of the total economic losses will not be known until well into next year. In addition our rural economy is dependent on the area farmer. From the small town banker, parts shop, equipment companies, contract harvester, and chemical and fertilizer dealers, agriculture is the foundation on which Louisiana is built. We must act quickly, because farmers cannot wait 12 to 18 months for disaster assistance. It is imperative that we get aid to these farmers within 6 months. Many will not be able to plant a crop next year without help. That is why I am requesting disaster assistance of seven hundred million dollars.

DOCUMENTS SUBMITTED FOR THE RECORD

SEPTEMBER 24, 2008

Written Testimony to the Joint Committee Hearing of the Senate Committee on Agriculture, Nutrition and Forestry and Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Disaster Recovery

"Assessing the Effectiveness of Agricultural Disaster Assistance Programs in the Wake of the 2008 Midwest Floods, Hurricane Gustav, and Hurricane Ike"
September 24, 2008

Submitted by: Todd Staples, Commissioner of Agriculture for the State of Texas

Chairman Harkin, Chairwoman Landrieu and Members of the Committee:

I respectfully submit this written testimony in response to your hearing assessing the effectiveness of agricultural disaster assistance programs in the wake of the recent natural disasters. Like Louisiana and Iowa, states whose leaders were invited to testify at your hearing, Texas has suffered a major blow to its communities, infrastructure and agriculture economy. Estimates indicate losses to Texas agriculture reaching several hundred million dollars with an economic impact in the billions.

Please accept this written statement intended to highlight the effects of recent storms on Texas agriculture and the industry's subsequent needs following these disasters. As recovery efforts in Texas continue, I am unable to attend the hearing to personally provide information on our state's developing needs, but am most grateful to you for your consideration.

Hurricane Ike left an extremely broad path of massive destruction – from entire communities wiped away to highways and bridges either destroyed or covered with debris. Acres and acres of cropland and pastures were swallowed by the salty surge. The massive wall of water and wind cleared the fences, barns and corrals that existed in the region. Numbers of reported livestock losses increase daily with estimates numbering several thousand.

Immediately after the hurricane moved through Texas, I asked our citizens to help their neighbors by donating hay to feed hungry, stranded cattle and horses, or by offering other assistance such as transportation, pastureland and monetary donations. To date, the Texas Department of Agriculture has received almost 5,000 donated bales of hay to transport to the impacted area, and still more are being offered. With the help of other state agencies, we have been able to identify more than 5,000 acres of pastureland ranchers may use temporarily for their displaced livestock. Additionally, the Texas AgriLife Extension Service created a non-profit foundation that has received more than $100,000 in funds for relief efforts. As you can see, the response from Texans has been truly incredible, and I thank all who have stepped up to the plate.

Local, state and federal government entities, and agricultural organizations across the state continue to work in a coordinated effort to meet the immediate needs of our state's agriculture industry. As I write today, stray cattle are being rounded up and sorted, a carcass removal operation is underway, and volunteers and agency staff continue to distribute feed, hay and water to those in need. Crop damage estimates are also ongoing and as we transition to long-term recovery efforts, I will continue to work with producer groups and state and federal agencies to request a livestock survivability program to assist our producers in finding temporary grazing lands with sufficient water and forage. Such a program will mitigate additional costs associated with livestock deaths and carcass removal. The survivability program is also critical to public safety, as it will facilitate the removal of roaming cattle that are endangering the traveling public on our roadways.

In addition to TDA's response to the agriculture industry's needs, we also have assisted in human food distribution to impacted communities through our commodity program. During both Hurricanes Dolly and Ike, these efforts assisted in feeding evacuees and supporting local food pantries and household distribution programs.

We appreciate the federal government's support where it has been available in response to Hurricane Ike. I look forward to working with you to further address the agriculture industry's needs, which will include financial assistance for rebuilding livestock fences and other critical structures; indemnity for livestock feed costs and deaths; activation of a crop disaster program; and financial assistance for forest land rehabilitation. Also, we know other needs will arise as the full impact of this storm is realized.

I respectfully ask Congress to also focus attention on the damage caused by other storms such as Hurricane Dolly. In Texas, the citrus, sugarcane, cotton and grain producers in the Rio Grande Valley are still feeling the effects of Dolly's torrential rains and hurricane-force winds. Much of the drainage canal system that serves agriculture in the valley region of Texas still needs to be rebuilt. South Texas will undoubtedly experience economic strain due to a late fall vegetable production that is expected to yield 50 percent less than last year, and a major sugar mill that will not run at capacity this year. The wet conditions also have increased costs of boll weevil eradication efforts, as producers are not able to enter fields to treat and destroy hostable cotton. The damage from Dolly did not stop at coastal counties and flooding was also experienced far upstream. I urge Congress to include the producers affected by Hurricane Dolly in any planned relief package.

As I receive new estimates of the widespread damage caused to the Texas agriculture industry by Hurricanes Ike and Dolly, I will share them with your committee and counterparts in Congress. Please do not hesitate to contact me for additional information regarding the damage caused by these storms and the resulting needs of Texas producers.

Craddock, Elizabeth (Landrieu)

From: Diane Rasberry [rasberry@lba.org] on behalf of gendron@lba.org
Sent: Friday, September 19, 2008 5:46 PM
To: Craddock, Elizabeth (Landrieu)
Subject: Farm Disaster Relief

LBA LouisianaBankers ASSOCIATION

September 19, 2008

Hon. Mary L. Landrieu
U. S. Senator
United States Senate
724 Hart Building
Washington, DC 20510-0001

Dear Senator Landrieu,

The Louisiana Bankers Association and its member banks would like to thank you and your staff for your tireless devotion to the people of Louisiana. I am writing in regards to the recent losses sustained by the agricultural community due to Hurricanes Gustav and Ike.

Without question our entire state has suffered terrible losses form these disasters. However, the losses in the agricultural business throughout the state are utterly devastating. It is clear that without assistance, we may be experiencing more than just losses to farmers. Suppliers and small businesses in rural communities are at risk.

To forestall this economic hurricane, we need immediate relief for farmers, suppliers and the agricultural communities. Disaster payments called for in the new farm bill, as we understand it, seem to be inadequate. Therefore, we offer support to you in seeking other relief. The LBA and our member banks want to achieve the fastest, most efficient means to get aid to those who have suffered losses by whatever vehicle is available to you.

We understand that the projected disaster loss set forth by the LSU Ag Center has placed the base loss at more than $600 million. And, their report only considers damage from Hurricane Gustav and not any further losses from Hurricane Ike yet.

How to effectively and adequately distribute any relief payments made available from federal government is a question we trust you and other state and federal leaders from Louisiana will resolve. The disaster our agricultural community has suffered from Hurricanes Gustav and Ike is unprecedented. Without action our entire agricultural economy could be in peril. We strongly support any and all efforts you may make in obtaining immediate relief. Thanks for your attention to this matter.

Sincerely,

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

The Honorable Mary L. Landrieu
724 Hart Senate Building
United States Senate
Washington, D.C. 20510

Dear Senator Landrieu:

Thank you for your letter of September 17, 2008, seeking clarification about Disaster Food Stamp Program (DFSP) policies, program operation, and intergovernmental coordination following Hurricane Gustav in Louisiana. We understand your concern for your citizens who were affected by the storm and need food assistance. I wish to assure you that we are working closely with the Louisiana Department of Social Services (DSS) to ensure that Louisiana's citizens are served. Our responses to your specific questions are addressed below.

The Food and Nutrition Service (FNS) has two categories of food aid programs that serve disaster victims at different points in the disaster recovery process. FNS' commodity distribution programs, including household distribution programs and commodities for hot meal service, serve all disaster victims in the immediate aftermath of the disaster, when grocery stores and banks are closed and utilities are interrupted and victims are displaced from their homes. In this early stage in the disaster recovery, victims, regardless of their financial status, cannot access or prepare food. The DFSP is designed to serve victims later in the recovery, when utilities are restored, bank accounts are accessible, and victims have returned to their homes and are able to access grocery stores and prepare food at home. At this stage in the recovery, victims may not have returned to work or may have spent a significant portion of their liquid resources on disaster evacuation, food loss or household repairs and may be temporarily without the resources to buy their own food.

The DFSP is designed as a means-tested program to ensure that those households that lack the liquid resources to purchase food receive assistance. The DFSP has special income eligibility guidelines called Disaster Gross Income Limits (DGIL) that are more generous than those of the regular Food Stamp Program (FSP). Applicant households must be at or below the DGIL in order to qualify. Like the income limits for the regular FSP, the DGIL are firm limits, not approximate targets. Applicants who are even $1 over the income limits are not able to qualify for the program. DGIL are calculated by adding together the net monthly income limit, standard deduction, and maximum shelter deduction for each household size for the regular FSP. We have enclosed a copy of the Federal fiscal year 2008 DGIL to this letter for your information.

FNS counts take-home pay and liquid resources because they are fundamental to calculating eligibility for a means-tested program. FNS denied DSS' request to ignore liquid resources when calculating eligibility because doing so would result in FNS providing benefits intended for low-income individuals to any household affected by the disaster, including households with significant income and resources. Any decision to refocus our mission from providing aid to low-income families to aiding all families, regardless of wealth, requires discussion and approval outside of our agency including a change in the law.

Like you, we have seen news reports that DSS requested to include evacuation expenses as deductible disaster-related expenses, but that FNS denied that request. Those news reports are incorrect. Evacuation expenses are allowed as deductible disaster-related expenses. However, DSS did request from FNS a waiver to allow them to use a standard deduction for disaster-related expenses, instead of requiring applicants to itemize their expenses. We approved that waiver request. Therefore, for Hurricane Gustav DFSP, households are not permitted to itemize any disaster-related expenses, including evacuation expenses, but instead receive the standard deduction for disaster related expenses. We understand that DSS found the standard deduction for disaster-related expenses has simplified the eligibility determination process for both applicants and the State; we are not aware of the State considering rescinding that waiver request.

You are correct that FNS denied DSS' request to waive the face-to-face interview requirement. There has never been a waiver of this requirement approved in the DFSP, not even during Katrina. DSS had requested to implement a call center solution that would allow applicants to apply by telephone or using an internet application. FNS denied these requests because Louisiana does not have a call center or any telephonic system that could handle the volume of calls associated with accepting the estimated 380,000 applications that are expected to be filed. Louisiana also does not have an internet-based DFSP application and would not be able to design, build, and test an internet application in time to deploy it in response to the public's immediate needs. Additionally, DSS does not have a method of gathering signatures on applications from applicants interviewed by telephone and signatures are essential to preventing fraud and recouping benefits from households that provided false information in order to obtain them.

That said, FNS received a waiver request from Louisiana on September 19, 2008, to accept application information over the phone; if the household is determined eligible at that time, the family would go to an application/issuance site to review and confirm the information is correct, sign the application, and receive an electronic benefit transfer (EBT) card which would be used to access the DFSP benefits when they were loaded. FNS approved this request within 24 hours. This solution both improves access and maintains integrity of the DFSP.

