Deadline to “Buy-In” for Eligibility in Potential Disaster Payments is September 16, 2008

Todd D. Davis
Extension Economist

The 2008 Food, Conservation and Energy Act (2008 Farm Bill) has created permanent disaster programs to help crop and livestock producers. The need for permanent disaster programs was championed by legislators from the South and West which experience persistent droughts.

The 2008 Farm Bill requires producers to purchase crop insurance or non-insured crop disaster assistance (NAP) coverage in order to receive disaster payments. Since the 2008 Farm Bill was passed after the deadline to purchase insurance products or NAP coverage, producers who lack either insurance or NAP coverage have a one-time opportunity to pay a “buy-in” fee to be able to participate in the new disaster programs. The “buy-in” does not provide any insurance coverage – it is only provides the opportunity to receive potential disaster payments for 2008.

The “buy-in” fee for 2008 is the cost of catastrophic risk protection (CAT) insurance or NAP which is $100 per crop per county but not more than $300 per producer per county. Producers can file the application for the “buy-in” and pay the fees at their county USDA-FSA office by the September 16, 2008 deadline.

The 2008 Farm Bill establishes two programs that may be beneficial to South Carolina producers. The Supplemental Revenue Assistance Payments Program (SURE) and the Livestock Forage Disaster Program (LFP). The SURE program will be available to producers in farms in counties declared a disaster by the USDA Secretary or if there is a 50% yield loss. The regulations on how SURE payments are determined are still being developed. However, payments will likely be made after the end of each commodities marketing-year.

The Livestock Forage Disaster Program (LFP) is for livestock producers who have experienced grazing losses on pastureland due to drought. Again, the regulations on how LFP payments are determined are still being developed as well as the timeline for receiving these payments.

Paying the “buy-in” fee will not guarantee receiving either SURE or LFP payments. However, you must pay the “buy-in” fee to be eligible to receive federal disaster payments in 2008. You have until September 16, 2008 to go to your county FSA office to become eligible for these programs.