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### Key Points

- Federal disaster programs have changed—contact your FSA office for more information.
- To be eligible for disaster assistance in 2008, pay the buy-in fee by **September 16, 2008**.
- To be eligible for disaster assistance in 2009, buy crop insurance and/or NAP policies, with due dates as soon as **September 30, 2008** for some crops.

The 2008 Farm Bill created the Supplemental Agriculture Disaster Assistance program as a new comprehensive permanent disaster program. This program expanded some existing temporary programs and combined them with newly created disaster programs. This bulletin provides an overview of these programs, with some discussion of how they affect Wisconsin farmers. The five disaster programs in the Supplemental Agriculture Disaster Assistance program are:

- 1) Supplemental Revenue Assistance Payments (SURE) Program
- 2) Tree Assistance Program (TAP)
- 3) Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
- 4) Livestock Indemnity Program (LIP)
- 5) Livestock Forage Disaster Program (LFP)

USDA-Farm Service Agency (FSA) is currently in the process of writing the policies for these new and updated programs. As a result, this bulletin only quickly overview each, providing a few details. Interested farmers should contact their local FSA office for more information or see the Additional Resources below.

### **SURE: Supplemental Revenue Assistance Payments**

The Supplemental Revenue Assistance Payments (SURE) Program details have yet to be released, but the SURE program will be a comprehensive disaster program for crop producers. SURE is for all crop farmers, including organic and specialty crop producers. To be eligible, a farm must either be in a declared disaster county or suffer a 50% farm revenue loss from a qualifying natural disaster. SURE computes a whole-farm revenue guarantee and estimates actual revenue from all crops, and then potentially makes SURE payments if actual revenue from all crops is less than the revenue guarantee.

The SURE payment formula is complicated and not reported here, but it includes revenue from all crops using national marketing year average prices, plus direct payments, counter cyclical or ACRE payments, marketing loan benefits, and crop insurance indemnities. See the description by the State of Montana, the article with examples by Hart (2008), or the FSA's example SURE payment calculator (see Additional Resources below). Farmers may also want to understand the new ACRE program, as ACRE payments will affect SURE payments, but SURE payments will not reduce ACRE payments. Also, note that SURE payments use national marketing year average prices to determine actual revenue and these prices are not determined until late in the following year. For example, the marketing year average corn price for 2008 is not determined until October 2009, after the 2008 marketing year ends. Thus, farmers will not know if 2008 losses qualify for SURE payments, nor receive SURE payments, until late in 2009.

### **Risk Management Purchase Requirement**

The Risk Management Purchase Requirement is a key requirement for SURE eligibility and for most of the disaster programs described below. To be eligible for SURE payments, a farmer must also have a crop insurance policy or a Noninsured Crop Disaster Assistance Program (NAP) policy for each crop. The USDA-Risk Management Agency administers numerous crop insurance policies that many companies sell. Only the FSA provides NAP policies. Federally approved crop insurance policies are available for major crops in each state. AGR-Lite is also available, a whole-farm revenue policy that insures Schedule F income. When a crop insurance policy is available for the crop, but not in a farmer's county, a policy can potentially be made available for a farmer by a "written agreement." For some crops, no standard crop insurance policy exists, so the FSA will provide a NAP policy. Non-rotationally grazed pasture requires a NAP policy in Wisconsin. For more information on crop insurance and NAP policies, contact your county Extension or FSA office. Also, the Additional Resources below list Fact Sheets available on the internet or from county Extension or FSA offices, plus the Overview of Federal Crop Insurance in Wisconsin, a comprehensive description of available insurance options.

The Risk Management Purchase Requirement means that farmers will need to buy federal crop insurance or NAP policies for each of their crops, including crops such as pasture, if they want to be eligible for disaster assistance in 2009 if a natural disaster occurs. The sales closing date for spring planted crops for these policies is March 15<sup>th</sup>. For forage production and fall planted crops such as winter wheat, the sales closing date is September 30<sup>th</sup>. FSA has extended the deadline for fall NAP policies to December 1<sup>st</sup>, but this does not apply to crop insurance policies. For most perennial crops, the crop insurance and NAP sales closing date is November 20<sup>th</sup>. Farmers who do not buy coverage by these dates will not be eligible for federal disaster assistance in 2009, so farmers with crops with a September 30<sup>th</sup> deadline must act soon.

