

For: State and County Offices

Reminders and Selected Crop Issues for the 2011 SURE Program

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Signup for 2011 SURE began October 22, 2012. COR reviews, OIG audit results, and questions from the field identified areas where SURE program reminders would be beneficial for State and County Offices.

B Purpose

This notice provides guidance to State and County Offices about important reminders for the 2011 SURE program.

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|-------------------------|--|
| Disposal Date | Distribution |
| June 1, 2013 11-8-12 | State Offices; State Offices relay to County Offices |

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2 2011 SURE Program Payments Reminders

A Husband and Wife Exception to Risk Management Purchase Requirement (RMPR)

1-SURE, subparagraph 35 I provides a list of exceptions to RMPR. One of the exceptions is husband/wife. The exception is that each spouse does **not** have to have their own policy; either spouse can insure all interests in the crop under 1 policy.

To further clarify this policy, RMA considers a husband and a wife to have a shared financial interest in each other. Therefore, all land that either person has an interest in shall be insured by 1 spouse. “**Spouse**” should be listed on SIR, “Substantial Beneficial Interest” record.

Example: The husband has 1/3 share in grain sorghum on tract 1234. The wife has 1/3 share in grain sorghum on tract 2345. The husband does **not** share in wife’s tract of land and the wife does **not** share in the husband’s tract of land. Even though the husband and wife have separate farming interests, because they are married, they are considered 1 entity for RMA purposes. Insurance for both farming interests shall be combined under 1 policy.

Note: If the husband/wife can prove they are legally separate, then they can have separate insurance policies; otherwise, they **must** insure all interests under 1 policy.

B Relief Cases for RMPR

According to The Food, Conservation, and Energy Act of 2008, basic requirements for RMPR are that for a producer to be eligible for assistance under SURE they **must** do the following. For:

- insurable commodities, obtain a policy or plan of insurance for each economically significant crop, type, and intended use on the farm
- noninsurable commodities, file the required paperwork and pay the applicable administrative fee by the applicable State application closing date for NAP for economically significant crop, crop type, and intended use on the farm.

Note: Forage crops intended for grazing are **excluded** from this requirement.

Equitable relief may be granted by STC, on a case-by-case basis, to an eligible producer who failed to meet RMPR when the determination was made that the producer made a good faith effort to comply. Additional information on relief can be found in 1-SURE, paragraph 37. Equitable relief cases should be very limited in regard to 2011 SURE.

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2 2011 SURE Program Payments Reminders (Continued)

C Double-Crop Rules

Subsequently planted or subsequently prevented planted acreage is eligible for SURE **only** if the acreage meets **double-cropping rules** as follows:

- insured acreage **must** be considered to be double-cropped acreage by RMA
- acreage that is **not** insured must meet the double-cropping provisions in 2-CP to be considered eligible acreage
- use 2-CP double-cropping rules for crops that gain SURE eligibility through Socially Disadvantaged, Limited Resource, or Beginning Farmer status, or were granted relief.

Notes: RMA will notate the double-crop eligibility determination for the first crop for which an indemnity (this includes prevented planted) was earned when followed by an insured subsequent crop. The first crop for which an indemnity was earned may **not** be the first insured crop planted on the same acres in the same year. This would be the case when no indemnity was earned on the first insured crop that was planted.

If the crop is coded as anything other than “DC” on the “L” (Loss) Record, the subsequently planted acreage is **not** eligible for SURE. See 1-SURE, subparagraph 91 B and Exhibit 4 RMA label “MULTI CROP CDE” and “MULTI CROP FCTR” data for more information.

D Ineligible Acres

Do **not** load ineligible acres into the SURE Workbook (1-SURE, subparagraphs 91 D and E). When SIR includes crops that are ineligible for SURE, and gross indemnities and producer premiums are included in the records for those crops, use 1 line to enter this data in the 2011 SURE Workbook. On this line, under the “Crop” column, select “Ineligible Crop Indemnity” and enter the total producer premiums for all crops administered by the county that are ineligible for SURE that have been paid an indemnity. The total gross indemnities for these crops would also be entered on this line. These will be the only entries allowed when “Ineligible Crop Indemnity” is selected as the crop for a line (1-SURE, subparagraph 664 G).

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2 2011 SURE Program Payments Reminders (Continued)

E Workbook Review

When finalizing SURE Workbooks, it is preferred that a third person conduct the final review. In some cases, a recording County Office may only be staffed with 2 people. In this case, it is acceptable for the person that dataloaded the SURE Workbook or conducted the second party review to also conduct the final review. This has **not** been prohibited by instructions in 1-SURE that state the following in subparagraph 665 H for 2011.

| Item | Definition and Rule |
|----------------|--|
| Data Loaded by | <p>FSA employee that completed the SURE Workbook will enter their initials and date completed.</p> <p>Example: Employee A.</p> |
| 2nd Party Rev | <p>FSA employee that completed the required second-party review of the SURE Workbook will enter their initials and date completed.</p> <p>Example: Employee B (never Employee A).</p> |
| Finalized by | <p>When all the following necessary summarization is done and FSA-682 is ready for payment, the FSA recording county employee that completed all of the following will complete the “Finalized by” field:</p> <ul style="list-style-type: none"> • confirmed with all counties that all the administrative county SURE Workbooks are complete, including the COC determinations, if applicable • ensured that all COC determinations for all counties have been made and entered, if necessary • summarized all SURE Workbooks together, if applicable. <p>Note: “Finalized by” will only be displayed on recording county’s SURE Workbook, regardless of whether the SURE Workbook is for a multi-county producer.</p> <p>Example: Employee A, B, or C.</p> |

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3 Issues with Selected Crops and Commodities

A Crops Waiting for National Average Market Price (NAMP)

For all crops with an established NAMP in 1-SURE, Exhibit 6, that have an “NA” displayed, the price is currently not available. Forthcoming amendments will be issued to update Exhibit 6 as the prices become available. All SURE Workbooks with crops that meet this situation must be held and finalized when NAMP is provided.

B RMA Insured Sweet Potatoes and Fresh Market Beans

SURE Workbooks that have RMA insured crops of sweet potatoes and fresh market beans cannot be finalized until procedure for these crops is provided in 1-SURE, Part 10. Procedure will be provided in a forthcoming amendment.

C Cottonseed

Do not enter cottonseed data from the initial SIR in the SURE Workbook. As indicated in 1-SURE, subparagraph 32 G, cottonseed is considered a byproduct and **is not an eligible crop for SURE**.

4 Action

A County Office Action

County Offices will:

- follow the contents of this notice
- **not** discourage any interested producer from filing FSA-682, even if it appears that the participant fails to meet some eligibility requirement or the participant may fail to earn a 2011 SURE program payment.

B State Office Action

State Offices will monitor County Offices to ensure that they follow the contents of this notice.