

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Agriculture Committee

BILL: SB 2712

INTRODUCER: Senator Aronberg

SUBJECT: Agricultural Disaster Assistance

DATE: March 28, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Albee	Poole	AG	Favorable
2.	_____	_____	GA	_____
3.	_____	_____	WM	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Florida's agricultural industry was severely impacted by the hurricane seasons of 2004 and 2005. According to the Florida Department of Agriculture and Consumer Services (DACS), Florida's agriculture industry suffered more than \$2 billion in losses following the 2005 hurricane season.

In 2000, the Legislature enacted the Agricultural Economic Development Program. This program is administered by the DACS with appropriations from the General Revenue Fund and offers loans to agricultural producers who have suffered losses due to a natural disaster or a socioeconomic condition or event. This bill expands the conditions under which a loan may be granted to agricultural producers under the Agricultural Economic Development Program by enabling the producers to use loan funding to remove debris from essential physical property, in addition to utilizing the funding for restoring or replacing property. This bill would also increase the maximum loan amount from \$250,000 to \$300,000. This bill provides for an appropriation of \$50 million from the General Revenue Fund to the General Inspection Trust Fund within the DACS for fiscal year 2006-2007. The purpose of this appropriation is to provide loan funds under s. 570.249, F. S., to agricultural producers who experienced significant losses due to a natural disaster or a socioeconomic condition or event during the 2005 calendar year.

This bill amends s. 570.249, Florida Statutes.

II. Present Situation:

The Agricultural Economic Development Program is administered by the DACS with funding from the General Revenue Fund. This program is designed to provide loans to farmers who have experienced crop losses due to natural disasters or socioeconomic events or conditions. Currently s. 570.249, F. S., allows farmers to receive loans in order to:

- Restore or replace essential physical property, such as animals, fences, equipment, structural production facilities, and orchard trees;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses; and
- Restructure farm debts.

The hurricane seasons of 2004 and 2005 caused billions of dollars in damage to Florida's agriculture industry. The damage occurred not only to crops, but to structural facilities used in agricultural production and to house farm laborers. This bill expands the types of losses that allow agricultural producers to qualify for loan funds to include not only crops as defined in s. 570.249(2), F. S., but agricultural facilities and infrastructure and farmworker housing owned by an agricultural producer as well.

The natural disasters of 2004 and 2005 also created significant amounts of debris on property owned by agricultural producers. This bill enables the producers to use the funds for removal of debris in addition to restoring and replacing essential property.

Due to the extent of the devastation caused by the hurricanes of 2004 and 2005, maximum loan amounts established by the Agricultural Economic Development Program within the DACS may not be enough to cover the cost of replacing essential physical property for some agricultural producers. This bill increases the maximum loan amount from \$250,000 to \$300,000.

III. Effect of Proposed Changes:

Section 1: Amends s. 570.249(1), Florida Statutes:

- Expands the type of losses that allow agricultural producers to qualify for loan funds from the DACS program.
- Permits loan funds to be used for the removal of debris in addition to restoring and replacing essential physical property.
- Raises the cap on loan funds from \$250,000 to \$300,000.
- Defines "losses" to mean crop loss or damage to an agricultural facility or infrastructure or farmworker housing owned by an agricultural producer.
- Defines "essential physical property" to mean animals, fences, equipment, structural production facilities, other agricultural facility or infrastructure or farmworker housing owned by an agricultural producer, and orchard trees.

Section 2: Appropriates \$50 million from the General Revenue Fund to the General Inspection Trust Fund within the DACS for fiscal year 2006-2007 to be used for providing loans to agricultural producers who experienced losses due to natural disasters or socioeconomic conditions or events during the 2005 calendar year.

Section 3: Provides an effective date of July 1, 2006.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Agricultural producers would benefit from obtaining loans they may otherwise be unable to obtain from other sources.

C. Government Sector Impact:

This bill appropriates \$50 million from the General Revenue Fund to the General Inspection Trust Fund within the DACS for fiscal year 2006-07 to be used for providing loans to agricultural producers who experienced losses due to a natural disaster or socioeconomic condition or event during the 2005 calendar year.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
