

NATIONAL CROP INSURANCE SERVICES
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FOR IMMEDIATE RELEASE

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Fall crop insurance required for disaster eligibility in 2009

No coverage on wheat and barley now, means no disaster aid next year

OVERLAND PARK, KS...Any producer who wants to be eligible for disaster assistance on 2009 summer crops must have crop insurance coverage on all insurable fall planted crops before the sales closing deadline (September 30, 2008 for winter wheat, barley, and forage production for instance.)

The new Farm Bill requires crop insurance, on all acres of any insurable crop, or Noninsured Assistance Program (NAP) coverage on all acres of uninsurable crops, in order to be eligible for the Supplemental Revenue Assistance Program (SURE).

If you fail to sign up for crop insurance on your fall planted crops you will not be protected under SURE for your corn and soybeans next summer, even if you buy crop insurance for those crops.

The more crop insurance coverage you have, the more your SURE guarantee will be.

Authorized in the Farm Bill, SURE is effective for the 2008 crop year and runs through the 2011 crop year. SURE will be based on whole farm revenue. It will be triggered by a USDA Secretarial disaster declaration for a county. Contiguous counties are automatically eligible.

It will also be available to any farm where, during the calendar year, the total loss of production on the farm, because of weather, is greater than 50 percent of the normal production on the farm.

For insured crops, the SURE guarantee is 115 percent times the crop insurance price election times the crop insurance coverage level times the adjusted crop insurance yield. Crop insurance coverage levels will determine the size of the guarantee.

Some of the more common fall planted crops with the September 30 deadline include: winter wheat, oats, barley, rye, and forage production.

SURE is Major Shift from the Past

According to Art Barnaby, Kansas State University, growers' ad hoc disaster aid used to be based on 65 percent coverage regardless of their crop insurance coverage, including the minimum Catastrophic coverage (CAT). That aid was also based on individual crops by county.

"The SURE program is a whole farm revenue guarantee and is based on the crop insurance coverage selected by farmers. Those who only select CAT coverage will have their SURE coverage based on 50 percent coverage at the 55 percent price. However, farmers insuring at the 75 percent level will have their SURE disaster aid based on 75 percent coverage at 100 percent of the price election," Barnaby said.

If no crop insurance is available for your crop you must obtain Noninsured Assistance Program (NAP) coverage from the Farm Service Agency (FSA).

According to Barnaby, there are two limits on the SURE payments.

The per farm SURE cap equals 90 percent of expected revenue. The whole farm revenue to count plus SURE payments cannot exceed 90 percent times planted acres times adjusted actual production history yield (used to set crop insurance yields) times "insurance price guarantee."

The price is expected to be the national average USDA price for the marketing year that follows. So there will be a long wait for a SURE payment compared to when crop insurance loss payments are received.

The other limit to SURE is a maximum payment amount of \$100,000. Most farmers will have a \$200,000 payment limit because a spouse also qualifies for a \$100,000 payment limit.

Assure Your Eligibility

If you want to maintain your eligibility for disaster aid in 2009 you must sign up for crop insurance coverage on every acre of every insurable fall planted crop before the September 30, 2008 deadline.

If you have any questions, contact a crop insurance agent well before the deadline.

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