



# FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY

January 2011

## Supplemental Revenue Assistance Payments (SURE) Program

### Overview

The Supplemental Revenue Assistance Payments (SURE) Program is authorized by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) to provide assistance to producers suffering crop losses due to natural disasters. SURE is available for crop losses due to natural disasters occurring through Sept. 30, 2011.

### Qualifying Crop Losses

To receive SURE payments, an eligible producer must have a qualifying loss. A qualifying loss means at least a 10 percent production loss affecting one crop of economic significance due to a disaster on a farm in a disaster county. Producers outside a declared disaster county, but with production losses greater than or equal to 50 percent of the normal production on the farm (expected revenue for all crops on the farm), also qualify for SURE.

Notes: A "farm" refers to all crop acreage in all counties that a producer planted or intended to plant for harvest for normal commercial sale or farm livestock feeding. A "crop of economic significance" is a crop that contributes

at least 5 percent of the expected revenue for a producer's farm. A "disaster county" is a county for which a Secretarial disaster designation has been issued or a county contiguous to a county with a Secretarial disaster designation.

### Eligible Producers Risk Management Purchase Requirement (RMPR)

To be eligible for SURE, a producer must have obtained a policy or plan of insurance for all crops through the Federal Crop Insurance Corporation and obtained Noninsured Crop Disaster Assistance Program (NAP) coverage, if available, from the Farm Service Agency. Forage crops intended for grazing are not eligible for SURE benefits.

**Note:** Eligible farmers and ranchers who meet the definition of "Socially Disadvantaged," "Limited Resource," or "Beginning Farmer or Rancher," do not have to meet this requirement.

### Adjusted Gross Income (AGI)

Persons or legal entities whose average nonfarm income exceeds \$500,000 are not eligible for SURE

payments.

### Payment Calculation

SURE payments are calculated based on 60 percent of the difference between the SURE Disaster Program Guarantee and the Total Farm Revenue (See tables 1 through 3).

### SURE Guarantee

The SURE guarantee is determined by totaling the calculated guarantee for each crop on the producer's farm. For insured crops, the guarantee is based on the level of insurance coverage the producer elected. Higher levels of coverage result in higher crop guarantees. For NAP crops, the guarantee is based on a formula that includes the yield, acreage and price factors. The formula is provided in the example on the back page.

The farm's SURE guarantee cannot exceed 90 percent of the total expected revenue for the farm.

### Total Farm Revenue

Total Farm Revenue includes the crop value, crop insurance indemnities, NAP payments, marketing assistance loan gains, loan deficiency payments, other disaster payments

and Direct and Counter-cyclical Payments (15 percent of direct payments, plus the entire counter-cyclical payment and ACRE payments).

Quality adjustments may be applied to a crop's value for harvested production affected by eligible disaster conditions.

### **Payment Limitations**

A limit of \$100,000 per person and legal entity collectively received, directly and indirectly, applies to the combination of payments from SURE and the livestock disaster programs — Livestock Forage Program (LFP), Livestock Indemnity Program (LIP) and Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP).

### **Sign-up Period**

Producers must sign up at their county FSA office during the announced application period for each year. If a producer farms in multiple counties, any county FSA office serving the producer will assist the producer in completing an application.

Information Needed for the SURE Application:

- Acreage and production records, if not already

provided for the crop insurance program or for NAP;

- Information to establish eligible producer status on the farm (deeds, leases) if not already provided to FSA;
- Other information requested by FSA.

### **Payments**

A producer will receive SURE payments if crop loss requirements and other eligibility provisions are met, including, but not limited to, production and marketing risks associated with the crops on the farm, payment limitation, AGI, and conservation compliance.

### **Frequently Asked Questions**

**Q1:** Will provisions of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-005, the Recovery Act), apply to 2009 and subsequent crop losses under SURE?

**A1:** No. The Recovery Act only applied to 2008 crop year losses.

**Q2:** If a farm is located in multiple counties, do all of the counties have to have a Secretarial disaster designation?

