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Disclaimer: This web page is designed to aid farmers with their marketing and risk management decisions. The risk of loss in trading futures, options, forward contracts, and hedge-to-arrive can be substantial and no warranty is given or implied by the author or any other party. Each farmer must consider whether such marketing strategies are appropriate for his or her situation. This web page does not represent the views of Kansas State University.

KSU Announces a Webinar on SURE¹

USDA has announced its new disaster program, SURE. SURE is tied directly to the type and level of crop insurance purchased. SURE will pay based on the coverage level and type of coverage purchased in 2008 and 2009. However, when farmers make their decision on the level and type of crop insurance to purchase before March 15, they are also making their decision on the coverage provided in SURE.

In general, SURE is a whole farm revenue "insurance" guarantee (crops & hay only). SURE guarantees the lesser of the SURE guarantee based on a grower's crop insurance purchase or 90% of the expected farm revenue; less the value of the crop produced, net crop insurance indemnity payments, and government payments.

The concept is simple but the details are complex and KSU will present a SURE Webinar on Friday, noon CST, February 19, 2010 that will cover these details. The objective of the Webinar is to help farmers answer the question does SURE provide real protection for my farm and if one should change their level or type of crop insurance thus improving the protection provided by SURE.

SURE issues that will be covered in the Webinar include:

1. SURE protection on diversified farms versus single enterprise farms.

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2. Private insurance indemnity payments do not count against SURE payments so how will private insurance fit in this new policy?
3. CAT coverage will provide almost no protection from SURE but why?
4. Purchasing higher levels of crop insurance in most cases will provide higher levels of SURE protection. However, under some conditions very high levels of crop insurance coverage will exceed the 90% of expected farm level revenue cap on SURE coverage.
5. Group Risk Income Protection (GRIP) insured farmers are more likely to exceed the 90% cap on expected revenue in SURE. In most cases APH, CRC, RA, and IP insured farmers are not likely to exceed the 90% cap, but there are exceptions. The limits on coverage will be covered in the Webinar.
6. Strategies to maximize insurance coverage without exceeding the maximum 90% cap in SURE will be covered.
7. ACRE payments count against SURE, and as a result those farmers who did not elect ACRE in states with big ACRE payments may recapture some of the government payment in SURE.
8. How do crops with no insurance offers (NAP crops) fit into the SURE program?
9. Some farmers have the rainfall index contract on their native hay. This contract is triggered by the lack of rain, so there is no price or yield used to generate the coverage level. As of this writing there has been no decision on how this coverage fits into the SURE program.

Growers who participate in the Webinar are expected gain knowledge on the following items:

1. Improve their crop insurance decision that will maximize their coverage from both crop insurance and SURE with the minimum premiums paid.
2. Determine if private insurance can play a role in their total risk management plan.
3. Help growers make the best decision on the type of crop insurance.
4. Farmers may also want to reduce the number of crops and become more specialized under this new policy.
5. Growers will receive answers to their questions submitted during the Webinar. Participants will type in their questions and I will respond on the air. If there are more questions or something that needs to be researched to answer, those questions will be posted on AgManager.info.

The Webinar carries a fee for a single user license of \$25 per line. One needs access to a “high” speed internet line for good reception of the Webinar. Rich Llewelyn (email rwl@ksu.edu or phone 785.532.1504), will help you with any connection questions. We will also run a test for you on the day before to make sure your equipment is working.

We will also offer a group license for \$200. This will allow a sponsor, such as an insurance agency, lender, or other Agribusiness to project the Webinar on to a large screen for a group of their customers and their staff. Because some Agribusinesses have multiple locations, we will offer a second line for half price but one will need to call Rich to register because the on line registration is not set up for a multiple location registration discount. If one wants to enroll and pay by check, they too will need to call Rich to enroll.

Participants that want to enroll with a credit card may do so now by going to:
<http://commerce.cashnet.com/KSUAGECON>.

KSU is limited to less than 150 lines. We oversold the ACRE Webinar because of a misunderstanding on the capacity of our system. That will not happen again. The on line registration site will be shut down if the limit is hit. We have no capacity to add new lines, so early registration is suggested for participants that want access to the program.

SURE is a complicated risk management tool. We hope you will take advantage of this educational opportunity to increase your understanding of SURE and increase your ability to manage risk.