

**REPORT OF THE  
BOARD OF AGRICULTURE AND CONSUMER SERVICES**

# **Disaster Assistance to Virginia's Farmers**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



## **SENATE DOCUMENT NO. 10**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
2002**





# COMMONWEALTH of VIRGINIA

**J. Carlton Courter, III**  
Commissioner

## Department of Agriculture and Consumer Services

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December 10, 2001

To: The Honorable James S. Gilmore, III, Governor of Virginia  
Members, Virginia General Assembly

On behalf of the Board of Agriculture and Consumer Services, I submit the enclosed final report on Disaster Assistance to Virginia's Farmers. This report is presented in response to Senate Joint Resolutions No. 162 and 236 which directed the Board to "determine (i) how the Commonwealth and its agencies, in cooperation with the United States Department of Agriculture, may work more effectively and timely in assisting Virginia's agricultural producers when a natural disaster occurs and (ii) any other actions that may be required to improve the general economic condition of Virginia's farmers."

At the request of the Board, I formed a study advisory group that has assisted with the review of disaster assistance to Virginia's farmers and which has made input to the enclosed final report. This advisory group includes farmers, two members of the Board, a representative of the United States Department of Agriculture, and representatives of key state agencies and agricultural organizations.

I would welcome the opportunity to discuss the findings and recommendations of this report.

Respectfully submitted,

  
J. Carlton Courter, III  
Commissioner

Enclosure

cc: Joshua N. Lief, Secretary of Commerce and Trade  
Members, Board of Agriculture and Consumer Services



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## PREFACE

This study was begun in response to Senate Joint Resolutions No. 162 and 236 passed in the 2000 Session of the General Assembly which requested the Board of Agriculture and Consumer Services to determine how the Commonwealth and its agencies may work more effectively and timely in assisting Virginia's agricultural producers when a natural disaster occurs. The Board directed the Commissioner of Agriculture and Consumers to coordinate this study with the assistance of a study advisory group composed of farmers, members of the Board of Agriculture and Consumer Services, and representatives of the United States Department of Agriculture, selected state agencies, and key agricultural organizations. The membership of the study advisory group is included as Appendix C.

Virginia Department of Agriculture and Consumer Services staff members who assisted the Board and the Commissioner with this study include Roy E. Seward, Director of Policy, Planning and Research and Perida F. Giles, Senior Policy Analyst.





## EXECUTIVE SUMMARY

As requested by the 2000 Virginia General Assembly, the Board of Agriculture and Consumer Services conducted a study of the disaster assistance needs of Virginia farmers and how the Commonwealth of Virginia, working in cooperation with the United States Department of Agriculture, can better meet the needs of our state's farmers in coping with destructive natural disasters.

The purpose of this final report is to communicate the findings and recommendations of the Board based on input from the Virginia Department of Agriculture and Consumer Services, members of the Board, other citizen farmers and representatives of farm groups and state and federal agencies that helped with the study.

### Findings

1. Virginia farmers have experienced significant agricultural losses from natural disasters over the past twenty-four years, and drought has been a major cause of losses due to natural disasters.
2. Natural disaster creates critical challenges that must be dealt with through the cooperative and coordinated actions of the private sector and local, state and federal government.
3. Congress, through the creation of the National Drought Policy Commission, has focused attention ways our nation responds to natural disasters that impact agriculture.
4. With nearly all of the financial and risk management assistance received by farmers currently being provided through the federal government, the role of the Commonwealth in responding to natural disasters affecting agriculture has been primarily one of coordinating and facilitating federal assistance.
5. Many agencies are involved in the Commonwealth's response to the challenges and losses that natural disasters create for Virginia farmers. Ongoing efforts that focus on improving the coordination of these efforts, particularly when addressing the immediate needs that farmers face during droughts, should be continued.
6. Virginia currently has a law relating to the state's response to agricultural disasters that has not been funded
7. Preparedness, including the strategies for reducing potential losses, is very important in dealing with natural disasters, such as drought, which impact the Commonwealth quite frequently.
8. The Commonwealth's overall emergency plan does not include a specific response plan for drought-related disasters and emergencies.

