



FARM SERVICE FOCUS



FARM
SERVICE
AGENCY



Smith County FSA Office
319 Roger Barta Way
Smith Center, KS 66967-2312

COUNTY COMMITTEE:
Mary Arment CHAIRPERSON
Robert Koops, VICE-CHAIRPERSON
Darin Hawkins, MEMBER

Cary J. Tucker
County Executive Director

REGULAR MEETING DATE SECOND
THURSDAY OF EACH MONTH, 8:00 A.M.

FROM THE HEART OF THE USA

OFFICE HOURS 8 a.m. - 4:30 p.m.
TELE: 785-282-3832 FAX 785-282-6830

August 2008

SUPPLEMENTAL AGRICULTURE DISASTER ASSISTANCE PROGRAM (SURE)

The new Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) includes the following Disaster Assistance Programs:

- 1 - Emergency Assistance for Livestock, Honey bees, and Farm-Raised Fish (ELAP).
- 2 - Livestock Forage Disaster Program (LFP).
- 3 - Livestock Indemnity Program (LIP).
- 4 - Supplemental Revenue Assistance Payments (SURE).
- 5 - Tree Assistance Program (TAP).

SURE will cover crop production losses, LFP will cover grazing loss, and LIP will cover livestock death loss due to an eligible disaster.

To be eligible for these programs, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for all non-insurable crops they produce. All crops in Smith County can be covered by either insurance or NAP (including all forage crops such as small grass areas or waterways certified as forage).

To qualify for SURE the county must have a Secretarial Disaster Designation (or be contiguous to a county that does) or a producer will qualify if there is greater than 50% production losses on their FARM ("FARM" means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer). See page two for an example.

For the 2008 crop year only, producers who did not obtain at least CAT level crop insurance or NAP, can "buy-in" to be eligible to participate in the applicable Supplemental Agriculture Disaster Assistance programs by paying the administrative fee at their administrative county FSA office by the deadline date of September 16, 2008. The buy-in fees do not provide any CAT crop insurance coverage or NAP coverage but do allow producers to gain eligibility to participate in the applicable Supplemental Agriculture Disaster Assistance programs.

2008 Buy-in Fees for CAT and NAP Covered Crops:

- \$100 per crop, but not more than \$300 per producer per county, or \$900 total per producer, for all counties, less any previously paid fees for CAT and/or NAP.

For 2009 crop insurance coverage and NAP coverage must be purchased by the applicable crop deadlines in order to be eligible for these Supplemental Agriculture Disaster Assistance Programs

2008 Farm Program (DCP) Signup

Signup has begun. Advance payments of 22% may be requested for August, or September. Final payments will be issued in October. The deadline to sign up is September 30, 2008; all signatures must be returned to the FSA office by this date. We will be taking signup for DCP at the same time you report your acreage. Acreage report deadline is August 15. A minimum \$46.00 late fee will assessed for late reports.

EMERGENCY HAYING OF CONSERVATION RESERVE PROGRAM (CRP)

Smith County was declared eligible for "emergency haying" of eligible CRP acres. Emergency haying is identical to managed haying except producers are now eligible to hay acres that were hayed within the last three years (the 3 year haying rotation begins with the 2008 hayed acreage). Additionally producers may now hay up to 50 percent of each field or **contiguous** field in each contract. Producers, who have requested managed haying and grazing, may change and file for emergency haying rules if eligible and applicable.

EXAMPLE OF A POSSIBLE DISASTER ASSISTANCE PAYMENT (subject to change)

Smith and contiguous counties do not have a Secretarial Disaster Designation so each producer must qualify by having a 50 percent or greater loss of normal production from an eligible weather event on the producer's "FARM". Unfortunately you may not know if you have a 50 percent loss by the September 16 deadline to purchase the waiver.

SURE Program payments will be issued to an eligible producer in an amount equal to 60 percent of the difference between the "disaster assistance program guarantee" and "total farm revenue".

The "disaster assistance program guarantee" is the sum obtained by adding the following:

For RMA insurable crops 115 percent of the product by multiplying the:

- Crop insurance price election for the crop
- Acres planted to the crop
- Percentage of crop insurance yield elected by the higher of the APH or counter cyclical yield.

FOR NAP crops 120 percent of the product obtained by multiplying the:

- 100 percent of the NAP program established price
- Acres planted to the crop
- Higher of the NAP yield or counter cyclical yield if applicable.

"Total farm revenue" for a farm is the sum obtained by adding the following:

- The estimated actual harvested acres X the actual yield X national average market price for the marketing year for each crop (Payments will not be paid until late 2009).
- 15 percent of the direct payment
- Total amount of crop insurance or NAP indemnities.

In our example the producer had 70 percent CRC on 50 acres of wheat (the wheat produced 12 bushels per acre). This was the only program crop on the farm. The producer has water ways that were certified for harvest as hay that were not covered by NAP. To receive SURE (disaster) benefits the producer must purchase a NAP waiver for the water ways (\$100.00). Our price election is \$7.88 per bushel and the yield election is 70 percent. The Counter cyclical yield is 30 (higher of APH or CC yield) and the estimated marketing year price for wheat is \$7.00 (these numbers must be replaced by your elections and marketing year price estimate).

The "disaster assistance program guarantee"

- 115 percent X the crop insurance price election for the crop (\$7.88 per bushel)
- X acres planted (50)
- X percentage crop insurance yield election (70 percent) X the higher of the APH or counter cyclical yield (30).

115% X \$7.88 price election X 50 acres planted X 70 percent yield election X 30 bushels per acre counter cyclical yield = \$9,515.

The "total farm revenue"

- Harvest acres (50 acres) X actual or estimated actual yield (12 bushels per acre) X national average market price for the marketing year for each crop (we will estimate \$7.00)
- 15 percent of the direct payment (\$850 total direct payments X .15) = \$127.50 and the
- Crop insurance indemnity of \$4918.

50 acres harvested X 12 bushels per acre X \$7.00 per bushel (estimated 2008 marketing year price estimate) = \$4200. \$4200 + \$127.50(15 percent direct payments) + \$4918 (net crop insurance indemnity) = \$9246 (rounded).

ESTIMATED SURE PAYMENT IF THE PRODUCER BUYS THE WAIVER BY SEPTEMBER 16 FOR THE WATER WAY HAY IS: The "disaster assistance program guarantee" of \$9,515 minus the "total farm revenue" of \$9246 X 60 percent of the difference = \$161.00 (rounded) possible SURE payment. Gross SURE payment - \$100 waiver = \$61.00 net SURE payment.