

Congress could offer spending, tax aid to farmers swamped by 'Bomb Cyclone'

By RYAN MCCRIMMON | 03/21/2019 04:42 PM EDT

President Donald Trump on Thursday approved a federal disaster declaration for Nebraska, unlocking emergency resources to help the state recover from massive flooding that's caused more than \$1.3 billion in damage to agriculture and infrastructure.

Additional federal assistance is possible in coming weeks for Nebraska and other Midwestern states, where last week's "bomb cyclone" winter storm and the floods it triggered have swamped farmlands, killed or stranded livestock and destroyed homes, roads and bridges.

The Senate is aiming to vote next week on a \$14.2 billion disaster aid spending package, H.R. 268 (116), that the House passed in January. Agriculture Secretary Sonny Perdue said he expects flood relief for farm belt states could be included in the final legislation.

Another option for Congress is to provide new tax breaks for disaster victims, like allowing deductions for casualty losses, extending tax filing deadlines, easing limits on deductible contributions to charity or waiving penalties for tapping retirement accounts.

The House Ways and Means Committee is expected to mark up a broad tax bill sometime in April that could potentially include some form of disaster relief for taxpayers affected by hurricanes and wildfires in 2018. Tax assistance for victims of recent catastrophic weather, like the Midwest flooding and tornadoes in Alabama, could also be in the mix.

Iowa is expected to soon submit its own request for a federal disaster declaration. Sen. Joni Ernst (R-Iowa) told POLITICO that emergency management coordinators are reviewing damage in affected counties and are due to turn in initial assessments to the state by Friday. The state is then expected to submit an overall assessment to Washington this weekend, the Iowa Republican said.

The flood damage is the latest setback for Midwestern farmers and ranchers who were already facing economic headwinds like retaliatory tariffs, low commodity prices and rising farm debt.

Large numbers of livestock have been wiped out by the severe weather. In Nebraska, the National Guard was using a Chinook helicopter to drop hay bales to cattle surrounded by floodwaters. The state, which was in the thick of calving season when the storm struck, estimates at least \$400 million in livestock sector losses.

Nebraska Agriculture Director Steve Wellman told reporters Thursday that livestock producers' top concerns include replacing ruined feed and washed out fences.

Row crop growers are also feeling the brunt of the damage. Wellman said many will be forced to delay or cancel this year's planting after floodwaters inundated their fields, resulting in at least \$440 million in crop losses in Nebraska.

Crop losses are also expected in Iowa, where overflowing rivers have swamped fields and grain storage sites.

“As I flew over southwest Iowa, it looked like an ocean,” Iowa Gov. Kim Reynolds told POLITICO. “Just the amount of grain that’s stored in the bins is lost. ... There’s been a lot of livestock lost, too. It’s probably going to be impossible for them to get back into the fields for this year, so that’s also going to be an issue going forward.”

Ernst said Fremont County, in southwestern Iowa, has lost \$7 million worth of grain alone, per county estimates. “That’s money that they likely will not be able to get back. Grain is not insured,” she said.

Marianne LeVine and Aaron Lorenzo contributed to this report.

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