## RECOMMENDATIONS

A state plan for responding to drought and its impact on the Commonwealth, including but not limited to agriculture, should be prepared and implemented under the leadership of the Department of Emergency Management with the participation of appropriate federal, state and local agencies and with the involvement of stakeholders. Once the plan is developed it should be communicated to all levels of government as well as the general public.

State efforts to promote increased natural disaster preparedness, particularly in the case of drought, should be continued. Such efforts should include, but not be limited to, providing information and tools to Virginia farmers about risk management and other strategies for reducing potential losses. State efforts to encourage the expansion of federal risk management programs for all Virginia farmers should be continued.

# DISASTER ASSISTANCE STUDY

## BACKGROUND AND AUTHORITY

Senate Joint Resolutions No. 162 and 236, as enacted by the 2000 Session of the Virginia General Assembly, direct the Board of Agriculture and Consumer Services to "determine (i) how the Commonwealth and its agencies, in cooperation with the United States Department of Agriculture, may work more effectively and timely in assisting Virginia's agricultural producers when a natural disaster occurs and (ii) any other actions that may be required to improve the general economic condition of Virginia's farmers." A copy of SJR 162, a companion to SJR 236, is attached as Appendix A.

The Board was instructed to report its findings and recommendations to the Senate Committee on Agriculture, Conservation and Natural Resources, and to the Governor and the 2001 Session of the General Assembly.

## RELATED LEGISLATIVE ACTIONS OF THE 2000 SESSION

House Joint Resolution 129, enacted by the 2000 Session of the General Assembly, establishes a Rural Virginia Prosperity Commission which is to "undertake a detailed analysis of the Virginia's rural economies and recommend flexible but targeted state policies which, combined with local efforts, will help foster sustainable economic growth in Virginia's rural areas." A copy of HJR 129 is attached as Appendix B.

House Bill 1288 was passed to amend and reenact Section 3.1-22.19 of the Code of Virginia, relating to the Virginia Farmer Major Drought, Flood and Hurricane Disaster Act, to authorize a locality to "develop and initiate a grant program to supply emergency financial assistance to farmers in the locality to offset a portion of any operating losses resulting from a major disaster as declared by the Governor pursuant to Section 44-146.17."

## CREATION OF DISASTER ASSISTANCE STUDY ADVISORY GROUP

The Board of Agriculture and Consumer Services, lacking its own staff to conduct the study requested by SJR 's 162 and 236, requested the Commissioner of Agriculture and Consumer Services and the staff of the Virginia Department of Agriculture and Consumer Services to conduct this study on its behalf. With the input of the Board concerning the conduct of the study and the forming of the study advisory group, the Commissioner called representatives of the United States Department of Agriculture, several state agencies, the Virginia Farm Bureau Federation, and the Virginia Agribusiness Council to join him and two members of the Board in serving on the Disaster Assistance Study Advisory Group. A list of the persons invited to serve on the advisory group is provided as Appendix C.

## FOCUSING STUDY ON DISASTER ASSISTANCE

In view of the passage of HJR 129, which deals with the broad issues of economic conditions of rural Virginia, it was decided that the study to be conducted in response to SJR's 162 and 236 would focus on "how the Commonwealth and its agencies, in cooperation with the United States Department of Agriculture, may work more effectively and timely in assisting Virginia's agricultural producers when a natural disaster occurs." The primary intent of these study resolutions was to deal with disaster response needs. In view of the work of the Rural Virginia Prosperity Commission, it would be a duplication of effort to include an identification of "actions that may be required to improve the general economic condition of Virginia's farmers."

