

# **An Overview of The Supplemental Revenue Assistance Program (SURE)**

Francie Kucera Tolle  
Oklahoma State Executive Director  
USDA Farm Service Agency  
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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 (NAMPP)***
- \$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 covered by NAP, *excluding* acreage intended for grazing.
- 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)

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- **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



# RMPR Exceptions

## SURE Buy-in For Crop Year 2008

- 1<sup>st</sup> 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.
- 2<sup>nd</sup> 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***

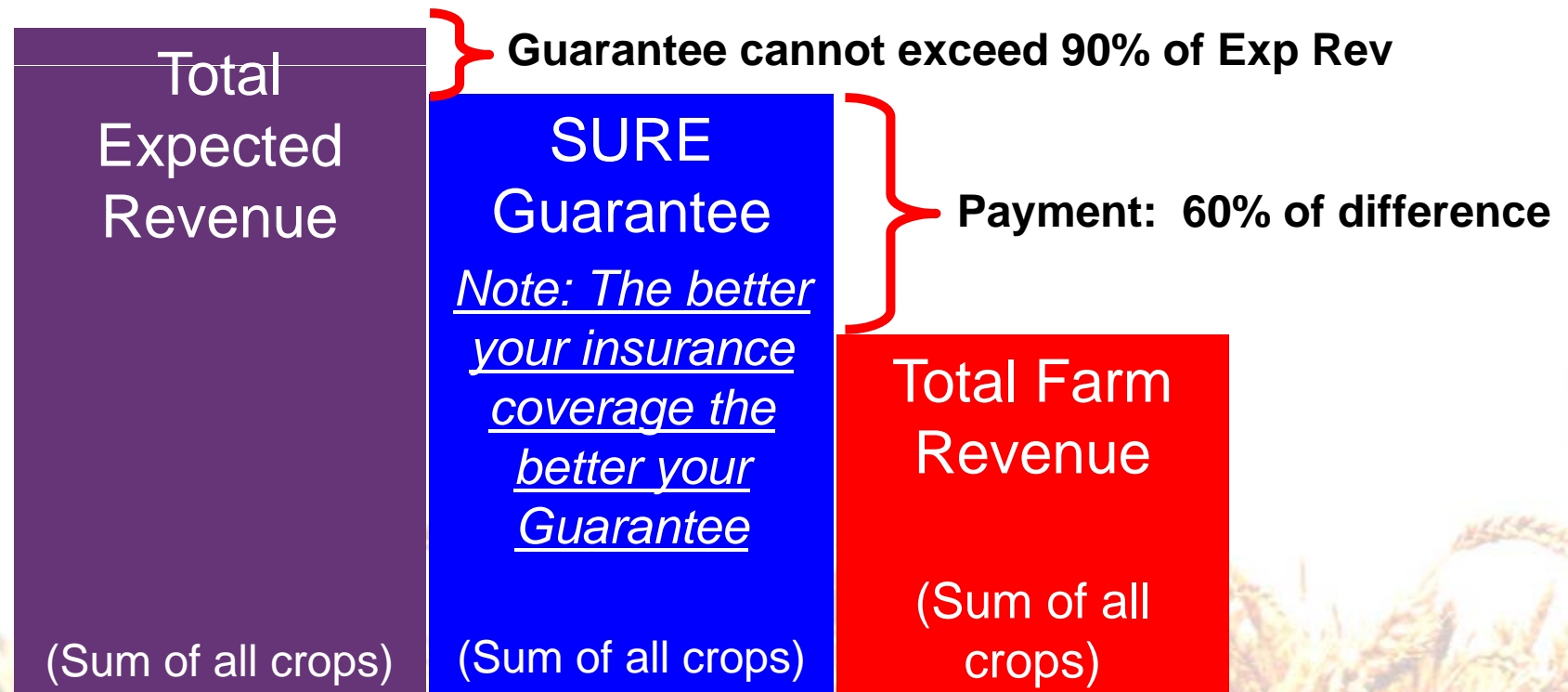


# RMPR Exceptions

- 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.



# SURE Payment

<b>Program Guarantee = Sum of:</b>	} <b>60% of Difference</b>
<b>Planted &amp; Prevented Acres</b>	
<b>Multiplied by</b>	
<b>Higher of Adjusted Yield or Counter-Cyclical Yield</b>	
<b>Multiplied by</b>	<b>Total Farm Revenue = Sum of All Crops</b>
<b>Percent of Yield Elected by Insured</b>	<b>Harvested &amp; Appraised Production</b>
<b>Multiplied by</b>	<b>Multiplied by</b>
<b>100% of Crop Insurance or NAP Price</b>	<b>National Average Market Price</b>
<b>Multiplied by</b>	<b>Plus</b>
<b>115% Insured Crops</b>	<b>15% of Direct Payment</b>
<b>120% for Non-insured Crops</b>	<b>100% of Mktg Loan Gains</b>
	<b>LDP</b>
	<b>Counter-Cyclical Payments</b>
	<b>ACRE Payments</b>
	<b>Insurance &amp; NAP Indemnities</b> →

**(Per Unit) Net Indemnity = Gross Indemnity – Producer Premium**

# Final SURE Notes

- 2008 Sign up began January 4, 2010.
- 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 15<sup>th</sup>.

# Questions



[www.fsa.usda.gov/ok](http://www.fsa.usda.gov/ok)