



## Current Drought Resources and Information Updated August 24, 2012



*President Barack Obama holds ears of corn during his tour of the McIntosh family farm, which has been affected by the drought, in Missouri Valley, Iowa, Aug. 13, 2012. (Official White House Photo by Pete Souza)*

**Please note:** Information on the current drought is updated frequently. A large collection of up-to-date information, including fact sheets for producers, is maintained publicly at [USDA's Drought Page](#). All interested stakeholders are encouraged to check the web site often.

Secretary Vilsack's latest announcement regarding USDA Disaster Designations for impacted counties was made on August 22. You can [read more here](#).

**You can always turn to [www.usda.gov/drought](http://www.usda.gov/drought) for up-to-date information.**

## **Continuing Administration Efforts to Provide Drought Relief**

President Obama and Secretary Vilsack are committed to taking every possible step to help farmers and ranchers recover when disaster strikes. Our thoughts are with U.S. farmers and ranchers across the United States during a time of significant drought.

**On Wednesday, August 22**, USDA designated 33 additional counties in 8 states as primary natural disaster areas – 23 due to drought – making all qualified farm operators in the areas eligible for low-interest emergency loans. In the past six weeks, USDA has designated 1,821 counties in 35 states as disaster areas—1,692 due to drought.

**Additionally on August 22**, USDA announced it will file special provisions with the federal crop insurance program to allow haying or grazing of cover crops without impacting the insurability of planted 2013 spring crops, a move that can help provide much needed forage and feed this fall and winter for livestock producers. In a separate step, USDA will modify emergency loans, allowing loans to be made earlier in the season helping livestock producers to offset increased feed costs and those who have liquidated herds.

You can read more about these actions [here](#).

President Obama has convened the White House Rural Council for a continuing series of policy meetings to review Executive Branch response actions and to develop additional policy initiatives to assist drought-stricken Americans.

Over the course of the drought USDA has taken a wide variety of additional measures to help:

- Making available up to \$5 million in grants to evaluate and demonstrate agricultural practices that help farmers and ranchers adapt to drought. NRCS is taking applications for Conservation Innovation Grants to help producers build additional resiliency into their production systems.
- Signaling intent to purchase up to \$170 million of pork, lamb, chicken, and catfish for federal food nutrition assistance programs, including food banks, which will help relieve pressure on American livestock producers and bring the nation's meat supply in line with demand.
- Utilizing nearly \$16 million in financial and technical assistance funding under the Wildlife Habitat Incentive Program (WHIP) and Environmental Quality Incentives Program (EQIP) to help crop and livestock producers in 19 states cope with the adverse impacts of the historic drought.
- Initiating a transfer of \$14 million in unobligated program funds into the Emergency Conservation Program. These funds can be used to assist in moving water to livestock in need and rehabilitating lands severely impacted by the drought.
- Allowing additional acres under CRP to be used for [emergency haying or grazing](#). The action allows lands that are not yet classified as "under severe drought" but that are "abnormally dry" to be used for haying and grazing.

- Allowing producers to modify current [Environmental Quality Incentives Program](#) contracts to allow for grazing, livestock watering, and other conservation activities to address drought conditions.
- Authorizing haying and grazing of [Wetlands Reserve Program](#) (WRP) easement areas in drought-affected areas where haying and grazing is consistent with conservation of wildlife habitat and wetlands. USDA has expedited its authorization process for this haying and grazing.
- Encouraging crop insurance companies to provide a short grace period for farmers on unpaid insurance premiums, as some farming families can be expected to struggle to make ends meet at the close of the crop year. (Secretary Vilsack announced on August 1 that crop insurance companies have agreed to provide a short grace period for farmers on insurance premiums in 2012.)
- Reducing the [emergency loan](#) interest rate from 3.75 percent to 2.25 percent.
- Lowering the reduction in the annual rental payment to producers on CRP acres used for emergency haying or grazing from 25 percent to 10 percent in 2012.

