An Overview of The Supplemental Revenue Assistance Program (SURE)

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SURE Basics

- Replaces the old ad-hoc disaster program
- SURE assistance is available for crop losses for 2008 crop year through 9/30/2011
- SURE is a whole farm disaster program.
- Is tailored to work with Federal Crop Insurance and the Noninsured Crop Disaster Assistance Program (NAP) to reduce financial risk.
SURE Basics

- Timing of payments – based on National Average Market Price (NAMP)

- $100,000 Payment Limit applies to the combination of pmts from SURE, LFP, LIP & ELAP
SURE Eligible Crops

- Eligible crops include the initial planting of Federal Crop Insurance Corporation (FCIC) insured crops and
- Subsequently planted crops are eligible for areas in which multiple-cropping is a normal practice.
- Crops that are not grown commercially are not eligible for the SURE program payments.
  - An example of a non-commercial crop is one produced in a home garden. Producers may not receive payments for losses of volunteer stands of crops.
SURE Eligibility –
Three Things to Remember

1. Triggered by a Secretarial Disaster

- Produce in a disaster county or contiguous to a disaster county

(or if not in a Secretarial Disaster area suffer a 50% production loss)

- **2008** all counties have been declared a Secretarial Disaster or are a contiguous county EXCEPT:
  - *Greer, Kiowa, Washita & Caddo*

- **2009** all counties have been declared a Secretarial Disaster or are contiguous to a county with a Secretarial Disaster
SURE Eligibility -
Three Things to Remember

2. In addition to the Secretarial Disaster or the 50% loss criteria – The producer must Suffer a 10% production loss on a crop of Economic Significance.

Crop of Economic Significance is a crop that contributes at least 5% of the expected revenue for a producer’s whole farm.
SURE Eligibility -
Three Things to Remember

3. Satisfy the Risk Management Purchase Requirements (RMPR)
   - Must obtain at least CAT and/or NAP
   - **Exceptions:**
     - Criteria under “*de minimis*” – crops that are not economically significant
     - Where NAP fee exceeds 10% of the value of the NAP coverage -- $9,090
     - Buy-in 1 & 2 option – for 2008 only
     - Socially Disadvantaged, Limited Resource or Beginning Farmers and Ranchers
1st Buy-in: Producers that did not purchase CAT or NAP could pay a buy-in fee in order to be eligible for the SURE program – Deadline was September 16, 2008.

2nd Buy-in: ARRA (Stimulus), allowed producers an additional time to buy in for SURE. The deadline for the second buy in was May 18, 2009.

Those producers who bought in under this provision are required to purchase at least 70/100 coverage for insurable crops or NAP coverage for the next available insurance year.

Did not provide coverage – Only Eligibility
RMPR Exceptions

Producers who meet the definition of:

- **Beginning Farmer or Rancher**
  - If the applicant is an entity, all members must be eligible beginning farmers or ranchers.

- **Socially Disadvantage Farmer or Rancher**
  - *e.g. African Americans, American Indians or Alaskan natives, Hispanics, and Asians or Pacific Islanders.*

- **Limited Resource Farmer & Rancher**
  - A limited resource farmer or rancher is a producer with direct or indirect gross farm sales not more than $142,000 in both of the previous 2 years; **and** Total household income is at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years.
How Does Sure Work?

Assistance will be provided based on 60 percent of the difference between the SURE program guarantee and total farm revenue.

<table>
<thead>
<tr>
<th>Total Expected Revenue</th>
<th>SURE Guarantee</th>
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<tbody>
<tr>
<td>(Sum of all crops)</td>
<td>Note: The better your insurance coverage the better your Guarantee</td>
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**SURE Guarantee**

Payment: 60% of difference

Guarantee cannot exceed 90% of Exp Rev

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### SURE Payment

**Program Guarantee** = Sum of:

1. **Planted & Prevented Acres**
   - Multiplied by
   - Higher of Adjusted Yield or Counter-Cyclical Yield
     - Multiplied by

2. **Percent of Yield Elected by Insured**
   - Multiplied by

3. **100% of Crop Insurance or NAP Price**
   - Multiplied by
   - 115% Insured Crops
   - 120% for Non-insured Crops

**Total Farm Revenue** = Sum of All Crops

- Harvested & Appraised Production
  - Multiplied by
  - National Average Market Price
    - Plus
    - 15% of Direct Payment
    - 100% of Mktg Loan Gains
    - LDP
    - Counter-Cyclical Payments
    - ACRE Payments
    - Insurance & NAP Indemnities

(Per Unit) Net Indemnity = Gross Indemnity – Producer Premium
Final SURE Notes

- No end date for sign up at this time.
- Currently using an interim process.
- 2009 Sign up will begin late fall / winter of 2010.
General FSA Notes:

- Records are key to all FSA programs.
- Take care of business – if you are operating as a trust or entity make sure you are doing so for all programs: FSA, NRCS, Crop Insurance, etc.
- Go by your local FSA office and get your CCC-927 or CCC-928 form. These are forms for consent to disclose tax information on adjusted gross income. Forms need to be completed and returned to the IRS by June 15th.