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The New Producer Safety Net:  
Disaster Programs and Average Crop Revenue Election

Jonathan Coppess



# Farm Service Agency

United States Department of Agriculture



## The New Producer Safety Net: Disaster Programs and the Average Crop Revenue Election

Jonathan Coppess, FSA Administrator  
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# The Farm Bill



The Farm Service Agency is responsible for implementation of a variety of Farm Bill programs. Currently, implementation is ongoing of the 2008 Farm Bill.



# Farm Bill Disaster Programs

- SURE (Supplemental Revenue Assistance Program)
- LIP (Livestock Indemnity Program)
- LFP (Livestock Forage Program)
- ELAP (Emergency Livestock Assistance Program)



# SURE



## Supplemental Revenue Assistance Program

- Designed as a multi-year disaster safety net for producers, removing the uncertainty of ad-hoc assistance.
- Payments are based on 60% of the difference between a calculated revenue assistance guarantee and total farm revenue (including government payments).
- Provides up to \$100,000 per producer – plus ARRA funding in some cases – to help recover from disaster.
- To date, FSA has issued more than \$37 million in payments.



# LFP



## Livestock Forage Program

- Provides assistance to livestock producers for forage losses as a result of natural disaster.
- For forage losses in 2008, FSA issued \$137.5 million in payments; for 2009 losses, we've issued \$67.1 million.



# LIP



## Livestock Indemnity Program

- Provides assistance to livestock producers for livestock deaths from disaster, in excess of normal mortality.
- FSA made \$21.6 million in payments for livestock losses in 2008, and has made \$40.3 million in payments for 2009 losses.





# ELAP



## Emergency Livestock Assistance Program

- Provides emergency relief for producers of livestock, honeybees and farm-raised fish.
- ELAP will cover losses from disasters not adequately covered by other disaster programs.
- FSA has not started making ELAP payments; payments will likely begin in the early part of this year.



# NAP

## Non-insurable Crop Disaster Assistance Program

- NAP coverage provides financial help to producers of non-insurable crops when low yields, inventory loss, or planting failure result from natural disaster.
- A producer of a non-insurable crop obtains NAP coverage from FSA before disaster strikes; should that crop be damaged or lost, the producer can apply for FSA disaster assistance under their NAP coverage.



# ACRE

## (Average Crop Revenue Election)



- Started in 2009 as a whole-farm, irrevocable alternative to receiving counter-cyclical payments.
- In a comparison with DCP, ACRE:
  - Is revenue-based, not price-based.
  - Payment rates trigger at the state, not the national level.
  - Guarantee uses a moving average, rather than a fixed “target.”
  - Enrolling requires a 20% reduction in direct payments and a 30% reduction in the loan rate.



## Remember:

- Programs such as SURE, LIP, LFP, ELAP and NAP provide critical disaster relief for producers.
- Producers and state officials can learn about all of these programs at their USDA Service Center – or online at [fsa.usda.gov](http://fsa.usda.gov).



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