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## **SURE and the Food, Conservation and Energy Act of 2008**

There has been a lot of talk about the Food, Conservation and Energy Act of 2008. This bill contains many features producers wanted to specifically address concerns about a safety net focused on farm income. As a result this bill contains provisions that use traditional price support programs to manage the risk of low prices over extended years and crop and livestock insurance programs protecting against farm specific production risks. Protecting producers from declines in revenue over the short term, the new Average Crop Revenue Election (ACRE) program is available. Protecting producers from losses due to adverse weather, and the deductible portion their crop insurance, the Supplemental Revenue Assistance program (SURE) is available. A major change is that producer will now have to file an annual production report in addition to the annual acreage reports.

The first program Iowa producers should become familiar with is SURE. The SURE program will be available to producers in one of two situations, either their farming operation is in a USDA Secretary of Agriculture designated disaster or contiguous county or the producers individual farming operation suffered a production loss of 50 percent. Due to the unusual Iowa weather this year, producers should familiarize themselves with the provisions of SURE in case their county is declared a disaster county by the USDA Secretary of Agriculture.

SURE is "Revenue" based and not individual crop specific as in other disaster programs. Eligibility is based on the revenue of the "farm" crops and it is important to note that for this purpose the "Farm" consists of all crops on all "farms" in all counties where they have an interest. SURE program payments will be issued to eligible producers in the amount equal to 60 percent of the difference between the "disaster assistance program guarantee" and the total farm crop revenue. Since SURE payments are based in part on the average market prices for commodities, producers will not be able to calculate a SURE payment until late next year. In addition, losses are not based on any simple yield "threshold" but are based on farm crop revenues.

Producers seeking the protection of SURE will have had to purchase insurance (crop insurance, CAT and/or NAP) on all crops on all farms in all counties in which they have an interest. This includes pasture and hay ground where there is economic benefit. For 2008 only, producers that did not have all crops timely covered by insurance will be allowed to pay a "buy-in" fee for both CAT and NAP. While no actual insurance policy will be written, it will allow the producer to become eligible for any SURE payment. The buy-in fee is non refundable and due when the producer files their CCC-752 and/or CCC-753.

In Iowa, September 16, 2008, is the final date to pay the applicable "buy-in" fee. All producers should check with their county FSA office to make sure they are in compliance and eligible.

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