



District 2 – Barton, Ellis, Graham, Jewell, Mitchell, Osborne,
Phillips, Rooks, Rush, Russell, Smith, Trego

September 2008

2008 SUPPLEMENTAL DIASTER ASSISTANCE PROGRAMS

The new Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) created the following new disaster programs under the title, "Supplemental Agriculture Disaster Assistance":

- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised fish (ELAP)
- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Supplemental Revenue Assistance Program (SURE)
- Tree Assistance Program (TAP)

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

To be eligible for ELAP, LFP, SURE, and TAP, producers must purchase at least catastrophic risk protection (CAT) level of crop insurance on ALL insurable crops and/or Noninsurance Crop Disaster Assistance Program (NAP) coverage for ALL non-insurable crops. (Non-insurable crops include all forage crops such as small grass areas or waterways for hay). LIP is exempt and does not require CAT or NAP coverage for eligibility.

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 they have more than a 50% production loss on their entire farm. A farm is defined as the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer.

For the 2008 crop year only, producers who did not obtain at least CAT level crop insurance or NAP coverage on all of their crops, 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 **September 16, 2008**. The buy-in fees do not provide any CAT crop insurance or NAP coverage, but do allow producers to gain eligibility to participate in the applicable Supplemental Agriculture Disaster Assistance programs.

To become eligible for 2008 disaster programs, producers must fill out a CCC-752 for insurable crops and a CCC-753 for Noninsurable crops and pay applicable buy-in fees. For 2008, the buy-in fees for CAT and NAP covered crops are \$100 per crop, not to exceed \$300 per producer per administrative county, or \$900 total per producer for all counties, less any previously paid fees for CAT and/or NAP coverage. These fees and limits apply separately for CAT and NAP.

If a producer has already purchased buy up coverage for an insurable crop, they will be credited the equivalent of the \$100 CAT fee. Fees may be waived if the producer meets the definition of a socially disadvantaged group, limited resource farmer or rancher, or a beginning farmer or rancher. Contact your administrative FSA county office to determine if you meet one of those definitions.

For 2009 disaster program eligibility, buy-in fees are not authorized. Producers must purchase crop insurance and NAP coverage on all commodities by the applicable crop deadlines to be eligible for these Supplemental Agriculture Disaster Assistance Programs.

- SURE, TAP and ELAP – must timely obtain crop insurance for each insurable commodity and NAP for each Noninsurable commodity on all crop acreage in all counties.
- LFP – must timely obtain crop insurance for insurable commodities or NAP on grazed land.

For 2009 the NAP fee has increased to \$250 per crop, not to exceed \$750 per administrative county, or \$1875 total per producer, for all counties.

The deadline to purchase NAP coverage for 2009 is December 1, 2008 for small grains for grazing or forage (hay). This includes wheat, barley, triticale, alfalfa, oats hay, and grass for grazing or forage. March 15, 2009 is the deadline to purchase coverage for sorghum forage for grazing or forage.



SURE program payments will be issued to an eligible producer in an amount equal to 60% 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 or prevented from being planted to the crop
- Percentage of crop insurance yield elected by the producer by the higher of the adjusted APH or the counter cyclical program payment yield.

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

- 100 percent of the NAP program established price for the crop
- Acres planted or prevented from being planted to the crop
- Higher of the adjusted NAP program yield guarantee or the counter cyclical program payment yield.

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

- The actual harvested acres X the estimated actual yield X national average market price for the marketing year for each crop.
- 15 percent of all direct payments
- Total amount of all counter-cyclical or average crop revenue payments
- Total amount of all LDP’s and marketing loan gains
- Total amount of crop insurance or NAP indemnities
- The value of any other natural disaster assistance payments for the same loss.

DIRECT FO DOWN PAYMENT LOAN PROGRAM

The recent Farm Bill modifies the existing FLP program in several respects:

- Expanded to include social disadvantaged farmers in addition to beginning farmers.
- The fixed interest rate is specified at the direct FO rate less 4% with a floor of 1.5%.
- The loan term is extended from 15 to 20 years.
- The required down payment is reduced from 10% to 5%.
- FSA may provide a maximum loan amount not to exceed 45% of the least of (a) the purchase price of the farm or ranch acquired; (b) the appraised value of the farm or ranch acquired; or (c) \$500,000 (Note: This results in a maximum FSA loan of \$225,000). The participating lender or private party will provide 50% (or more) to equal the purchase price. FSA can provide up to a 95 percent guarantee if financing is obtained from a commercial lender. Participating lenders will not pay a guarantee fee.



FARM STORAGE FACILITY LOANS

Seven year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities.

All loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost, up to \$100,000 for each borrower. A 15% down payment is also required.



Stay tuned for informational meeting notices once FSA staff receive training on the new farm program guidelines.