

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 296
Mar 5, 2025
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40190-NBa-110

Short Title: Corn Farmer Recovery Act - Phase I. (Public)

Sponsors: Representative B. Jones.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A CORN FARMERS RECOVERY ACT AND TO APPROPRIATE
3 FUNDS FOR THAT PURPOSE.

4 The General Assembly of North Carolina enacts:

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6 **PART I. LEGISLATIVE FINDINGS**

7 **SECTION 1.1.** The North Carolina General Assembly makes the following findings
8 for corn farming in 2024:

- 9 (1) Corn farming is a cornerstone of North Carolina's agricultural economy, with
10 approximately 900,000 acres dedicated to its cultivation and generating over
11 seven hundred fifty-six million nine hundred thousand dollars (\$756,900,000)
12 in cash receipts. Thousands of farmers rely on corn production to support
13 livestock feed, ethanol, and food processing industries.
- 14 (2) In 2024, North Carolina's corn farmers faced unprecedented challenges due to
15 extreme weather events, including severe drought, excessive rainfall, and
16 multiple hurricanes. These disasters resulted in widespread crop losses,
17 infrastructure damage, and significant financial strain on farm operations.
- 18 (3) The United States Department of Agriculture issued multiple secretarial
19 disaster declarations covering affected counties, recognizing the devastating
20 impact on corn production. While federal assistance has provided some relief,
21 additional State support is necessary to aid recovery and ensure future
22 resilience.
- 23 (4) North Carolina's corn farmers have demonstrated resilience by adopting
24 conservation practices and improved farming techniques. However, targeted
25 investment in disaster relief, infrastructure, and research is essential to
26 stabilize the industry and protect the State's agricultural economy.

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28 **PART II. TRANSFERS AND APPROPRIATIONS**

29 **SECTION 2.1.(a)** Transfer. – The State Controller shall transfer the sum of
30 eighty-nine million five hundred eight thousand seven hundred ninety-two dollars (\$89,508,792)
31 from the State Emergency Response and Disaster Relief Fund to the Department of Agriculture
32 and Consumer Services (Department).

33 **SECTION 2.1.(b)** Appropriation. – The funds transferred in subsection (a) of this
34 section are appropriated to the Department for the 2024 Agricultural Disaster Corn Crop Loss
35 Program, as established in Part III of this act. These funds and remaining funds from Section
36 5.9A(c)(2) of S.L. 2021-180 and Section 5.4(a)(4)a. of S.L. 2022-74 shall be used to assist



1 farmers in counties designated by the United States Department of Agriculture as agricultural
2 disasters that occurred during 2024 in this State.

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4 **PART III. 2024 AGRICULTURAL DISASTER CORN CROP LOSS PROGRAM**

5 **SECTION 3.1.(a)** Agricultural Disaster Corn Crop Loss Program. – The 2024
6 Agricultural Disaster Corn Crop Loss Program is established within the Department of
7 Agriculture and Consumer Services. The Program shall be used to provide financial assistance
8 to farmers with verified losses of corn from an agricultural disaster in this State in 2024. The
9 Department may use up to one percent (1%) of funds allocated for the Program for administrative
10 purposes. To be eligible for financial assistance for losses of corn, a person must satisfy all of the
11 following criteria:

- 12 (1) The person experienced a verifiable loss of corn, as a result of an agricultural
13 disaster in 2024, and the person's farm is located in an affected area for the
14 respective agricultural disaster.
- 15 (2) The corn was planted but not harvested on or before the eligibility date. For
16 purposes of this subsection, the term "eligibility date" refers to the date of the
17 disaster set forth in the Secretarial declaration for the county in which the corn
18 is located and for which verifiable losses are claimed.

19 **SECTION 3.1.(b)** Verification of Loss. – A person seeking financial assistance for
20 losses of corn under the Program shall submit to the Department a Form 578 on file with the
21 USDA Farm Service Agency or a form provided by the Department for reporting acreage or
22 plantings of corn crops or loss that is not typically reported on Form 578, along with any other
23 documentation deemed appropriate by the Department, no later than 45 days after this section
24 becomes effective. For corn crops where the survival level is not immediately known, the
25 Department may extend this deadline by an additional 45 days, upon written request by the person
26 received no later than 45 days after this section becomes effective and upon approval by the
27 Department. A person receiving assistance under this Program must provide a signed affidavit,
28 under penalty of perjury, certifying that each fact of the loss presented by the person is accurate.