FNS supports the use of internet and telephone-based application systems in the regular FSP and is interested in working with any State agencies that would like to pursue such an approach, as it holds potential to get needed assistance to eligible households in less time. However, FNS has concerns that work cannot be completed in the immediate aftermath of a disaster; instead it seems reasonable that such a plan would be implemented at a time that Louisiana or any State is able to focus significant resources and time to delivering a robust system that can ensure speedy delivery of benefits to households in need while preserving the integrity of the program.

You have requested a comparison of the DFSP operations under Hurricanes Katrina and Gustav, including information about any waivers that were requested for both Hurricanes Katrina and Gustav, yet denied only for Gustav. The DFSP operations are very similar in that they address the needs of both ongoing FSP clients and households newly in need of assistance after the storms. Both programs were approved to:

- Determine eligibility comparing household income, resources, and disaster-related expenses (by itemization in Katrina and standard deduction in Gustav) to the DGILs.
- Use household composition as it existed on the date of the mandatory evacuation order.
- Verify only identity and, if possible, residency.
- Waive work registration and voluntary quit requirements.
- Extend eligibility to individuals who resided in the disaster area and who experienced damage to their property or loss of income and to households whose only disaster-related expense was food loss.
- Extend certification periods for ongoing households.
- Allow all FSP and DFSP households to purchase hot foods with their benefits.
- Provide the maximum allotment for ongoing households and DFSP households.

No Federal laws or regulations related to disaster food assistance have changed since Hurricane Katrina. However, our evacuee policies for Hurricanes Katrina and Gustav are very different. In the aftermath of Hurricane Katrina, when the post-hurricane evacuation process led to displacement of evacuees to States far from Louisiana and those evacuees lost their documents, cash, and bank cards in the flooding, FNS instituted an evacuee policy that allowed all evacuees to be eligible for DFSP benefits without an income and resource test. That policy was instituted to help receiving States and even parishes within Louisiana serve the mass of evacuees arriving unprepared for any means-testing process and without any possessions or resources. As you have noted, Louisiana mounted a highly successful and orderly evacuation in advance of Hurricane Gustav. Evacuees had the opportunity to gather their possessions, including bank cards, and the number of evacuees has been very modest. Therefore, our evacuee policy after Hurricane Gustav has been crafted to allow receiving States that are not currently operating a DFSP to employ either the standard DFSP eligibility process, provide expedited FSP service, or provide regular FSP service for evacuees. States and parishes in Louisiana that are

operating a DFSP must serve evacuees with the DFSP program. The waiver of the income and resource test is not available and not appropriate considering that Hurricane Gustav evacuees should have access to their bank accounts.

You have requested a review of program effectiveness to date. FNS and DSS have been working together closely to implement a DFSP that meets the needs of the eligible population. In the aftermath of Hurricane Gustav, DSS quickly assessed the situation on the ground and applied for the policy waivers they believed would best serve their citizens. As you know, the State is responsible for managing all aspects of a DFSP operation, including eligibility determination, benefit issuance, and program integrity. On the first day of operation of the DFSP, DSS experienced long lines at application sites, partially due to the overwhelming number of households needing assistance and partially because they did not have a sufficient number of staff on hand to take applications. DSS also experienced difficulty with a range of logistical and communication issues, including notification to the public and staff of the location of application sites open to accept applications early in the DFSP operation. DSS worked quickly to obtain additional staff for sites and to correct public information about site availability.

More recently, DSS discovered that they had overissued up to $8 million in DFSP funds because of a computer error. The error also caused other DFSP household's accounts to be reset to $0. The State is still working to identify the cause of the overissuance, but has begun to recover overissued benefits from client accounts and has restored benefits to most of the households whose benefits were improperly reduced.

FNS has had staff on the ground to provide technical assistance and has been coordinating with DSS via daily conference calls. I have been personally involved in ensuring appropriate FNS oversight and support for both Louisiana and Texas in the wake of recent disasters, including a visit to your State on September 11. FNS responds quickly to DSS e-mails, calls, and written requests. We have responded to all waiver requests within 24 hours. You requested information on the number of applications processed and benefits issued to date. As of September 18, 2008, DSS has accepted almost 400,000 applications, and issued benefits to almost 200,000 eligible households. State agencies are required to process applications and issue benefits to households within 3 calendar days of receiving an application.

At your request, we have attached to this letter a list of application site locations and the total staffing levels.

We understand that you are seeking FNS recommendations for program improvement going forward. In general, FNS believes that DSS should focus their resources on ensuring the best possible operation of their DFSP plan. FNS will debrief with the State

after the disaster response is complete, but remains in daily contact with Louisiana to provide technical assistance as they implement their DFSP.

We would welcome a meeting with you to discuss in detail our observations of how operations have been successful and how they could be improved.

I hope you find this information helpful. Please have your staff contact Scott A. Carter, Director of Governmental Affairs, FNS, at (703) 305-2313, if you have additional questions or concerns. A similar letter is being sent to Congressmen Charlie Melancon and Don Cazayoux.

Sincerely,

Kate J. Houston

for Nancy Montanez Johner
Under Secretary
Food, Nutrition, and Consumer Services

Enclosures

United Way • AIRS

2-1-1

Get Connected. Get Answers.

United Ways of Iowa
1111 9th Street, Ste. 100, Des Moines, Iowa 50314

What is 2-1-1?

2-1-1 is a free health and human service information and referral helpline assigned nationwide by the FCC. Calls are answered 24 hours a day, 7 days a week.

What types of information are available by calling 2-1-1?

2-1-1 offers six basic types of assistance: Emergency Preparedness/ Recovery, Basic Human Needs; Physical and Mental Health Resources; Employment Supports; Support for Older Americans and Persons with Disabilities; and Children, Youth and Families. Information in multiple languages is available via phone and on the website.

What does 2-1-1 look like in Iowa?

Iowa is one of only twenty states with complete statewide coverage.

The governing body for 2-1-1 is the Iowa/Nebraska Alliance of Information & Referral Systems (AIRS). A national partnership between AIRS and United Way of America was formed with the mission to, "build America's capacity to strengthen the way people access help and engage in civic life."

What are the benefits of 2-1-1 for Iowa?

To 2-1-1 Users:

- 2-1-1 is simple and easy to remember, and offers one point of contact
- 2-1-1 calls are answered 24/7, with bi-lingual services available
- 2-1-1 provides trained professionals to assist callers
- 2-1-1 helps with rumor and information control in times of emergencies

To Iowa's Communities:

- 2-1-1 helps citizens navigate the complicated web of health and human service programs. Over 12,000 non-profit organizations and government agencies offer resources in Iowa.
- 2-1-1 provides an essential public service to the community by providing one central resource for all health and human services information and referral.
- 2-1-1 reduces government bureaucracy and provides control to local communities who know best how to assist their citizens.
- 2-1-1 is a useful planning tool to understand a community's changing needs.

To Emergency Preparedness:

- 2-1-1 is a critical information system, which is necessary prior to, during and after a community crisis such as a flood, fire, attack or other local or national tragedy.
- 2-1-1 responds immediately during times of crisis, to field calls regarding the crisis and to direct callers to services most appropriate for their needs.

What does it cost to operate 2-1-1?

In its current capacity, United Ways of Iowa and their community partners spend approximately $1.2 million annually to operate the eight call centers. Approximately 20 2-1-1 systems have received financial assistance from their state governments, such as Nebraska and Wisconsin.

How can 2-1-1 in Iowa become a better system?

Currently, 2-1-1 call centers are struggling to staff the increased demand for 2-1-1 in local communities. Adequate staffing and training, updating and maintaining hardware and software, and updating the databases are the top challenges facing 2-1-1. Centers also want to create comprehensive disaster response plans to help their communities handle non-emergency calls during disasters, but cannot do so without adequate funding. Iowa needs a 2-1-1 **system** that is comprehensive, coordinated, sustainable and integrated with local and state partners.

Who should I contact if I have questions about the program?

Chris Juett, 2-1-1 Program Manager, FCFH-Iowa, Inc., Cedar Rapids. 319-398-5372 ext. 12 or e-mail at cjuett@uweci.org

Sarah Ramsey, Public Policy Director, United Way of Central Iowa, Des Moines. 515-246-6538 or e-mail at sramsey@unitedwaydm.org

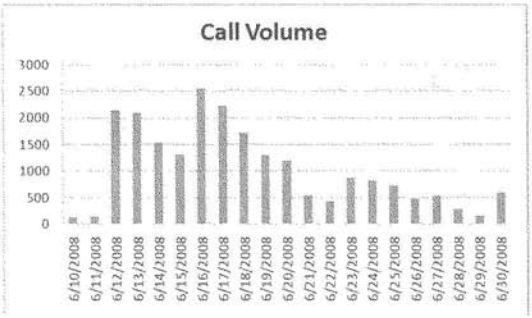
Call United Way 2-1-1 Get Connected. Get Answers.

United Way of East Central Iowa

First Call for Help Iowa, Inc.
United Way 2-1-1 Flood 2008
Report for June 10 – 30, 2008

Call Volume

From June 10 – 30, 2008, there were 21,862 calls placed to the United Way 2-1-1 system. The highest number of calls were received on Monday, June 16, 2008, (2,552) which was the first day that individuals were allowed back in their homes. The second highest number of calls were received on Tuesday, June 17 (2,233) and the third highest on Thursday, June 12 (2,152), the day before the crest. *



* Please note these statistics are preliminary in nature and may change.

Requested Services

Over the course of this event individuals have called for a variety of things, including but not limited to:

- Assistance with clean up
- City and County Offices (phone numbers and locations)
- Clean Up Kits
- Donations
- Housing
- Pet Rescue
- Public Health Related Issues
- Re-entry
- Rescue
- Sandbag Information

Prepared by First Call for Help Iowa, Inc.
June 2008

- Service Numbers
- Status of Home
- Volunteering

Partnerships

Many partnerships have developed and continue to develop throughout this event. Some of the most significant partnerships include:

Partnership developed between the City of Cedar Rapids and Linn County

- The City and County referred individuals to call 2-1-1 when using Reverse 911 (CodeRed) during the evacuation.
- The City and County worked with United Way 2-1-1 to develop parts of the Corridor Recovery Newsletter and website.
- The City of Cedar Rapids moved the CityLine and City Staff to 2-1-1 because their line became nonoperational.

Relationships developed with others within the Emergency Operations Center

- United Way 2-1-1 was able to assist with rescues by connecting directly with Fire Rescue at the EOC.
- The 2-1-1 Liaison was able to work closely with many social service organizations at the EOC including, but not limited to the American Red Cross, The Salvation Army and Serve the City.

2-1-1 Disaster Response Team

- United Way of America and the Alliance of Information and Referral Systems have deployed, upon request of United Way 2-1-1, twelve members of the 2-1-1 Disaster Response Team to assist United Way 2-1-1 during this event.

FEMA

- The 2-1-1 Program Manager worked with FEMA to develop a Step-by-Step Application Information Sheet to be used by the 2-1-1 Center and other community organizations.

Resources Used**

Staffing

- United Way 2-1-1 has increased the staffing of the 2-1-1 Center through the use of HACAP Staff, Foundation 2 Crisis Center Staff, 2-1-1 Disaster Response Team Members and community volunteers. With over 2,000 volunteer hours logged.

