

For: State and County Offices

Establishing 2008 Supplemental Revenue Assistance Payments (SURE) Program Crop Data

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) authorized SURE. The SURE Program will be covered under a new notice series titled, "SURE". SURE will be issued to eligible producers in an amount equal to 60 percent of the difference between the SURE Program guarantee and the total farm revenue for a producer. For 2008, SURE will be made using an interim, manual process for taking FSA-682's and calculating SURE. All required crop data **must** be established as soon as possible to conduct the 2008 SURE signup.

B Purpose

This notice:

- instructs State Offices on establishing crop data elements for the 2008 SURE interim process
- informs State Offices that a crop table is **not** currently available to load crop data elements
- informs State Offices that they will be responsible for notifying County Offices of crop data elements
- obsoletes Notice SURE-1.

Note: Subparagraph 6 B, Example of Establishing Quality Factor Based on Price has been changed from "NAMP was established at \$3" to "The price for a crop that producers would have received in the local markets if quality was not a factor is \$3".

Disposal Date	Distribution
January 1, 2010	State Offices; State Offices relay to County Offices

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2 Historical Yield and Price Data

A County Expected Yields

For SURE, STC shall establish a county expected yield for each crop, type, intended use, practice, and planting period except for value loss crops. The 2008 county expected yield will be calculated using an Olympic average of 2002 through 2006 historical data. The yield established in the 2008 National Crop Table (NCT) may be used if the yield was not overridden by an RMA T-Yield. If the county expected yield was overridden, or is not available, a county expected yield **must** be established based on the following rules.

IF...	THEN...
States have 5 years of historic yield data available (2002-2006)	all 5 years must be used to calculate the Olympia average yield.
there is not 5 years of historic yield data	the average will be calculated based on the simple average of the available years.

Note: For California grapes with an intended use of processing, the yield **must** be the same within the county, regardless of crushing district.

B Prices

STC shall establish a historical average price for the following:

- 2008 SURE crops by crop, type, and intended use
- value loss crops with the exception of nursery, floriculture, tropical finfish, mushrooms, and root stock.

The 2008 price will be calculated using an Olympic average of 2002 through 2006 historical data. The NAP "Market Price" found on NCT will be used for the following crops:

- insured with plans of insurance that are revenue based or dollar plans of insurance
- insurable, but a plan of insurance was not obtained
- covered by NAP
- eligible for NAP; however, coverage was not obtained.

Note: If a NAP market price was not established in NCT, the price **must** be calculated using the same rules used to establish a NAP price according to 1-NAP, paragraph 108.

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2 Historical Yield and Price Data (Continued)

C Sources of Information

STC's shall use the best available information when establishing crop county expected yields and prices. Sources of information may include, but are not limited to:

- NASS (must be used if available)
- CSREES
- County Agricultural Commissioners Office
- local markets
- COC's knowledge
- prices in similar areas.

3 National Average Market Price (NAMP)

A Background

NAMP is intended to reflect the actual marketing value of a crop during the marketing year and may be adjusted for regional variations. NAMP will **not** apply to value loss crops.

Note: When available, use NASS-established marketing year for a crop for the SURE Program. If NASS has not established a marketing year, the marketing year will be defined as the 12-month period following the final harvest date.

B Determining NAMP

NAMP is determined by crop, type, and intended use using the following table.

IF the crop...	THEN use NASS...
type, and intended use is in Exhibit 1	U.S. price included in Exhibit 1.
type, and intended use is in Exhibit 2	price for the county or crushing district if insurable in that county. If a NASS price for a county or crushing district is not available or the crop is not insurable in that county, use the NASS price for that State.
is durum wheat for grain	durum wheat price for States where NASS has established a durum wheat price. For all other States, use the NASS spring wheat price.
type, and intended use does not meet any of the previous conditions in this table	price for the State or the best available data.

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3 National Average Market Price (NAMP) (Continued)

B Determining NAMP (Continued)

If NAMP must be established using data other than what is identified in the table in this subparagraph, STC shall establish the 2008 NAMP using the 2008 historic price entered in the 2010 NCT if available.

Note: The 2010 NCT is not required to be updated for the 2008 SURE Program, but the 2008 historic prices required for establishing NAMP must be available by whatever means is the most efficient within a State.

If the 2008 historic price is not available, STC shall establish NAMP using the best data available identified in subparagraph 2 C.

4 Guarantee Adjustment Factors

A Prevented Planting and Unharvested Factors

Prevented planting and unharvested factors are used to adjust the crop guarantee under SURE if the crop was prevented from planting or unharvested because of a natural disaster. Prevented planting and unharvested factors, if not already established for NAP purposes, shall be established for all crops according to 1-NAP, paragraph 109.

