



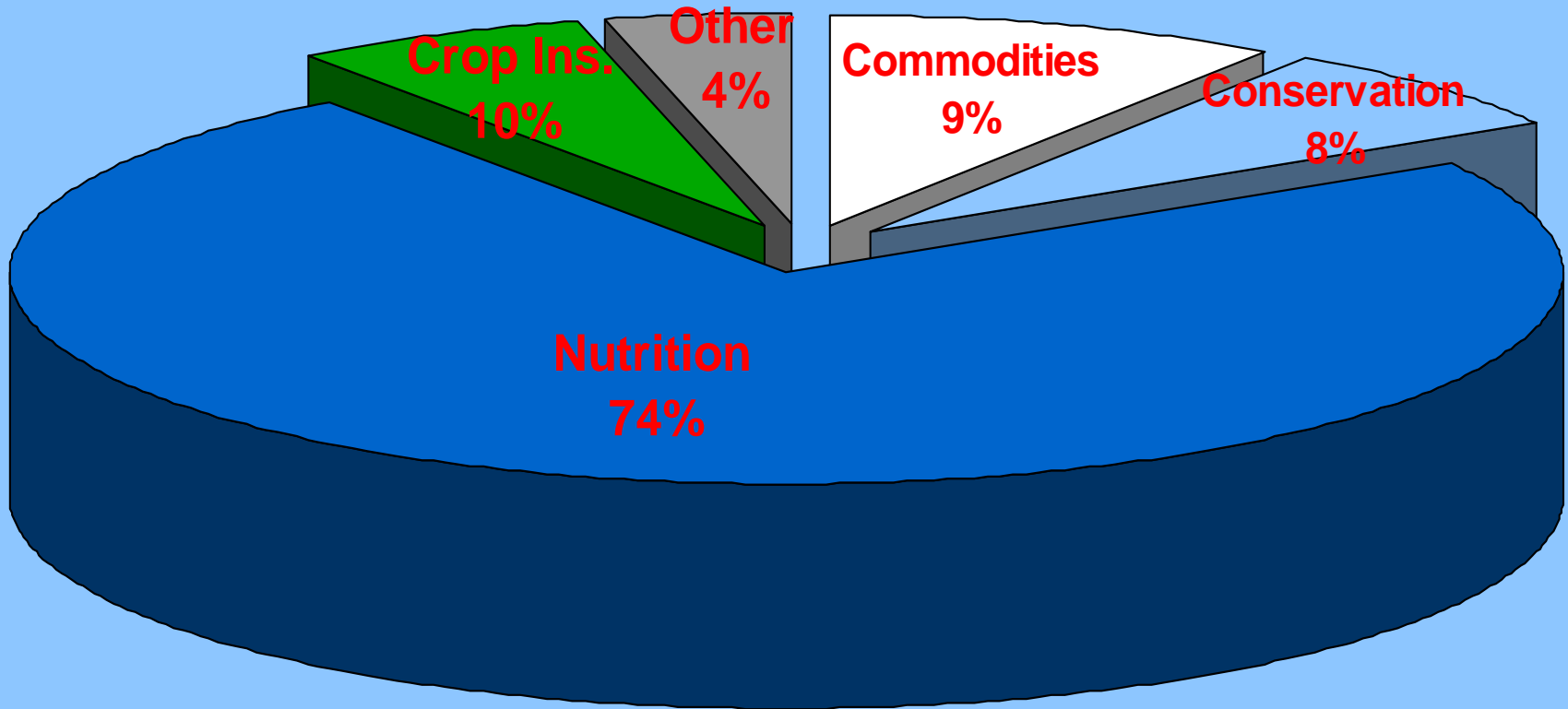
# **Food, Conservation, and Energy Act of 2008**

## **PL 110-234**

# **Farm Service Agency Presentation for; Nebraska Climate Assessment and Response Committee**



# Farm Bill Outlays



Note: CBO Estimated cost of the 2008 Farm Bill over 10 years is \$605 Billion.