### **Buy-In Waiver for 2008 Disaster Assistance**

A special problem occurs for 2008. The 2008 Farm Bill made SURE and these other disaster program available for 2008, along with the Risk Management Purchase Requirement. The bill was signed into law after the March 15<sup>th</sup> deadline, so farmers who had not bought crop insurance in 2008 could not comply with this new requirement. Thus, the Farm Bill authorized a waiver to allow such farmers to pay a "buy-in" fee to pay the administrative costs for registration, though they will not have insurance coverage. The cost is \$100 per crop, up to \$300 per county, with a maximum of \$900 per farm for those with multiple crops in multiple counties. **This is a one-time opportunity. These fees are due at the FSA office no later than September 16, 2008. Wisconsin farmers who want to be eligible for federal disaster assistance for crop and livestock losses suffered in 2008 must register with the FSA by September 16<sup>th</sup> and pay the required fees.** Paying these fees does not automatically qualify a farmer for disaster payments nor does it give crop insurance coverage; it only registers the farmer in the system for 2008. Interested farmers should contact their local FSA office or see the Additional Resources below.

### **TAP: Tree Assistance Program**

The Tree Assistance Program (TAP) was originally created by the 2002 Farm Bill to help growers replant or salvage trees, bushes and vines suffering death loss or damage from natural disasters. The new TAP is permanent and expands eligibility to include Christmas tree and nursery tree growers (excluded from the original TAP). Information for the new TAP is not yet available, but see the FSA Fact Sheet for the original TAP (Additional Resources below). TAP requires a 15% death loss due to the natural disaster, with TAP payments covering up to 70% of

replant costs and 50% of pruning and related costs for replacing or salvaging damaged trees, bushes, and vines. Wisconsin orchards can qualify for TAP payments to replant trees, bushes and vines killed or damaged by the floods of 2008 (or future natural disasters).

The Risk Management Purchase Requirement applies for TAP. Thus, currently uninsured growers will need to pay the “buy-in” fee by September 16<sup>th</sup> to be eligible for TAP payments for losses in 2008. To be eligible for TAP payments for losses in 2009 and later years, crop insurance or NAP coverage will be needed. Crop insurance policies exist for apples, cranberries, and nursery, plus AGR-Lite is available as a comprehensive policy; otherwise NAP policies will be needed. Interested growers should contact their local county FSA office.

### **ELAP: Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish**

The Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) program is a new permanent disaster program with few details available at this time. The 2008 Farm Bill’s language is very general regarding ELAP, authorizing up to \$50 million annually for eligible livestock producers as aid for losses not covered by SURE, LIP, or LFP. Unlike previous programs, it seems likely that horses will also be considered eligible livestock. Again, producers must satisfy the Risk Management Purchase Requirement to be eligible for ELAP payments. In Wisconsin, Livestock Gross Margin and Livestock Risk Protection insurance policies are available for cattle, swine, and dairy for price risk management, but these are not likely to be the required policies. More likely is that farmers will need a forage production crop insurance policy, a pasture NAP policy, or an AGR-Lite insurance to be eligible. Interested farmers should contact the local FSA office regarding ELAP and its insurance requirements.

Uninsured livestock farmers with crops or pasture/grazing land who had losses in 2008 should pay the “buy-in” fee by September 16<sup>th</sup> to be eligible for SURE and possibly ELAP. Uninsured farmers with only livestock and pasture/grazing land will also need to pay the “buy-in” fee by September 16<sup>th</sup> to be eligible for ELAP. For 2009 and later years, livestock farmers should buy appropriate insurance policies to be eligible for ELAP payments for losses from natural disasters. Some of these policies have September 30<sup>th</sup> signup dates (though FSA has extended NAP policy deadlines to December 1<sup>st</sup>), so livestock farmers will need to decide soon whether they want to be eligible for these disaster programs in 2009.

### **LIP: Livestock Indemnity Program**

The Livestock Indemnity Program (LIP) was originally created in May 2007 as a temporary program to compensate farmers whose livestock died in 2005-2007 as a result of specifically identified adverse weather events. The 2008 Farm Bill made it a permanent program, with the USDA authorized to declare which counties have suffered qualifying adverse weather events. Information on the new LIP is not yet available; see the FSA Fact Sheet for the original LIP in the Additional Resources below, or contact your local FSA office. Almost all types of livestock will be eligible. Wisconsin farmers may qualify for LIP payments for losses in 2008 if the USDA declares some counties as having suffered a qualifying natural disaster. Note that unlike the other disaster programs, LIP does not require a crop insurance or NAP policy for eligibility.

