### **OKLAHOMA STATE UNIVERSITY |** DIVISION OF AGRICULTURAL SCIENCES AND NATURAL RESOURCES





# RANCHERS' THURSDAY LUNCHTIME SERIES

# U.S. Drought Monitor and USDA Financial Assistance Programs

- Livestock Forage Disaster Program (Farm Bills of 2008, 2014, 2018)
- Secretarial Disaster Designations for Drought (Sec. Vilsack, 2012)

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### Percentiles and the U.S. Drought Monitor

- Advantages of percentiles:
  - Can be applied to any parameter
  - Can be used for any length of data record
  - Helps to put drought in historical perspective
- D4, Exceptional Drought:
- D3, Extreme Drought:
- D2, Severe Drought:
- D1, Moderate Drought:
- D0, Abnormally Dry:

once per 50 to 100 years

- once per 20 to 50 years
- once per 10 to 20 years
- once per 5 to 10 years

once per 3 to 5 years

Farm Service Agency

- U.S. Drought Monitor Usage by FSA
- Food, Conservation, and Energy Act of 2008 ("Farm Bill") authorizes the Livestock Forage Disaster Program (LFP)
  - Grazing loss because of drought on owned or leased grazing land or pastureland that is physically located in a county experiencing:
    - D2 intensity for at least 8 consecutive weeks during normal grazing period will be eligible to receive payment equal to 1 monthly payment
    - D3 intensity during the normal grazing period will be eligible to receive a payment equal to 2 monthly payments
    - D3 intensity for at least 4 weeks or a D4 intensity any time during the grazing period will be eligible to receive a payment equal to 3 monthly payments







- 2008 "Farm Bill" Livestock Forage Disaster Program (LFP) Payouts (financial assistance to producers who suffered grazing losses due to drought or fire on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurred):
  - 2008 calendar year: \$165,540,837
  - 2009 calendar year: \$ 98,739,950
  - 2010 calendar year: \$ 33,334,458
  - 2011 calendar year:
  - LFP total, 2008-11:

\$478,565,333

\$180,950,088



U.S. Drought Monitor Usage by FSA

Red text denotes changes between the 2008 and 2014 Farm Bills.

- Agricultural Act of 2014 ("Farm Bill") re-authorizes the Livestock Forage Disaster Program (LFP)
  - Grazing loss because of drought on owned or leased grazing land or pastureland that is physically located in a county experiencing:
    - D2 intensity for at least 8 consecutive weeks during normal grazing period will be eligible to receive an amount equal to 1 monthly payment
    - D3 intensity during the normal grazing period will be eligible to receive an amount equal to 3 monthly payments
    - D3 intensity for at least 4 weeks or a D4 intensity any time during the grazing period will be eligible to receive an amount equal to 4 monthly payments



 D4 intensity for at least 4 weeks during the normal grazing period will be eligible to receive an amount equal to 5 monthly payments



- 2014 "Farm Bill" Livestock Forage Disaster Program (LFP) Payouts (financial assistance to producers who suffered grazing losses due to drought or fire on or after October 1, 2011, during the calendar year in which the loss occurred):
  - 2011 calendar year:
  - 2012 calendar year:
  - 2013 calendar year:
  - 2014 calendar year:
  - 2015 calendar year:
  - 2016 calendar year:
  - 2017 calendar year:
  - 2018 calendar year:
  - 2019 calendar year:
  - 2020 calendar year:
  - LFP total, 2011-2020:

- \$ 287.1 million
- \$2,623.0 million
- \$1,652.8 million
- \$ 926.3 million
- \$ 536.9 million
- \$ 288.4 million
- \$ 360.0 million
- \$ 490.5 million
- \$ 116.3 million
- \$ 28.9 million
- \$7.31 billion (updated through Sep. 10, 2020)







## LFP Payments by State (Million \$) Oct. 1, 2011 – Aug. 21, 2019

- 1. OK \$1,443 9. CO \$ 214
- 2. TX \$1,256 10. WY \$ 173
- 3. KS \$ 619 11. AL \$ 163
- 4. NE \$ 563 12. MT \$ 152
  - \$ 399 13. GA \$ 134
    - 14. OR \$ 133
    - 15. IA \$ 114 16. UT \$ 100

8. NM \$ 224

\$ 368

\$ 243

5. MO

6. SD

7. CA

# "Fast Track" Secretarial Disaster Designation Process

- Implemented in 2012, this process streamlines the USDA Secretarial designation process by eliminating steps from the previous process;
- A reduced interest rate for emergency loans;
- Preserves the ability of a state governor or Indian Tribal Council to request a Secretarial Drought Disaster Designation;
- Removes the requirement that a request for a disaster designation be initiated only by a state governor or Indian Tribal Council;
- Further streamlines the disaster designation process for severe drought occurrences by utilizing the U.S. Drought Monitor as a tool to automatically trigger disaster areas with no further documentation;
- Does not impose any new requirements on producers or the public.
- In 2012, led to drought disaster declarations in 2,254 primary counties in 39 states.









### 2020 Secretarial Drought Designations - All Drought



### USDA

#### United States Department of Agriculture Farm Service Agency Program Delivery/Safety Net Division January 21, 2021



Contiguous Counties: 353

# New Disaster Assistance in 2020: CRP Emergency Haying and Grazing



#### **GENERAL AUTHORIZATION PROCESS**

Emergency having and grazing status is reviewed and authorized each Thursday using the U.S. Drought Monitor. Counties are approved for emergency having and grazing when a county is designated as level "D2 Drought – Severe." Emergency having is authorized for up to 60 days. Emergency grazing is authorized for a single period up to the sooner of 30 days before the first freeze date or 90 days. Requests for emergency having and grazing may also be initiated at the county level with review and approval at state and national FSA offices. Eligibility is based on a county FSA committee request documenting a 40% or greater loss in forage production.