



## “SCOOP”

### ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

OCTOBER 6, 2009

#### **SUPPLEMENTAL REVENUE ASSISTANCE PAYMENT (SURE) SIGN-UP**

Producers who suffered a crop loss in **2008** will be eligible to sign-up for SURE on or around **November 2, 2009**. SURE is one of the new disaster programs implemented with the 2008 Farm Bill. The program is different from the Crop Disaster Programs we implemented in the past where a specific crop could generate a payment without consideration of other crops. SURE payments are calculated by looking at all crops, on all farms, in all counties. Payments are earned when the total revenue is less than the expected revenue. However, before FSA can consider the revenue, there must first be an eligible crop loss caused by a natural disaster. Also the county or contiguous county must have a Secretarial Disaster declaration or a producer must show he/she has a 50 percent production loss. We are expecting publication of Federal regulations very soon. FSA State and County employees will receive training in the next few weeks. More details of the program will be available in the county office after release of the regulations. Listed below are the unofficial preliminary basic provisions:

- Provides assistance for crop production and or quality losses due to natural disasters
- Determines the loss by lumping *all* planted or intended to be planted acreage in all counties which is called the “Farm” including aquaculture and honey
- At least one crop of economic significance must suffer a 10% production loss *due to natural disasters* such as but not limited to: hail, tornado, drought, excessive wind, plant disease, excessive heat, hurricane, freeze, fire, insect infestation Note: for this qualifying loss, market price losses are *not* an eligible cause of loss
  - Economic significance means any crop that contributed 5 percent or more of the total expected value of all crops grown
- **REQUIRED THE PRODUCER AND OR ENTITY TO HAVE AT LEAST THE CAT LEVEL OF FEDERAL CROP INSURANCE FOR ALL INSURABLE CROPS IN ALL COUNTIES AND/OR NON-INSURED DISASTER ASSISTANCE PROGRAM (NAP) COVERAGE FOR ALL NON-INSURABLE BUT NAP ELIGIBLE CROPS IN ALL COUNTIES.**
  - Exception: Socially disadvantaged, limited resource or beginning farmers are not required to purchase the crop insurance or NAP coverage, but are encouraged to purchase the crop insurance in order to have a greater safety net.
  - Note: all producers are encouraged to purchase Buy-Up crop insurance to increase the “guarantee.”

## **SUPPLEMENTAL REVENUE ASSISTANCE PAYMENT (SURE) SIGN-UP (Continued)**

- Producers must also have a risk in the crop and an ownership share in the crop. The limitation is \$100,000, payments from the Livestock Indemnity Program (LIP), Livestock Forage Program (LFP), and Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish (ELAP) Programs are included in the same limitation.
- The program is funded through the Agricultural Disaster Relief Fund
- Payments are issued to an eligible producer in the amount equal to 60% of the difference between the Program Guarantee and the Total Farm Revenue
  - Guarantee is the amount of insurance coverage a producer has which “guarantees” a minimum income in the event there was a total loss.
    - Note: The guarantee cannot exceed 90% of the crop’s Expected Revenue
      - Expected Revenue is the dollar amount the farm would expect to produce if there was not a loss (a disaster event).
  - Farm Revenue is the amount of revenue a farm produced in a given year including crop insurance indemnities.
- Does not pay for losses on crops intended for grazing
- Requires all crops on cropland and non-cropland acres to be reported to FSA
- Subject to Adjusted Gross Income (AGI) rules
- Subject to Sod/Swamp provisions
- Payments may be assigned or offset toward outstanding debts

A manual application process will initially be used to service SURE signup. We greatly appreciate your patience and understanding as we get through this initial phase. Contact your local FSA office for additional provisions and details of the program.

### **2009 FINAL DIRECT PAYMENTS**

FSA county offices are expected to start releasing 2009 Final Direct payments beginning mid October. Producers who have not received their total payment by early to mid November should check with their respective county office(s) to determine why they have not received payment.

**2009 FINAL DIRECT PAYMENTS continued:**

<b>Crop</b>	<b>Total Direct Rate</b>	<b>Advance Direct Rate</b>	<b>Balance if Advance was Received</b>
Corn (BU)	\$0.28	\$0.0616	\$0.2184
Grain Sorghum (BU)	\$0.35	\$0.0770	\$0.2730
Oats (BU)	\$0.024	\$0.0053	\$0.0187
Peanuts (Short Ton)	\$36.00	\$7.92	\$28.08
Rice, Long (LB)	\$0.0235	\$0.0052	\$0.0183
Rice Medium (LB)	\$0.0235	\$0.0052	\$0.0183
Soybeans (BU)	\$0.44	\$0.0968	\$0.3432
UPCN (LB)	\$0.0667	\$0.0147	\$0.0520
Wheat (BU)	\$0.52 BU	\$0.1144	\$0.4056

**2008 PEANUT FINAL COUNTER-CYCLICAL (CC) PAYMENTS**

There will not be final 2008 Counter-Cyclical payments for Peanuts because the effective price exceeded the target price. There were no advances issued therefore, no overpayments should exist either. The effective price equals the direct payment rate, plus the higher of the national average loan rate, or the national average price received by producers. The final payment rate is the target price minus the effective price. The following table illustrates the calculation for peanuts.

<b>Item</b>	<b>Peanuts Dollars Per Pound</b>
<b>Target Price</b>	0.24750
National Average Loan Rate	0.17750
National Average Farm Price	0.23000
Higher of Loan Rate or Farm Price	0.23000
Direct Payment Rate	0.01800
<b>Effective Price</b>	0.24800
<b>Final CC Payment Rate</b>	0

**NEW CROP YEAR - NEW FISCAL YEAR**

October 1, 2009, begins a new fiscal year, and program year for most FSA programs. Producers should begin planning and contacting their local FSA office for 2010 program options.

**FEDERAL CROP INSURANCE REQUIREMENTS  
CHANGE FOR SOYBEANS**

Beginning in crop year 2010, Federal Crop Insurance will require producers to insure and establish soybeans actual production history according to the following practices. Final planting dates are also established by practice. FSA does not administer the Federal Crop Insurance Program, but many of our programs require crops be insured before benefits can be earned. In addition, FSA will recognize FCIC’s final planting date for the programs we administer.

<b>2010 FCIC Soybean Practices</b>	<b>Final Planting Date</b>
Not Following Another Crop(NFAC) Irrigated (094)	June 15
Not Following Another Crop (NFAC) Non-Irrigated (053)	June 15
Following Another Crop (FAC) Irrigated (095)	June 25
Following Another Crop (FAC) Non-Irrigated (043)	June 25

It is our understanding that percentage of “T” yields is dependent upon practice as well. Producer should check with their Federal Crop Insurance agent for more details.

<b>PROGRAM DEADLINES</b>	<b>DATE</b>
FCIC and FSA Final Planting Date for Wheat and Oats	November 30, 2009
Final Date to File Prevented Planting for Wheat and Oats	December 15, 2009

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