



Farm Service Agency

American Recovery and Reinvestment Act



Agricultural Disaster Assistance Transition (2008 Transition Assistance)

American Recovery and Reinvestment Act Funding Table	
2008 Supplemental Revenue Assistance Payments Program¹	\$744,000,000

¹Primary funding source: Agricultural Disaster Relief Trust Fund established under the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, enacted June 18, 2008.

Objectives

The American Recovery and Reinvestment Act (ARRA) objective is aligned with the USDA Farm Service Agency Strategic Goal 1 - Supporting Productive Farms and Ranches, *USDA Farm Service Agency Strategic Plan FY 2005-2011*.

Supplemental Agricultural Disaster Assistance Programs tied to Recovery Act funding include:

- Supplemental Revenue Assistance Payments (SURE) Program
- Tree Assistance Program (TAP)
- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP).

Supplemental Agricultural Disaster Assistance was initially authorized under section 902 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, enacted June 18, 2008. This assistance provided five standing disaster programs for producers who suffered losses of crops, livestock, honey bees, farm raised fish, and eligible orchard and nursery trees due to disaster, adverse weather, and environmental conditions that occurred within the 2008 crop year through September 30, 2011. Three of the five standing disaster programs; the Supplemental Revenue Assistance Payments Program (SURE), Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish (ELAP), and the Tree Assistance Program (TAP) requires a producer to obtain at least the catastrophic level (CAT) of Federal Crop Insurance for all insurable crops, and/or coverage for non-insurable crops under the Non-insured Crop Disaster Assistance Program (NAP) to maintain eligibility for these programs. The ELAP and TAP are only authorized for an additional buy-in period. The SURE is authorized for an additional buy-in period and increases to the amount of assistance available.

SURE is designed to mitigate losses that occur when natural disasters cause a catastrophic loss of crop production or prevent planting of eligible commodities. The program provides disaster assistance payments to producers of eligible commodities in counties declared by Secretary of Agriculture to be a "disaster county," including counties contiguous to disaster counties, and any farms with losses in normal production of more than 50 percent in a calendar year. SURE provides crop disaster assistance payments to eligible producers on a farm in an amount equal to 60 percent of the difference between the disaster assistance program guarantee and the total farm revenue for the farm.

ELAP is to provide assistance to eligible producers of livestock, honey bees, and farm raised fish to aid in the reduction of losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires that are not covered under SURE, Livestock Indemnity Program (LIP), and the Livestock Forage Disaster Program (LFP). LIP and LFP are the remaining two disaster programs authorized under the Supplemental Agricultural Disaster Assistance.

TAP provides assistance to eligible orchardists and nursery tree growers who suffered tree mortality due to damaging weather or a related condition and reimburses those producers at 70 percent of the cost of replanting trees lost; or 50 percent of the cost of pruning, removal, and other costs incurred to salvage existing trees, or in the case of tree mortality to prepare the land to replant trees.

Activities

Agricultural Disaster Assistance Program Eligibility - The ARRA authorizes a waiver for any producer that did not have the opportunity to obtain 2008 CAT or NAP. Producers may pay a buy-in fee within 90 days of the enactment of ARRA (by May 18, 2009) for eligibility. Socially disadvantaged and limited-resource farmers and ranchers must file appropriate paperwork but are exempt from these fees.

The ARRA also provides risk management linkage requirements that require 2008 participants to purchase at least 70/100 (percent of yield/price) crop coverage for the next available year, for which crop insurance is available, or obtain NAP coverage, as applicable.

Amount of Assistance Increases:

The ARRA raised the minimum coverage level (percent of yield/price) for which a guarantee is calculated to 70/100; up from the previous 50/55 level for CAT, and 50/100 level for NAP.

The ARRA also allows previously eligible producers to have benefits based on the greater of the increased 70/100 coverage level or a 5 percent increase in the payment factor calculation for guarantee, increasing insured crops from 115 percent to 120 percent, and for NAP crops from 120 percent to 125 percent.

The Farm Service Agency Directive (Notice DAP-304) was issued to field offices on March 26, 2009 for immediate implementation.

Characteristics

The Agriculture Disaster Relief program is an entitlement program funded by the Agricultural Disaster Relief Trust Fund and no additional appropriations were authorized under the ARRA. However, the 2008 Transition Assistance under the ARRA extends the program to eligible producers and increases the amount of assistance available.

The recipients of program payments will be producers who raised crops during the 2008 crop year and suffered a loss due to natural disaster. As an entitlement program, it is difficult to project how many individuals will meet the various eligibility criteria. The Recovery Act has projected participation levels of up to \$744 million.

FSA will issue Direct Payments with unrestricted use to any farmer, rancher, or agricultural producer within the general public who satisfies eligibility requirements with no restrictions being imposed on how the money is spent. Therefore, recipients are not required to complete and submit a Quarterly Recipient Performance Report to FSA.

Milestones

Implementation Phases:

1. Development of Program Policy and Procedure – This phase consists of developing program policy and procedure, including compliance with the Recovery Act accountability and transparency requirements.

Completed milestones include:

- Develop a matrix of outstanding program issues,
- Announce the extended deadline for accepting “buy in” waivers to become eligible,
- Provide instruction to State and County offices for accepting the additional “buy in” fees,
- Ensure compliance with Recovery Act requirements.