## NATIONAL CONCERN FOR NATURAL DISASTER RELIEF

The economic losses caused by recent natural disasters--particularly drought--have raised concerns about improving national preparedness and responsiveness to such disasters. Congress created the National Drought Policy Commission to develop an effective long-term national drought policy. The Commission was tasked to make recommendations to the President and Congress on how to better integrate federal drought laws and programs with state, local, and tribal programs without infringing on state control of water resources. The Commission's recommendations, which were presented in May 2000, included the suggestion that a National Drought Council be created and that attention be given to improving public awareness of the need for drought mitigation, prevention, and response.

Congress has also focused attention on the development a new government crop insurance program to provide farmers with better risk management tools. The understood objective is that this new program will minimize the need for Congress to approve ad hoc disaster assistance packages for farmers in the future when natural disasters strike.

Extension specialists across the nation have joined together in developing an Extension Disaster Education Network (EDEN) that provides resources on disaster response through such channels as the Internet. According to information on its website ([www.agctr.lsu.edu](http://www.agctr.lsu.edu)), EDEN is "a collaborative multi-state effort by Extension Services across the country to improve the delivery of services to citizens affected by disasters." The mission of EDEN is "to provide encouragement and support to local Extension workers across the United States as they:

- Build working relationships with their local and state emergency management networks;
- Provide education programs on disaster preparation and mitigation;
- Assume locally appropriate roles during disasters, and
- Collaborate in recovery efforts."

According to information on its website, "EDEN carries out this mission by providing and publicizing a web-based, disaster information database and maintaining a national network of experts and state EDEN contacts."

## DISASTER FREQUENTLY VISITS VIRGINIA FARMERS

It is not unusual that national attention is being directed at dealing the impact of natural disasters on agricultural production, with a particular emphasis on drought. Those who track weather conditions note that there are usually some areas of the state each year that have significant shortages in precipitation. Based on data from files kept by the Virginia Department of Agriculture and Consumer Services on requests for disaster designations, at least eleven of the past 24 years have had significant shortages of rainfall. The projected crop losses for the localities that were assessed for crop damages ranged from \$65 million in 1991 to \$311 million in 1986. These estimated loss figures were conservative and did not include losses experienced by livestock and poultry producers.

## LAWS RELATING TO GOVERNMENT'S RESPONSE TO AGRICULTURAL DISASTERS IN VIRGINIA

There are many laws at the state and federal level that relate to disaster. (In its review of all existing federal laws relating to drought, the National Drought Policy Commission found 74 sections of drought-related legislation. Twenty-six of those sections pertain to agriculture. There are certainly more that cover the broader category of disaster.)

However, for the purposes of this report, the focus will be on those state and federal laws that relate directly to the response to agricultural losses.

### Federal Law

Under section 321(a) of the federal Consolidated Farm and Rural Development Act, the Secretary of Agriculture may extend disaster designation to localities in which farmers have experienced major agricultural crop losses caused by natural forces such as drought, hail, hurricanes, etc.

Under USDA policy, requests for secretarial designation are made to the Secretary of Agriculture by a State Governor. A gubernatorial request is based on and must be accompanied by a damage assessment report. These reports are prepared at the county or city level by a local USDA Food and Agriculture Council and are reviewed and approved in Richmond by USDA's State Food and Agriculture Council. A damage assessment report documents the nature of a disaster, the time period of the disaster, the crops that are affected, anticipated or realized reductions in production, and the percentage of farmers who have suffered losses and at what levels.

Farmers in localities given primary disaster designation because of drought and farmers in neighboring (contiguous) localities are eligible to apply for low interest federal emergency loans.

### State Law

The Virginia Farmer Major Drought, Flood and Hurricane Disaster Act became law in 1978. This Act provides for the establishment of a Farmers Major Disaster Fund. Here are all the provisions of this Act:

#### ***Chapter 4.3 - The Virginia Farmer Major Drought, Flood and Hurricane Disaster Act***

**§ 3.1-22.13. Title.** *This chapter may be cited as the "Virginia Farmer Major Drought, Flood and Hurricane Disaster Act."*