### **LFP: Livestock Forage Disaster Program**

The Livestock Forage Disaster Program (LFP), a new disaster program authorized by the 2008 Farm Bill, provides assistance for ranchers suffering livestock death losses or forced sales due to drought or fire conditions. LFP is for grazing livestock—livestock in feedlots are explicitly excluded. LFP payment formulas are complicated, depending on the official drought status of a

county, feeding costs, carrying capacity, and other factors. Again, the Risk Management Purchase Requirement applies, so producers must have a NAP pasture policy for the grazed land or a qualifying forage, pasture, or rangeland crop insurance policy to be eligible for LFP payments. Because this is the same as for other programs, Wisconsin farmers who buy NAP coverage for pasture to be eligible for SURE payments may also become eligible for LFP payments if their county suffers a qualifying drought. Interested Wisconsin producers should read the more detailed description of LFP provided by the State of Montana (see Additional Resources) or contact their county FSA office.

### **Additional Resources**

USDA-Farm Service Agency Fact Sheets available from your local FSA office or online:

- Livestock Indemnity Program 2005-2007 (LIP):  
[http://www.fsa.usda.gov/Internet/FSA\\_File/lip08.pdf](http://www.fsa.usda.gov/Internet/FSA_File/lip08.pdf).
- Tree Assistance Program (TAP): [http://www.fsa.usda.gov/Internet/FSA\\_File/tap04.pdf](http://www.fsa.usda.gov/Internet/FSA_File/tap04.pdf).
- Noninsured Crop Disaster Assistance Program (NAP):  
[http://www.fsa.usda.gov/Internet/FSA\\_File/nap03.pdf](http://www.fsa.usda.gov/Internet/FSA_File/nap03.pdf).
- 2008 Crop Year Buy-in Waiver for Disaster Assistance Programs:  
[http://www.fsa.usda.gov/Internet/FSA\\_File/buyinwaiver08.pdf](http://www.fsa.usda.gov/Internet/FSA_File/buyinwaiver08.pdf).

USDA-RMA Fact Sheets available online:

- Adjusted Gross Revenue (AGR)-Lite: <http://www.rma.usda.gov/pubs/rme/agr-lite.pdf>
- Nursery Insurance Fact Sheet: <http://www.rma.usda.gov/pubs/rme/nursery.pdf>
- Organic Farming Practices: <http://www.rma.usda.gov/pubs/2006/organics.pdf>
- Requesting Insurance Not Available in Your County:  
<http://www.rma.usda.gov/pubs/2007/requestinginsurance.pdf>

Buy-in Waiver News Releases available online

- Buy-in Waiver for Supplemental Agricultural Disaster Assistance Programs  
<http://www.usda.gov/wps/portal?contentidonly=true&contentid=2008/07/0182.xml>
- Buy-in Waiver Not Applicable for 2009  
<http://www.rma.usda.gov/news/2008/07/sure.html>

More Detailed Descriptions of New Disaster Programs and SURE

- FSA Example SURE Payment Calculator and Instructions:  
[http://www.fsa.usda.gov/Internet/FSA\\_File/sure\\_calculator.xls](http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator.xls) (large file, be patient)  
[http://www.fsa.usda.gov/Internet/FSA\\_File/calculator\\_instructions.pdf](http://www.fsa.usda.gov/Internet/FSA_File/calculator_instructions.pdf).
- State of Montana, 2008. Disaster Trust Fund Information 2008.  
<http://drought.mt.gov/committee/correspondence/ndds/2008/Disasterinformation.pdf>.
- Hart, Chad. 2008. New Permanent Disaster Assistance: *Iowa Ag Review* Summer 2008.  
[http://www.card.iastate.edu/iowa\\_ag\\_review/summer\\_08/article3.aspx](http://www.card.iastate.edu/iowa_ag_review/summer_08/article3.aspx).

Bulletins on my Extension Web Page (<http://www.aae.wisc.edu/mitchell/extension.htm>)

- Disaster Assistance for Uninsured Farmers Affected by Recent Flooding
- New Disaster Assistance for Wisconsin Farmers Affected by the 2008 Floods
- Average Crop Revenue Election (ACRE)
- An Overview of Federal Crop Insurance in Wisconsin