



SURE Payment Signup

Gary Schnitkey

Department of Agricultural and Consumer Economics
University of Illinois

February 3, 2011

farmdoc daily (1):1

Recommended citation format: Schnitkey, G. "SURE Payment Signup." *farmdoc daily* (1):1, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, February 3, 2011.

Permalink: <http://farmdocdaily.illinois.edu/2011/02/sure-payment-signup-1.html>

The sign-up period for the 2009 Supplemental Revenue Assistance Payments (SURE) program is from January 10 through July 29, 2010. SURE is a standing disaster assistance program instituted as part of the 2008 Farm Bill. It is a whole farm program making payments when whole-farm revenue falls below a guarantee.

The first time SURE payments were available was for the 2008 crop year. Many farmers received 2008 SURE payments even though 2008 farm incomes were relatively high. In some cases, payments exceeded \$35 per acre times the number of acres farmed. Because of potential large payments, the 2009 SURE signup period should not be ignored, particularly given that many farms will not have to provide Farm Service Agency (FSA) with little data as most is provided automatically by the Risk Management Agency.

Five criteria must be met to be eligible for SURE payments. First, farmers must have adjusted gross income for tax purposes less than \$2.5 million, unless 75% of the income comes from agriculture. In addition, nonfarm income must not exceed \$500,000.

Second, crop insurance must be purchased on all economically significant crops. An economically significant crop accounts for at least 5% of gross revenue. Pasture does not count as a crop for SURE. The FSA's Noninsured Crop Disaster assistance program (NAP) must be purchased on crops having no insurance policies.

Third, a farm must be in or adjacent to a county declared a disaster area. In 2009, 88 of the 101 counties in Illinois were declared disaster areas. Most counties not declared disasters were a block beginning at the northern Indiana border and extending into central Illinois.

Fourth, at least one economically significant crop must have a 10% yield loss. On most farms, a yield loss is judged by comparing actual yields to the Actual Production History (APH) yields used for crop insurance. If one crop's actual yield is less than 90% of that crop's APH yield, the farm is eligible meets this criterion. Many Illinois farms will not meet this criterion.

The final criterion is that a farm's SURE revenue must be below a SURE guarantee. The SURE guarantee is the sum of all crop's crop insurance guarantees times 1.15, with the SURE guarantee

We request all readers, electronic media and others follow our citation guidelines when re-posting articles from farmdoc daily. Guidelines are available [here](#). The farmdoc daily website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).

capped at 90% of the sum of expected revenue. Given the 90% cap, the SURE guarantee is maximized at the 80% coverage level. SURE revenue is the sum of each crop's yield times that crop's season-average-price, plus 15% of direct payments plus crop insurance and NAP payments. Many farms in Illinois will not meet this criterion.

Payments for the 2009 crop insurance program are being made in 2011 because season-average-prices for the 2009-2010 crop year must be available to calculate SURE revenue. Season-average-prices for corn and soybean did not become available until after August 2010 when the 2009-2010 marketing year. The 2010 SURE payments will not be available until after August 2011 when the 2010-2011 marketing year ends.

Besides signing up for 2009 payments, farmers may wish to purchase crop insurance on all 2011 crops so as to be eligible for the 2011 SURE program. In addition, farmers may wish to consider their coverage level choice's impact on potential SURE payments and choose 80% or higher coverage levels to maximize potential SURE payments.