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Sign-Up for Potential Supplemental Revenue Assistance Payments For 2008 Crop Losses Opened in Jan '10

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According to USDA's Farm Service Agency (FSA) sign-up for potential Supplemental Revenue Assistance Payments (SURE) for 2008 crop losses began in early Jan. 2010. The FSA has not announced a final sign-up termination date. Sign-up for 2008 crop losses was delayed because the final regulations covering this program were delayed. Prices and yields from irrigated crop production in Texas was excellent in 2008 and it may be difficult to show losses, but a large portion of crops produced under dry land conditions were lost in 2008 due to the severe drought in large portions of Texas. Some farmers may be entitled to financial assistance and should plan to visit their local FSA office to sign-up for the program, especially since the sign-up procedures do not appear very complicated.

The SURE program is one of five new permanent disaster assistance programs, collectively referred to as Supplemental Agriculture Disaster Assistance programs, created by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). The SURE program is a revenue program, similar to crop revenue insurance. It is available to all eligible producers in any county that was declared a disaster county in 2008 by the U.S. Secretary of Agriculture, including contiguous counties. SURE covers all crops- whether insurable by federal crop insurance or the NAP program – and covers both production and crop quality losses. The qualifications for SURE and payment calculations are very similar to previous ad hoc disaster programs.

SURE is based on whole farm guarantee income protection. It is designed to supplement the financial protection provided by crop insurance purchased from private crop insurance companies.

Potential payments under this program are directly tied to the level of crop insurance purchased. Producers must have carried crop insurance (minimum of CAT insurance coverage) on all eligible crops for 2008 and NAP insurance coverage on all non-crop-insurance crops in order to be eligible for SURE program payments for 2008.

All guarantees and actual revenues under SURE are calculated as the sum for all crops on all counties in all states involved in the “farming operation”, even if some of the land is located in an ineligible county.

If the farm’s 2008 actual crop revenue fell below the threshold for losses, the farmer could be entitled to financial assistance. Payments are not made for losses to individual crops or insurance units. So, instead of covering losses on individual crops, SURE payment triggers only when income from the whole farm falls below a pre-established threshold. Actual crop revenue includes the estimated value of the crops produced, USDA payments (only 15% of direct payments) and met crop insurance indemnity payments. The SURE guarantee is simply the sum of all the crop insurance guarantees purchased for the current crop year, increased by 20 percent for 2008 and 15 percent for later years. The extra 20 percent is designed to fill part of the revenue gap not covered by insurance. There is also an overall “cap” on the SURE guarantee that is equivalent to 90 percent of the expected revenue on all crops.

NOTE: There are special participation considerations for limited resource farmers, socially disadvantaged producers and beginning farmers/ranchers (less than 10 years).

Supplemental Agriculture Disaster Assistance programs authorized by Farm bill 2008 include: Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Supplemental Revenue Assistance Payments (SURE) Program and Tree Assistance Program (TAP).

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