**§ 3.1-22.14.** *Not set out.*

**§ 3.1-22.15. Duties of Extension Division of Virginia Polytechnic Institute and State University.** *A. Personnel of the Extension Division of Virginia Polytechnic Institute and State University shall inform local governing bodies of this Commonwealth whenever agricultural conditions are present in such localities which would warrant the declaration of a disaster pursuant to Section 301 of Public Law 93-288, 42 U.S.C. 5141.*

*B. Personnel of the Extension Division of Virginia Polytechnic Institute and State University shall provide farmers and local governing bodies with such assistance and information as is available concerning federal and state disaster relief programs.*

**§ 3.1-22.16. Declaration by Governor.** *The provisions of this chapter shall be effective from the time that the Governor of this Commonwealth makes a request pursuant to Section 301 of Public Law 93-288, 42 U.S.C. 5141 until the Governor declares that the effects of the disaster have been abated.*

**§ 3.1-22.17. Definitions.** *A. For the purposes of this chapter, "major disaster" means any hurricane, flood, or drought which would warrant a disaster declaration request by the Governor pursuant to the provisions of Section 301 of Public Law 93-288, 42 U.S.C. 5141.*

*B. For the purposes of this chapter, "farmer" means any person who derives at least seventy-five per centum of his gross income from a farming operation in this Commonwealth as reported on his federal income tax forms the previous year or a farmer who receives or is eligible to receive a federal loan and who owns or leases land which would be eligible for special tax assessments pursuant to Article 4 (§ 58.1-3229 et seq.) of Chapter 15. Provided, however, it shall not be necessary for any locality to adopt an ordinance pursuant to § 58.1-3231 in order to effectuate the provisions of this subsection relating to special tax assessments.*

*C. For the purposes of this chapter, "person" shall mean any natural person, firm, partnership, association, corporation, or any other legal entity.*

**§ 3.1-22.18. Loans.** *The Governor or his designee may approve a loan to any farmer who has suffered the effects of a major disaster upon the recommendation of the Commissioner of Agriculture and Consumer Services and subject to the following terms and conditions:*

*A. The assistance provided for in this section shall not be extended unless the farmer has applied for and received approval for a loan exceeding the amount requested pursuant hereto from any federal agency providing disaster relief loans. Upon approval of a loan by such federal agency, a loan not exceeding \$10,000 may be approved by the Governor or his designee.*

*B. The loan shall be available only for operating expenses for the farming operation.*

*C. No interest shall be charged for the loan.*

*D. Repayment shall be made within one year or upon receipt of loan funds from any federal agency providing disaster relief, whichever is sooner. The Virginia Department of Agriculture and Consumer Services may require the farmer to provide sufficient security or to make provision for direct payment from federal lending agencies of the entire amount of the loan made pursuant to this chapter as a condition of granting the loan.*

*E. A maximum of \$10,000 may be loaned any one farmer. Provided, however, the Governor at his discretion may reduce or increase the maximum amount of the loan.*

*F. The availability of loans provided for in this section shall be based on and subject to the moneys accumulated in the Farmers Major Disaster Fund established in § 3.1-22.20.*

**§ 3.1-22.19. Emergency services.** *A. The Commissioner of Agriculture and Consumer Services is hereby authorized to develop and initiate programs of general relief to farmers affected by major disasters and to expend moneys from the Farmers Major Disaster Fund in order to implement such programs. Programs created pursuant hereto shall include but not be limited to the following:*

*1. Programs to assist farmers in their feed needs including the supplying of feed at cost.*

*2. Programs to provide supplemental manpower to those state and federal agencies involved in relief efforts to aid farmers.*

*B. Any locality may develop and initiate a grant program to supply emergency financial assistance to farmers in the locality to offset a portion of any operating losses resulting from a major disaster as declared by the Governor pursuant to § 44-146.17.*

**§ 3.1-22.20. Disaster fund created.** *All loans made pursuant to this chapter shall be paid from a special fund of the state treasury titled the Farmers Major Disaster Fund. The Governor may allocate moneys to such fund from appropriations made to the Governor for disaster planning and operations pursuant to the declaration of the state disaster under Chapter 3.2 (§ 44-146.13 et seq.) of Title 44.*

**§ 3.1-22.21. Administration.** *The Commissioner of Agriculture and Consumer Services shall establish administrative procedures necessary to effect the purposes of this chapter including the promulgation of rules and regulations.*

It should be noted that this Act has not been used to provide loan assistance to farmers in times of disaster. No funds have ever been placed in the Farmers Major Disaster Fund.

