



## Noninsured Crop Disaster Assistance Program

### Background

USDA's Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occurs due to natural disasters.

### Eligible Producers

An eligible producer is a landowner, tenant, or sharecropper who shares in the risk of producing an eligible crop. The annual gross revenue of the eligible producer, and any individual or entity combined as one "person" with the eligible producer, cannot exceed \$2 million.

### Eligible Crops

To be eligible for NAP assistance, crops must be noninsurable crops and agricultural commodities for which the catastrophic risk protection level of crop insurance is not available, and must be any of the following commercially produced crops:

- crops grown for food;
- crops planted and grown for livestock consumption, including, but not limited to, grain and forage crops, including native forage;
- crops grown for fiber, such as cotton and flax (except for trees);

- crops grown under a controlled environment, such as mushrooms and floriculture;
- specialty crops, such as honey and maple sap;
- value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod;
- sea oats and sea grass; and
- seed crops where the propagation stock is produced for sale as seed stock for other eligible NAP crop production.

Please contact a crop insurance agent if you have questions regarding whether a crop is insurable in your county. For further information on whether a crop is eligible for NAP coverage, please contact your local FSA office.

### Eligible Natural Disasters

An eligible natural disaster is any of the following:

- damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind, or hurricanes;
- an adverse natural occurrence, such as earthquake or flood; or
- a condition related to damaging weather or an adverse natural occurrence, such as excessive heat, disease, or insect infestation.

The natural disaster must occur before or during harvest and must directly affect the eligible crop.

### Applying for Coverage

Eligible producers must apply for coverage of noninsurable crops using Form CCC-471, "Application for Coverage," and pay the applicable service fees at their local FSA office. The application and service fees must be filed by the application closing date as established by the producer's FSA state committee. The service fee is \$100 per crop per county or \$300 per producer per county, not to exceed a total of \$900 per producer with farming interest in multiple counties.

Limited resource producers may request a waiver of service fees. A limited resource producer has:

- an annual gross income not exceeding \$20,000 from all sources (including income from a spouse or other household members) for each of the 2 prior years; or
- less than 25 cropland acres for all crops, where a majority of the producer's annual gross income is derived from farming and this income from all farming operations does not exceed \$20,000.

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#### Coverage Period for NAP

The coverage period for NAP may vary depending on whether the producer grows annual, perennial, or value loss crops.

The coverage period for annual crops begins the later of:

- 30 days after application for coverage and the applicable service fees have been paid, or
- the date the crop is planted, and does not exceed the final planting date.

and ends the earlier of:

- the date the crop harvest is completed;
- the normal harvest date for the crop;
- the date the crop is abandoned; or
- the date the entire crop acreage is destroyed.

The coverage period for perennial crops always begins 30 calendar days after the application closing date and ends the earlier of:

- 10 months from the application closing date;
- the date the crop harvest is completed;
- the normal harvest date for the crop;
- the date the crop is abandoned; or
- the date the entire crop acreage is destroyed.

Please contact your local FSA office for information on the coverage periods for perennial

forage crops, controlled-environment crops, specialty crops, and value loss crops.

#### Information Required to Remain Eligible for NAP

To remain eligible for NAP assistance, the following crop acreage information must be reported annually:

- name of the crop (lettuce, clover, etc.);
- type and variety (head lettuce, red clover, etc.);
- location and acreage of the crop (field, sub-field, etc.);
- share of the crop and the names of other producers with an interest in the crop;
- type of practice used to grow the crop (irrigated or non-irrigated);
- date the crop was planted in each field; and
- intended use of the commodity (fresh, processed, etc.).

It benefits producers to report crop acreage shortly after planting (early in the risk period) to ensure reporting deadlines are not missed and coverage is not lost.

In addition, producers must annually provide the following production information:

- the quantity of all harvested production of the crop in which the producer held an interest during the crop year;
- the disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged, or used differently than intended; and

- verifiable or reliable crop production records (when required).

Producers must provide production information in a manner that can be easily understood by the FSA county committee. Questions regarding acceptable production records should be directed to your local FSA office.

Failure to report acreage and production information may result in reduced or zero NAP assistance. Be aware that acreage reporting and final planting dates vary across the United States. Contact your local FSA office for your local dates.

For aquaculture, floriculture, and ornamental nursery operations, producers must maintain records according to industry standards, including daily crop inventories. Unique reporting requirements apply to beekeepers and producers of Christmas trees, turfgrass sod, maple sap, mushrooms, ginseng, and commercial seed or forage crops. Please contact your local FSA office for these requirements.

#### FSA Usage of Reported Acreage and Production

FSA uses acreage reports to verify the existence of the crop and record the number of acres covered by the application. Also, the acreage report in combination with the production report are used to calculate the approved yield (expected production for a crop year). The approved yield is the average of your actual production history (APH) for a minimum of 4 to a maximum of 10 crop years (5 years for apples and peaches). To calculate your APH,

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FSA divides your total production by your crop acreage.

The approved yield may be calculated by using substantially reduced yield data if you do not report acreage and production, or report less than 4 years of crop production.

#### **Applying for NAP Assistance When a Natural Disaster Strikes**

When a crop or planting is affected by a natural disaster, you must notify your local FSA office by completing Part B, Notice of Loss, on Form CCC-576, Application for Payment, within 15 calendar days of the:

- natural disaster occurrence;
- final planting date, if your planting was prevented by a natural disaster;
- date damage to the crop or loss of production becomes apparent to you; or
- the normal harvest date.

To receive NAP benefits, producers must complete Form CCC-576, Application for Payment, no later than the immediately subsequent crop year acreage reporting date for the crop. The CCC-576 requires producers to provide evidence of production and note whether the crop was marketable, unmarketable, salvaged, or used differently than intended.

#### **Amount of Production Loss to Receive a NAP Payment**

The natural disaster must have either:

- reduced the expected unit production of the crop by more than 50 percent; or
- prevented the producer from planting more than 35 percent of your intended crop acreage.

Expected production is the amount of the crop produced in the absence of a natural disaster. FSA compares expected production to actual production to determine the percentage of crop loss.

#### **Defining a NAP Unit**

The NAP unit includes the specific crop acreage in the county in which the producer has a unique crop interest. A unique crop interest is either:

- 100 percent interest; or
- a shared interest with other producers.

#### **How Much Loss NAP Covers**

NAP covers the amount of loss greater than 50 percent of the expected production, based on the approved yield and reported acreage.

#### **Information FSA Uses to Calculate Payment**

The NAP payment is calculated by unit using:

- Crop acreage;
- approved yield;
- net production;

- 55 percent of an average market price for the specific commodity, established by the FSA state committee;
- a payment factor reflecting the decreasing cost incurred in the production cycle for the crop that is harvested, unharvested, or prevented from being planted.

#### **More Information**

Further information on NAP is available from your local FSA office or on FSA's Web site at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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