Technology Needs

- On Saturday, June 14, 2008 United Way 2-1-1 installed a second T-1 line at HACAP to double the capacity of the 2-1-1 system. This allowed United Way 2-1-1 to start answering 46 calls at one time. Once the system was operational both T-1s were completely full. The average cost of a T-1 is $800 per month.
- Other technology related expenses include increased telephone and cellular telephone costs, and the cost of a laptop.

**Please note that there are other costs which have been incurred but have not been submitted to the organization.

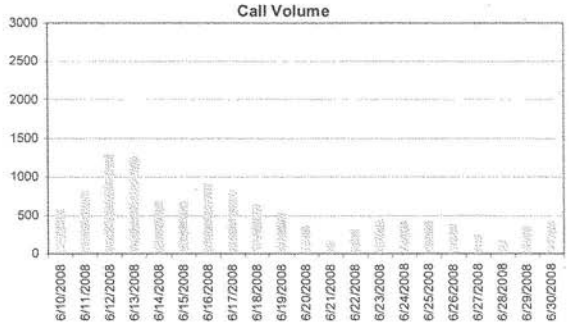
Call United Way 2-1-1 Get Connected. Get Answers.

United Way of Central Iowa

United Way 2-1-1, Central Iowa
Flood 2008
Report for June 10 – 30, 2008

Call Volume

From June 10 – 30, 2008, there were 12,138 calls placed to the United Way 2-1-1 system. The highest number of calls was received on Thursday, June 12, 2008, (1,298). The second highest number of calls was received on Friday, June 13 (1,265) and the third highest on Monday, June 16 (932).



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- Assistance with clean up
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- Clean Up Kits
- Donations
- Housing
- Pet Rescue
- Public Health Related Issues
- Re-entry
- Rescue
- Sandbag Information
- Service Numbers
- Status of Home
- Volunteering

Testimony
of the
USA Rice Federation and US Rice Producers Association

Before the Joint Hearing
of the
Senate Committee on Agriculture, Nutrition, and Forestry
and the
Senate Committee on Homeland Security and Governmental Affairs,
Subcommittee on Disaster Recovery

Assessing the Effectiveness of Agricultural Disaster Assistance Programs in the Wake of the 2008 Midwest Floods, Hurricane Gustav, & Hurricane Ike

Wednesday, September 24, 2008

Thank you, Senator Harkin and Senator Landrieu, for holding this hearing. We appreciate the opportunity to provide testimony to the Committee on Agriculture, Nutrition, and Forestry and the Homeland Security and Governmental Affairs' Subcommittee on Disaster Recovery concerning the effectiveness of agricultural disaster assistance in the wake of severe storms this year.

This testimony is provided jointly on behalf of the USA Rice Federation and the US Rice Producers Association. Collectively, our associations represent rice producers, rice millers, rice merchants, and numerous other drying, marketing and handling facilities. The US rice industry also supports an extensive network of specialized input suppliers, credit and banking services, and a large, capital-intensive milling industry that employs thousands.

In light of the expected delay in the implementation of the SURE program and to the extent that disaster assistance through the Direct Payment Program mechanism is not an option, it is the position of rice producers and the rice industry that the swiftest, most effective way to assist at least those rice producers hit hardest by the hurricanes is through the provision of traditional crop loss disaster assistance delivered immediately and directly to producers.

Rice Industry Background

Rice is typically planted on about 3.0 million acres in the United States providing livelihoods for thousands of producers, farm employees, input providers, and others. In 2006, US rice farmers spent nearly $1.6 billion to produce 2.83 million acres of rice, not including the cost of land and other overhead costs. In 2007, they spent $1.66 billion to produce 2.76 million acres of rice. This year input costs have risen substantially, driven in large measure by the skyrocketing costs of diesel fuel, fertilizer, and other energy intensive inputs.

The rice milling industry employs nearly 4,000 people, providing salaries and benefits in excess of $168 million per year. According to the most recent Census Bureau data, in 2002 this industry had sales of more than $1.8 billion, and purchased inputs valued at nearly $1.3 billion.

On average, about half of US rice production is sold domestically and about half is exported.

Exports remain an important market for US rice and contribute significantly to a positive US trade balance. For the 2007/08 marketing year, according to USDA's latest world rice supply and demand estimate, US rice exports reached 4.012 MMT million metric tons, valued at $1.83 billion.

International markets for rice are volatile, unpredictable, and highly distorted by foreign government intervention. Perhaps the greatest loss of potential US rice sales derives directly from US actions: trade sanctions that have been imposed on some of the largest rice markets in the world, such as Cuba.

The volume of rice imported into the United States has grown by nearly 81 percent between the 2001/02 and 2007/08 marketing years. For 2007/2008, the U.S. imported an estimated 760,000 metric tons, with more than 800,000 metric tons projected for 2008/2009, according to USDA.

Disaster Needs

This hearing is especially important and timely in the wake of Hurricanes Gustav and Ike.

While the total damage to the U.S. rice crop resulting from Hurricanes Gustav and Ike is still being assessed, we already know that rice producers in hurricane-hit areas of Louisiana, Mississippi, Texas and Arkansas sustained heavy, and in some cases, devastating quantity and quality losses. Many producers will also face exorbitant increases in already-high production costs as a consequence of the heavy rains, high winds, and flooding caused by the tropical storms.

Louisiana: When Gustav struck, rice harvest was already well underway in South Louisiana but many of the rice-producing parishes in the region still had some rice in the field. Meanwhile, in Northeastern Louisiana, Arkansas, Texas and Mississippi, rice harvest had not yet begun or had just started, leaving crops in these areas highly vulnerable.

In its September 24 damage assessment, the LSU AgCenter said the estimated revenue loss for the 2008 rice crop in Louisiana due to Gustav and Ike damages was nearly $33.6 million.

Although some wind damage was seen, LSU says that flooding was a bigger issue with Gustav. According to LSU, Hurricane Ike caused additional storm-surge flooding in Southwest Louisiana, which could affect some of the second crop of rice in that area, and further delay harvest in some areas of North Louisiana. The South Louisiana storm surge also brought saltwater intrusion, which would ruin those crops covered by it and, if not diluted adequately by rainfall this fall and winter, could prevent planting a crop in 2009. In the northeastern portion of Louisiana, about 85 percent of the estimated 94,000 planted acres in 2008 had not been harvested when Gustav's heavy wind and rainfall struck. In South Louisiana, about 15 percent of the first crop's 374,000 acres had not been harvested.

Arkansas: Meanwhile, in Arkansas, fully one-quarter of the rice crop is estimated to have been affected on account of the two hurricanes. The University of Arkansas, Division of Agriculture, estimates the impact from Ike and Gustav on the Arkansas rice industry is in the range of $70 to $75 million. This loss is based on estimates of rice that shattered due to winds, and lodging that resulted in yield losses and increased harvest costs.

As Arkansas' most valuable cash crop, with more than 1.3 million acres of rice planted this year alone, the impact on a quarter of the State's rice crop is economically devastating to producers and rural communities alike.

Texas: The severe damages caused to Texas rice producers, particularly by Hurricane Ike, are not unlike those inflicted upon Louisiana rice producers by the hurricanes. Crop losses, lodging of grain in the field, salt water intrusion, sometimes severe damages to grain bins and farmsteads by rain, wind, and related fires. All of these catastrophes and more have been visited on Texas rice producers, primarily those in the rice-growing regions east of Houston, Texas. Some

producers lost their entire crop. Others, having harvested their first crop, had their prospects for a second (or "rattoon") crop severely damaged.

As of today, we do not have complete or accurate estimates of the total amount of the damage. The US Rice Producers Association, USA Rice Federation, and various State and Federal agencies continue to work with rice producers to assess the damage and coordinate available assistance. Again, however, the strong belief among these producers is that the best avenue to assist them to get back on their economic feet would be to provide economic assistance or crop loss payments in the form of payments to known producers delivered very soon.

Mississippi: In Mississippi, too, damages from the hurricanes and the associated wet weather are estimated to have caused at least $10 million in damage to the rice crop. As in other states, further damages to the crop will not be known for sure until harvest, drying, and marketing of the grain is complete.

The bottom line is that Hurricanes Gustav and Ike resulted not only in substantial crop losses, which are in some cases total, but also caused substantial quality losses. To make matters worse, they will impose continuing extraordinary production cost increases relative to that portion of the rice crop that was not entirely lost, leaving affected producers to wonder whether they can harvest a crop, earn a reasonable return, or even repay their production and real estate loans.

For instance, field and milling yields for rice that is still able to be harvested will likely be substantially diminished, particularly with respect to that rice that was lodged (blown down) or under water for prolonged periods of time. And, with power out in much of the region for several days, some harvested rice sat in bins without being dried, causing the rice to heat up and sustain substantial quality losses, with some of the crop rendered worthless. Disease-related problems associated with heavy moisture will only work to further diminish crop quality.

Fuel costs to harvest and dry downed rice in waterlogged fields also exacerbates the hardship on producers by compounding already-spiraling production costs. For example, under normal conditions rice is usually harvested by combines working at three miles per hour, while lodged rice can only be harvested at about a half-mile per hour, greatly increasing costs and the risk of breakdowns.

Already-high fuel costs jump significantly to harvest under these conditions because it is a much slower, time-consuming process. Deep field ruts will require even more expenses this winter to restore the affected fields to acceptable planting conditions for the 2009 crop.

Rice Producers Need Swift, Effective Crop Loss Assistance

In light of all of these impacts, rice producers urge Congress to assist at least the hardest hit rice producers through the provision of traditional crop loss disaster assistance delivered directly to producers immediately.

Shortcomings of Crop Insurance and SURE for Rice Producers

Some policymakers in Washington might reasonably be expected to ask whether as a result of these conditions is that the combination of the Federal Crop Insurance Program and the recently-passed Supplemental Revenue Assistance (SURE) Program can adequately compensate rice producers for the losses that they have sustained.

Unfortunately, regulations to implement SURE still are being drafted, with no date known when they will be completed. Any help that this standing disaster program might ultimately offer for the 2008 crop would be too late for many farm families – and probably too little if and when it arrives.

As rice producers, we greatly respect the efforts by Congress to provide crop loss assistance in the form of a standing disaster program. This program, in conjunction with crop insurance, may hold some promise for other commodity producers.

Unfortunately, neither crop insurance, nor the standing disaster program that is meant to supplement crop insurance, is tailored to meet the unique production risks of US rice producers. Rice is an irrigated crop. Rice farmers effectively "insure themselves" against drought by having reliable access to adequate water supplies. Rice yields tend to be consistent and stable because of irrigation. In addition, rice has natural defense mechanisms against most flooding. Crop insurance is purchased by rice producers, but a number of them buy at catastrophic (CAT) levels. Crop insurance buy up for rice producers is not that widespread because its returns, relative to its cost, have been minimal. For an irrigated crop like rice, producers would find it very difficult, if not unlikely, to be able meet the SURE program's whole-farm loss requirement.