### **Summary of Actions by Federal Agencies to Respond to Drought**

#### **UNITED STATES DEPARTMENT OF AGRICULTURE**

**Allowing haying and grazing of cover crops without impacting insurability of planted 2013 spring crops:** For the 2013 crop year, USDA's Risk Management Agency (RMA)—which manages and operates the Federal Crop Insurance Corporation—intends to file special provisions statements to allow haying or grazing of cover crops without impacting the insurability of planted 2013 spring crops. This flexibility will help farmers, if they choose, plant a cover crop without risking crop insurance coverage in 2013, providing much needed forage and feed this fall and winter.

**Administrative Changes to Speed Emergency Loans:** USDA's Farm Service Agency (FSA) will make changes to the emergency loan program that will help producers obtain the loans earlier in the season. Previous to this change, emergency loan eligibility was based on crop losses that were determined after the production cycle; loan amounts were based on production during normal years. With these changes, producers no longer are required to wait until the end of the production cycle to obtain a loan, benefiting livestock producers who need assistance today to help offset increased feed costs, as well as producers liquidating herds as a result of the drought.

**Intent to purchase \$170 million in meat products:** USDA announced its intention to purchase up to \$100 million of pork products, up to \$10 million of catfish products, up to \$50 million in chicken products, and up to \$10 million of lamb products for federal food nutrition assistance programs, including food banks. Through the Emergency Surplus Removal Program, USDA can use Section 32 funds to purchase meat and poultry products to assist farmers and ranchers who have been affected by natural disasters. The pork, lamb and catfish purchases are based on

analyses of current market conditions. A major factor affecting livestock producers is the value of feed, which is currently running high because of the drought.

**Conservation Innovation Grants:** USDA announced the availability of up to \$5 million in grants to evaluate and demonstrate agricultural practices that help farmers and ranchers adapt to drought. USDA's Natural Resources Conservation Service (NRCS) is taking applications for Conservation Innovation Grants (CIG) to help producers build additional resiliency into their production systems. NRCS is offering the grants to partnering entities to evaluate innovative, field-based conservation technologies and approaches. These technologies and/or approaches should lead to improvements such as enhancing the water-holding capacity in soils and installing drought-tolerant grazing systems.

**Additional Emergency Funding to Assist Livestock and Crop Producers:** To assist producers facing extreme drought conditions, USDA announced that it will utilize nearly \$16 million in financial and technical assistance to immediately help crop and livestock producers in 19 states cope with the adverse impacts of the historic drought. In addition, USDA will initiate a transfer of \$14 million in unobligated program funds into the Emergency Conservation Program. These funds can be used to assist in moving water to livestock in need and rehabilitating lands severely impacted by the drought. Together these efforts should provide nearly \$30 million to producers struggling with drought conditions.

**Use of Indemnity Payments for Crop Insurance Premiums.** To assist farmers in meeting cash flow challenges, USDA has taken steps to ensure that farmers will be able to apply this year's crop indemnity payments toward their crop insurance premiums for the following crop year. As of August 1, 2012, the sixteen major providers of U.S. crop insurance have all agreed to forego interest charges on unpaid premiums through November.

**Disaster Designation Regulation.** On July 12, USDA announced an expedited disaster designation process, allowing farmers and ranchers to obtain disaster assistance faster. USDA projects a 40 percent reduction in processing time for affected producers as a result.

**Reduction of USDA's Emergency (EM) Loan Rate.** Emergency Loans will help producers recover from production and physical losses associated with natural disasters. The current rate was set in 1993 at 3.75 percent. Effective July 15, the Administration lowered the interest rate on loans, effectively lowering the rate from 3.75 percent down to 2.25 percent.

**Conservation Reserve Program (CRP) Haying and Grazing.** The Conservation Reserve Program (CRP) allows farmers and ranchers to receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers (grasses) on eligible farmland. Nationwide, 29 million acres are enrolled in the CRP. Due to the drought, the federal government has opened up virtually all of the CRP grassland acres for emergency haying and grazing and reduced the payment penalty for haying and grazing from 25 percent to only 10 percent. Further, the Administration took additional steps to ensure that appropriate wetland and riparian buffer areas will also be available for haying and grazing.