Note: Prevented planting factor will **not** apply to value loss, perennial, or tree crops.

B Requirements

The prevented planting and unharvested factor must be:

- the same within a State by crop, type, and intended use
- greater than or equal to zero.

Note: The prevented planting factor **cannot** be greater than the unharvested factor.

5 Historical Marketing Percentages

A SURE Guarantee and Revenue Calculations

Historical marketing percentages will be used for SURE guarantee and revenue calculations.

A historical marketing percentage must be applied to NAP-covered and waived-in crops when the total production for the crop is known, but the producer is unable to provide documentation reflecting how that production was actually marketed.

Example: A producer of grass seed stores grass material on the farm for a future market. The production of grass material is known, but the production of grass seed contained in the grass material is not known.

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5 Historical Marketing Percentages (Continued)

B Multiple Marketed Crops

Historical marketing percentages shall be established for multiple marketed crops.

Example: A producer has an apple crop insured under a fresh policy. Some of the apples will be marketed as processed even though the insurance policy is for fresh only. A historical marketing percentage must be established to determine the percentage of apples that have the fresh price applied and the percentage of apples that have the processed price applied.

If a producer submits actual marketing records for the past 3 crop years, the average of these 3 years will be the producer's historical marketing percentage. If a producer **cannot** provide actual marketing records for the past 3 crop years, COC shall recommend a historical marketing percentage for STC approval. COC's recommendation shall be based on:

- average marketing by producers within the county
- available warehouse, packer, or storage facility records
- information from trade associations, CSREES, State Departments of Agriculture, and other similar sources.

6 Quality Adjustment Factors

A Background

A quality adjustment factor will be used to reflect the price or quality discounts actually received by producers because of loss of quality or excessive moisture in disaster affected areas. The quality adjustment factor will be applied to adjust NAMP for the quality affected crops.

When a disaster condition affects the quality of a crop, COC may recommend to STC a quality adjustment factor for their approval. In their recommendation, COC must indicate the:

- quality adjustment factor recommended
- crop affected
- disaster condition and dates
- quality factors affecting the crop
- area affected
- basis for the adjustment (price or quality factor).

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6 Quality Adjustment Factors (Continued)

A Background (Continued)

Data provided for justifying COC's recommended adjustment factor **must** include details of the disaster event as well as 1 or more of the following:

- price data, including quality discount information, from local regional buyers
- production data from local or regional buyers to support crop quality conditions
- loss adjustment records
- other data.

B COC Documentation

COC must thoroughly document the data used to justify the quality adjustment factor requested. The data must support that an eligible disaster caused the price reduction or quality discounts of the affected crop.

Example of Establishing Quality Factor Based on Price: The price for a crop that producers would have received in the local markets if quality was not a factor is \$3. The average price received by producers because of quality reductions was \$2.50, supported by documentation from local buyers and the applicable crop association. COC shall recommend a quality adjustment factor of .8333 based on local buyer and the applicable crop association documentation. ($\$2.50 \text{ divided by } \$3 = .8333$).

Example of Establishing Quality Factor Based on Crop Grading Factors: COC determined the grading factors for the crop that were reduced because of quality that was low test weight and excessive moisture. Documentation was obtained from local elevators and verified through State crop association that reflected the average associated quality reduced grading factors and the applicable deductions. The local average market price was established at \$3 per bushel. The average quality factor deductions were determined to be \$.50 per bushel. $\$3 \text{ (local market price) minus } \$.50 \text{ (average grading factor deduction) = } \2.50 . COC recommended quality adjustment factor shall be .8333 ($\$2.50 \text{ divided by } \$3 = .8333$).

Note: Loan rates and applicable loan deduction prices and deductions may be used to calculate the quality adjustment factor when basing it on grading factors.

In the SURE calculation, the quality adjustment factor will be applied to all harvested production; however, a producer must be able to meet or exceed the quality loss threshold when averaging all verifiable, reliable or certified production for the entire crop.

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7 Maximum Average Loss

A Background

COC shall recommend for STC approval the following a maximum average loss:

- level for the crop that reflects the impact that disaster conditions had on the crops in the county; the maximum average loss level shall reflect the amount of production that a producer should have made considering eligible disaster conditions in the area or county; this should be consistent with the average amount of production of a substantial number of producers experiencing similar disasters

Notes: If multiple disaster or varying levels of loss occurred in the county, COC may establish a **different level** for each type of disaster or region within the county, if applicable. COC shall determine loss levels based on all available information, including weather data, loss estimates from applicable industries, appraisals from LA's, damage assessment reports, and other verifiable County Office records showing eligible disaster loss. Maximum average loss level shall be expressed as either a:

- percent of loss
- yield per acre.

