

FEBRUARY 18, 2010

SURE PROGRAM NOW AVAILABLE FOR 2008 AND 2009 CROP DISASTER LOSSES

In 2008, Congress passed a Farm Bill and created the Supplemental Revenue Assistance Payment Program (or SURE). SURE is a program to provide payments to farmers for crop disaster losses in the 2008 through 2011 crop years. The Farm Service Agency (FSA) published detailed rules for SURE on December 28, 2009.

Who is eligible for SURE?

Farmers must satisfy two requirements in order to become eligible for SURE. In general, farmers must show that they suffered crop disaster losses and that they satisfied the risk management purchase requirement:

1. Crop Disaster Losses

Farmers may meet the first requirement by satisfying either (a) or (b) below:

- a. Live in a county that was designated a disaster by the Secretary of Agriculture, or in a county that borders a disaster county;

OR

- b. Have suffered eligible total crop losses of 50 percent or more of normal production on the farm.

2. Risk Management Purchase Requirement or Waiver

Farmers may meet the second requirement by satisfying either (a) or (b) below:

- a. Have obtained crop insurance or NAP (Non-insured Crop Disaster Assistance Program) coverage for all important crops on your farm at the beginning of the crop year in which the crop losses occurred. This is called the Risk Management Purchase Requirement. For example, in order to meet this requirement for 2010 crop losses that may occur, farmers must obtain crop insurance or NAP coverage before the deadline for their 2010 crops;

OR

- b. Farmers may receive a waiver of the Risk Management Purchase Requirement in one of two ways. One way to receive a waiver was through having paid the buy-in fee. (This option was only available for 2008 and for certain crops in 2009. The deadline to pay the buy-in fee has now passed.)

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FARMERS' LEGAL
ACTION GROUP,
INCORPORATED

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360 Robert Street North
Saint Paul, Minnesota 55101-1589
Phone: 651-223-5400
Fax: 651-233-5335
E-mail: lawyers@flaginc.org
Website: www.flaginc.org

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The second way to receive a waiver is by qualifying as a “limited resource farmer or rancher,” a “beginning farmer or rancher,” or a “socially disadvantaged farmer,” as determined by FSA. A “socially disadvantaged farmer or rancher” is a person who has been subjected to racial or ethnic prejudice because of membership in a group. “Socially disadvantaged farmers” include American Indians and Alaskan Natives, Asians and Asian-Americans, Blacks and African-Americans, Native Hawaiians and other Pacific Islanders, and Hispanics. This second type of waiver is available in all years in which SURE is available.

What type of payment could I receive under SURE?

SURE payments are based on 60 percent of the difference between the SURE guarantee and total farm revenue for the year, as determined by FSA. Any crop insurance indemnity or NAP payment the farmer receives will be considered part of total farm revenue and will reduce the SURE payment.

What is the deadline to apply for SURE?

Because SURE is a new program, the deadline to apply for benefits for losses in 2008 has not yet been announced. The deadline to apply for benefits for 2009 losses will be March 1, 2011. It may be a good idea for farmers with losses in 2008 or 2009 to complete an application as soon as possible. For some 2009 crop losses, there may be a delay before FSA issues disaster assistance payments. This is because FSA must first determine the average price for the 2009 crop.

What do I need in order to apply for SURE?

Farmers must complete an application for SURE with their local FSA office. All farmers, including those who will participate in SURE as a result of the waiver of the Risk Management Purchase Requirement, are generally expected to file timely and accurate reports of all acreage and production with FSA. For 2008 and 2009 losses, these may have already been completed. In addition, farmers should plan to submit any completed crop appraisals as well as any other evidence of production yields or losses.

Where can I find further information?

SURE is a complex program. This flyer does not address all of the details of SURE. For further information, you may want to contact your local FSA office or visit the FSA website at www.fsa.usda.gov. You may also want to contact your local farm organization, a local attorney, or Farmers’ Legal Action Group, Inc. (FLAG). Finally, you may want to review the final rule, the FSA Handbook, and the FSA notices addressing SURE.

Farmers’ Legal Action Group, Inc.
360 Robert Street North, Suite 500
Saint Paul, Minnesota 55101-1589
Phone: 651.223.5400
Fax: 651.223.5335
Email: lawyers@flaginc.org
Website: www.flaginc.org