The simple fact is that our current crop insurance products are better suited for other crops than they are for rice. Evidence for this can be found in the levels of buy-up purchased by growers for the respective crops. For corn, buy-up policies represent 92% of all insured acres, meaning only 8% of the total acreage is covered by the minimum CAT levels of insurance. For rice, 61% of the insured acres are protected only by the minimum CAT coverage, and 72% of the acres are at the minimum 50/100 level of buy-up or below. In essence, this means that almost three-quarters of all rice farmers are underserved by crop insurance. The structure of the SURE program provides increasing assistance with higher levels of buy-up crop insurance. Therefore, rice producers suffer twice under these programs. First, they lack effective, affordable crop insurance. Second, they are penalized again because they stand to receive very little if any assistance from the new standing disaster program.

On the spectrum of buy-up coverage, fully 70% of corn acreage is covered at or above the high 70% level of crop insurance. This compares to only 14% of rice acres being covered by high levels of buy-up insurance. These facts clearly demonstrate that the crop insurance products that are available for rice do not compare favorably to those available for other crops. Given the substantially different coverage level experience between crops under the Federal Crop Insurance Program, it is only logical that a disaster program built to supplement the Federal Crop Insurance Program would not provide adequate or even reasonable, affordable coverage for rice producers.

As a consequence, three-fourths of rice producers that experience a 100% loss would probably see between a quarter and a half of their losses covered by crop insurance and the standing disaster program. However, three-fourths of those rice producers experiencing less than a 50% loss would receive even less help – and quite probably no help at all. Importantly, this speaks only to coverage of actual production losses, and not to financial losses occurring as a result of significantly higher production costs, which are not covered at all under the Federal Crop Insurance Program.

These current structural shortcomings in both crop insurance and the new SURE program are just some of the reasons why rice producers prefer the provision of traditional crop loss disaster assistance delivered directly to producers in the absence of such assistance through the Direct Payment Program mechanism.

Conclusion

In conclusion, we urge the Congress to provide swift crop loss assistance to meet at least the most severe disaster needs. In the future we sincerely hope that the Federal Crop Insurance Program can be improved administratively or legislatively if necessary, to better meet the risk-management needs of rice producers. However, any improvement in the crop insurance or the standing disaster program will not be in place in time to meet the critical and imminent financial needs of rice producers hit hard by Hurricanes Gustav and Ike. In fact, the standing disaster program, even as is, will not be in place in time to help.

Rice farm families hurt by Gustav and Ike need relief soon to cope with disaster losses and the significantly increased costs of harvesting their 2008 crop under the worst conditions possible. Accordingly, we respectfully urge Congress to include disaster relief for rice producers when crafting an economic relief package in response to Hurricanes Gustav and Ike. We look forward to working with you to provide them assistance for 2008 damages. We would also welcome the opportunity to work with you on possible improvements to the Federal Crop Insurance Program to better meet rice producers future risk-management needs.

Thank you, once again, for the opportunity to submit testimony for this important hearing. If we can assist you in any way, please call on us at any time.

My Fellow Hoosiers,

The 2008 disasters in Indiana have been among the worst in our state's history, as nearly two-thirds of our 92 counties were declared Presidential disaster areas. FEMA has received over 20,000 applications for Individual Assistance (IA) and estimates over 1,500 project work sheets for Public Assistance (PA). In all, FEMA estimates that IA and PA will approach $375 million, and we believe that total damages to individual property, public infrastructure and agriculture will likely exceed $1.0 billion.

Across the agricultural sector, homesteads, barns, grain bins, equipment and livestock were in the path of the devastation, and nearly one million acres of rich farmland was swept away or piled high with sediment and debris. The land rehabilitation and restructuring of drainage systems and ditches could take years to restore and rebuild.

After the first days of the rains, I directed the Indiana State Department of Agriculture, through its Division of Soil Conservation, to take the lead in assessing damages, establishing farmers' needs and developing a recovery plan that assures farms receive personalized consultation and recovery guidance.

The following report demonstrates the substantial need and identifies further assistance needed to support the planning process for recovery. We are working closely with USDA to ensure farmers receive maximum financial assistance.

Mitch Daniels

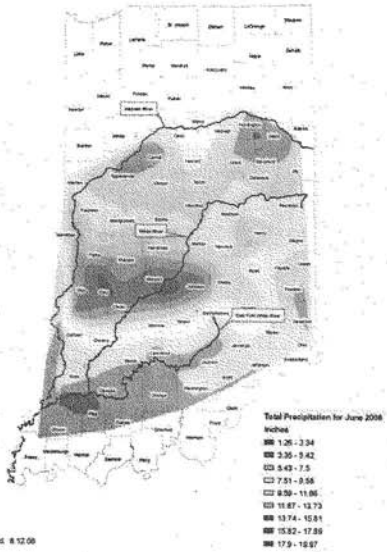
Governor Mitch Daniels

overview

Overview

From the winter flooding to the spring tornadoes to the June 100-year record rainfall, 2008 will go down as one of the worst ever for Hoosiers. The June rainfalls began in the first week with a record 10 to 20 inches in various communities. This 24-hour event brought flooding to areas that have never flooded before. Hospitals, schools, bridges, roads, homes and farms were all affected and some without hope of repair. More than two-thirds of Indiana felt the impact of the rains. Much support will be needed to bring Indiana families and businesses back to their feet.

Total Precipitation for June 2008



Indiana's farmland is a key area of damage and place for additional support. Some of the most productive land in Indiana has been left bare or littered with debris and sediment from upstream communities, forests and neighboring fields. Beginning on June 7, 2008, and continuing today, the Indiana State Department of Agriculture's (ISDA) Division of Soil Conservation (DSC) has been investing staff and resources in the urgent need for flood recovery and land repairs on Indiana's most productive asset, farmland. After 2,400 man-hours and 21,000 miles of surveying, and various on-farm assessments, the ISDA-DSC determined that more than $200M of damage has occurred to our farmland. Land rehabilitation and restructuring of drainage systems and ditches will in some cases take years to restore and rebuild. Indiana's burgeoning agriculture industry will command a serious commitment of planning, resources and staff to assure a quick recovery.

The vast majority of assistance will come from emergency USDA programs, which have covered less than $25M of the need to date. The state is working to ensure that farmers work closely with USDA to apply for assistance.

June rainfall

The "Total Precipitation for June 2008" map (left) shows the total rainfall that took place in June.

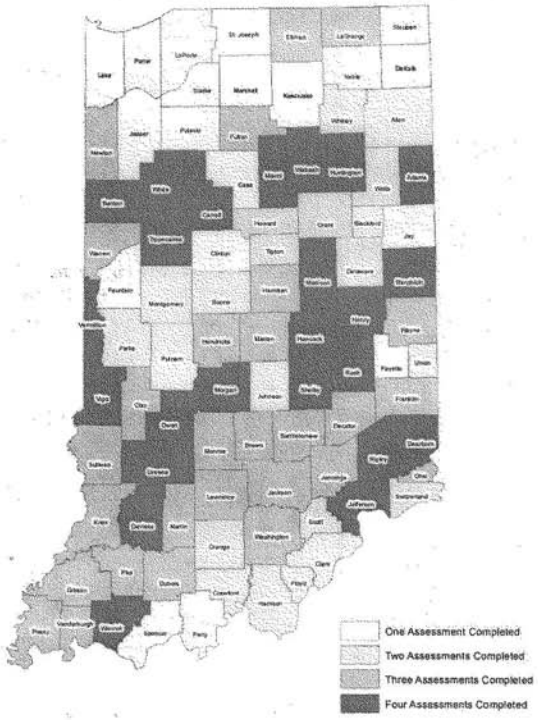
Restoring the Hoosier Heartland

assessment

After the Rain

To enhance recovery planning and to quantify the extent of the damage, DSC began performing assessments early that ranged from broad public evaluations to on-farm evaluations. In all, four different assessment models were used and quantified a total need of $200M. Nearly all Indiana counties were evaluated with at least one and up to four of these assessment models (refer to "Damage Assessment Summary" map below).

Damage Assessment Summary



Map Created: 8.12.08

one farm at a time

assessment

The four types of assessment models used were as follows:

Assessment 1- Private Assessments and Assistance
Immediately following the rain event, ISDA Resource Specialists were assigned to contact five farmers in counties that were declared disaster counties to obtain information regarding how much damage had occurred on private lands and what kind of assistance was needed. Identical questions were asked to all farmers. These questions included information on building and equipment loss, crop loss, livestock loss, and overall damages and specific examples. Farmers were asked to give an estimate on percent loss and costs. With this information, ISDA began to determine some of the areas of most concern. This assessment was later expanded into Assessment 3: Five Farmer Assessment to further develop initial estimations.

Assessment 2- Public Assessments and Assistance
At the same time, ISDA District Support Specialists were asked to interview four public officials including the County Surveyor, the Purdue Extension Agriculture and Natural Resource Educator and two local Soil and Water Conservation District Supervisors. This assessment focused on the overall damage a county had experienced. Similar to the private assessments, identical questions were asked of these officials. Questions in this case were a bit broader, including asking about the top agricultural concerns in the county, the top public needs, and the overall impressions of damages to agricultural operations and crops. Interviewees were also encouraged to provide specific examples. This assessment gauged the significance of damage on a county level and helped identify which areas of the county were and weren't hit significantly. In addition, one concern that still loomed from this assessment was if farmers were actually contacting the public officials for help. It is believed that many were not.

assessment

Why so many counties?

The 87 disaster counties were not just declared federal disaster counties due to the June flood event. Other severe weather events had taken place around the state as well. Some of these events included: tornado and hail damage, wind damage and flooding that occurred in late winter/early spring. Damages and events were reviewed by the USDA; this is the entity that makes the decision on whether to declare a county a disaster or not.

Assessment 3- Five Farmer Assessments

While Assessments 1 and 2 provided an understanding of some of the broad damage and initially estimated some of the individual damage throughout Indiana, more concrete information was needed to determine what kind of specific costs were associated with this damage. ISDA-DSC Resource Specialists once again contacted five farmers. This time they asked about specific costs associated with restoring agricultural land. Specific costs were assigned to specific practices based on Indiana Land Improvement Contractor Surveys (refer to Chart 1).