## VIRGINIA'S RESPONSE TO THE 1999 DROUGHT

The year 1999 provides a good picture of how important disaster assistance can be to Virginia farmers and how the Governor assists localities in responding to natural disasters affecting farmers and how state agencies work with the United States Department of Agriculture and other federal agencies to help farmers obtain federal assistance.

In 1999 the Commonwealth of Virginia worked in cooperation with the USDA to obtain damage assessment reports for 51 localities that requested the help of Governor Gilmore in seeking federal disaster assistance because of drought losses. It was estimated that crop losses in these counties totaled approximately \$165 million.

Governor Gilmore successfully sought federal disaster designation for 97 Virginia localities that were affected by agricultural crop losses due to extended dry weather.

Governor Gilmore joined with the governors of other states affected by drought in seeking special appropriations from the U. S. Congress for farmers who have experienced weather-related losses of income due to reductions in livestock and crop production. Congress agreed to increase appropriations to include emergency disaster aid for farmers. Virginia farmers received millions of dollars in direct assistance because of drought, flood or hurricane damages.

Governor Gilmore and other state governors encouraged the Secretary of Agriculture to make funding from USDA's Emergency Conservation Program available to farmers in localities affected by drought. A major portion of USDA's allocation for ECP was received by Virginia.

Governor Gilmore encouraged the Secretary of Agriculture to make a significant change in USDA policy that was implemented to provide more aid to farmers who lost their water supplies because of drought. This change made Virginia's poultry farmers eligible for federal disaster assistance through the Emergency Conservation Program. This program provides aid to farmers in re-establishing an adequate supply of water for their poultry or livestock production in times of drought.

Governor Gilmore utilized the Virginia National Guard to haul approximately 2000 large round bales of hay to farmers in 16 localities identified as having a significant need for supplemental feed for livestock.

Governor Gilmore called on the Virginia National Guard to use its equipment to transport water to central locations in the drought stricken areas of the state to make water available to farmers needing it for their livestock.

The State Drought Monitoring Task Force met frequently during the drought period to bring together representatives of state and federal agencies to share information about projected weather conditions and water resource concerns and recommendations for



actions by the Commonwealth to respond to concerns and emerging problems. Task force reports were shared with agencies, cabinet secretaries and the Office of the Governor.

The Office of the Secretary of Commerce and Trade, with the assistance of the Virginia Department of Agriculture and Consumer Services, kept the Office of the Governor advised of the current status of local requests for drought disaster aid and recommended actions to the Office of the Governor concerning federal emergency programs, emergency legislation before the U.S. Congress and options the Governor may wish to consider in addressing Virginia's situation.

Representatives of the Office of the Secretary of Commerce and Trade and the Office of the Secretary of Public Safety worked with state agencies in preparing recommendations to Governor Gilmore concerning appropriate state assistance to farmers in coping with continuing drought conditions.

The Commonwealth, represented by the Commissioner of Agriculture and Consumer Services participated in a teleconference with the Administrator of the Farm Service Agency (FSA) of USDA to express concerns about the need for a timely response to the drought and to share information about the disaster designation process, federal drought assistance programs and possible relief that may be made available through Congressional action. Others who participated in the conference included FSA representatives from nine states and representatives of state departments of agriculture from eight other eastern states.

The Commonwealth, through the efforts of VDACS, assisted farmers seeking hay for their livestock in obtaining an adequate supply of hay at reasonable prices.

The Commonwealth of Virginia, through the efforts of VDACS and the Virginia Department of Transportation, obtained waivers on load-size and weight restrictions for trucks to permit the movement of hay to drought stricken localities to feed livestock.