## NATIONAL CREDIT UNION ADMINISTRATION

**Allowing an additional 1,000 Credit Unions to increase their lending to small businesses:** The National Credit Union Administration will announce that more than 1,000 credit unions are eligible for a low-income designation, which permits unlimited lending to small business owners including farmers; nearly half of those eligible credit unions are located in a severely drought-stricken state. Small business lending by credit unions is normally capped at the statutory 12.25 percent rate. This designation exempts designated credit unions from this cap. Currently, approximately 1,100 CUs are designated low-income and can offer unlimited lending to small businesses. The average credit union member business loan is \$223,000.

## SMALL BUSINESS ADMINISTRATION (WITH USDA AND THE DEPARTMENT OF COMMERCE)

**Community Outreach Events:** SBA, USDA, and the Department of Commerce (DOC) through its Economic Development Administration (EDA), will host targeted events in communities severely impacted by the drought to provide detailed information on what federal resources are available to assist small businesses, farmers, and others in the community. These events will also be webcast to ensure audiences in other drought impacted communities can attend virtually. At these events SBA disaster assistance staff, small business counselors from its network of resource partners, and field staff from SBA district offices along with interagency staff will provide information and offer technical assistance on applying for loans and where to find additional resources after the event.

**Leverage State and County Fairs in Regions:** In addition to the standalone events, SBA, USDA, and EDA will conduct outreach at already scheduled State and Country Fairs.

**Online Outreach:** Since the drought's full impact may take months to be fully felt by small businesses and communities, SBA, USDA, and DOC will continue to reach out to affected regions through online webinars and conference calls that will further raise awareness and provide opportunity to gather real-time detail on the impact to communities.

**Small Business Administration Drought Disaster Declarations.** To date, the Small Business Administration (SBA) has followed USDA's disaster declarations and has issued agency declarations covering more than 1,630 counties, providing a pathway for small businesses, small agricultural cooperatives and non-farm small businesses that are economically affected by the drought in their community to apply for SBA's Economic Injury Disaster Loan (EIDL). Click [here](#) to find out if your county has been declared a drought disaster area.

## DEPARTMENT OF THE INTERIOR

**Grazing on Federal Lands:** The Department of the Interior's Bureau of Land Management and the USDA Forest Service are providing relief to ranchers who graze on public lands by employing flexibility to accommodate needs and conditions on the ground. BLM will issue refunds to cattlemen that were displaced by early season fires and therefore not able to make use of their allotments and the Forest Service has liberally granted Permittee requested non-use. Both agencies are making vacant land available for grazing and allowing for: changes in grazing

use, including delayed or early turnout if conditions allow; increased salting to improve livestock distribution; water hauling and temporary portable water troughs; and other measures.

## **ARMY CORPS OF ENGINEERS**

**Army Corps of Engineers Preserving Navigation:** The U.S. Army Corps of Engineers (USACE) has published guidance to coordinate a collective Common Operation Picture (COP) to monitor ongoing drought impacts on navigation. At this time they have identified the 15 most critical river gages (of 2000+) as key monitors for navigation impacts and implemented Water Way Action Plans. USACE will continue coordinating with Coast Guard, National Oceanic and Atmospheric Administration (NOAA), and navigation industries on the mitigation of drought impacts by:

- Working with contract dredges to identify areas of concern to divert resources based on priority.
- Identifying available channel depths and widths to navigation industries, so barge tow drafts and widths can be modified accordingly.
- Ensuring that storage reservoirs are releasing flow to augment natural flows downstream. Continuing to do public and media outreach via, conference calls, webinars and emails with respect to the Mississippi, Missouri, and Ohio rivers and tributaries.
- Monitoring the National Weather Service outlook on short and long term rainfall forecast to prepare for potential reservoir releases and other mitigation measures.

