



United States
Department of
Agriculture

FARM SERVICE AGENCY

Montana State
Producer Handbook

November 2008

Fact Sheet

Supplemental Revenue Assistance Program (SURE)- According to the 2008 Farm Bill



Background

The 2008 Farm Bill created several new disaster programs under the title "Supplemental Agricultural Disaster Assistance". One of the programs created is the Supplemental Revenue Assistance Program (SURE). This program provides financial assistance for crop production and or quality losses due to a natural disaster.

Triggers

There are two triggers which makes the SURE program available to eligible producers. Those triggers are:

- A Secretarial Disaster declared county and contiguous county **and** at least a 10 percent crop production loss on at least one crop of economic significance. *Definition for Crop of Economic Significance is defined under "definitions" in this fact sheet;* or
- In the absence of a secretarial disaster declaration, farms in which the actual production on the farm is less than 50 percent of the normal production on the farm.

Eligibility Requirements

To be eligible for assistance under SURE

- A plan of crop insurance of at least catastrophic (CAT) level for all insurable crops and cropping scenarios;
- And/or Non-insured Crop Disaster Assistance Program (NAP) coverage for non-

- insurable crops by the sales closing date of March 15, 2009 for all crops and cropping scenarios except value loss and honey;
- The value of any crop not eligible to be insured under either Risk Management Agency (RMA) or NAP coverage will not be considered under SURE;
- The value of any subsequently planted crop will not be considered except in areas where double cropping is a normal practice;
- Eligible producers are citizens of the United States, a resident alien, a partnership of citizens from the United States, a corporation, Limited Liability Corporation, or other farm organizational structure organized under State Law.

Note: *RMA crop insurance or NAP coverage on grazing land does not have to be purchased in order to be eligible for SURE. SURE does not pay for losses on crops intended for grazing.*

Eligible Crops

Crops eligible for SURE are:

- Crops covered by crop insurance or a NAP policy;
- Revenue plans such as AGR, AGR-Lite, and Written Agreements are included;
- Crops that are not eligible for crop insurance or NAP must still be reported for SURE, however, the acres will not be included in calculating the

programs guarantee or farm revenue.

Payments

SURE will:

- Issue payments to an eligible producer in the amount equal to 60 percent of the difference between the program Guarantee and the total Farm Revenue;
- Pay up to 90 percent of the crop's Normal Production on the farm.

Program Guarantee:

$Acres \times Yield \times Price \times Share =$ program guarantee.
The program guarantee for the farm cannot be greater than 90 percent of the total of the normal production of the farm.

Total Farm Revenue:

$Acres \times Actual Yield =$ Actual Production
 $Actual Production \times NASS Price$
National Agriculture Statistics Service (NASS) Price is the 12 month marketing year for each commodity.
For actual production, data will be used from the Risk Management Agency (RMA) and NAP.

If the program guarantee is more than the total farm revenue then the producer will be paid at 60 percent of the difference.

Producer Requirements

To be eligible for SURE producers must:

- Be in a secretarial disaster declared county or contiguous county;
- Purchase a plan of crop insurance of at least CAT level for all insurable crops and cropping scenarios;
- And/or NAP coverage by the sales closing date of March 15, 2009;
- Provide a total crop acreage report (FSA-578) including crops on cropland and non-cropland in all counties that the producer has interest. The total farm acreage report includes native and improved grass that will be hayed or grazed, all grazing land and uninsurable land by either crop insurance or NAP coverage;
- File an AD-1026.

Payment Limitation

SURE will pay up to \$100,000 annually including any benefits received from Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), & Emergency Assistance for Livestock Honey Bees, and Farm-Raised Fish (ELAP).

Adjusted Gross Income (AGI) Provisions

- 2008 – \$2.5 Million
- 2009 and future years - \$500,000 Non-Farm AGI- (Persons or legal entities that have an average adjusted gross nonfarm income that exceeds \$500,000, are not eligible for SURE).

Fee Waiver

Crop insurance and NAP coverage are not a requirement if the criteria are met for the following groups:

- Socially Disadvantaged
- Limited Resource

- Beginning Farmer and Rancher Definitions for these groups are available under the "definitions section" listed in this fact sheet.

Required Forms

There is no signup date and no forms for signup at this time.

Definitions

Farm: According to the 2008 Farm Bill a farm is defined as the sum of all crop acreage in all counties that is planted or intended to be planted for harvest for sale or on farm livestock feeding including native grassland intended for haying by the eligible producer.

Crop of Economic

Significance: A crop which is expected to contribute at least 5 percent of the farm's income (Nationwide).

Crop Expected Revenue: is referred to as normal production for the farm.

Crop Revenue: is referred to as actual production for the farm.

Actual Production on the

Farm: the sum of the value of all the crops on the farm.

Socially Disadvantaged:

Group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

Limited Resource: Producer with both of the following:

- Direct or indirect gross farm sales not more than \$100,000 in both of the previous 2 years.
- Total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years.

A tool is available to determine limited resource status at: <http://www.lrftool.sc.egov.usda.gov/tool.asp>.

Beginning Farmer or Rancher:

An individual who has not operated a farm or ranch for more

than 10 years; and materially and substantially participates in the operation.

For Additional Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at www.fsa.usda.gov/mt/

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