**A2:** No. A participant must have at least a 10 percent loss of one crop of economic significance due to disaster on either a

farm in a disaster county or in a county contiguous to a disaster county or, if the participant's farm is not in a disaster county or county contiguous to a disaster county, the participant must have at least a 10 percent loss of one crop of economic significance due to disaster and an overall production loss equal to or greater than 50 percent of the normal production on the farm (expected revenue for all crops on the farm due to disaster). See "Qualifying Crop Losses" in this fact sheet.

**Q3:** Does SURE cover losses of all crops grown or produced on a farm?

**A3:** No. Some crops on a farm are not eligible per statute or regulations, such as grazed forage, crops planted after the initial crop and subsequent crops planted in unapproved double crop areas.

**Q4:** Can a producer participate in SURE if all crops of economic significance are not covered by crop insurance or NAP?

**A4:** No. A producer must satisfy the risk management purchase requirement (RMPR) on all crops on a farm. Exceptions apply for socially disadvantaged producers, limited resource producers and beginning farmers and ranchers.

**Q5:** If a producer has NAP or crop insurance

coverage, is that producer automatically signed up for the SURE?

**A5:** No. A producer must file a timely application for SURE.

**Q6:** Can historical production records be provided in order to increase the program guarantee?

**A6:** No. Yields are based on the established crop insurance or NAP yields. If a producer does not have a crop insurance or NAP yield, a yield based on a percentage of the county expected yield will be used.

**Q7:** Is crop revenue based on individual receipts?

**A7:** No. The revenue for each crop is determined by multiplying the farm's production quantity of a crop on the farm by the National Average Market Price for the crop, not the actual price received by the producer.

**Q8:** If a crop on a farm suffers a quality loss due to a disaster, are quality adjustments applied?

**A8:** Yes, if the following conditions are met:

- FSA determines an eligible disaster affected the quality of the crop in the region;
- The producer certifies

that an eligible cause affected the quality of the crop and the overall loss of quality must be as great as the factor established by FSA.

### **Payment Calculation Worksheet (Tables 1 to 3)**

Tables 1 through 3 are provided as a tool to approximate the payment calculation for a SURE farm. The estimated payment amount on Table 3 may differ from an actual payment amount due to rounding, data inputs, quality adjustments, yield variations, salvage calculations and agency determinations.

### **For More Information**

For more information about FSA and its programs, visit the local USDA Service Center or online at: <http://www.fsa.usda.gov/sure>.

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<b>Table 1: Purchased Crop Insurance</b>		<b>Example:</b>	<b>A Crop:</b>	<b>B Crop:</b>	<b>C Crop:</b>
Only use this table for insurable crops that were insured. Do not use for insurable crops that were in the "buy-in" or waived.		Corn			
<b>Basic Data</b>	<b>1 Acres</b>	800			
	<b>2 Share</b>	100%			
	<b>3 Yield (APH)</b> Enter county expected yield if there is zero APH.	180 bu/ac			
	<b>4 Guarantee Adjustments</b> Enter 100% if there are no adjustments for prevented planted, late planted or unharvested acreage.	100%			
	<b>5 Historical Marketing %</b> (only applies to multiple marketed crops)	n/a			
	<b>6 Coverage Level</b>	70%			
	<b>7 Price Election</b>	80%			
	<b>8 Price</b>	\$ 4.00			
	<b>9 Production to Count</b>	56,000 bu			
	<b>10 2009 National Average Market Price</b>	\$ 3.55			
<b>SURE Crop Guarantee</b>	<b>11 SURE Guarantee Calculation Basis</b> Enter RMA Guarantee or multiply items 1 x 2 x 3 x 4 x 5 x 6 x 7 x 8	\$ 322,560			
	<b>12 SURE Crop Guarantee</b> Item 11 x 115% <i>Total of 12A, 12B and 12C</i>	\$ 370,944			
<b>SURE Crop Revenue</b>	<b>13 Expected Crop Revenue</b> Item 11 divided by items 4 x 6 x 7 <i>Total of 13A, 13B and 13C</i>	\$ 576,000			
	<b>14 Crop Value</b> Items 2 x 9 x 10 <i>Total of 14A, 14B and 14C</i>	\$ 198,800			