Land not physically located in the administrative County Office will be required to use the maximum average loss levels established by COC for the county where the land is physically located.

- levels for all crops in the county even if disaster level conditions did not impact the crop; this is necessary because SURE requires production from all crops on the SURE farm regardless if the crop suffered a loss.

B COC Documentation

COC shall thoroughly document a basis for determination of maximum average loss level. Weather data, discussions with CSREES, universities, NASS, or other source should be included as supporting documentation when submitting maximum average loss level recommendations.

Note: Maximum average loss for the specific crop in the county or area should be based on the losses incurred directly by the recognized disaster condition on a representative amount of acreage of that crop.

The maximum average loss for a specific crop will not be 100 percent unless no acreage of the crop was harvested and all field appraisals reflect "0" production. If 1 specific area in the county was affected by a natural disaster that resulted in total destruction of the crop or crops, this area could be specifically identified by COC and the maximum average loss established at 100 percent.

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8 Action

A STC Action

STC shall establish the historic yields, according to subparagraph 2 A, and prices, according to subparagraph 2 B.

B State Office Action

State Offices shall:

- follow the provisions of this notice
- continue to compile historic price and yield data
- obtain STC approval of the following crop data used for SURE, if not previously approved for NAP purposes:
 - final planting date
 - prevented planting factors
 - unharvested factors
 - county expected yields
 - NAMP, if NASS U.S. price is not applicable
 - historical marketing percentages
 - quality adjustment factors
- ensure consistency of maximum average loss levels in the State
- distribute the required SURE crop data to county offices by the most efficient means available within the State.

C County Office Action

County Offices shall:

- follow the provisions of this notice
- submit COC-recommended quality adjustment factors to STC
- submit COC-established maximum average loss levels to STC.

NASS U.S. Prices

This table provides NASS U.S. prices for determining NAMF.

Crop Code	Type Abbr	Crop Name	Type Name	Use	Meas	2008 Price
0001		Tobacco Burley			LBS	1.669
0002	FCA	Tobacco Flue Cured	Flue Cured (012)		LBS	1.757
0002	FCB	Tobacco Flue Cured	Flue Cured (013)		LBS	1.757
0002	FCC	Tobacco Flue Cured	Flue Cured (014)		LBS	1.757
0002	FCD	Tobacco Flue Cured	Flue Cured (11a)		LBS	1.757
0002	FCE	Tobacco Flue Cured	Flue Cured (11b)		LBS	1.757
0003		Tobacco Virginia Fire Cured			LBS	
0004	FRA	Tobacco Fire Cured	Fire Cured (022)		LBS	2.460
0004	FRB	Tobacco Fire Cured	Fire Cured (023)		LBS	2.460
0005	DAA	Tobacco Dark Air Cured	Dark Air Cured (035)		LBS	2.246
0005	DAB	Tobacco Dark Air Cured	Dark Air Cured (036)		LBS	2.246
0006		Tobacco Virginia Sun Cured			LBS	
0007	CFA	Tobacco Cigar Filler Binder	Cigar Filler Binder (054)		LBS	3.495
0007	CFB	Tobacco Cigar Filler Binder	Cigar Filler Binder (055)		LBS	3.495
0008	CBA	Tobacco Cigar Binder	Cigar Binder (051)		LBS	5.805
0008	CBB	Tobacco Cigar Binder	Cigar Binder (052)		LBS	3.495
0009		Maryland Tobacco			LBS	1.600
0010	CGA	Tobacco Cigar Filler	Cigar Filler Tobacco (041)		LBS	1.700
0011	HRS	Wheat	Hard Red Spring Wheat	GR	BU	7.31
0011	HRW	Wheat	Hard Red Winter Wheat	GR	BU	6.57
0011	HWR	Wheat	Hard White Winter Wheat	GR	BU	6.57
0011	HWS	Wheat	Hard White Spring Wheat	GR	BU	7.31
0011	SRW	Wheat	Soft Red Winter Wheat	GR	BU	6.57
0011	SWS	Wheat	Soft White Spring Wheat	GR	BU	7.31
0011	SWW	Wheat	Soft White Winter Wheat	GR	BU	6.57
0012		Tobacco			LBS	1.861
0016	SPR	Oats	Spring	GR	BU	3.15
0016	WTR	Oats	Winter	GR	BU	3.15
0018	LGR	Rice	Long Grain		LBS	0.165
0018	MGR	Rice	Medium Grain		LBS	0.165
0018	SGR	Rice	Short Grain		LBS	0.165
0022		Cotton, ELS			LBS	1.130
0031	COM	Flax	Common	SD	BU	13.10
0031	LIN	Flax	Linola	SD	BU	13.10
0038		Sugarcane		PR	LBS	1/
0039		Sugar Beets		PR	TON	1/
0041	YEL	Corn	Yellow	GR	BU	3.90
0041	YEL	Corn	Yellow	SD	BU	3.90

