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California farmers receive federal relief for freeze-damaged crops

By Michael Doyle

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WASHINGTON - Federal aid is blossoming for California's freeze-damaged San Joaquin Valley farmers.

The modest first wave accompanies Agriculture Secretary Mike Johanns' new designation of Tulare, Fresno, Kern and Madera counties as disaster areas. This frees up low-interest farm loans.

The second and third waves could be more robust, coming from Congress and the White House. It's all being tracked closely by farmers, who still don't know exactly how much they've lost.

"They are hoping to get help when they can," Marilyn Kinoshita, Tulare County's deputy agricultural commissioner, said Friday.

Next week, California lawmakers are poised to introduce a 16-page freeze relief package in the House and Senate. As currently drafted, the bill would authorize more than \$1.3 billion in aid for citrus and other specialty crop farmers hurt in various natural disasters over the past three years.

That's not all.

Dairy farmers in disaster areas could secure up to \$230 million in emergency aid under the draft bill. Ranchers could get up to \$80 million, small businesses could get grants and migrant farm workers could get mortgage assistance and relief checks.

"This is a product of considerable input from the state," Andrew Stone, spokesman for Rep. Devin Nunes, R-Calif., said Friday. "The congressman's view is that this is a reasonable approach to disaster relief."

Nor would the money be limited to growers living in designated disaster areas. Agriculture Department rules permit growers in adjacent counties - for instance, Merced and Kings - to likewise apply for disaster aid.

The proposed disaster package also goes beyond the freeze because flooding in 2005, a heat wave in 2006 as well as this year's freeze have all taken their agricultural toll. This year alone,

California officials are pegging the statewide freeze damages at \$800 million.

"We need money for Tulare County," Lindsay Mayor Ed Murray told Democratic Sen. Dianne Feinstein at a meeting this week.

"What else is new?" Feinstein said with a laugh.

The proposed California relief package is roughly in line with disaster relief bills for other regions. Still, the overall cost could spur Capitol Hill resistance. The bill also proposes changes that might face strict scrutiny, like allowing farmers to receive up to \$125,000 in aid. Typically, disaster aid bills limit farmers to \$80,000 each.

A member of the Senate Appropriations Committee, Feinstein will seek the hard dollars through an emergency supplemental funding bill that could start taking shape next week. Her colleague, Democratic Sen. Barbara Boxer, drafted the California-specific relief legislation along with the San Joaquin Valley's House members.

The two efforts are complementary.

Once Boxer and the Valley lawmakers have introduced their companion relief bills, they probably will try to fold them into the emergency supplemental legislation. It's the emergency supplemental bill that will provide the actual money. The relief legislation, currently dubbed the "Emergency Farm Assistance Act of 2007," will provide the roadmap for spending the money.

All of this proposed assistance goes well beyond what Johanns made available when he made his disaster declaration Wednesday. Farmers will now have eight months to apply for aid through the Agriculture Department designation, though it's not certain how many will be eligible.

"It all depends on if the growers qualify," Kinoshita said. "Sometimes, because the growers are pretty diverse, they don't qualify."

Typically, the Agriculture Department provides disaster loans up to \$500,000. The below-market interest rates are currently about 3.75 percent, but farmers must have lost at least 30 percent of their crop and shown themselves unable to obtain credit from a commercial lender.

Additional assistance would become available if President Bush takes the next step and declares the region a major disaster area.