



DOCUMENTING DISASTER LOSSES

Federal programs often expect people to be at their organized best when their lives are at their worst. Disaster assistance programs can be complicated, with different specific deadlines and application procedures. All programs will require documentation of losses and recovery costs to receive disaster program benefits. The better the documentation, the more likely that a producer will be able to receive assistance for their recovery.

There are three parts to the documentation;

1. The value of the farm or ranch assets before the disaster,
2. The value of the farm or ranch assets after the disaster, and
3. Costs incurred during the recovery over and above normal operating costs.

As soon as the emergency is over and people and animals are safe, the farmer should begin documenting the loss. It is critical that all damage is documented before recovery efforts take place. Use the camera before the chain saw!

We recommend keeping an inexpensive notebook with documentation of everything you do in the recovery effort. Record the use of equipment, notes from conversations with agency staff or advisors including what you asked and what they said, and notes of the extent of damage.

Even if the disaster has not been officially declared, or if there is no money in disaster programs at the time, damages and recovery should still be documented. Disaster programs can be authorized or funded months or even years after the disaster took place, and may leave those who did not document their losses without assistance.

All aspects of the operation that were affected by the disaster should be accounted for. This includes pre- and post-disaster condition and value of structures, equipment, livestock, crops and the land itself.

Establishing the Pre-Disaster Value and Condition of Property

Ideally, a producer will already have on hand documentation that establishes the pre-disaster ownership interests and values of affected property. If that is not the case, or if the documentation is destroyed in the disaster, there are several possible sources for this information.

Lenders

A loan application will list the value of equipment, crops, livestock and other assets that are used as collateral for the loan. Even if the loan was turned down, the application will still be on record. If the loan was approved, there may be appraisals in the loan file that further document the value and condition of assets.

Insurance providers

Insurance providers will have copies of insurance applications and any policies issued, including values and descriptions of the covered property. Crop insurance providers will have acreage and production reports the producer submitted for covered crops.

Taxing agencies

The producer's most recent federal or state income tax return, if applicable, will help verify income and expenses for the operation. If a producer does not have a copy of their return, a copy can be obtained from the IRS by submitting a completed Form 4056. To get a copy of this form, go to www.irs.gov/pub/irs-pdf/f4506.pdf or call 800-829-3676. There is usually a small fee for obtaining a duplicate tax return.

The producer's most recent property tax statements will help verify pre-disaster property value and condition. These should be readily obtainable from the taxing agency.

Farm Service Agency (FSA)

Producers who participate in any FSA program that involves crop reporting, such as the Non-insured Crop Disaster Assistance Program (NAP), should request a copy of their FSA file, which includes acreage and production records the producer submitted for the current or prior crop years.

In addition to these sources of documentation of pre-disaster values, there are many other materials that a producer can use to show the value of what was on the farm before the disaster.

1. Receipts and credit card bills show the value of purchased inputs or equipment.
2. Receipts for inputs—such as seed, fertilizer, or pesticides—when multiplied by application rates can be used to demonstrate crop acreage, particularly for specialty crops where standard commodity acreage reporting is a poor fit.
3. Sales records from past years can show the prices that were expected for specialty crops and livestock products.
4. Documentation from auction barns or feedlots and veterinary expenses can show the number of animals on a farm before the disaster.

Establishing the Post-Disaster Value and Condition of Property

Communication is key for establishing post-disaster losses. Calls to insurance providers or USDA offices should take place as soon as possible to begin the evaluation process. This call can also provide advance notification of costs if required by a disaster program.

Any insurance provider will have a process by which insured property is evaluated. If a producer has crop insurance, a crop insurance adjuster will visit the farm to certify the extent of crop damage. FSA will similarly verify crop losses under NAP. These assessments should be checked carefully for accuracy.

For non-insured crops or livestock, communication with your local FSA office is critical. Documentation from third parties is the most helpful in accessing disaster programs. This includes sales receipts, scouting reports, veterinarian reports or other documentation. Third party statements from an expert who does not have a financial interest in the property or crop, such as a Cooperative Extension Service Agent, can also serve as documentation.

Photos can be critical when accompanied by explanatory documentation of the subject of the photo and where and when the photo was taken. Remember to take photos before addressing damage.

Recovery Costs

Disaster assistance programs can also cover the costs of disaster recovery. The Emergency Conservation Program can partially reimburse expenses such as the use of equipment like chain saws or backhoes, reinstallation of fences, or time spent working on farm recovery and bringing land back into production. Farmers should keep a log of disaster recovery equipment use and time spent. These records are acceptable documentation if they are written at the time the work was performed and not at a later date.

If a person is kept from normal work by a disaster, they can be eligible for Disaster Unemployment Assistance, including farmers who are kept from normal farm operations by disaster recovery efforts. These benefits last for up to 26 weeks following the disaster declaration, not the date of application, so it is essential that applications are initiated as early as possible. Individuals can access Disaster Unemployment Assistance benefits through their state Unemployment Insurance Agency.

Information on Recovery Programs

The following web sites provide information on recovery programs.

The Federal Emergency Management Agency (FEMA)
www.fema.gov

The United States Department of Agriculture (USDA)
www.usda.gov/topics/disaster

USDA Farm Services Agency Disaster Programs
www.fsa.usda.gov/programs-and-services/disaster-assistance-program/index

USDA Rural Development Agency Disaster Programs
www.rd.usda.gov/programs-services/services/rural-development-disaster-assistance

Small Business Administration
www.sba.gov

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