*Chart 1: Estimated Cost (per unit) of Rehabilitation Practices**

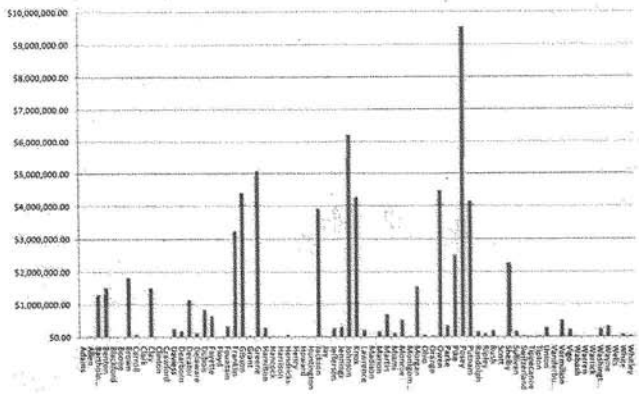
Practice	Cost	Practice	Cost
Streambank Stabilization	$10 per square foot	Labor	$30 per hour
Regrading /Shaping	$2.50 per cubic yard	Fencing	$3.25 per linear foot
Compacted Earth Fill	$3.00 per cubic yard	Livestock Watering System Replacement -TANK	$100 per tank
Rock/Stone Placement for Stabilization	$40 per ton	Livestock Watering System Replacement -PIPELINE	$5.00 per foot
Seeding/ Revegetation	$1,000 per acre	Excavation and Removal	$5.00 per cubic yard
Clearing	$1,500 per acre	Grading/Spreading	$2.50 per cubic yard

** Costs from Indiana Land Improvement Contractor Surveys*

assessment

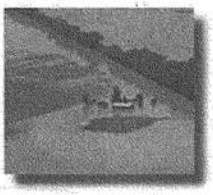
During this process, DSC staff assessed a total 487,460 acres of agricultural land representing approximately 4.2% of total agricultural lands. Farmer damage reports were utilized to get a sense of the potential agricultural damages throughout the county. This assessment identified over $62M in rehabilitation costs for those farmers interviewed alone (refer to Chart 2 (below) and "Appendix: Exhibit A").

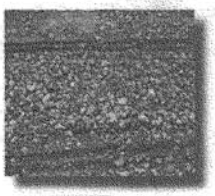
Chart 2: Five Farmer Assessment Damage Estimates



Assessment 4- Emergency Conservation Assessment Program

The State Soil Conservation Board (SSCB) requested that SWCDs participate in their Emergency Conservation Assessment Program (ECAP). The initial purpose of this program was to get a sense of how much money a county believed was needed for restoration of agricultural lands, and if money was allocated, how it would be spent in the county. ECAP forms received from districts varied in requests from no money to over $73M. A total of $236.9M was requested through ECAP. The 35 districts that received state allocations were later asked to revise their ECAP to reflect their recovery plans based off of state funding received (refer to ECAP on p. 15).





analysis

Isn't forested land ag land?

Forested lands are considered working ag lands, however, these lands have other resources and programs to tap into for disaster recovery.

Analysis of the four assessments broadly determined the severity and extent to which damage occurred and surfaced 35 counties as most severely damaged. Whether an entire county received major rainfall and flooding or several farmers reported severe damage, these counties seem to represent the hardest hit of the counties that are currently eligible for federal disaster programs.

Floodplain Analysis

These findings were then verified through a floodplain analysis to begin to quantify the amount of potential damage, project workload and resource needs. The analysis encompassed precipitation levels, total floodplain acres, total agricultural acres and total acres in the floodplain.

Precipitation

Precipitation was mapped from data acquired through the National Oceanic and Atmospheric Administration website (refer to "Total Precipitation for June 2008" map, p. 1) What was determined from this map and our other assessments is that many of the most severely damaged counties were not the counties that actually received high rainfall in June, but were the counties downstream. This told us that we needed to focus on floodplain areas, not the areas that actually received the rainfall.

one farm at a time

analysis

Total Floodplain Acres

Assuming that floodplain acres would likely be the first and most impacted in a county, floodplain data was critical in this analysis. Total floodplain acres were mapped and estimated from this map. The percent floodplain was then calculated by dividing the estimated floodplain by the total acres in a county.

Does this include crop damage?

Crop damage was not included in this analysis. The majority of crops are covered by insurance.

Total Floodplain Acres

Map Created: 8.12.08

Restoring the Hoosier Heartland

analysis

Total Agricultural Acres

Total Ag Acre data was acquired from the National Agricultural Statistics Service. This was the starting point in ISDA's floodplain assessment.

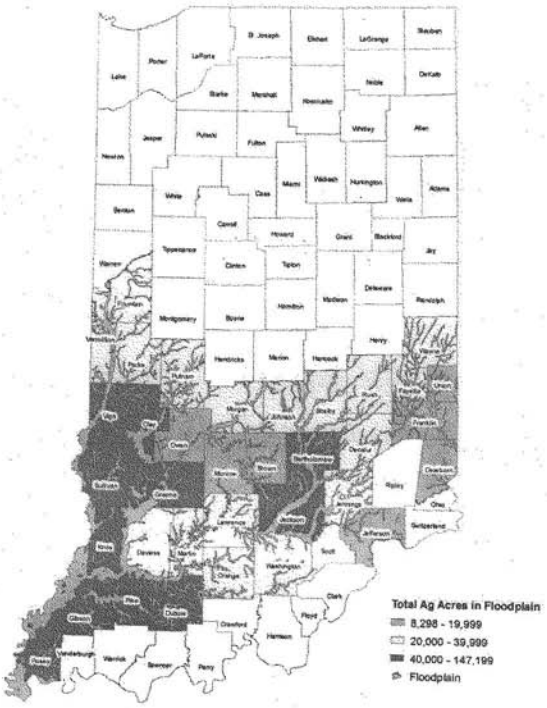
Total Ag Acres

Map Created: 8.12.08

Total Ag Acres in Floodplain

Finally, the total agricultural acres in a floodplain were considered to confirm the severity of the flooding and rainfall impact reported in the four preceding assessments. This data was obtained by estimating the percent of ag land in the floodplain and multiplying this by total acres in the floodplain.

Total Ag Acres In Floodplain



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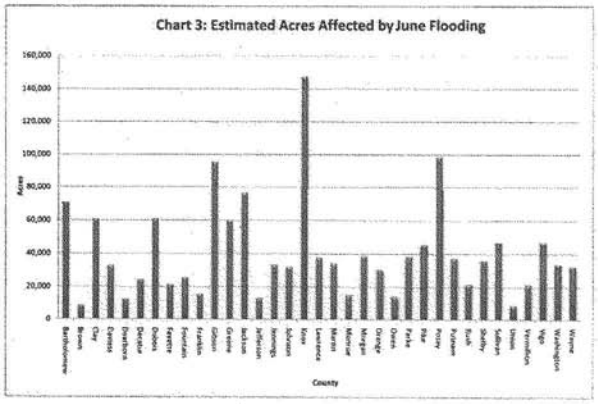
Restoring the Hoosier Heartland

analysis

Why just ag land?

ISDA analyzed agricultural land in Indiana. We did not include other damages such as damages to dwellings and structures, or damages to urban areas; these types of damages are typically covered under a property owners insurance or other programs. ISDA's focus has been on damage not typically covered by insurance or other assistance programs, such as land restructuring and rehabilitation.



The floodplain analysis confirmed the findings of the four assessments: More than 1.4 M acres of rich farmland in 35 Hoosier counties are now in need of rehabilitation (refer to "Chart 3: Estimated Acres Affected by June Flooding" above).

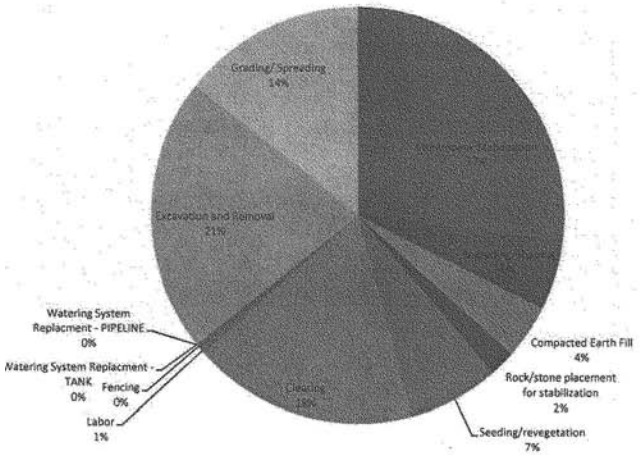
one farm at a time

need

Need:

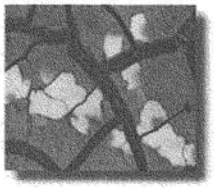
Across the most severely hit 35 counties, as much as 1.4 M potential acres could be in need of some level of repairs. As SWCDs surveyed their counties and farmers, they estimated that 60% of those acres surveyed would need significant land grading and reshaping as well as sediment and debris removed. Long term challenges will exist with soil fertility and rebuilding organic matter.

Chart 4: Farmer Needs Assessement



Of the 383 farmers consulted (refer to Appendix: Exhibit A), 234 showed significant to moderate to minor needs, over 60% in all. On average, those 234 farmers need more than $250,000 each to restore their lands to working conditions. A breakdown of those specific needs is shown above in "Chart 4: Farmer Needs Assessment".

need



Hoosier landowners in the affected areas are truly in need of assistance. Many have been devastated with an average 60% of their land needing some type of repair. If Indiana's agriculture industry is to hit the ground running this coming spring, much work will need to be done and done quickly. The ISDA and the SSCB know their responsibilities and are working feverishly to address these needs, especially with planning and preliminary remediation of the most urgent challenges. Turning every rock and program to find the necessary funding and resources has consumed the past 90 days.

DSC staff has already invested over 2,400 hours of staff time with an investment of 21,000 miles of assessment work to reach out to individual counties and farmers garnering information, analysis and inspiration for the work that will need to be done.

one farm at a time

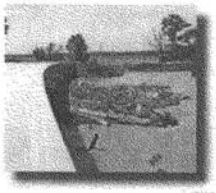
need

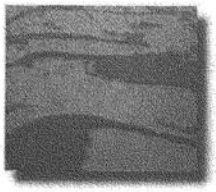
Rehabilitation Costs

These efforts will be ramped up as harvest ends and more challenges are uncovered. A transition from triage to in-field, time consuming, recovery work will begin soon. There is no doubt that Indiana's conservation delivery system cannot and will not bear a fraction of this need, so ISDA is making plans.

Consulting, surveying, soil sampling, designing, planning and implementing will take an estimated $200 M for more staff, funding and equipment time (refer to Chart 5, p.14).

Funds needed for rehabilitation were determined by multiplying the acres eligible for flood assistance by $150 (estimated cost per acre for rehabilitation). ISDA then determined the percent of total damage per county based on funds needed per county divided by the total funds needed. From here, allocations were based on percent of total damage per county divided by the total allocation.