<b>Table 2: Purchased NAP Coverage</b>		<b>Example:</b>	<b>A Crop:</b>	<b>B Crop:</b>	<b>C Crop:</b>
Only use this table for noninsurable crops that were covered by NAP. Do not use for noninsurable crops that were in the "buy-in" or waived.		Oat Hay			
<b>Basic Data</b>	<b>1 Acres</b>	180			
	<b>2 Share</b>	100%			
	<b>3 Yield (APH)</b> Enter county expected yield if there is zero APH.	2.4 ton			
	<b>4 Guarantee Adjustments</b> Enter 100% if there are no adjustments for prevented planted, late planted or unharvested acreage.	100%			
	<b>5 Historical Marketing %</b> (multiple marketed crops)	n/a			
	<b>6 Coverage Level</b>	50%			
	<b>7 Price Election</b>	100%			
	<b>8 Price</b>	\$ 62.00			
	<b>9 Production to Count</b>	72 tons			
	<b>10 2009 National Average Market Price</b>	\$ 58.00			
<b>SURE Crop Guarantee</b>	<b>11 SURE Guarantee Calculation Basis</b> multiply items 1 x 2 x 3 x 4 x 5 x 6 x 7 x 8	\$ 13,392			
	<b>12 SURE Crop Guarantee</b> Item 11 x 120% <i>Total of 12A, 12B and 12C</i>	\$ 16,070			
<b>SURE Crop Revenue</b>	<b>13 Expected Crop Revenue</b> Items 1 x 2 x 3 x 8 <i>Total of 13A, 13B and 13C</i>	\$ 26,784			
	<b>14 Crop Value</b> Items 2 x 9 x lesser of Item 8 or Item 10 <i>Total of 14A, 14B and 14C</i>	\$ 4,176			

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<b>Table 3: Estimated Payment Calculation</b>		<b>Example</b>	<b>Farm Totals</b>
Total information from all counties and worksheets. Estimated payment subject to payment limitation provisions.			
<b>Revenue Data</b>	1 DCP Direct and ACRE Direct Payment Totals	\$ 40,000	
	2 DCP Direct Payment and ACRE Direct Payment SURE Revenue Item 1 x 15%	\$ 6,000	
	3 DCP "Counter-cyclical" Payments	\$ 0	
	4 Loan Deficiency Payments, Market Gains, and Market Certificate Payments	\$ 2,000	
	5 Noninsured Crop Disaster Assistance Program (NAP) Payments	\$ 4,910	
	6 Crop Insurance Indemnities	\$ 109,000	
	7 Settlements from FSA and Risk Management Agency (RMA)	\$ 0	
	8 Other Disaster Payments	\$ 0	
	9 Guaranteed Payments to Contract Growers	\$ 0	
	10 Total Other Revenue Data (Add Items 2 through 9)	\$ 121,910	
	11 Total Estimated Crop Value (Total of Item 14 on Tables 1 and 2)	\$ 202,976	
	12 Total Revenue (Item 10 + Item 11)	\$ 324,886	
<b>SURE Guarantees</b>	13 Guarantee (Total of Item 12 on Tables 1 and 2)	\$ 387,014	
	14 Total Expected Crop Revenue (Total of Item 13 on Tables 1 and 2)	\$ 602,784	
	15 90% of Revenue Cap (Item 14 x 90%)	\$ 542,506	
	16 SURE Program Guarantee (Lesser of Item 13 or 15)	\$ 387,014	
<b>Estimated SURE Payment</b>	17 SURE Program Payment (Item 16 minus Item 12 ) x 60%	\$ 37,277	

Note: Item 17 has been provided for information only and is the basis for the payment.