# Disaster Trust Fund

## Trust Fund Provides Permanent Legislation for Disaster Assistance Through 2011;

- **Supplemental Revenue Program (SURE):**
  - Provides assistance to farmers who suffer crop losses due to natural disasters.
- **Livestock Forage Program (LFP):**
  - Provides assistance to ranchers who suffer grazing losses due to drought.
- **Livestock Indemnity Program (LIP):**
  - Provides assistance to ranchers whose livestock are killed in a natural disasters.
- **Tree Assistance Program (TAP):**
  - Provides assistance to orchardists whose vines or trees are killed due to a natural disaster.
- **Emergency Assistance Program for Livestock, Honey bees, and Farm raised Fish (ELAP):**
  - Provides funds for losses that are not covered by any other program.



# Disaster Trust Fund

Program	Eligibility	Disaster Declaration	RMPR	Payment	Payment Limitation
SURE	Revenue loss below the Program Guarantee	Yes or 50% loss	Yes	60% of Revenue Loss	\$100,000 combined
LFP	Drought Monitor (dm) severity	No	Yes (GZ land)	60% of monthly feed cost x drought monitor factor (50% for fire on public lands)	
LIP	Livestock death in excess of normal mortality	No	No	75% of fair market value payment rate for eligible losses	
ELAP	Programs determined by the Secretary	TBA	Yes	As determined by the Secretary	
TAP	Tree, vine, bush losses in excess of 15%	No	Yes	Reimbursement: 75% for replanting; 50% for removal, salvage, & land preparation	\$100,000



# Risk Management Purchase Requirements (RMPR)

## What Does RMPR Require?

- Crop Insurance or NAP must be purchased for all crops by the sales closing date to retain eligibility for:
  - SURE, TAP, and ELAP. All crops (including forage and honey) must be covered by federal crop insurance or NAP
  - LFP. Grazed forage must be covered by NAP or the new Pasture, Rangeland, & Forage (PRF) Insurance.
- RMPR is not required for participation in LIP



# Risk Management Purchase Requirement (RMPR)

## SALES CLOSING DATES FOR CROP INSURANCE and NAP COVERAGE

SALES CLOSING DATES	CROP INSURANCE	NAP COVERAGE
MARCH 16 <sup>TH</sup>	CORN, SORGHUM, SOYBEANS, OATS, SEED CORN	SPRING SEEDED ANNUAL CROPS, FRUITS, AND VEGETABLES
SEPTEMBER 30 <sup>TH</sup>	WHEAT	ALFALFA, MIXED FORAGE, GRASS, FALL SEEDED ANNUAL CROPS, PERENNIAL FRUITS & VEGETABLES
NOVEMBER 30 <sup>TH</sup>	PASTURE, RANGELAND AND FORAGE	
DECEMBER 1 <sup>ST</sup>		HONEY, GRAPES



