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SURE Eligibility Requirements¹

SURE dead lines. Tuesday, September 16 is the final day to pay any \$100 NAP/CAT fees for 2008 crops that were not insured, in order to remain eligible for 2008 SURE payments on 2008 crop losses, including crops that have not been harvested. In addition, SURE is a revenue disaster program, so falling prices will increase payments. While many analysts are expecting higher prices in the short run, the settlement price for fall harvested crops will not settle until after the close of the marketing year, August 31, 2009.

Sales closing for winter wheat, and in some states, forage is September 30, 2008. In other states (including Kansas) the forage and pasture sales closing date is November 30. The NAP closing date for forage and pasture is December 1, 2008 in states that have the NAP alternative. All crops must be insured or covered under NAP in order to be eligible for 2009 SURE coverage. This requires insurance or NAP on all fall seeded crops including pasture. The NAP fees have been increased to \$250 and CAT fees were increased to \$300. If the pasture or forage acres are small it will likely be cheaper to buy an insurance contract in states that have both insurance and NAP.

Farmers need to check with their FSA county office and crop insurance agent about crops that need insurance or NAP coverage to gain eligibility for the new SURE disaster aid program.

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Eligible County Defined. Farmers eligibility for SURE payments requires a Secretary’s disaster declaration for the county (include contiguous counties) **or** their whole farm must have a 50% yield Loss. But some have argued this is not correct. They argue it requires a Secretary’s disaster declaration **and** a 50% yield loss (a 50% revenue loss will not meet the 50% yield loss test). The Law states:

“(5) *DISASTER COUNTY.*—

“(A) *IN GENERAL.*—*The term ‘disaster county’ means a county included in the geographic area covered by a qualifying natural disaster declaration.*

“(B) *INCLUSION.*—*The term ‘disaster county’ includes—*

“(i) *a county contiguous to a county described in subparagraph (A); and*

“(ii) *any farm in which, during a calendar year, the total loss of production of the farm relating to weather is greater than 50 percent of the normal production of the farm, as determined by the Secretary.*

I was interpreting this section of the Law to mean a county must have a Secretary’s disaster declaration but FSA is also required to include any contiguous counties or farms with a 50% yield loss or greater. That gives farmers two methods to become eligible in a county not receiving a Secretary’s disaster declaration.

If it requires farmers to have a 50% yield loss then there will be few diversified farmers receiving any SURE payments and it will greatly reduce the payments to single enterprise farms.

Readers can judge the Law’s language for themselves, but FSA will have the final say.