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COST-SHARE PROGRAM TO HELP FARMERS RECOVERING FROM DROUGHT

RALEIGH — North Carolina farmers reeling from drought can obtain help under a program unveiled Tuesday in Raleigh. The program will cover 75 percent of the cost of restoring drought-damaged pastureland and providing additional water supply for livestock and crops.

The N.C. Agricultural Drought Recovery Program will be administered statewide through local Soil and Water Conservation district offices beginning May 1. It was made possible by a \$6 million grant from the N.C. Tobacco Trust Fund Commission.

“This grant makes it possible for more than 1,000 farmers and farm operations to restore some of the damage from last summer’s severe drought and to prepare, so the next long, hot and dry summer doesn’t do as much damage,” said Billy Ray Hall, president of the N.C. Rural Economic Development Center.

The Rural Center worked with the General Assembly’s Joint Select Committee on Agriculture Drought Response, the Tobacco Trust Fund Commission, several state agencies and other agricultural interests to design the program and arrange funding. The Division of Soil and Water Conservation, which will administer the program, is part of the N.C. Department of Environment and Natural Resources. Others participating in the program design were the N.C. Department of Agriculture, North Carolina Grange, N.C. Farm Bureau, N.C. State University Agricultural Extension Service, N.C. Foundation of Soil and Water Conservation Districts, U.S. Department of Agriculture, N.C. Soil and Water Conservation Commission and Agricultural Advancement Consortium.

Rep. Ray Rapp, co-chairman of the legislative committee, said a bill seeking an additional \$6 million to extend the program to more farmers will be submitted to the General Assembly in May.

“We recognized that any proposal we made to the legislature could not go into effect before July at the earliest, too late to save many of our farmers,” Rapp said. “Fortunately, the friends of agriculture in North Carolina are not limited to members of the General Assembly. Money from the Tobacco Trust Fund lets us put this project into effect immediately.”

The U.S. Department of Agriculture last year designated 85 of North Carolina’s 100 counties as natural disaster areas. As of April 8, 80 counties remained under drought conditions with the other 20 considered abnormally dry.

Farmers affected by the drought may apply to one of the state’s 96 Soil and Water Conservation district offices for help with several types of projects. These include pasture renovation, drilling and re-drilling wells, pond construction and renovation, converting closed lagoons to fresh water ponds, and upgrading existing irrigation systems to more efficient models. The program is open to farmers with a total adjusted gross income of less than \$250,000 or those who derive 75 percent of their income from farming operations.

“North Carolina farmers lost a half billion dollars in crops last year because of this drought – that’s 17 percent of total crop revenue in a typical year,” said Sen. Charlie Albertson, also a committee co-chair. “The damage wasn’t merely in lost harvest. Pastureland needs to be renovated and reseeded before livestock can graze again, and we’re still in this drought. Farmers really need our help to go forward.”

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FACT SHEET

N.C. Agriculture Drought Recovery Program

Purpose: This cost-sharing project will assist farmers with restoring drought-damaged pastureland and providing additional water supply for livestock and crops.

Description: The project responds to immediate, critical needs resulting from the record-breaking drought of 2007. Grants will cover 75 percent of the cost of certain projects necessary to restore pasturelands to usable condition or to create new or improved water supplies for livestock and crops, to avoid crises in the event of future drought. Recipients will cover the remaining 25 percent of the cost. Eligible projects include:

- Pasture renovation
- Drilling and re-drilling wells
- Pond construction and renovation
- Conversion of closed lagoons to fresh water ponds
- Upgrading existing irrigation systems

Technical assistance will be available to assist farmers with grass selection and other pastureland management for long-term productivity.

Who is eligible: Eligible applicants are all North Carolina farmers adversely affected by the drought of 2007 with a total adjusted gross income of less than \$250,000 or those who derive 75 percent of their income from farming operations.

How it will be administered: The Division of Soil and Water Conservation of the N.C. Department of Environment and Natural Resources will operate the program through its 96 district offices, located throughout the state. Farmers may contact their local district office to learn if they are eligible and how to apply.

Timetable: The program gets under way May 1. It will end upon the depletion of available funds or until the need has been met.

Source: The N.C. Tobacco Trust Fund Commission has awarded a \$6 million grant to launch the project. An additional \$6 million is being requested from the N.C. General Assembly.

Stakeholder groups participating in project design: N.C. General Assembly Joint Select Committee on Agricultural Drought Response, N.C. Department of Agriculture, North Carolina Grange, N.C. Farm Bureau, NCSU Agricultural Extension Service, N.C. Foundation of Soil and Water Conservation Districts, U.S. Department of Agriculture, N.C. Soil and Water Conservation Commission, N.C. Department of Environment and Natural Resources, Agricultural Advancement Consortium, N.C. Rural Economic Development Center.

For more information: Contact Billy Guillet, director of the Agricultural Advancement Consortium, N.C. Rural Economic Development Center, at (919) 250-4314 or bguillet@ncruralcenter.org.

Drought Damage to Agriculture in 2007

Soybeans	\$116 million
Corn	\$107 million
Silage/Pasture Loss	\$ 55 million
Cotton	\$ 50 million
Tobacco	\$ 49 million
Green Industry	\$ 45 million
Winter Wheat	\$ 39 million
Fruit & Vegetables	\$ 28 million
Peanuts	\$ 11 million
Estimated Total Loss	\$500 million

*Source: Edmund Estes- North Carolina State University Economist

Special Announcement
North Carolina Agriculture Drought Recovery Program
April 22, 2008

North Carolina Farmers:

We are pleased to announce a new program to assist North Carolina farmers impacted by the 2007 drought. The North Carolina Agriculture Drought Recovery Program, funded by the N.C. Tobacco Trust Fund Commission, was established in coordination with state agriculture and policy leaders to assist farmers in their efforts to recover from the drought and help prevent losses of this magnitude in the future.

Cost-share grants will be available to assist in three main categories:

- ♦ Restoring pastures that have been depleted by the drought
- ♦ Renovating and constructing new farm ponds
- ♦ Drilling and re-drilling of wells

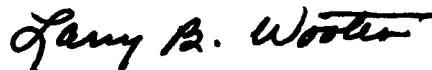
To participate in the program and get further details, we invite you to contact your local soil and water district office, which will be implementing the program and receiving applications beginning May 1, 2008. Assistance also will be made available to those farmers who have already invested in their own recovery efforts dating back to August 1, 2007.

We appreciate all you do for North Carolina and encourage you to contact your local soil and water districts to participate in this program.

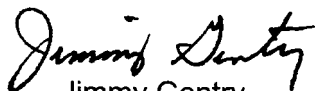
Thank you,



Steve Troxler
N.C. Commissioner
of Agriculture



Larry Wooten
President
N.C. Farm Bureau



Jimmy Gentry
President
N.C. State Grange



Billy Ray Hall
President
N.C. Rural Center