The Commonwealth, through the efforts of VDACS, provided farmers who chose to cull or liquidate their herds with help in marketing their livestock at the highest prices during the drought period.

In response to the drought conditions, the Department of Conservation and Recreation permitted local soil and water conservation districts to allow landowners to harvest cover crops planted under the Virginia Agricultural BMP (Best Management Practices) Cost-Share Program. In addition, DCR permitted districts to allow landowners to install watering systems under the Grazing Land Protection BMP and receive cost-share on the expenses and to install fencing at a later time.

Virginia Cooperative Extension personnel serving localities struck by drought, hurricane and flood damages during 1999 played a key role in advising local governing officials of

these losses and assisting them in seeking federal disaster aid that was made available to localities, farmers and other citizens.

Virginia Cooperative Extension staff conducted workshops for farmers to provide information about available sources of assistance and strategies for coping with losses.

## RESPONDING TO FUTURE NATURAL DISASTERS

Being prepared for future natural disasters is key to reducing the dependence on special appropriations from Congress to cope with major agricultural losses. Through its programs, Virginia Cooperative Extension brings to Virginia farmers information about new crops that are drought resistant and other strategies for reducing the impact of prolonged dry weather on agricultural production.

The Virginia Department of Agriculture and Consumer Services, as part of its services, also provides information useful to producers and growers in making decisions about their operations. In an effort to promote the use of risk management tools by Virginia farmers, VDACS in 2001 helped to co-sponsor a workshop that covered different aspects of risk management. At the present time VDACS is exploring the possibility of a grant from USDA for future activities for informing Virginia farmers about risk management options. VDACS also successfully petitioned the Risk Management Agency of the United States Department of Agriculture to include selected Virginia localities in a pilot project that would make a special insurance program based on adjusted gross income available to Virginia farmers. Beginning with the 2001 crop year, producers in the pilot localities are being provided a new opportunity for managing the risks of farming.

Just about every climate on Earth will suffer significant drought from time to time. Unlike other natural disasters, drought has a "low-profile" but it can be as costly in terms of agricultural losses as floods and hurricanes.

In terms of dollars lost and frequency of occurrence, drought probably represents the biggest challenge to both the farmer and to the Commonwealth. Drought has the capability of creating major statewide economic losses over a period of two or more production years.

The possibility that drought will strike one or more regions of the Commonwealth is ever present. The long-term nature of a prolonged drought creates unique challenges for the individual as a producer of crops and animals. State, local, and federal governments have an additional responsibility for responding to immediate and long-term resource needs produced by drought that require interagency coordination of efforts over extended periods of time.

Currently the Commonwealth's overall state emergency plan does not include a specific plan for drought response. Other states such as North Carolina have prepared such plans that provide an example of such plan; however, Virginia's plan should provide more

specifics about what actions are taken the state and local level when drought occurs. Having such a plan provides a means for improving coordination among local, state and federal agencies.

## FINDINGS

1. Virginia farmers have experienced significant agricultural losses from natural disasters over the past twenty-four years, and drought has been a major cause of losses due to natural disasters.
2. Natural disaster creates critical challenges that must be dealt with through the cooperative and coordinated actions of the private sector and local, state and federal government.
3. Congress, through the creation of the National Drought Policy Commission, has focused attention on ways our nation responds to natural disasters that impact agriculture.
4. With nearly all of the financial and risk management assistance received by farmers currently being provided through the federal government, the role of the Commonwealth in responding to natural disasters affecting agriculture has been primarily one of coordinating and facilitating federal assistance.
5. Many agencies are involved in the Commonwealth's response to the challenges and losses that natural disasters create for Virginia farmers. Ongoing efforts that focus on improving the coordination of these efforts, particularly when addressing the immediate needs that farmers face during droughts, should be continued.
6. Virginia currently has a law relating to the state's response to agricultural disasters which has not been funded.
7. Preparedness, including the strategies for reducing potential losses, is very important in dealing with natural disasters, such as drought, which impact the Commonwealth quite frequently.
8. The Commonwealth's overall emergency plan does not include a specific response plan for drought-related disasters and emergencies.

