

Supplemental Revenue Assistance (SURE) Program

Important Definitions

Farm - The sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer.

Eligible Producer - An individual or entity that assumes the production and market risks associated with the agricultural production of crops or livestock in a Disaster County or with a total loss of production on the farm greater than 50% of normal.

An Individual or Entity - a citizen of the United States; a resident alien; a partnership of citizens of the United States; a corporation, LLC or other farm organizational structure organized under State law.

Disaster County - A county included in the geographic area covered by a qualifying natural disaster declaration; a county contiguous to a disaster county.

Non-Insurable Crops Ineligible for NAP - Congress passed a measure designating uninsured sorghum and other crops planted behind failed first crops as ghost crops, meaning that the crop's revenue will not reduce a farmer's SURE payment. Therefore, those crops should not be entered anywhere in this calculator.

Purpose

This spreadsheet payment estimator is provided to help producers calculate possible SURE payments. It does not calculate an exact actual payment due to the many assumptions about program rules and final market year average prices. It is not a decision aid to help producers decide whether or not to incur the cost of maintaining eligibility. However, "what-if" scenarios could be developed to help make that decision.

Assumptions

Market Year Average (MYA) Price - The most recent projected MYA Price as released by USDA in the World Ag Supply Demand Estimate (WASDE) report or ACRE Program Tables as available.

Non-Yield Based Revenue Insurance Products - No decision has been made at this point as to how insurance products such as AGR Lite, GRP and GRIP will be "Equitably Treated." Therefore, no provisions for such policies were made in this estimator.

Prevented-Planting and Non-Harvest Factors - The Prevented Planting factors were assumed to be the same as stated in the corresponding crop insurance policies. Our current understanding of the legislation is that there will be no non-harvest factor for insurable crops. However, it is included in the crop table for the NAP crops and the possibility that it may be resurrected for insurable crops as well.

Using The Estimator

DCP Worksheet - Enter information by USDA Farm Serial Number in the shaded areas.

% Payment Acres - In 2008 this number is 85%, for all other years it will be 83.5%

DP Rate - For each crop as legislated in the 2008 Farm Bill.

CC Rate - Given the MYA prices used in the price section of the estimator, it is assumed there will be no 2008 CCP for any of the crops. In future years a rate may need to be entered.

Farm Serial Number - This is the FSN assigned by USDA-FSA.

Base Acres - Enter the total base acres by crop. Not the payment acres, which are calculated by the program.

Share % - Your share of the payments as listed on USDA-FSA documentation.

DP Yield - Direct Payment Yield as listed on USDA-FSA documentation.

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CC Yield - Counter-Cyclical Yield as listed on USDA-FSA documentation.

SURE Worksheet - Enter information by insured unit in the shaded areas. Information is entered by unit due to the fact that the same crop in different counties can be insured at different levels and because each unit is unique as to whether or not it was prevented planted or not harvested.

Farm Serial Number / Insured Unit - For identification purposes only, it is best to enter both the FSN and the name or number of the insured unit.

Commodity - Choose a crop in the crop table from the drop-down list.

Your Share of Production - If this unit is share rented, enter your share here.

Planted or Intended Planted Acres - The actual acres planted unless it was prevented from being planted due to a covered weather occurrence.

Actual Harvested Acres - If the crop was not harvested, entering a zero here will trigger the use of the Non-Harvest Factor in calculating the Program Guarantee. If part of the field was harvested, call Jay.

Actual Harvested or Appraised Yield Per Acre - Enter the yield per acre of actual harvested production, or insurance appraised yield. If zero was entered for harvested acres, then actual production will be zero.

Crop Insurance Type - Choose one of the types for the drop-down list. This is used to select the appropriate insurance price used to establish the SURE Guarantee Payment Rate.

Crop Insurance Yield Election - Enter the yield election selected by the producer for the crop insurance product purchased. Note: this number is not used if CAT or NAP is chosen since those policies are always 50%.

Crop Insurance Price Election - Enter the price election selected by the producer for the crop insurance product purchased. Note: this number is not used if CAT or NAP is chosen since those policies are 55% and 100% respectively.

Producer's APH or NAP Yield per Acre - This is normally your APH listed on your APH Report from the insurance company. NAP Yield is obtained from your local USDA-FSA office.

Was Crop Considered Prevented Planted - Used to turn Prevented Planting Factor on (default is off).

The SURE worksheet has a crop table that is the heart of all the factors and assumptions that go into the calculations. These cells are protected, but not password protected. Therefore, experienced users can change the numbers in this table. Caution: the crop names must remain in alphabetical order for the table to work properly. As changes to the factors become better known, the authors will update the crop table and republish the spreadsheet.

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Summary Worksheet - Enter the few remaining whole farm numbers here. These numbers will typically be easier to come up with on a whole farm basis, rather than dividing them up by the unit. Since shares can be different for each unit, remember to only enter the "Eligible Producer's" share of these payments.

Total Crop Revenue, Gross Crop Insurance Indemnities, DCP Direct Payments and DCP Counter-cyclical Payments are all calculated based on input in the SURE and DCP worksheets.

Total DCP ACRE Payments - We have no idea how these will be calculated, so we just added an entry to the summary page.

Total Marketing Loan Gains - This includes your share of any actual or estimated gains, whether received directly or through a marketing cooperative for the crop no matter which calendar year they were received.

Total Loan Deficiency Payments - This includes your share of any actual or estimated payments for the crop, no matter which calendar year they were received.

Total NAP Payments - Technically, these are not insurance indemnities, but payments from USDA. Again, this is only the "Eligible Producer's" share of these payments.

Other Federal Disaster Benefits - There is a little talked about provision in the law that refers to "Other" Federal Disaster Benefits related to the disaster which caused the loss. We have no idea what this means, but its in here.

Total Crop Insurance Premium - This is the entire Federal Crop Insurance premium paid by this entity for all crops on all farms for the crop year being estimated, whether paid by check or deducted from crop losses. This does not include Private Hail Insurance premiums.

Individual's Share of Farm Entity - For most producer's this will be 100%. If the "Eligible Producer" is not a "Natural Person", then the \$100,000 payment limit will be directly attributed to the "Person," not the entity.

American Recovery and Reinvestment Act - On Feb. 13, 2009, Congress passed the American Recovery and Reinvestment Act of 2009. Four days later, the President signed the legislation into law. Section 102 Agricultural Disaster Assistance Transition provides for an additional "buy-in" and increased payments to eligible producers. All producers will be treated as if they had purchased 70% yield coverage at 100% of the expected price (APH price). For producers who bought CRC, RA or IP coverage at higher yield coverage levels, there is an option to use a 120% multiplier for insurable crops, instead of the original 115%, and 125%, instead of 120%, on NAP crops. The producer will receive the highest paying option. Note: The Recovery Act actually states "a coverage level not to exceed 70%." At this time, we believe it will be paid at the 70% level. Once the actual rules are released, if we are wrong, a new version will be released. Producers taking advantage of "Buy-In II" will be required to purchase coverage at the 70% level in the first available crop year after the buy-in.

Have questions or need help call Jay Yates at 806-746-6101

Frequently Asked Questions

Question: Am I Northern or Southern?

Answer: Check the table in the County List Tab