

7. REQUEST FOR DISASTER DESIGNATION AND FEDERAL ASSISTANCE FOR SOUTHAMPTON COUNTY FARMERS

Attached for your consideration, please find a copy of a resolution and correspondence to the Governor's Office seeking his cooperation in having Southampton County declared a federal primary disaster area because of the damage to local crop production from the drought and excessive heat. Absent a federal declaration, county farmers are ineligible for federal disaster assistance, including emergency loans.

Following a federal declaration, local farmers may qualify for emergency loans to restore or replace essential property, pay all or part of their production costs associated with this year's crop, pay essential family living expenses, reorganize their farming operation or refinance certain debts. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000. Emergency loans currently carry a 3.75% interest rate and are normally repaid within 7 years. Other forms of federal assistance may also be made available to local producers depending upon the nature of the designation.

The Southampton County Review Committee, made up of representatives from the Virginia Cooperative Extension, the Farm Service Agency, the Natural Resource Conservation Service, and local producers estimate corn crop losses of more than \$3.35 million due to the drought and excessive heat. Pasture losses account for another \$355,000 loss to local producers and the outcome on peanuts, soybeans, cotton, and other grains remains uncertain.

As of last week, Governor McDonnell had received only one request for a disaster declaration – from Frederick County. I'm sure there will be many others to follow, but the earlier the request is made, the earlier the U.S. Agriculture Secretary can make assistance available to Southampton County producers.

MOTION REQUIRED

A motion is required to adopt the attached resolution.