



## **SURE program payment process starts Jan 4 – but sure gets complicated**

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Washington, Jan. 4 – As promised, USDA is beginning the process of issuing 2008 Interim Supplemental Revenue Assistance (SURE) payments January 4 to eligible producers on farms in disaster counties which have incurred crop production losses or crop quality losses, or both, during the 2008 crop year.

But the process has been complicated both by the American Recovery and Reinvestment Act (ARRA) stimulus program – and by the need to enforce payment limit regulations. USDA points out that “Because of the significant amount of data required to compute SURE payments,” SURE payments are expected to be delayed.

USDA also points out that there is an overall SURE program payment limitation set at \$100,000. This \$100,000 cap is applied as a combined total for six separate programs:

- SURE
- Stimulus Payment authorized under the Recovery Act
- Emergency Livestock Assistance Program (ELAP) for livestock
- ELAP for honey bees and farm-raised fish
- Livestock Indemnity Program (LIP)
- Livestock Forage Disaster Assistance Program (LFP).

Unfortunately, so far USDA’s automated software for applying the \$100,000 cap only takes the first two program payments into account, not ELAP, LIP, and LFP. The result is that USDA county offices must manually apply payment limitation rules “to ensure that the total payment amount issued does not exceed the \$100,000 limitation.”

To apply the payment limit, county offices will follow these steps:

1. Reduce the original SURE payment first so that the total Stimulus and SURE payments combined would not exceed the payment limitation.

2. If the original SURE payment is reduced to \$0 and the producer would still exceed the payment limitation with the issuance of the Stimulus payment, reduce the Stimulus payment.

As an example of applying payment limit rules, USDA explains that if John Smith received \$80,000 through LIP, he would be eligible to receive an additional \$20,000 for other programs. His calculated SURE payments would be:

- Original SURE - \$37,000.
- Stimulus - \$40,000.
- The total payment earned for SURE is \$77,000, so the amount must be reduced by \$57,000, since the available payment limitation is only \$20,000. The following reductions would apply.
- Since the original SURE payment is \$37,000, it is reduced to \$0.
- The Stimulus payment is reduced by \$20,000 leaving \$20,000 that can be issued to the producer.

USDA also notes that if a member of an entity is not eligible because of Adjusted Gross Income (AGI) provisions, the payment limitation for the entity is reduced by the ineligible member's ownership share in the operation. As an example, ABC Corporation has two members, each with a 50 percent share. Member 1 does not meet AGI provisions. The corporation has a \$100,000 payment limitation, but since Member 1 does not meet AGI provisions, the payment limitation for the corporation is reduced by 50 percent and the maximum payment which can be issued to the corporation is \$50,000.

For more information on SURE program signup and rules, go to: [www.agri-pulse.com/uploaded/20091224S1.pdf](http://www.agri-pulse.com/uploaded/20091224S1.pdf).

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#30