N E W S R E L E A S E COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF AGRICULTURE FOR IMMEDIATE RELEASE

GOV. RIDGE CALLS FOR CONGRESSIONAL ACTION TO AID PENNSYLVANIA FARMERS

HARRISBURG (Aug. 18) -- Gov. Tom Ridge today called on Congress to provide grants to Pennsylvania farmers stricken by the worst drought of the century. Gov. Ridge called for the grants while addressing more than 700 farmers and public officials during the annual Penn State Ag Progress Days.

"For nearly three decades, Pennsylvania farmers have helped to feed America," Gov. Ridge said. "Now it's time for America to return the favor. That's why today I've called upon Congress to provide federal grants to help the Pennsylvania farmers hit hardest by this century's worst drought.

"Pennsylvanians have sent millions of their hard-earned federal tax dollars to fund disaster grants for states across the nation. Now, we need that same help for our farmers."

Gov. Ridge sent a letter on Aug. 18 to congressional leaders and Pennsylvania's congressional delegation asking for federal grants to help Pennsylvania farmers. He noted that agriculture is Pennsylvania's No. 1 industry with nearly 50,000 family farms and \$44 billion generated each year.

"On behalf of Pennsylvania's farm families, the agricultural industry and the rural communities that depend on agriculture to sustain their economic base, I am asking for your help in securing federal emergency grant assistance to address the financial losses from the unprecedented drought," wrote Gov. Ridge in his letter to Congress.

"When Congress reconvenes in September, I urge you to respond to the unique needs of Pennsylvania agriculture and include immediate grant assistance in the FY 2000 Agriculture Appropriations Bill. I stand ready to work with Congress on this very urgent and serious problem to insure that our farm families receive the assistance they need as they enter the 21st century."

On Aug. 13, at Gov. Ridge's request, the USDA declared all 67 Pennsylvania counties as a drought disaster area. This declaration made Pennsylvania farmers eligible to apply for low interest federal loans and other emergency funding.

Gov. Ridge said that, while the disaster declaration makes farmers eligible for loans, many are simply not in the financial position to assume more debt when they have lost their income.

"Pennsylvania farmers have suffered the largest financial losses as a result of the drought than any other disaster state," Gov. Ridge said. "Preliminary estimates show that Pennsylvania's family farmers have lost at least \$500 million from this worst drought of the century. The problem is compounded since farmers will have to buy replacement feed while paying off the loans they borrowed to plant this year's crop.

"This cycle is unsustainable and underscores the need for immediate grant assistance."

To be eligible for federal disaster assistance, farmers must have realized at least a 30 percent loss for a single crop; be able to repay the loan and other loans; be unable to receive credit from another source; and have an

adequate credit history. Farmers in the state have eight months from the date of loss to apply for loans to help cover losses.

Other forms of assistance available to drought stricken farmers from USDA include: the Emergency Conservation Program, which offers emergency funding on a cost-share basis for farmers to implement water-conservation measures; federal crop insurance; the Noninsured Crop Disaster Assistance Program, which provides compensation for crops not eligible for crop insurance; and Economic Injury Disaster Loans through the Small Business Administration for small farmers and farm-related businesses affected by the drought.

Gov. Ridge signed a drought emergency declaration on July 20 for 55 Pennsylvania counties.

A drought emergency imposes mandatory non-essential water-use restrictions on all Pennsylvanians. However, those restrictions do not apply to agricultural irrigation

for the production of food and fiber, and the maintenance of livestock and poultry.

Penn State's Ag Progress Days features more than 500 acres of educational and commercial exhibits, tours and machinery demonstrations. This year's theme is "Harvest 2000: A Celebration of Progress" and highlights the past 100 years of the dairy industry. It continues through Thursday, and admission and parking are free.

For more information about the drought, visit the Department of Environmental Protection through the Pennsylvania website at www.state.pa.us or directly at www.dep.state.pa.us (choose Drought Emergency).

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