

EQ-1989-SC County Rebuilding

Farmers not completely pleased with state quake-relief package

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Frustrated by bureaucratic trails that fail to lead them toward financial relief, Pajaro Valley growers are finally seeing some light flicker in the red-tape jungle. But what they see may be something they don't want to get, one industry leader said.

The latest bail-out offer being made to local growers, who by current estimates have lost about \$13 million in earthquake-related damage to structures, products and equipment, comes from a state bill authorizing the state Department of Commerce to implement an emergency loan program to growers.

Administered through the California Coastal Rural Development Corp., which serves as a lender and guarantor, the \$1 million-plus program is designed to provide farmers with 12-month loans of as much as \$150,000, payable at 9 percent interest. The regulations, in the process of being worked out, are expected by the end of the week, California Coastal President Herb Aarons said. In Watsonville, the Pajaro Valley Bank will participate in

the program.

Announcement of the program, which was part of a 12-point relief package approved at a special state legislative session earlier this month, was set today for 2 p.m. at Watsonville City Hall. At the event, Assemblyman Sam Farr, D-Carmel, and others were to outline the program, which also offers immediate assistance to business owners waiting for their Small Business Administration applications to be processed.

The president of the Santa Cruz County Farm Bureau, however, already finds the conditions of the loans, specifically the interest rate and payback time, too prohibitive to be of help to growers.

"If you're an apple grower and your crop is in, are you going to be able to pay that back in a year's time?" he asked rhetorically Saturday outside the Santa Cruz County Board of Supervisors chambers, site of the weekly meetings where officials provide progress reports on disaster-relief efforts.

Local apple growers, who this year found themselves unable to find fresh-market outlets on

shelves filled with products from their competitors in the North. west, were reportedly hard hit by the Oct. 17 quake that knocked fruit from trees and toppled storage bins in warehouses.

Efforts to assist farmers to recover losses inflicted by the quake were initiated by political representatives after local leaders complained of the lack of low-cost programs available to help them. Last week, a measure approved by the U.S. House Agriculture Committee expanded a package intended for drought relief to farmers suffering earthquake-related damage. The guidelines are still unknown for that proposed bill, which would guarantee loans of as much as \$300,000.

"We don't know what's going on; that's the problem," Siri said. "We need something in clear, precise terms."

So while the state program may not offer the best terms to growers, at least some figures they can work with have finally been presented, he said.

"This is the first indication of what it would cost," Siri said.