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COC meetings are scheduled for the 3rd
 Wednesday of each month beginning at
 9:00 am at the County Office.

Farm Service Agency

Shelby County News

August 2008

Supplemental Agricultural Disaster Assistance Programs

The Food, Conservation, and Energy Act of 2008 (aka The 2008 Farm Bill) was enacted into law May 22, 2008. The 2008 Act amended the Trade Act of 1974 to create an agricultural disaster relief trust fund to finance supplemental agricultural disaster assistance programs for the life of the new Farm Bill in lieu of the *ad hoc* disaster programs of past years.

The major portion of this fund will finance Supplemental Revenue Assistance

(SURE) payments, which are designed to supplement the protection that producers can purchase from private crop insurance companies. Other disaster programs included are a Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Tree Assistance Program (TAP) and an Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (EALHF).

In order to be eligible for future payments under

these programs, producers must purchase insurance for all crops (commodity crops, forage—hay/pasture, fruits/vegetables) produced each year in their farming operation. Producers who have land in a county that has been declared a Secretarial disaster county or is contiguous to a disaster county may be eligible. Otherwise, a farm operation must have a 50 percent loss in crop income due to weather related conditions to be eligible.

DATES TO REMEMBER

| | |
|--------------|----------------------------------------------------|
| August 15 | Last day for 2008 crop reports |
| September 1 | Office Closed Labor Day Holiday |
| September 16 | Final date to pay buy-in fees for 2008 SURE |
| September 30 | DCP enrollment ends for 2008 |
| September 30 | Buy wheat insurance for future 09 SURE eligibility |

What is the SURE Program?

SURE is a revenue guarantee program, very similar to crop revenue insurance without the increasing price guarantee feature. If a farm's actual crop revenue is less than the guarantee, the SURE payment makes up 60 percent of the difference. The actual crop

revenue includes not only the estimated value of the crop produced, but also any other USDA payments and crop insurance indemnity payments received. As a result, producers will no longer be double indemnified for the same losses. All guarantees and actual

revenues under SURE are calculated as the sum for all crops and all insurance units for an FSA farm unit, even if land in more than one county or state is involved. Payments are not made on losses for individual crops or insurance units as under past programs.

Pay Buy-in Fees by September 16th for 2008 SURE

To be eligible for SURE payments, a producer must insure ALL of his/her eligible crops with a minimum Catastrophic level of insurance coverage and purchase Non-insurable Assistance Program (NAP) cov-

erage for crops not covered by private insurance (DC soybeans, hay, pasture, rye, forage sorghum, vegetables, etc).

For 2008, producers who do not meet this require-

ment may have this provision waived if they pay "buy-in" fees per crop by Sept. 16th. The fee is \$100 per crop not to exceed \$300 per producer per county or \$900 total for each crop category.



FARM SERVICE AGENCY

Shelby County FSA
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| | Corn | Soybeans | Total |
|----------------------------------------------------------------------------|-----------|-----------|-------------|
| Sure Example | | | |
| Planted acres | 500 ac | 500 ac | 1,000 |
| APH crop insurance yield | 160 bu | 48 bu | |
| Crop Insurance indemnity price | \$5.40 | \$13.36 | |
| Crop Insurance price guarantee level | 75% | 75% | |
| Crop Insurance revenue guarantee (acres x yield x price x % guarantee) | \$324,000 | \$240,480 | \$564,480 |
| Harvested acres | 500 ac | 500 ac | |
| Harvested yield/ac | 100 bu | 30 bu | |
| Actual bushels harvested | 50,000 bu | 15,000 bu | |
| Harvest time insurance price | \$6.00 | \$14.00 | |
| Actual revenue for crop insurance (bu x price) | \$300,000 | \$210,000 | -\$510,000 |
| Crop insurance indemnity payment (insurance guarantee less actual revenue) | | | = \$ 54,480 |
| SURE guarantee (115% of insurance guarantee)** | | | \$649,152 |
| Marketing year average cash price (Sept thru August) | \$6.50 | \$15.00 | |
| Actual Revenue for SURE (bu. X market year price) | \$325,000 | \$225,000 | \$550,000 |
| Crop insurance indemnity payment | | | \$54,480 |
| 15% of USDA direct payment (\$20,000) | | | \$3,000 |
| Total crop revenue for SURE | | | -\$607,480 |
| Revenue Shortfall for SURE (SURE guarantee less actual) | | | = \$ 41,672 |
| SURE payment (60% of shortfall) | | | \$25,003 |

• * Assumes basic revenue insurance. For CRC or RA-HPO, the final guarantee could be higher since the harvest price exceeded the initial indemnity price.

Visit Iowa State University's Farm Economics Current Issues website and click on the Ag Decision Maker Link for an interactive tool to assess your own farm situation.

<http://www.extension.iastate.edu/feci>

Report crops by Friday, August 15th