Restoring the Hoosier Heartland

Chart 5: Rehabilitation Costs by County

COUNTY	June Rainfall	TOTAL ACRES	AG ACRES	FLOOD PLAIN ACRES	% FLOOD PLAIN	AG ACRES in FLOOD	Percent Ag land in Floodplain	Acres Eligible for Flood Assistance	Total Funds for Rehabilitation	% of Total Damage
Knox	7.61	334,895	300,136	161,246	48.1%	147,199	91%	147,199	$22,079,850.00	10.3%
Posey		261440	191886	115,055	44.0%	98,376	86%	98,376	$14,756,400.00	6.9%
Gibson		312,822	210,989	115,987	37.1%	95,022	82%	95,022	$14,253,300.00	6.7%
Jackson	4.70	328,662	206,855	101,754	31.0%	76,225	75%	76,225	$11,433,750.00	5.4%
Bartholomew	7.45	261,772	160,568	91,012	34.8%	70,137	77%	70,137	$10,520,550.00	4.9%
Dubois		278,463	188972	82,226	29.5%	60,518	74%	60,518	$9,077,700.00	4.3%
Clay	18.93	230,557	181,590	74,215	32.2%	60,339	81%	60,339	$9,050,850.00	4.2%
Greene	9.05	349,160	170,534	75,266	21.6%	59,682	79%	59,682	$8,952,300.00	4.2%
Vigo	13.83	262,575	122,859	74,647	28.4%	46,710	63%	46,710	$7,006,500.00	3.3%
Sullivan	4.57	290,234	178,617	75,365	26.0%	46,562	62%	46,562	$6,984,300.00	3.3%
Pike		217,918	75,716	68,836	31.6%	45,190	66%	45,190	$6,778,500.00	3.2%
Morgan	20.11	261,907	111,609	49,835	19.0%	38,586	77%	38,586	$5,787,900.00	2.7%
Parke	12.14	284,655	164,743	60,731	21.3%	37,975	63%	37,975	$5,696,250.00	2.7%
Lawrence	5.36	289,116	147,295	51,832	17.9%	37,502	72%	37,502	$5,625,300.00	2.6%
Putnam	14.66	307,399	180,544	64,549	21.0%	37,208	58%	37,208	$5,581,200.00	2.6%
Shelby	10.50	264,323	199,904	42,771	16.2%	35,909	84%	35,909	$5,386,350.00	2.5%
Martin		217,717	63517	60,286	27.7%	34,042	56%	34,042	$5,106,300.00	2.4%
Washington		330,550	180,559	47,935	14.5%	33,561	70%	33,561	$5,034,150.00	2.4%
Jennings	7.39	242,031	142,609	59,910	24.8%	33,169	55%	33,169	$4,975,350.00	2.3%
Daviess	5.28	279,769	206,625	41,460	14.8%	32,417	78%	32,417	$4,862,550.00	2.3%
Wayne		258282	170724	43,471	16.8%	32,201	74%	32,201	$4,830,150.00	2.3%
Johnson	17.28	205,755	135,178	38,801	18.9%	31,704	82%	31,704	$4,755,600.00	2.2%
Orange		261,185	106190	51,550	19.7%	30,357	59%	30,357	$4,553,550.00	2.1%
Fountain		254,463	205412	38,015	14.9%	25,271	66%	25,271	$3,790,650.00	1.8%
Decatur	11.43	238,467	206,700	33,404	14.0%	23,836	71%	23,836	$3,575,400.00	1.7%
Rush	7.78	261,503	223,527	26,299	10.1%	21,513	82%	21,513	$3,226,950.00	1.5%
Vermillion	14.99	166,276	82,035	34,597	20.8%	21,181	61%	21,181	$3,177,150.00	1.5%
Fayette		137,683	106905	32,279	23.4%	21,161	66%	21,161	$3,174,150.00	1.5%
Franklin	0.00	250,381	139,464	37,479	15.0%	15,296	41%	15,296	$2,294,400.00	1.1%
Monroe	11.54	262,983	60,510	25,636	9.7%	14,825	58%	14,825	$2,223,750.00	1.0%
Owen	15.69	248,010	98,679	21,753	8.8%	13,722	63%	13,722	$2,058,300.00	1.0%
Jefferson		232,139	109,103	23,605	10.2%	12,499	53%	12,499	$1,874,850.00	0.9%
Dearborn		198,719	74,042	23,752	12.1%	11,980	50%	11,980	$1,797,000.00	0.8%
Union		105,760	85,129	17,611	16.7%	8,586	49%	8,586	$1,287,900.00	0.6%
Brown	11.52	202,483	20,390	18,282	9.0%	8,298	45%	8,298	$1,244,700.00	0.6%
Total								1,416,759	$212,813,850.00	

What's ISDA-DSC?

The Indiana State Department of Agriculture Division of Soil Conservation (ISDA-DSC) is a department in government that provides technical, financial and educational assistance needed to implement economically and environmentally compatible land and water stewardship decisions, practices and technologies.

recovery

Recovery

Covering the cost of the recovery efforts will largely be a combination of private resources and USDA federal emergency conservation programs. To date, federal disaster assistance is only at $25 million or twelve percent (12%) of the estimated need.

Federal Assistance

Federal assistance is likely to come in two program areas:

Emergency Conservation Program (ECP)

The Emergency Conservation Program (ECP) funding was available to help landowners rehabilitate farmland damaged by natural disasters. In this case, up to 75% of the project paid for by the federal government. To qualify, the disaster must have created problems that would: impair or endanger the land; materially affect the land's productive capacity; represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and be so costly to repair that federal assistance is or will be required to return the land to productive agricultural use.

Emergency Watershed Program (EWP)

The Emergency Watershed Program (EWP) is in place to relieve hazards to life and property, including debris removal, stream protection, cover crops, conservation repair, and the purchase of flood plain easements. In this case, a landowner must have a local sponsor. Up to 75% of the project paid for by the federal government.

What's SSCB?

The State Soil Conservation Board (SSCB) provides guidance and coordination to the state's 92 Soil and Water Conservation Districts as they provide local leadership to the protection of Indiana's soil and water resources. Additionally, the SSCB administers the Clean Water Indiana Grants Program, a water quality related erosion and sediment reduction program.

The SSCB guided ISDA-DSC through the assessment process and voted to allocate funds to 35 of the hardest hit counties.

However, of the farmers interviewed by ISDA-DSC many had either not enrolled or did not communicate with the state. This reinforces the need to conduct further outreach and on-farm consulting to help insure these farmers are maximizing their participation.

Farmer Participation

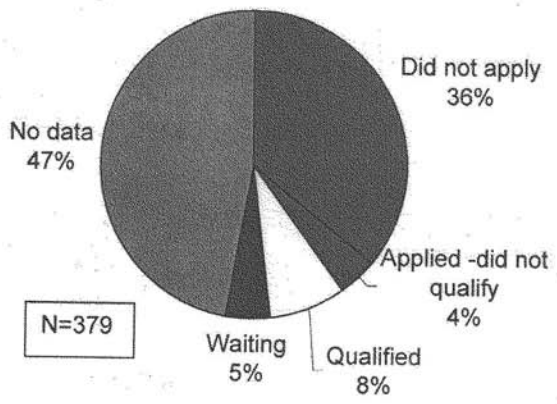
ISDA Resource Specialists contacted the original five farmers to determine if they had attempted to procure help from federal agencies. Many were not able to talk directly to those farmers, thus we have no data for 47% of our farmers at this time.

The graph below shows that 36% of farmers did not apply for federal funding, 4% applied and did not qualify, 8% applied and qualified, and 5% had applied but did not been informed on whether they would qualify yet.

It is well known that farmers are a resilient people. It is believed that many who suffered damage went forward and fixed damage to their fields before contacting state and federal agencies. Those who did proceed with work without contacting the agencies do not qualify for federal funding. Many of these farmers likely did not apply for federal funding, knowing that they would not qualify.

Through the State's ECAP programs, these farmers may have the opportunity to received funds through photographic evidence and receipts of work. In addition, most levees, unless a threat to life or structures, do not qualify for federal monies. ECAP may be able to assist those farmers who need to repair a levee to get back to farming.

Chart 6: Federal Program Data - 5 Farmers



one farm at a time

recovery

State Assistance

ECAP

In an effort to close some of the funding gap and also entice farmers to explore other options, the SSCB has allocated $1.2M in preliminary funds to establish local programs and protocols through the 35 SWCDs to local officials and farmers as they receive funding and resources outside of the USDA traditional system. The SSCB utilized ECAP and the five farmer assessment to determine allocations. A few SWCDs did not to turn in the ECAP form, yet funds were still allocated to some of those counties. It was felt that through other assessments, significant damages had been discovered and that individual farmers who need help should not be penalized due to the SWCD failing to submit a form.

ECAP reassessments went to the 35 counties chosen to receive allocations. Those districts were asked to revise their ECAP to reflect the allocation given.

Conclusion

In conclusion, while Indiana landowners have endured this difficult time, they are still in great need of financial support and technical assistance. Farmers are eager to begin to restore their rich farmland so that a one-time season of tragedy does not continue for years to come.

The Indiana State Department of Agriculture, State Soil Conservation Board and Office of Disaster Recovery are dedicated to working with our Federal USDA partners to ensure that these hardworking Hoosier landowners have the assistance they need to recover from this disastrous event and begin to once again put food on the table at home and around the world.

Congress of the United States

Washington, DC 20515

September 17, 2008

The Honorable Nancy Montanez-Johner
Under Secretary of Agriculture for Food, Nutrition and Consumer Services
U.S. Department of Agriculture
212A Whitten Building
1400 Independence Avenue, SW
Washington, DC 20250

Dear Under Secretary Montanez-Johner:

As you know, ahead of Hurricane Gustav nearly 2 million Louisiana residents evacuated their homes in 17 parishes – or about 95 percent of the population of south Louisiana. It was the largest, most successful evacuation in U.S. history, with 82,000 residents taking shelter in eight other states. When families returned to their homes, they faced many challenges, the most significant being a widespread lack of utilities. In particular, Gustav left more than 1.3 million customers in Louisiana without electrical power in the days following the storm and as of today there are still thousands without power. Overall, preliminary estimates suggest that Gustav caused $7 to $15 billion in property damage in Louisiana and $2 to $5 billion in lost economic activity. Hurricane Ike also has taken a heavy toll on southwestern Louisiana so we appreciate the Department of Agriculture's (USDA) ongoing efforts to assist victims of these storms, primarily through the Disaster Food Stamp Program (DFSP) which is being operated by the Louisiana Department of Social Services (DSS).

Local media has reported consistent problems with the DFSP in Louisiana and our offices have received countless calls from constituents with questions/concerns about the program. In an effort to provide greater clarity and transparency for our constituents, we are inquiring on behalf of our constituents for additional information in the following key areas: (1) how the DFSP is currently operating and (2) clarify major differences between the post-Katrina DFSP and the post-Gustav DFSP. With this in mind, we respectfully request that not later than September 24, 2008, the Food and Nutrition Service (FNS) provide in writing the following:

- Information on income eligibility for the DFSP and whether evacuation costs are included in disaster related expenses. There have been reports of constituents denied assistance for being $1, $5 or $25 over the income limits. Furthermore, many applicants have been denied assistance for having income in checking/savings accounts – funds which usually are obligated for credit card purchases related to the mandatory evacuation or other bills. Please explain the flexibility, if any, that DSS is provided regarding income limits and other assets.
    - Also provide agency justifications for denial of DSS waiver requests related to the exclusion of liquid resources and income limits for the program.
- Information on waivers approved for the State of Louisiana following Hurricane Katrina in 2005 which were requested, but denied, for Hurricane Gustav. In particular, please explain all major differences between Katrina and Gustav programs, also outlining areas where Federal regulations or laws have changed which have changed program policies.

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- DSS requested a waiver of the face-to-face interview requirement. It is our understanding that waiving that requirement may result in increased fraud in the program, extended delays in providing benefits to applicants and increase the possibility of theft as cards are mailed to applicants. Please provide information on the justification for denial of this waiver and whether it has been waived for other disasters.