Planned milestones include:

- Resolve outstanding program issues,
- Publish regulations of program,
- Develop handbook procedure regarding additional eligibility issues and policy for revised guarantee calculations.

The first phase is estimated to be completed on or around June 1, 2009.

2. Software Development – This phase consists of the following planned milestones:

- Develop automated buy in process for subsequent buy in provision,
- Develop requirement for RMA data download,
- Develop crop tables for program implementation,
- Develop yield software for calculating adjusted approved yield,
- Develop application software process,
- Develop payment software process.

The second phase is split into one sub-function and two major functions; application software and payment software. The sub-function is the software for accepting fees under the buy in and is estimated to be complete by May 1, 2009. The first major function which is the actual application process is estimated to be initiated by early next year. The second major function is payment software and it is estimated to be completed a few months after the applications process has begun. Note: The agency is in the process of expediting activities and resources associated to these functions in an attempt to accelerate completion dates.

3. Conduct Program Buy-in – This phase consists of the following planned milestones:

- Receive data downloads from RMA for the calculation of guarantees for insurable crops and internal data for NAP crops,
- Announce buy-in dates for accepting applications,
- Begin buy-in.

The third phase is estimated to begin on or around January 2010.

4. Process Payment Applications – This phase will consist of the following planned milestone:

Run payment processes based on completed and approved applications.

The fourth phase is estimated to be completed on or around mid-2010.

Environmental Review Compliance

FSA has reported to the Council on Environmental Quality that the Agriculture Disaster Relief appropriation of ARRA funds can be considered categorically excluded based on the fact that the program provides financial assistance for qualified producers who experienced a crop loss in 2008 and falls under activities which deal solely with the funding of programs [7 CFR 1b.3(a)(2)]. Therefore this program and its activities are excluded from the preparation of environmental assessments or environmental impact statements.

Please contact Matthew T. Ponish, FSA National Environmental Compliance Manager, at 202-720-6853 or matthew.ponish@wdc.usda.gov if you have additional questions.

Savings or Cost

Benefits extended through the program will increase the recipient's income and decrease their operational expenses during 2010.

Measures

The success of the extended buy-in period and increases to the amount of assistance available for 2008 SURE will be evaluated using the following quantifiable outputs:

- Number of producers receiving assistance
- Amount of assistance provided to agricultural producers

Time Between Measurements:

- Number of producers receiving assistance
 - Performance will be measured by the National Office monthly, quarterly, and annually, and is available for each State by county.
- Amount of assistance provided to agricultural producers
 - Performance will be measured by the National Office monthly, quarterly, and annually, and is available for each State by county.

Measurement Methodology:

- Number of producers receiving assistance
 - Number of producers eligible for SURE as a result of the extended buy-in period from February 17, 2009 through May 18, 2009. Producers are required to complete buy-in forms; FSA-752 for insurable crops (BUY-IN 2), and FSA-753 for non-insurable crops (BUY-IN 2) to be eligible for 2008 SURE. The number of buy-in forms received by the county office during the extended period will be recorded at the county level and reported to National Office through State Offices. The buy-in collection fees are also being tracked by collection program codes.
- Amount of assistance provided to agricultural producers
 - The amount of assistance paid from the Agricultural Disaster Relief Trust Fund to the 2008 SURE Buy-In 2 participants will be captured by a special program accounting code. This data will not be available until June 2010.

Reporting Methodology: Performance reporting will be done monthly, quarterly and annually, or as prescribed by OMB.

Monitoring/Evaluation

The main outcomes of the ARRA are to promote economic recovery, especially to those areas most impacted by the recession.

FSA has established a SURE implementation project which brings together a number of best practices to deliver results. Martin Lowenfish has been appointed as the SURE Project Director with overall responsibility for expediting all aspects of implementing the program. Mr. Lowenfish is leading a formally governed project to coordinate the many interrelated activities needed to accomplish this task. FSA has assembled several functional areas that are essential for delivering SURE into a chartered project team. The team ensures that there is a means for all involved to bring their experience to bear on delivering the program. FSA is implementing formal project management, including the use of tools such as the Microsoft Project, so that the many complicated tasks involved in implementing SURE can be completed with increased reliability and speed. This involves the coordination of activities from developing regulations to testing software. Program requirements are being developed in accordance with the System Development Life Cycle standard to ensure quality and timely software delivery.

Transparency and Accountability

Dennis Taitano serves as the Farm Service Agency's executive accountable for ensuring proper implementation of ARRA. FSA has established its own public-facing website which will report additional information on the Agency's success in ARRA-related matters. <http://www.fsa.usda.gov/recovery>

Agency managers are responsible for implementing, improving, and monitoring program activities. Individual performance plans of all managers and employees are tied to the Agency mission and goals contained in the FSA Strategic Plan. FSA Notice PM-2606, "FSA Performance Management Program," contains detailed guidance on development of employee performance plans, including the requirement that performance be linked to the Agency's strategic goals and objectives.

Barriers to Effective Implementation

Factors beyond the control of the agency that could affect progress towards accomplishing the goals and objectives of the Agriculture Disaster Relief program include:

- Legal or regulatory constraints or changes that affect management activities, available options, or program resources,
- International crises or homeland security issues that alter domestic program accomplishments or public needs,
- Complexity modifying statutory language under previous authority.