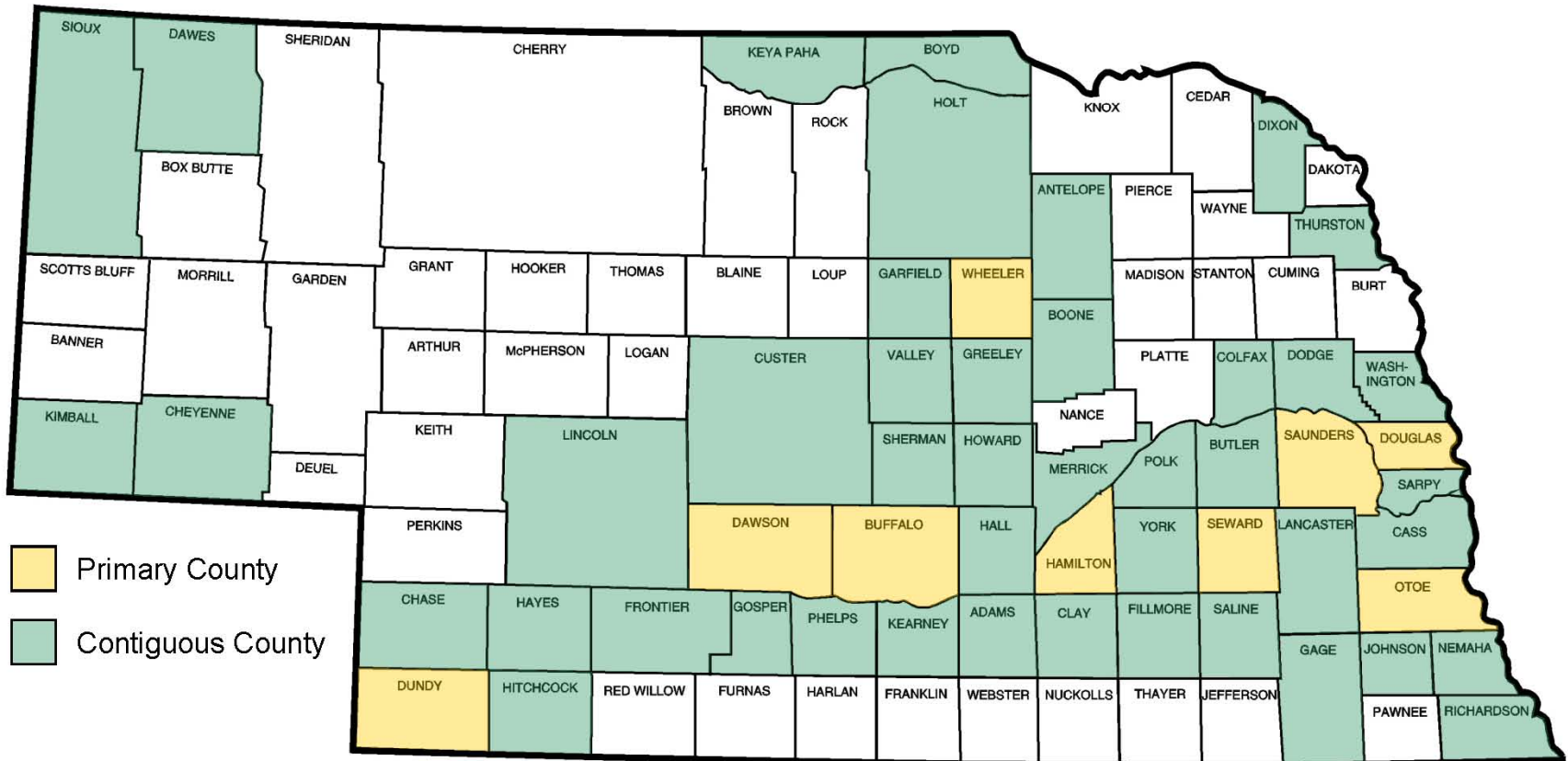
# Supplemental Revenue Assistance Program (SURE)

SURE Eligibility Benefits are available when:

- There is a “Secretarial Disaster Declaration” county and includes contiguous counties, OR
- a “**farm**” suffers a 50% or greater production loss compared to the normal farm’s production.
- There must be at least one crop with a 10% loss
- Payments are equal to 60% of the difference between the disaster assistance program guarantee and **total farm revenue.**

# Agricultural Disaster Designations in Nebraska in 2008

## As of February 11, 2009



This map includes agricultural disaster designations by the Secretary of Agriculture for Nebraska counties and for counties in surrounding states that include Nebraska counties as contiguous counties. This map does not include Presidential disaster designations.





# Supplemental Revenue Assistance Program (SURE)

- Remember that for SURE;
  - The Risk Management Purchase Requirement (RMPR) applies.
  - There are exceptions to RMPR.
    - Waivers are applicable for socially disadvantaged producers, limited resource producers, or beginning farmers/ranchers.
    - There are exceptions for specific “De Minimus” crops.



