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supplies, the release price was set at 160 percent of the loan rate. For corn, the release price ranges from $3.63 in 1998 to $4.16 in 2010. The loan rate and release prices for other crops were set in terms of their historic ratio to the price of corn.

In addition, direct payments, loan deficiency payments/marketing loan gains (LDP/MLG), and the use of generic certificates were eliminated for most crops. For technical modeling reasons, these instruments were maintained for cotton and rice.

Over the 13 year period, corn prices averaged 26 cents a bushel higher under the farmer-owned reserve policies than the prices farmers saw historically during that period. For wheat the price differential was 48 cents a bushel and for soybeans it was $1.09 per bushel. These higher prices allowed farmers to earn their income from the marketplace and be less dependent upon government payments.

One of the criticisms of reserve programs in the past was that these programs are too costly. In our study we found that the policies that were implemented to replace reserves were much more expensive than maintaining reserves themselves. This is true in large part because the cost of the reserves is paid on only a portion of production while LDP/MLGs are paid on every bushel of production.

In the end, the reserve policies were projected to cost an average of $4.3 billion a year for a total of $56.4 billion over the 13-year period, $95.8 billion less than what the government actually spent in those years, in part to avoid the holding of reserves.

A second criticism of reserves and the loan rates that function to set a floor price, is that these prices will reduce exports. And indeed we found that exports of corn, wheat, and soybeans were slightly lower than the historical export levels. But, with higher prices, the value of exports over the 13-year period were higher with reserves than without reserves.

Our "do-over" suggests that Congress would do well to consider the reinstitute a reserve program if they want to cut costs while protecting farmers under a wide range of price and production levels.

2010 SURE payment sign-up announced

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If you think you're eligible for USDA's 2010 Supplement Revenue (SURE) Assistance program payment, sign-up begins Nov. 14, 2011.

SURE provides benefits based on farm revenue losses due to natural disasters. Producers who suffered a production loss in the 2010 crop year are encouraged to visit their local FSA office to learn more about the SURE program and how to apply.

The SURE program covers crop losses incurred from storms in 2010, the amount not covered by crop insurance.

A farm or ranch must have:

1) at least a 10 percent production loss on a crop of economic significance
2) insured all economically significant crops
3) been physically located in a county that was declared a primary disaster country or contiguous county by the U.S. Secretary of Agriculture under a Secretarial Designation

Without a Secretarial Disaster Designation, individual producers may be eligible if the actual production on the farm is less than 50 percent of the normal farm production, due to a natural disaster.

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In Iowa, eligible counties for the potential 2010 SURE payment that were either primary or contiguous counties are:

Primary: Appanoose, Audubon, Clarke, Davis, Decatur, Delaware, Des Moines, Dubuque, Fremont, Guthrie, Hamilton, Henry, Humboldt, Iowa, Jackson, Jefferson, Johnson, Keokuk, Lee, Louisa, Lucas, Madison, Mahaska, Marion, Monroe, Muscatine, Pottawattamie, Ringgold, Scott, Sioux, Story, Taylor, Van Buren, Wapello, Warren, Washington, Wayne, Woodbury andWright.

Contiguous: Adair, Adams, Benton, Boone, Buchanan, Carroll, Cass, Cedar, Cerro Gordo, Cherokee, Clayton, Clinton, Crawford, Dallas, Fayette, Franklin, Greene, Hancock, Hardin, Harrison, Ida, Jasper, Jones, Kossuth, Linn, Lyon, Marshall, Mills, Monona, Montgomery, O'Brien, Osceola, Page, Palo Alto, Plymouth, Pocahontas, Polk, Poweshiek, Shelby, Tama, Union, Webster, Winnebago and Worth.

More on SURE is available in AgDM Information File A1-44, including information on counties designated as disaster counties in 2011. If you have specific questions or need details regarding USDA farm programs including SURE, contact your local USDA Farm Service Agency office. Get news and information about SURE and other USDA programs at www.fsa.usda.gov.

2010 "Secretarial Designated" Disaster Counties