- A brief review of program effectiveness to date, including an overview of FNS/DSS coordination and FNS recommendations, if any, for improving program execution moving forward. Please outline applications processed and benefits provided by DSS.

- Information on the current number of DSS application sites, their location, and staffing.

Thank you for your attention to these important matters.

Sincerely,

Mary L. Landrieu
United States Senator

Charlie Melancon
Member of Congress

Don Cazayoux
Member of Congress

cc: Kristy Nichols, Interim Secretary, Louisiana Department of Social Services

QUESTIONS AND ANSWERS

SEPTEMBER 24, 2008

Questions from Senator Saxby Chambliss

Questions for Chuck Conner:

1) I applaud USDA for the swift response to your State agency partners' requests for waivers and emergency food assistance programs during recent storms. Even though USDA's food assistance efforts were recognized by many organizations as "what went right" during the federal response to Hurricane Katrina, I applaud the Department for the diligent efforts to reflect on lessons learned and improve upon existing programs and procedures. To build upon this in the future, what would you suggest to Congress and the next Administration as the top priorities to focus on to ensure that our federal food assistance programs are effective in the future?

2) The Committee received testimony from two food bank executives. One suggestion they make is for greater flexibility for operating household distribution programs even if a disaster food stamp program is available. Can you please provide information to the Committee about how States obtain commodities from USDA for distribution during disasters; how receiving such commodities may or may not impact a State's TEFAP allocation; and finally, if current policy limiting simultaneous disaster food stamp and household distribution programs were relaxed, what criteria or parameters should be set in place to ensure maximum utilization of Federal resources?

SENATOR NORM COLEMAN: AD HOC SUBCOMMITTEE ON DISASTER RECOVERY QUESTIONS FOR THE RECORD

September 24, 2008

CHUCK CONNER, Deputy Secretary of Agriculture

1. From your perspective, how has the Emergency Support Function worked as a mechanism for department-to-department coordination?

2. In working to ensure folks affected by disasters can meet the basic need for food, what percentage of the populations eligible for the Disaster Food Stamp Program participated in the program? Are there opportunities to increase that participation in the future?

    a. Follow up: Are there any lessons leaned that could be applied to the regular Food Stamp Program? For instance, could the expedited application process for applicants used in Louisiana – where they can initiate the process over the phone – work for the standard Food Stamp Program?

3. I have been a big supporter of Emergency Conservation Program (ECP), and after the flooding, I urged the Senate Appropriations Committee to eliminate the ECP backlog and provide enough funding to meet all incoming needs. Can you tell me if there is currently a backlog, and if so, how large is it?

4. You mention in your testimony that the folks who experienced flooding in 2008 will be eligible for the permanent disaster assistance program passed in the 2008 Farm Bill, but that the Farm Service Agency is still working on promulgating the regulations and software. Could you describe in greater detail some of the issues holding up getting these regulations out? If you had greater staff resources, could you speed up their promulgation?

Senator Charles E. Grassley
Senate Agriculture Committee/Homeland Security Committee

Agricultural Disaster Assistance Programs Following Midwest flooding, Hurricanes Ike and Gustav

September 24, 2008

Questions

Panel II

Questions for Lyle Asell:

1) As you have been working with the Rebuild Iowa, Agriculture and Environment Committee, you have had the opportunity to work firsthand with USDA agencies, in particular FSA and NRCS. Overall, how would you rate their response to the disasters? Do you have any specific recommendations that USDA could improve on in future situations?

2) In your testimony you talk a lot about the need for funding for conservation easements that producers are interested in applying for. However, while I have heard from farmers who are upset with the amount of top soil they lost in flooding and heavy rains this spring, these same producers still want to continue to farm. However, you don't mention the need for

additional funding for working lands programs such as CSP, EQUIP, or even additional dollars for the Emergency Conservation Program. Do you think additional money for these programs is critical as well?

Questions for Barb Prather:

1) In your testimony you note that over 35,000 people received Disaster Food Stamp Assistance reaching 13,000 households in Iowa. Did this meet the demands of the state? Or was it only because of the supplement that food banks like yours provided, that the Disaster Food Stamp program was able to go as far as it did?

2) I personally appreciate the work that your food bank has done since you serve the area that I have lived in all my life. Many of the stories you share in your testimony are like so many others I heard while I traveled the damage throughout Iowa. We can't control Mother Nature, but we can control how we respond. Do you have any specific suggestions of changes we can make to federal food assistance programs, and specifically the Child Nutrition Reauthorization Act which we will tackle next year which will improve delivery and response to these disasters in the future?

SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY

JOINT COMMITTEE HEARING
Wednesday, September 24, 2008
328A Russell Senate Office Building
10:00 a.m.

QUESTIONS SUBMITTED TO MR. LYLE ASELL

Questions submitted by Senator Charles E. Grassley

1) As you have been working with the Rebuild Iowa, Agriculture and Environment Committee, you have had the opportunity to work firsthand with USDA agencies, in particular FSA and NRCS. Overall, how would you rate their response to the disasters? Do you have any specific recommendations that USDA could improve on in future situations?

[A] We work closely with both agencies and have a good working relationship. The State always prefers greater flexibility from Federal agencies and find, in general, NRCS is more flexible than FSA. The biggest issue is accelerating appropriated funds to the state USDA agencies. FSA requested $24 million in ECP of which they have received and committed $12 million. Follow up with county offices confirms a remaining need of $12 million. NRCS continues to increase requested funding based on additional applications. Applications for EWP Floodplain easements are due 10-03-08 to NRCS Headquarters. This should bring the projected need to approximately $250 million (I believe the last request was approximately $150 million). However, the state has only received $3.3 million in EWP funding from the June supplemental. With the need for farmers to make critical decisions for

the '09 crop year soon and the fall construction season here now money needs to be here last week. This has to be speeded up.

2) In your testimony you talk a lot about the need for funding for conservation easements that producers are interested in applying for. However, while I have heard from farmers who are upset with the amount of top soil they lost in flooding and heavy rains this spring, these same producers still want to continue to farm. However, you don't mention the need for additional funding for working lands programs such as CSP, EQUIP, or even additional dollars for the Emergency Conservation Program. Do you think additional money for these programs is critical as well?

[A] The invitation indicated the subject of the hearing was EWP and ECP. With the limited time available I tried to stress the needs of those two programs. In my written testimony I stated the Iowa FSA office received $10 million in ECP funding which was used for removal of debris, such as sand from floodplains, fencing, conservation practice repair and land restoration. This was out of an estimated need of $24 million which should have been included but was missed. In my oral comments I did identify a need of $24 million in ECP of which $12

million had been received which was based on a conversation with FSA on 9-23-08.

We strongly support all Conservation Title programs in the Farm Bill; however, because of time constraints we did not delve into them. These programs provide multiple benefits to farmers and the public. Soil and water conservation practices help improve water quality, protect soil for future generations, sequester carbon, provide wildlife habitat and help reduce flooding. The need is great---ranging from $3 billion to $6 billion. With additional and often more fragile land (former pasture and CRP) coming into production the need is increasing. Farmers have demonstrated their willingness to contribute their share to install practices so it is highly desirable for the Federal Government to do the same. Unfortunately, it appears to us that conservation funding is the first to be cut and to a much greater extent than other Farm Bill titles. In addition, authorized levels are often not reached in appropriations. We have consistently supported increased funding for EQIP and CSP as well as simplification of the rules and

continue to do so. The public benefits are substantial and I agree additional funding is critical, especially after a disastrous year such as 2008. The needs for funding, technical assistance and greater flexibility at the state level would be a great subject for another hearing.

SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY

JOINT COMMITTEE HEARING
Wednesday, September 24, 2008
328A Russell Senate Office Building
10:00 a.m.

QUESTIONS SUBMITTED TO MR. CHUCK CONNER

Senate Agriculture Committee
Senate Committee on Homeland Security and Governmental Affairs, Ad Hoc Subcommittee on Disaster Recovery

Joint Committee Hearing
September 24, 2008, 10:00 am

Questions to Mr. Chuck Conner

Questions submitted by Senator Saxby Chambliss

1) **I applaud USDA for the swift response to your State agency partners' requests for waivers and emergency food assistance programs during recent storms. Even though USDA's food assistance efforts were recognized by many organizations as "what went right" during the federal response to Hurricane Katrina, I applaud the Department for the diligent efforts to reflect on lessons learned and improve upon existing programs and procedures. To build upon this in the future, what would you suggest to Congress and the next Administration as the top priorities to focus on to ensure that our federal food assistance programs are effective in the future?**

[A] The Secretary of Agriculture has been provided broad authority under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) to provide nutrition assistance in Presidentially declared disasters that have allowed USDA to respond quickly to State agency requests for emergency food assistance. While I believe USDA has the necessary and sufficient authorities to continue to effectively meet the nutrition needs of disaster victims, the Department will continue to assess its response to disasters and incorporate lessons learned into existing programs and policies.

After the 2005 hurricane season, USDA documented lessons learned after debriefing with States and others affected by the disasters of that year, including Katrina. Action steps were established and taken to improve disaster response based on those lessons learned. The Department will implement a similar lessons learned approach with regard to Hurricanes Gustav and Ike, including debriefings with affected States as well as follow up training and technical assistance.

Following our most recent experiences, we believe that States could benefit from clear off-the-shelf guidance that supports local implementation of the State disaster plan. The Food and Nutrition Service (FNS) is working to develop a federal nutrition assistance guidebook for States that will lay out clearly the responsibility of the State (disaster plan in place, requirements regarding making requests for nutrition assistance, etc.), and the role(s) of the various nutrition assistance programs and how they fit together for a full package of nutrition assistance in disaster situations. While FNS regularly provides training to States to support disaster preparedness, this guide will provide links to specific program information and templates for requesting disaster assistance to optimize successful implementation of disaster nutrition assistance commonly needed by States in the days following a disaster.

2) The Committee received testimony from two food bank executives. One suggestion they make is for greater flexibility for operating household distribution programs even if a disaster food stamp program is available. Can you please provide information to the Committee about how States obtain commodities from USDA for distribution during disasters; how receiving such commodities may or may not impact a State's TEFAP allocation; and finally, if current policy limiting simultaneous disaster food stamp and household distribution programs were relaxed, what criteria or parameters should be set in place to ensure maximum utilization of Federal resources?

[A] In situations where mass care and congregate feeding are needed, if requested, commodities (USDA Foods) are used where meals are prepared and served cafeteria-style in shelters and mobile kitchens set up by local disaster feeding organizations. Disaster organizations preparing and serving meals in congregate settings may request USDA food through State agencies. State agencies can provide existing stocks of USDA foods stored at State and local warehouses and in school inventories, and may ask USDA to supplement the stocks when needed. Additional USDA foods most often come from existing stocks in surrounding States, followed by expedited deliveries of USDA product already in the pipeline to the affected State or to other States. Congregate feeding activities generally rely on USDA foods provided to States for school lunch programs, which generally are provided in larger package sizes designed for institutional feeding.