## RECOMMENDATIONS

A state plan for responding to drought and its impact on the Commonwealth, including but not limited to agriculture, should be prepared and implemented under the leadership of the Department of Emergency Management and with the participation of appropriate federal, state and local agencies and with the involvement of private sector stakeholders. Once the plan is developed it should be communicated to all levels of government as well as the general public.

State efforts to promote increased natural disaster preparedness, particularly in the case of drought, should be continued. Such efforts should include, but not be limited to, providing information and tools to Virginia farmers about risk management and other strategies for reducing potential losses. State efforts to encourage the expansion of federal risk management programs for all Virginia farmers should be continued.

(APPENDIX A)

**SENATE JOINT RESOLUTION NO. 162**

*Requesting the Board of Agriculture and Consumer Services to study the economic condition and disaster assistance needs of Virginia's farmers.*

Agreed to by the Senate, February 15, 2000

Agreed to by the House of Delegates, March 8, 2000

WHEREAS, agriculture plays a significant role in the Commonwealth's economy, generating approximately \$35.9 billion in total annual sales, which represents 12.3 percent of all sales in Virginia; and

WHEREAS, agriculture contributes approximately \$19.5 billion or 11.2 percent of Virginia's gross state product; and

WHEREAS, agriculture creates approximately 388,000 jobs in Virginia, or nearly 10 percent of total jobs statewide; and

WHEREAS, in recent years, Virginia's farmers have faced an overwhelming challenge in maintaining their production of food and fiber while coping with major losses in income caused by natural disasters and record low commodity prices; and

WHEREAS, promoting and maintaining agricultural production in Virginia is a critical issue that affects the future of the state's economy and the welfare of all Virginians; and

WHEREAS, many state and federal agencies are involved in helping farmers respond to natural disasters and to the related economic and natural resource problems created by prolonged and catastrophic natural disasters; and

WHEREAS, the Commonwealth should review the general economic condition of agricultural producers and its natural disaster assistance policies to determine how that policy may be strengthened and identify any additional assistance that should be provided to producers; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Board of Agriculture and Consumer Services be requested to study the economic condition and disaster assistance needs of Virginia's farmers.

In conducting its study, the Board shall determine (i) how the Commonwealth and its agencies, in cooperation with the United States Department of Agriculture, may work more effectively and timely in assisting Virginia's agricultural producers when a natural disaster occurs and (ii) any other actions that may be required to improve the general economic condition of Virginia's farmers.

All agencies of the Commonwealth shall provide assistance to the Board, upon request.

The Board of Agriculture and Consumer Services shall complete its work in time to submit its findings and recommendations to the Senate Committee on Agriculture, Conservation and Natural Resources, and to the Governor and the 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

(APPENDIX B)

**HOUSE JOINT RESOLUTION NO. 129**

*Establishing the Rural Virginia Prosperity Commission.*

Agreed to by the House of Delegates, February 15, 2000

Agreed to by the Senate, March 2, 2000

WHEREAS, the U.S. economy is experiencing its longest economic expansion in history; and

WHEREAS, the Commonwealth as a whole has shared in this broad-based economic expansion which has brought to the Commonwealth double-digit annual general fund revenue growth over the past few bienniums; and

WHEREAS, numerous areas of the Commonwealth are sharing this record growth where technology is generating unprecedented economic prosperity; and

WHEREAS, urban and suburban areas of the Commonwealth of Virginia have benefited from the growth and expansion of information technology; and

WHEREAS, even after almost 10 years of strong economic growth in the Commonwealth, the rural areas of Virginia have not benefited to the same extent as the urban and suburban areas of Virginia; and

WHEREAS, the falling commodity prices for farm products have helped keep inflation under control but have reduced the income of farmers in Virginia's rural areas; and

WHEREAS, the assault on tobacco and its harmful effects has decimated the Southwest and Southside regions in Virginia with their historically strong economic dependence on tobacco; and