29 **SECTION 3.1.(c)** Criteria. – The Department shall administer the financial
30 assistance program authorized by this section in accordance with the following criteria:

- 31 (1) In determining the payment calculation for corn, the Department shall use a
32 formula based on acreage, county loss estimates, USDA National Agricultural
33 Statistics Service averages, and any other measure the Department deems
34 appropriate. Funds shall be distributed based on county averages for yields
35 and State averages for price. Calculations shall be based on county or State
36 averages in price, whichever the Department determines is appropriate.
- 37 (2) The Department shall gather all claim information, except from those
38 applicants granted a deadline extension, no later than 45 days after this section
39 becomes law. The Department shall, as closely as possible, estimate the
40 amount of the funds needed to be held in reserve for payments related to losses
41 of corn crops for which losses will not be fully known or calculated. The
42 Department shall set aside funds as it deems appropriate based on the
43 estimated percentage of these losses.
- 44 (3) Payments made under this Program shall be made to the person who filed the
45 Form 578 or Department form for claims related to corn losses.

46 **SECTION 3.1.(d)** Audit. – The Department may audit the financial and other records
47 of each recipient of funds in order to ensure that the funds are used in accordance with the
48 requirements of this Program. The Department may require any documentation or proof it
49 considers necessary to efficiently administer this Program, including the ownership structure of
50 each entity and the social security numbers of each owner. In order to verify losses, the
51 Department may require the submission of dated, signed, and continuous records. These records

1 may include, but are not limited to, commercial receipts, settlement sheets, warehouse ledger
2 sheets, pick records, load summaries, contemporaneous measurements, truck scale tickets,
3 contemporaneous diaries, appraisals, ledgers of income, income statements of deposit slips, cash
4 register tape, invoices for custom harvesting, u-pick records, and insurance documents.

5 **SECTION 3.1.(e)** Expenditure of Awarded Funds. – Awarded funds shall be used
6 for agricultural production expenses and recovery of losses due to the impacts of an agricultural
7 disaster in 2024. The Department shall develop guidelines and procedures to ensure that funds
8 are expended for the purposes allowed by this section and may require any documentation it
9 determines necessary to verify the appropriate use of financial assistance awards, including
10 receipts. All distributed funds are subject to federal and State income tax.

11 **SECTION 3.1.(f)** Refund of Award. – If a person receives financial assistance under
12 this Program for which the person is ineligible, or if the amount of the financial assistance
13 received is based on inaccurate information, the person forfeits the assistance awarded under this
14 section and is liable for the amounts received. Assistance forfeited under this section shall bear
15 interest at the rate determined in accordance with G.S. 105-241.21 as of the date of receipt until
16 repaid. Financial assistance forfeited but not paid shall be collected by a civil action in the name
17 of the State, and the recipient shall pay the cost of the action. The Attorney General, at the request
18 of the Commissioner of Agriculture, shall institute the action in the proper court for the collection
19 of the award forfeited, including interest thereon.

20 **SECTION 3.1.(g)** Definitions. – For purposes of this section, the following
21 definitions apply:

- 22 (1) Agricultural disaster. – A secretarial disaster designation declared by the
23 United States Department of Agriculture Secretary for qualifying counties in
24 this State.
- 25 (2) Corn. – A cereal plant of the grass family (*Zea mays*) and an edible grain.
- 26 (3) Department. – The Department of Agriculture and Consumer Services.
- 27 (4) Person. – Any individual, trust, estate, partnership, receiver, association,
28 company, limited liability company, corporation, or other entity or group.
- 29 (5) Program. – The 2024 Agricultural Disaster Corn Crop Loss Program.

30 **SECTION 3.1.(h)** Program Reporting Requirement. – The Department shall submit
31 a report to the Fiscal Research Division no later than the first day of the month six months after
32 this section becomes effective, and every six months thereafter until all funds are expended or
33 the Program expires, containing, at a minimum, all of the following data:

- 34 (1) The number of applicants and the county in which the person incurred the
35 verified loss.
- 36 (2) The number and amount of grants awarded.
- 37 (3) The geographic distribution of the grants awarded.
- 38 (4) The total amount of funding available to the Program, the total amount
39 encumbered, and the total amount disbursed to date.
- 40 (5) Any refunds made to the Program pursuant to subsection (f) of this section.

41 **SECTION 3.1.(i)** Expiration and Reversion. – The Program shall expire 30 months
42 after this section becomes effective. Any funds allocated to the Program not expended or
43 encumbered by that date shall revert to the State Emergency Response and Disaster Relief Fund.

44 **PART IV. EFFECTIVE DATE**

45 **SECTION 4.1.** This act is effective when it becomes law.
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