# Supplemental Revenue Assistance Program (SURE)

## De Minimus Exceptions to RMPR apply when:

- A portion of the total acreage on a farm (crop) that is not of **economic significance** – or –
- the administrative fee for NAP coverage exceeds 10% of the value of that coverage (FOR NAP CROPS ONLY).
- Its the producer's option whether or not to use the exceptions.
  - De Minimus Exceptions apply only to SURE!
  - Waived crops do not have a SURE guarantee and revenue calculated.



# Supplemental Revenue Assistance Program (SURE)

- “**Economic significance**” means any crop that contributed, or is expected to contribute, 5 percent or more of the total expected value of all crops grown by the producer.
- Crop of economic significance determinations are based on crop, type, and intended use, and includes **all** acreage regardless of planting periods.



# Supplemental Revenue Assistance Program (SURE)

## Example of Economic Significance

- A producer has a total expected farm crop value of \$100,000
  - 5% of \$100,000 = \$5,000
- This producer may elect to waive the RMPR for any crop with a value less than \$5,000.



# Supplemental Revenue Assistance Program (SURE)

Example of RMPR exception for crops when the administrative fee for NAP exceeds 10% of the value of the coverage.

- NAP fees for 2009 are \$250/crop
- \$2500 = value of coverage (\$250 is 10% of \$2500)
- $\$2500 / .275 = \$9090.90$  (.275 = 50/55 coverage for NAP)

Therefore, producers can elect to waive the RMPR for any NAP crop with a value of \$9090.90 or less.



# Supplemental Revenue Assistance Program (SURE)

## SURE Calculator

To assist in evaluating options for SURE, a Calculator is available at

[www.fsa.usda.gov](http://www.fsa.usda.gov)



# Livestock Indemnity Program (LIP)

- Similar to previous Livestock Indemnity Programs
- Covers livestock deaths in excess of normal mortality due to adverse weather
- Disaster declaration is not required
- RMPR does not apply (NAP or crop insurance is not required)
- Payment Rate for eligible losses: 75% of market value



# Livestock Forage Disaster Program (LFP)

- Successor to previous Livestock Compensation Programs
- Provides assistance for forage losses due to:
  - drought
  - fire on public managed land
- Counties must be designated by the Drought Monitor as severe, extreme, or exceptional
  - Disaster declaration not required.





# Livestock Forage Disaster Program (LFP)

## Payments for:

- drought, based on 60% of the feed costs for a month and the severity of the drought
  - 1x Payment amount: D2 (severe drought) for at least 8 consecutive weeks
  - 2x Payment amount: D3 (extreme) at any time
  - 3x Payment amount: D3 for at least 4 weeks or D4 (exceptional) at any time
- fire on public land, based on 50% of the feed costs for a month for the total number of livestock covered by the Federal lease.



# Pasture, Rangeland, Forage Pilot Insurance Program

Remember that for LFP.

- The Grazed forage must be covered by NAP (OR)
- the new Pasture, Rangeland, & Forage Insurance (PRF).
- **November 30<sup>th</sup>** is the sales closing date each year.



# Tree Assistance Program (TAP)

- Orchardists and nursery tree growers may receive cost-share benefits if losses exceed 15%
  - Includes eligible trees, bushes, vines, and nursery trees for commercial sale.
- Loss must be due to natural disaster
- Provides for partial reimbursement of costs for replanting costs, pruning, debris removal, and salvage efforts.
- RMPR applies



# Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP)

- Emergency relief to producers of livestock (including horses), honey bees, and farm-raised fish
- Covers losses from disasters such as adverse weather or other conditions, such as blizzards and wildfires not adequately covered by any other disaster program.
- \$50 million dollar funding
- RMPR applies



# Other Disaster Related Programs from FSA

- Non-insured Acreage Program
  - Allows producers to purchase coverage for crop losses attributable to natural causes, such as drought, wind, hail, excessive moisture etc.
  - Coverage is for crops that can NOT be covered through MPCl
- ACRE Option in the “Farm Program”
  - Provides revenue protection
- Emergency Conservation Program (ECP) cover disaster losses on land and trees includes debris removal.



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