WHEREAS, increased global competition has helped some areas of the Commonwealth; the free trade policies of the North American Free Trade Agreement (NAFTA) and the General Agreement on Trade and Tariffs (GATT) have hurt certain manufacturing industries, such as textiles, which are predominantly located in rural areas resulting in high unemployment; and

WHEREAS, the strong economies of the urban and suburban areas with their economic growth and high wage jobs have exacerbated the rural community's out-migration, especially for the younger residents of the rural parts of Virginia; and

WHEREAS, the social and economic problems confronting rural Virginia and its suburban neighbors, where rapid housing growth competes for space, land, and local services, are diverse with different state policies and laws affecting different local economies in diverse ways, and therefore, strategies may need to be initiated and/or

modified to provide maximum effectiveness for Virginia's rural and rural/suburban areas; and

WHEREAS, the Commonwealth cannot achieve full prosperity until all regions of the Commonwealth share in the state's current unprecedented economic growth and allow its communities and its citizens to reach their full potential; and

WHEREAS, rural economies that are not in a position to equally contribute to the Commonwealth's economic prosperity will inevitably require continuous fiscal contributions from urban and suburban areas of the state to simply continue to provide essential public services; and

WHEREAS, sustained rural development that improves a community's economy cannot occur until creative solutions that link strong resources and programs with a local capacity to tackle its own unique problems are developed; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Rural Virginia Prosperity Commission be established. The Commission shall undertake a detailed analysis of Virginia's rural economies and recommend flexible but targeted state policies which, combined with local efforts, will help foster sustainable economic growth in Virginia's rural areas. The Commission shall study and recommend what policies and strategies can be instituted or restructured to help rebuild Virginia's rural economy to maximize the effectiveness of federal, state, local and private efforts to assure rural prosperity and a high quality of life in rural communities.

The Commission shall be comprised of 18 members as follows: 6 members of the House of Delegates to be appointed by the Speaker of the House, in accordance with the principles of Rule 16 of the Rules of the House of Delegates; 4 members of the Senate to be appointed by the Senate Committee on Privileges and Elections; and 8 citizen members, four of whom shall be appointed by the Speaker of the House and four of whom shall be appointed by the Senate Committee on Privileges and Elections. The Commission shall include representatives of both urban and rural areas of Virginia. The Division of Legislative Services and the Rural Economic Analysis Program at the Virginia Polytechnic Institute and State University (Virginia Tech) shall provide staff assistance for the study. All agencies of the Commonwealth shall provide assistance to the Commission, upon request.

The direct cost of the study shall not exceed \$33,000. An additional estimated \$150,000 is allocated for analytical, planning and advisory services for Virginia Tech. Such expenses shall be funded by a separate appropriation to Virginia Tech.

The Commission shall submit an interim report to the Governor and the 2001 Session of the General Assembly and shall complete its work by December 1, 2001, and submit its findings and recommendations to the Governor and the 2002 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.



Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

(APPENDIX C)

***DISASTER ASSISTANCE STUDY ADVISORY GROUP***  
(Persons/Organizations/Agencies Asked to Serve)

Robert H. Pope, Member, Board of Agriculture & Consumer Services,  
Southampton County

William L. Crigler, Member, Board of Agriculture & Consumer Services,  
Madison County

Edward A. Scharer, Virginia Farm Bureau Federation, Albemarle County

Woodrow W. Hynson, Jr., Farmer, Westmoreland County

Charles Wonderley, Farmer, Augusta County

Dr. James R. Gardner, Virginia Cooperative Extension

David E. Luckritz, Farm Service Agency, USDA

S. James Johnson, Jr., Virginia Agribusiness Council

Dana R. Bayless, Virginia Department of Conservation and Recreation

Harry E. Colestock, III, Virginia Department of Emergency Management

Donna P. Johnson, Virginia Agribusiness Council

Wilmer N. Stoneman, III, Virginia Farm Bureau Federation