## **DEPARTMENT OF TRANSPORTATION**

**Existing Emergency Exemptions of Federal Operating Requirements:** This authority can put more commercial drivers behind the wheel—driving large trucks needed to assist the farmers and ranchers in need. If a qualifying drought emergency has been declared in a state by the Governor or appropriate official, the state automatically gets Hours of Service and other regulatory relief for those providing emergency assistance; no application is needed. If the situation does not qualify for emergency relief, the Federal rules regulating large truck and bus operations may be waived in certain circumstances. DOT can process a request to waive regulations in 7-14 days.

In addition, the transportation bill President Obama signed in July provides a new authority for States to issue special permits for overweight vehicles and loads that can easily be dismantled or divided in an emergency. The legislation makes the new special permits available beginning October 1, 2012. DOT is expediting the process of developing guidance for States to support their permitting programs, and the way in which “relief supplies” are defined may provide states with a new tool to use for hauling heavy loads of grain, livestock, etc. for drought relief.

**DOT Outreach to the State DOTs:** On Wednesday August 1, U.S. Department of Transportation Secretary Ray LaHood convened a call with states to listen and discuss the ways in which DOT can work with Governors and State Departments of Transportation to help communities impacted by the drought. Issues raised during the call included emergency waivers of hours of service requirements and emergency waivers for Federal truck weight regulations.

The August 7 White House Fact Sheet on Drought Relief is available [here](#). Please note that some items appearing above have been announced since August 7 and do not appear on the Fact Sheet.

### **Additional Data and Information**

**Background: [NASS Crop Condition Report](#) (8/20 for the week ending August 19):**

Soybeans rated poor to very poor were at 37 percent last week, down slightly from 38 percent the previous week. 51 percent of the nation's corn remained at poor or very poor condition, no change from the previous week. Range/pasture once again remained steady at 59% very poor to poor. Prior to this year, this highest value had been 52% in Sep. 2002 – but records of this type only go back to 1995.

**Background: [U.S. Drought Monitor](#) (8/23):**

This U.S. Drought Monitor week saw a few notable improvements and some serious degradation. Temperatures have generally been below normal this week from the east side of the Rockies to the East Coast, with the exception of Texas, the Southeast Coast, and northern New England. This has helped ease drought impacts, particularly in those areas where beneficial precipitation fell. One such area is in the Ohio Valley where parts of Indiana saw more than five inches of rain. This is the second straight week of beneficial precipitation for some of these areas and this precipitation has largely alleviated Exceptional Drought (D4) from the state, despite lingering impacts still being felt. Last week, drought gripped slightly less of the agricultural land in the country with 85% of the U.S. corn crop, 83% of soybeans, 63% of hay, and 71% of cattle areas experiencing drought. Nearly half of the corn (49%) and soybean (46%) areas are experiencing Extreme (D3) to Exceptional (D4) Drought. This has led to both reduced yields and earlier harvests.

## **Additional Resources**

For more information regarding the ongoing drought, USDA's efforts to help impacted farmers and ranchers, and other useful information, you can always check the USDA's [Disaster and Drought Assistance](#) webpage for regular updates. Below are some recent updates and other relevant items from USDA regarding the ongoing drought:

### **Messages from President Obama and Secretary Vilsack**

[President Obama's weekly message regarding drought on August 11](#)

[Remarks by President Obama at McIntosh Family Farms on August 13](#)

[Secretary Vilsack's column on the drought for CNBC on August 15](#)

### **Infographics:**

[U.S. Drought and Your Food Costs](#)

[Resilience of American Agriculture - Innovation, Diversity and Growing Markets](#)

### **Recent Press Releases:**

[August 22 - Agriculture Secretary Vilsack Announces New Help for Livestock Producers with Changes to Emergency Loans, Crop Insurance](#)

### **Photos:**

[White House Rural Council Meeting 7/27/12](#)

[Flickr Collections- Drought](#)

### **USDA Radio:**

Radio information is updated daily at the [USDA Radio Newsline and Newsline Archives](#) and includes a wide variety of drought and related information.

## **Web Information Resources**

[Disaster Designation Map \(8/22/12\)](#)

[Emergency Preparedness and Response Page](#)

[USDA's Drought Page](#)

[Agricultural Weather Updates](#)

[ERS Website](#)