



USDA releases updated details on SURE permanent disaster program

By Agri-Pulse Staff

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Washington, Dec. 29 – Following up on its Dec. 24th release of regulations for USDA's permanent disaster 'fix,' the Supplemental Revenue Assistance Payments (SURE) program with signup beginning Jan. 4th for 2008 crop losses, USDA has provided additional information on Dec. 29th. For details of the Dec. 24th announcement, go to: <http://www.agri-pulse.com/uploaded/20091224S1.pdf>. For the latest information, including SURE County Disaster Designation maps, a SURE factsheet, background information, and the complete final rule published in the Dec. 28 Federal Register, go to: <http://disaster.fsa.usda.gov>.

USDA notes that it will continue to update information on the SURE program so that producers should check regularly at <http://disaster.fsa.usda.gov> for any changes.

USDA information released Dec. 29 included these key points:

SURE provides benefits for 2008 through 2011 crop year farm revenue losses due to natural disasters. It is the 2008 Farm Bill's successor to prior ad hoc crop disaster programs.

Eligible Farms

For SURE, a "farm" is eligible when either:

- a portion of the farm is located in a county covered by a qualifying natural disaster declaration (USDA Secretarial Declarations only) or a contiguous county; or,
- the actual production is less than 50% of the normal production.

Note: A "farm" refers to all crop acreage in all counties that a producer planted or intended to be planted for harvest for normal commercial sale or farm livestock feeding.

Eligible Producers

Risk Management Purchase Requirement (RMPR)

For producers to be eligible for SURE, they must have obtained a policy or plan of insurance for all crops through either the Federal Crop Insurance Act or FSA's

Noninsured Crop Disaster Assistance Program (NAP). There are limited exceptions to this rule, and SURE does not require coverage for forage crops intended for grazing.

Note: Eligible farmers and ranchers who meet the definition of “Socially Disadvantaged”, “Limited Resource”, or “Beginning Farmer or Rancher” do not have to meet this requirement.

Adjusted Gross Income (AGI)

For the 2008 crop year, producers are not eligible if their average AGI is \$2.5 million or greater, unless 75% or more of their AGI is from agriculture.

For 2009 and subsequent crop years, producers or legal entities whose average nonfarm income exceeds \$500,000 are not eligible.

Payment Calculation

SURE payments are calculated based on 60% of the difference between the SURE Disaster Program Guarantee and the Total Farm Revenue. (See pages 3 and 4 for payment calculation worksheets.)

SURE Guarantee

The SURE guarantee is determined by totaling the calculated guarantee for each crop. For insured crops, the guarantee is based on the level of coverage the producer has elected. Higher levels of coverage will result in higher crop guarantees. For NAP crops, the guarantee is based on a formula that includes the yield, acreage, and price factors. The formula is provided in the example on the back page.

The farm’s SURE guarantee cannot exceed 90% of the expected revenue for the farm.

Total Farm Revenue

Total Farm Revenue includes the crop value, crop insurance indemnities, NAP payments, Market Assistance Loan proceeds, other disaster payments and Direct and Counter-cyclical Payments (15% of direct payments, plus the entire counter-cyclical payment and ACRE payments.)

Quality adjustments may be applied to a crop’s value for harvested production affected by eligible disaster conditions.

Payment Limitations

A limit of \$100,000 applies to the combination of payments from SURE and the livestock disaster programs - Livestock Forage Program (LFP), Livestock Indemnity Program (LIP) and Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP). For 2008 SURE payments, payments are limited per “person” according to payment limitation rules in effect for 2008.

Signup Period

Signup for the 2008 SURE begins January 2010. A signup deadline has not been announced. Watch for further information on the www.fsa.usda.gov website.

Producers must signup at their county FSA office. If a producer farms in multiple counties, visits to each county may be necessary to complete the application.

Needed for Signup:

- Acreage and production records, if not already provided for crop insurance purposes or FSA
- Information to establish your farm (deeds, leases) if not already provided to FSA
- Other information requested by FSA.

Payments

FSA will issue SURE payments once all eligibility forms are approved (CCC-502, AD-1026), SURE program determinations are made, and National Average Market Prices have been obtained.

2008 Program Year

Due to the lateness of the Farm Bill, producers were allowed to “buy-in” to the SURE Program by paying fees equivalent to catastrophic coverage or NAP coverage.

The American Recovery and Reinvestment Act of 2009 (Stimulus Bill) increased benefits and expanded eligibility for producers.

The Stimulus Bill legislated an additional “buy-in” period. Producers who participated in this “buy-in” must purchase crop insurance (at a 70% or greater level) or NAP in the next available year.

The Stimulus Bill increased payments by increasing the guarantee calculation for both insurable crops and crops eligible for NAP coverage.

In order to expedite payments to producers, the Agency will make “interim” payments that will be based on temporary rule modifications.

After the application processes are finalized, the payment will be recalculated and additional payments may be issued or refunds may be required.

For more information on the SURE program, go to:
<http://www.agri-pulse.com/uploaded/20091224S1.pdf>

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