



Georgia Farm Recovery Block Grant Formulas Explained

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The Georgia Department of Agriculture (GDA) worked together with the United States Department of Agriculture (USDA) Farm Service Agency to develop the eligible categories for assistance and the application materials necessary for the Farm Recovery Block Grant.

With these parameters in place, GDA conducted the enrollment period from March 18, 2020, to April 30, 2020, to collect the necessary documentation and application materials from producers. GDA's Review Team processed applications and notified applicants of missing information or sought clarification if there was a question about the loss information provided. Each application was checked for completeness and eligibility, and farm locations and operation information were cross-referenced to prevent ineligible claims.

After the enrollment period ended, GDA and USDA worked to develop appropriate funding formulas that would allow Georgia to compensate producers for their eligible losses while complying with existing federal laws and regulations on direct payments to producers. These agreed-upon formulas were used to calculate payments for eligible losses. Applicants could receive a payment for all eligible losses up to \$900,000 per farming operation and per individual.



Timber Formula

Comprehensive:

Fair market value of timber pre-storm (minus) fair market value of timber post-storm x 80 percent payment factor = Comprehensive Loss Payment

Third-Party:

Eligible Acres x \$584.18 x Certified Percent Loss x 90 percent payment factor = Third-Party Certification Loss Payment*

Key Factors/Notes: Utilizing the comprehensive data filed during the enrollment period, the payment rate for Third-Party Certification is based on the average overall Comprehensive Loss rate of \$584.18/acre x the certified percent loss (not to exceed 80 percent) to come up with the Third-Party Certification payment rate of \$87.63 to \$467.34 x 90 percent for a per acre payment rate of \$78.86 to \$420.61.*

*GDA and USDA executed an amendment to the formal Block Grant Agreement. This amendment altered the formulas for Third-Party Timber and Uninsured Infrastructure Payments. The formula above represents the updated formula.



Uninsured Infrastructure Formula

Structures:

Cost of repairs/restoration (minus) any insurance claim reimbursement = net loss
Net loss x a 50 percent payment factor = Structure Payment

Such payment for all structures cannot exceed a maximum \$200,000.*

Irrigation:

Costs of repairs/restoration (minus) any insurance claim reimbursement = net loss
Net loss x a 50 percent payment factor = Irrigation Payment.

Payment for all irrigation structures cannot exceed a maximum \$200,000.*

* GDA and USDA executed an amendment to the formal Block Grant Agreement. This amendment altered the formulas for Third-Party Timber and Uninsured Infrastructure Payments. The formula above represents the updated formula.



Dairy Formula

Conception Losses:

- Breeding age females at the time of the storm - the cows that died in the storm = the eligible animals for payment.
- The conception rate prior to the storm – the conception rate after the storm = reduced conception rate loss (percentage).
- The eligible animals for payment (a.) x reduced conception rate loss (percentage) (b.) x (\$1170 + \$661.19) = Conception Loss Payment

Mortality Losses:

Breeding age females that died in the hurricane x \$661.19 = Mortality Loss Payment

Mastitis Treatment:

Documented mastitis cases in October 2018 – Documented mastitis cases in September 2018 x \$337.50 = Mastitis Treatment Payment

Milk Production Impacts:

- Pounds of milk produced prior to the hurricane (October-November 2017) divided by average cows prior to the hurricane = average production prior to the hurricane
- Pounds of milk produced after the hurricane (October-November 2018) divided by average cows after the hurricane = average production after the hurricane
- Average production prior to the hurricane (a.) – average production after the hurricane (b.) = milk production loss
- Milk production loss (c.) x average cows after the hurricane (see cow entry used in b.) x \$ 0.1337 = Milk Production Loss Payment

This material is based upon work supported by the U.S. Department of Agriculture, Farm Service Agency, under Federal Award Identification No. FSA20GRA0010358.

Key Factors/Notes:

- \$661.19 per cow reflects the 2018 Livestock Indemnity Program national average market price for 400-799 pound non-adult beef animals with the 75% factor already applied
- \$1,170 is the lost milk production calculation (per cow) as a result of decreased conception.
- USDA February 2019 Milk Production Report places average GA dairy cow annual production at around 20,032 pounds of milk or 200.32 cwt.
- UGA calculated milk price of \$17.82/cwt multiplied by 200.32 cwt equals \$3,569.70
- Factored by 32.78% to capture 100 days out of a 305-day lactation cycle the cow is left open equals \$1,170.
- \$13.37/cwt is 75% of \$17.82/cwt price for 2018
- \$337.50 is 75% of \$450 case rate for mastitis

Beef Formula

Conception Losses:

- a. Breeding age females at the time of the storm - the cows that died in the storm = the eligible animals for payment.
- b. The conception rate prior to the storm – the conception rate after the storm = reduced conception rate loss (percentage).
- c. The eligible animals for payment (a.) x reduced conception rate loss (percentage) (b.) x \$661.19 = Conception Loss Payment

Mortality Losses:

Breeding age females that died x \$661.19 = Mortality Loss Payment

Mortality Loss Payment + Conception Loss Payment = Total Beef Payment

Key Factors/Notes:

- \$661.19 per cow reflects the 2018 Livestock Indemnity Program national average market price for 400-799 pound non-adult beef animals with the 75% factor already applied