When disaster victims move back home and commercial channels of trade are open in a disaster area, USDA considers the Disaster-Supplemental Nutrition Assistance Program (D-SNAP), carried out under section 412 of the Stafford Act and formerly known as the Disaster Food Stamp Program, to be the best nutrition response for disaster victims. Eligible clients can shop for the exact food they want, plus the investment from D-SNAP helps stimulate the local economy.

D-SNAP is generally supplemented by the efforts of local food bank networks to distribute foods for needy households. The vast majority of foods available for distribution through food bank networks are provided by private or corporate donations. These donations are supplemented by USDA foods, which are purchased and distributed to food banks using Federal funds for The Emergency Food Assistance Program (TEFAP). Each State is allocated a fixed share of USDA foods purchased with TEFAP funds annually based on a formula prescribed by law. States have discretion where to distribute TEFAP foods within their State and can target resources to disaster areas by sending commodities from State inventory to areas

with the greatest need for food. TEFAP foods are intended to be distributed to individuals for household use when the household is experiencing an emergency food shortage, which may occur during a disaster.

Food bank distribution of USDA foods provided by TEFAP can occur in conjunction with D-SNAP, and disaster victims can receive benefits from both sources. USDA does not have the authority to "replace" TEFAP foods.

State agencies may submit a request to operate a disaster food distribution program under section 412(b) of the Stafford Act in situations where D-SNAP is unavailable to provide nutrition assistance to households. For example, D-SNAP may not be operational following a disaster if retail food stores are unable to open in areas experiencing longer term electricity outages. In such cases, a disaster food distribution program can serve as a substitute for D-SNAP. Current policy requires the State to ensure procedures are in place to prevent the simultaneous distribution of nutrition assistance to affected households through a disaster food distribution program and D-SNAP.

A household distribution can continue until the D-SNAP is operational and able to meet the food assistance needs of disaster victims. USDA foods distributed in this manner are paid for by USDA, and to the extent such distributions make use of USDA foods received by the State through TEFAP, the TEFAP foods will be replaced.

The current policy governing the relationship between D-SNAP and the disaster household food distribution program meets the needs of disaster victims while respecting our responsibility to be good stewards of taxpayer resources. USDA does not recommend policy changes that would alter the relationship.

Questions submitted by Senator Norm Coleman

1. **From your perspective, how has the Emergency Support Function worked as a mechanism for department-to-department coordination?**

[A] USDA plays a major role in the National Response Framework (NRF) which serves as the national policy for all hazards prevention, preparedness, response and recovery.

The Emergency Support Functions (ESFs) provide the structure for coordinating Federal interagency support for a Federal response to an incident. They are mechanisms for grouping functions most frequently used to provide Federal support to States and Federal-to-Federal support, both for declared disasters and emergencies under the Stafford Act and for non-Stafford Act incidents

USDA is the ESF Coordinator and Primary Agency for ESF 4 (Firefighting) and ESF 11 (Agriculture and Natural Resources), Primary Agency for ESF 14 (Long-Term Community Recovery) and a Support Agency to the other ESFs, especially ESF #6 (Mass Care, Housing, Human Services and Emergency Assistance.

The USDA Forest Service coordinates ESF 4 to manage and coordinate firefighting activities, including detection and suppression of fires on Federal lands, and provides personnel, equipment, and supplies in support of State, tribal, and local agencies involved in wildland, rural, and urban firefighting operations. These skills, personnel and equipment can also be used to support other emergency incidents such as hurricanes.

Support from federal agencies and departments are needed to perform the total job. The ESF structure allows for this coordination to occur by being able to plan and organize how we work together prior, during and after an incident. These partnerships allow us to maintain and provide incident situation and damage assessment information, to coordinate the requested resource needs and to determine and resolve, as necessary, issues regarding resource shortages and resource ordering issues and provide logistical support.

The Food and Nutrition Service along with the Food Safety and Inspection Service, Animal and Plant Health Inspection Service and the Department of Interior comprise the NRF's Emergency Support Function (ESF) 11- Agriculture and Natural Resources. ESF 11 provides:

- Nutrition assistance
- Responding to animal and plant diseases and pests
- Ensuring the safety and security of the commercial food supply
- Protecting natural, cultural resources and historic properties
- Providing for the safety and well-being of household pets

The ESF structure, particularly ESF #6, allowed us to work together with other agencies and departments during pre-hurricane season to:

- Coordinate introductions and information exchange among our ESF partners
- Meet with the FEMA operational and planning sections and participate in interagency training
- Coordinate and meet with Louisiana on their Animal Care Plan and the APHIS Animal Care Staff
- Develop pre-scripted mission assignments that enabled us to provide a quicker response
- Available rural residential properties
- Meet with FEMA Mission Assignment Manager to standardize funding for assignments

The ESF structure has encouraged interagency coordination in planning, response and recovery. While interagency coordination is an area that will continue to need attention and focus, significant improvements have been made post-Katrina. As part of each disaster response, USDA has and will continue to be part of interagency after-action meetings to examine the contributions of all partners in addressing the needs of disaster victims and to develop improvements in coordination and response.

What needs improvement:

- The NRF ESF process used to acquire incident resources from federal agencies needs to adhere to the NIMS resource management concept
- Agency resources should be reachable through an Automated Resource Management System (ARMS) and obtained directly from the Agency controlling the resources without going through additional agency layers. ESF representatives should serve as Subject Matter Experts to provide information regarding the resources being ordered.

- The Resource Ordering and Status System (ROSS) could be a good model for FEMA to review as a system to efficiently order and track all resources of the federal agencies supporting the NRF in one common integrated system and it is NIMS compliant.

2. In working to ensure folks affected by disasters can meet the basic need for food, what percentage of the populations eligible for the Disaster Food Stamp Program participated in the program? Are there opportunities to increase that participation in the future?

[A] The USDA Food and Nutrition Service (FNS) does not collect participation rate data for Disaster SNAP (D-SNAP) operations. To calculate a participation rate, FNS would need an estimate of the number of households that are eligible for D-SNAP benefits due to a combination of loss of income, inaccessibility of resources, and disaster-related expenses. Unfortunately, reliable data on post-disaster household economic conditions generally are not collected and available for analysis. However, FNS does collect data on the number of households that apply and are approved or denied benefits. FNS data from recent years and especially from this summer's floods and hurricanes indicate that most D-SNAP operations have experienced very high numbers of participants. Additionally, almost all D-SNAP operations have had very low numbers of households denied, indicating that a high proportion of households applying for benefits are eligible to participate in the Program.

FNS will continue its work with States to maximize communication to affected households through outreach, press releases and web site postings that provide critical information such as eligibility criteria, application and issuance sites/locations, and dates that such application sites will be open to provide D-SNAP benefits.

a. Follow up: Are there any lessons learned that could be applied to the regular Food Stamp Program? For instance, could the expedited application process for applicants used in Louisiana – where they can initiate the process over the phone – work for the standard Food Stamp Program?

[A] Recent disasters have presented challenges that have required creative problem-solving on the part of FNS and State agencies delivering D-SNAP. Both the Texas Health and Human Services Commission and the Louisiana Department of Social Services instituted a telephone process where for the first time disaster victims could initiate an application by providing information over the telephone and later confirming this information when signing the application and verifying identity.

While most applicants were served by filing an application at an authorization site, FNS is interested in the prospect of telephone-based D-SNAP applications, and plans to work with Texas and Louisiana to assess their experience with these systems.

FNS supports technology solutions and other approaches that improve program access while maintaining program integrity. With regard to the regular SNAP, State agencies already have the authority to capture signatures electronically on applications filed over the internet. Over a dozen States have implemented this technology and many more have such systems under development. All State agencies use telephone interviews for some applicants, and more and more States are relying on this type of interview for a substantial portion of their application processing. FNS, in partnership with States, will continue to encourage innovation in the delivery of nutrition assistance.

3. **I have been a big supporter of Emergency Conservation Program (ECP), and after the flooding, I urged the Senate Appropriations Committee to eliminate the ECP backlog and provide enough funding to meet all incoming needs. Can you tell me if there is currently a backlog, and if so, how large is it?**

[A] ON September 30, the President signed Public Law 110-329, which provides $115 million in supplemental funding for ECP. With these additional funds there is currently no backlog. This may change as additional needs are identified or prior estimates are refined.

4. **You mention in your testimony that the folks who experienced flooding in 2008 will be eligible for the permanent disaster assistance program passed in the 2008 Farm Bill, but that the Farm Service Agency is still working on promulgating the regulations and software. Could you describe in greater detail some of the issues holding up getting these regulations out? If you had greater staff resources, could you speed up their promulgation?**

[A] Several notices were published in the *Federal Register* within weeks of the effective date of the 2008 farm bill. This enabled the Farm Service Agency (FSA) to immediately begin making 2008 Direct and Counter-Cyclical Program (DCP) payments and commodity loans. FSA is also in the process of promulgating nearly 30 regulations relating to the 2008 farm bill. We expect several of the regulations that are priorities to be published in the next month, such as 2009 DCP, the Conservation Reserve Program, the Milk Income Loss Contract Program, and regulations pertaining to adjusted gross income and direct attribution. They are of immediate concern because of the prospects of upcoming payments. The other regulations, such as for the permanent disaster programs, are being drafted, but

since the programs are new and complicated, many policy decisions have to be first made. Additional resources are needed as the 2008 farm bill did not fully fund our needs.

SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY

JOINT COMMITTEE HEARING
Wednesday, September 24, 2008
328A Russell Senate Office Building
10:00 a.m.

QUESTIONS SUBMITTED TO MS. BARB PRATHER

Questions submitted by Senator Charles E. Grassley

1) In your testimony you note that over 35,000 people received Disaster Food Stamp Assistance reaching 13,000 households in Iowa. Did this meet the demands of the state? Or was it only because of the supplement that food banks like yours provided, that the Disaster Food Stamp program was able to go as far as it did?

[A] The numbers I reported, were numbers that that were given to me by the state. Our services were provided, immediately after the tornado and during and following the flood, before people had time to apply for Food Stamps. For example, the Monday after the tornado we were working with Emergency Management and the Salvation Army to provide immediate relief. When the floods hit, we provided immediate emergency relief to areas affected, before people were able to apply for Food Stamps. In addition, part of the relief work we did, was to provide volunteers who were assisting with cleanup and sandbagging with food and water.

2) I personally appreciate the work that your food bank has done since you serve the area that I have lived in all my life. Many of the stories

you share in your testimony are like so many others I heard while I traveled the damage throughout Iowa. We can't control Mother Nature, but we can control how we respond. Do you have any specific suggestions of changes we can make to federal food assistance programs, and specifically the Child Nutrition Reauthorization Act which we will tackle next year which will improve delivery and response to these disasters in the future?

[A] Thank you Senator Grassley. It would be very helpful if legislation made it clear that the federal government, through USDA and FEMA, should encourage distribution of existing inventories of food to disaster victims until they have an opportunity to actually receive food stamp benefits. The legislation should also establish a clear expectation that USDA will replace the value of food bank or other federal food program inventory used in the immediate aftermath of disasters as quickly as possible.

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