NASS U.S. Prices (Continued)

Crop Code	Type Abbr	Crop Name	Type Name	Use	Meas	2008 Price
0051	GRS	Sorghum	Grain	GR	BU	3.192
0051	HIF	Sorghum	Hybrid Interplanting Fg	SD	BU	3.192
0051	HIG	Sorghum	Hybrid	SD	BU	3.192
0051	HSF	Sorghum	Hybrid Standardplant Fg	SD	BU	3.192
0051	HSG	Sorghum	Hybrid Standardplant Gr	SD	BU	3.192
0051	HSS	Sorghum	Hybrid Standardplant Su	SD	BU	3.192
0058		Cranberries		FH	BBL	57.70
0058		Cranberries		PR	BBL	57.70
0060	ADR	Figs	Adriatic	FH	LBS	0.271
0060	BMF	Figs	Black Mission	FH	LBS	0.271
0060	CAL	Figs	Calimyrna	FH	LBS	0.271
0060	KDT	Figs	Kadota	FH	LBS	0.271
0067	AUS	Peas	Austrian Peas	DE	LBS	0.220
0067	BLE	Peas	Black Eye Peas	DE	LBS	0.147
0067	SPK	Peas	Speckled/Colored	SD	LBS	0.309
0075	RUN	Peanuts	Runner Peanuts	NP	LBS	0.205
0075	SPE	Peanuts	Southeast Spanish Peanuts	NP	LBS	0.205
0075	SPW	Peanuts	Southwest Spanish Peanuts	NP	LBS	0.205
0075	VAL	Peanuts	Valencia Peanuts	NP	LBS	0.205
0075	VIR	Peanuts	Virginia Peanuts	NP	LBS	0.205
0078	NON	Sunflowers	Confectionery - Sunflower	GR	LBS	0.280
0078	OIL	Sunflowers	Sunflower Oil	GR	LBS	0.186
0080	DOP	Millet	Dove Proso	GR	BU	3.48
0081	COM	Soybeans	Common	GR	BU	9.25
0081	EDA	Soybeans	Edamame Soybeans	GR	BU	9.25
0081	LER	Soybeans	Lerado	GR	BU	9.25
0086		Prunes		FH	TON	382.00
0086		Prunes		PR	TON	382.00
0091	SPR	Barley	Sprint Barley	GR	BU	3.82
0091	WTR	Barley	Winter Barley	GR	BU	3.82
0094		Rye		GR	BU	6.32
0106		Avocados		FH	BU	41.75
0129		Rapeseed		SD	LBS	0.253
0469		Macadamia Nuts			LBS	0.670
0711	FAL	Canola	Fall Seeded	SD	LBS	0.191
0711	SPR	Canola	Spring Canola	SD	LBS	0.191
5000	NAT	Herbs	Native Spearmint	PR	LBS	14.80
5000	PEP	Herbs	Peppermint	PR	LBS	15.20
5000	SCO	Herbs	Scotch Spearmint	PR	LBS	14.80

1/ NASS will not publish a price for sugarcane and sugar beets until February 2010. All SURE calculations for these crops will be delayed until the prices are published.

Crops Without NASS U.S. Prices

For the following crops, use NASS price for the county or crushing district if insurable in that county. If a NASS price for a county or crushing district is not available or the crop is not insurable in that county, use the NASS price for that State.

State	Crop	Crop Type
Alabama	Potatoes	Russet
Alabama	Potatoes	Red
Alabama	Potatoes	White
California	Cotton	Upland
California	Potatoes	Group A
California	Potatoes	Group B
Florida	Potatoes	Group A
Georgia	Peaches	Fresh
Hawaii	Coffee	
Maryland	Potatoes	Russet
Maryland	Potatoes	Red
Maryland	Potatoes	White
New Mexico	Potatoes	Russet
New Mexico	Potatoes	White
New Mexico	Potatoes	Red
Texas	Cotton	Upland
Texas	Onions	Red
Texas	Onions	White
Texas	Onions	Yellow
Texas	Peaches	Fresh
Texas	Potatoes	Russet
Texas	Potatoes	Red
Texas	Potatoes	White