Fruit & Vegetable Formula

Insured Fruit & Vegetable:

Damaged plasticulture acres x payment rate of \$2,071 per acre = Insured plasticulture payment

Damaged bareground acres x payment rate of \$360 per acre = Insured bareground payment

Uninsured Fruit & Vegetable:

Damaged plasticulture acres x payment rate of \$1,933 per acre = Uninsured plasticulture payment

Damaged bareground acres x payment rate of \$335 per acre = Uninsured bareground payment

Key Factors/Notes:

- The plasticulture production costs as calculated by UGA Extension resulted in \$2,761.45 per acre with a 75 percent payment factor applied is \$2,071 per acre. These costs are to reimburse for production costs associated with removal of plant and planting materials, land prep, labor, and new planting materials.
- The bare-ground production costs as calculated by UGA Extension resulted in \$479.83 per acre with a 75 percent payment factor applied is \$360 per acre. These costs are to reimburse for production costs associated with land structure recovery, land prep including mowing and harrowing under damaged plants and cover crop to prevent erosion.
- Producers without Federal Crop Insurance or Noninsured Crop Disaster Assistance (NAP) coverage are limited by law to only receiving 70 percent of demonstrated losses from disaster programs. Therefore, a 70 percent payment factor is applied to acreage without Federal Crop Insurance or NAP coverage
- To be eligible, a producer must have suffered a 15 percent crop loss to qualify for the practice reimbursement on those acres damaged.

Poultry Formula

Poultry Houses:

- a. Destroyed broiler house: square footage of the broiler house destroyed x \$14/square foot x 75 percent – property & casualty insurance reimbursement = Destroyed Broiler House Payment
- b. Destroyed pullet house: square footage of the pullet house destroyed x \$18/square foot x 75 percent – property & casualty insurance reimbursement = Destroyed Pullet House Payment
- c. Destroyed breeder house: square footage of the breeder house destroyed x \$21/square foot x 75 percent – property & casualty insurance reimbursement = Destroyed Breeder House Payment
- d. Damaged house (all types): square footage of the damaged house x \$5.50/square foot x 75 percent – property & casualty insurance reimbursement = Damaged House Payment

Lost Income:

- a. broiler/pullets in a damaged house: square footage of the damaged house x actual days without birds not to exceed 90 days x \$.05/square foot x 75 percent = Lost Income Payment
- b. broiler/pullets in a destroyed house: square footage of the destroyed house x actual

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days without birds not to exceed 180 days x \$.05/square foot x 75 percent = Lost Income Payment

- c. breeders in a damaged house: square footage of the damaged house x actual days without birds not to exceed 90 days x \$.07/square foot x 75 percent = Lost Income Payment
- d. breeders in a destroyed house: square footage of the destroyed house x actual days without birds not to exceed 180 days x \$.07/square foot x 75 percent = Lost Income Payment

Key Factors/Notes:

- The square footage rates of \$14/\$18/\$21 were established by UGA and industry leaders to represent costs of rebuilding destroyed houses
- The lost income rates of \$.05/square foot for broilers/pullets and \$.07/square foot for breeders were determined by the industry calculation of average grower contracts in the hurricane impacted areas.
- Only houses that had interruption of business—number of days without birds—would be eligible for a payment.

 **Pecan Formula**

Insured Pecan Loss:

Trees lost divided by 10 trees/acre = acres lost
Acres lost x \$2,708 per acre = Insured Pecan Loss

Uninsured Pecan Loss:

Trees lost divided by 10 trees/acre = acres lost
Acres lost x \$2,528 per acre = Uninsured Pecan Loss

Contract Grower and Landowner Factors:

- Applicants who are 100% owner-operators will receive the full portion of their insured or uninsured pecan payment.
- Payment to applicants who are landowners with contract growers and cash rent agreements will be factored by 30 percent
- Payment to applicants who are landowners with contract growers and crop-share agreements will be factored by their demonstrated percent interest in the crop
- Payment to applicants who lease pecans on a cash rent basis will be factored by 70 percent
- Payment to applicants who lease pecans on a crop share basis will be factored by their demonstrated percent interest in the crop

Insured Pecan Loss x Contract Grower/Landowner Factor = Insured Pecan Payment

Uninsured Pecan Loss x Contract Grower/Landowner Factor = Uninsured Pecan Payment

Key Factors/Notes:

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- 10 trees per acre is the industry average in Georgia
- Per acre rate calculated the eight-year income loss of \$4,259.82 per acre until the pecan tree is at full production in the ninth year. Applying the unharvested payment factor of 80 percent for the first 5 years of the growth cycle results in an adjusted rate of \$3,611.54 further factored by a 75 percent payment factor results in the per acre rate of \$2,708 per acre.
- Producers without Federal Crop Insurance or Noninsured Crop Disaster Assistance (NAP) coverage are limited by law to only receiving 70 percent of demonstrated losses from disaster programs. Therefore, a 70 percent payment factor is applied to acreage without Federal Crop Insurance or NAP coverage

Payment Limits

Payments will be limited by farming operation and by individual to \$900,000. This means no farming operation may receive more than \$900,000 and no individual with interest in more than one farming operation may receive more than \$900,000 through their combined shares in multiple farming operations.